

**AGENDA**  
1066<sup>th</sup> MEETING OF THE BOARD OF TRUSTEES  
OF THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT  
MARCH 13TH, 2019

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TIME: 5:00 P.M.  
PLACE: Office of the District, 23187 Connecticut Street, Hayward  
TRUSTEES: Eric Hentschke, President, City of Newark  
Wendi Poulson, Vice-President, City of Alameda  
P. Robert Beatty, Secretary, City of Berkeley  
Cathy Roache, County-at-Large  
Alan Brown, City of Dublin  
Betsy Cooley, City of Emeryville  
George Young, City of Fremont  
Elisa Marquez, City of Hayward  
James N. Doggett, City of Livermore  
Jan O. Washburn, City of Oakland  
Robert Dickinson, City of Piedmont  
Kathy Narum, City of Pleasanton  
Victor Aguilar, City of San Leandro  
Subru Bhat, City of Union City

1. Call to order.
2. Roll call.
3. President Hentschke invites any member of the public to speak at this time on any issue relevant to the District. (Each individual is limited to three minutes).
4. Approval of the minutes of the 1065<sup>th</sup> meeting held February 13<sup>th</sup>, 2019 (**Board action required**)
5. Presentation and approval of the District's Capital Asset Replacement Program by Municipal Resource Group, LLC (MRG) (**Board Action Required**)
6. Second reading of revisions to chapter 200 of ACMAD policy, reserve appendices only (**Board Action Required**)
7. Resolution 1066-1 nominating General Manager, Ryan Clausnitzer, as a CSDA Board of Director candidate (**Board action required**)
8. Report from the Finance Committee regarding the 1st draft of the 2019-20 budget (Information Only)
9. Financial Reports as of February 28<sup>th</sup>, 2019: (Information only).
  - a. Check Register
  - b. Income Statement
  - c. Investments, reserves, and cash report
10. Presentation of the Monthly Staff Report for March 2019 (Information only).
11. Presentation of the Manager's Report for March 2019 (Information only).

- a. Trustee & Staff Anniversaries
- b. Form 700 FFPP Conflict of Interest Report: Narum, Marquez, Dickinson
- c. Training set to expire: AB1825-Dickinson
- d. Remaining Presentations: 3/26-Berkeley, 4/9 Fremont, 4/16-Oakland
- e. Direct Deposit for Trustee per diem
- f. SDLF District of Distinction survey
- g. AMCA Annual Conference Recap

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

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

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

15. Adjournment.

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

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## MINUTES

### 1065<sup>th</sup> MEETING OF THE BOARD OF TRUSTEES OF THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

February 13<sup>th</sup>, 2018

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TIME: 5:00 P.M.  
PLACE: Office of the District, 23187 Connecticut Street, Hayward  
TRUSTEES: Eric Hentschke, President, City of Newark  
Wendi Poulson, Vice-President, City of Alameda  
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James N. Doggett, City of Livermore  
Jan O. Washburn, City of Oakland  
Robert Dickinson, City of Piedmont  
Kathy Narum, City of Pleasanton  
Victor Aguilar, City of San Leandro  
Subru Bhat, City of Union City

1. Board President Hentschke called the regularly scheduled board meeting to order at 5:37 P.M.
2. Trustees Hentschke, Poulson, Roache, Brown, Cooley, Young, Marquez, Washburn, Narum and Aguilar were present. Trustees Beatty, Doggett, Dickinson and Bhat were absent.
3. Board President Hentschke invited members of the public to speak on any issue relevant to the District. Mosquito Control Technician Jeremy Sette was present to record the minutes. David Alvey of Maze & Associates was present to report on the Financial Audit and Memorandum on Internal Controls for Fiscal Year 2017-18. Mechanical Specialist Mark Weiland was present to report on the solar energy and District remodel project. Accounting Associate Michelle Matthes was present to augment the Financial Audit discussion.
4. The General Manager introduced new Board Members Ms. Cathy Roach, representing Alameda County, and Mr. Victor Aguilar representing the City of San Leandro.
5. Approval of minutes of the 1064<sup>th</sup> meeting held January 9<sup>th</sup>, 2019.  
**Motion:** Trustee Narum moved to approve the minutes  
**Second:** Trustee Washburn  
**Vote:** motion carries: unanimous.
6. Presentation of the Financial Audit and Memorandum on Internal Controls for Fiscal Year 2017-18 by Maze & Associates.  
**Discussion:**

David Alvey of Maze & Associates presented the Financial Audit and Memorandum on Internal Controls for Fiscal Year 2017-18 and fielded the following questions. Trustee Narum asked where to find the unfunded pension liability (p40). The General Manager asked if the District's pension stabilization fund will count towards the pension's funding status? (not at this time).

**Motion:** Trustee Narum moved to approve the Financial Audit and Memorandum on Internal Controls for Fiscal Year 2017-18 by Maze & Associates

**Second:** Trustee Aguilar

**Vote:** motion carries: unanimous.

7. Review of bids and awarding of contract for the solar energy project.

**Discussion:**

The General Manager gave a brief background pertaining to bids and contract for the solar energy project. Mechanical Specialist Mark Weiland presented the review of bids and awarding of contract to Solar Technologies for the solar energy project and fielded the following questions. Trustee Narum asked if this company is reputable and have references? (yes, yes). Trustee Washburn agreed that this company was the best choice.

**Motion:** Trustee Washburn moved to approve contract for the solar energy project

**Second:** Trustee Aguilar

**Vote:** motion carries: unanimous.

8. Review of bids and awarding of contract for the District remodel project.

**Discussion:**

The General Manager and Mechanical Specialist Mark Weiland gave a review of bids and awarding of contract to JCR Custom/ Paul Builders for the District remodel project and fielded the following questions. Trustee Narum asked for clarification regarding the California Building Structure's bid (it did not follow the bid requirements).

**Motion:** Trustee Narum moved to approve the awarding of the District remodel project to JCR Custom/ Paul Builders

**Second:** Trustee Marquez

**Vote:** motion carries: unanimous.

9. Closed session – Conference of Labor Negotiators Pursuant to Government Code 54957.6. Under Negotiation – Terms and Conditions of Employment

**Discussion:**

Accounting Associate Michelle Matthes passed out forms for direct deposit for Trustee payment before closed session. The Board went in to closed session. The Board came out of closed session and voted to recommend a 3.5% salary increase with 0.5% contributed to Calpers 457 Deferred Compensation for the first year of the 3-year MOU contract and 4% salary increase for each of the subsequent two years.

**Motion:** Trustee Washburn moved to approved recommendation of a 3.5% salary increase with 0.5% contributed to Calpers 457 Deferred Compensation for the first year of MOU contract and 4% salary increase for each of the subsequent two years.

**Second:** Trustee Marquez

**Vote:** motion carries: unanimous

10. Report from the Finance Committee regarding OPEB trust allocation and policy changes

**Discussion:**

Trustee Narum, representing the Finance Committee, reported on the OPEB trust allocation and policy changes which include lessening the amount invested in stocks to 50% max in investment policy.

**Motion:** Trustee Cooley moved to approve the changes in the OPEN investment policy

**Second:** Trustee Aguilar

**Vote:** motion carries: unanimous

11. District reserve policy proposed revisions to appendices  
**Discussion:** The General Manager presented the reserve policy proposed revisions to appendices and fielded the following discussion. Trustee Cooley asked if putting only 50% of the annual funding needs will cause our OPEB fund to be depleted (Trustee Narum answered that the Finance Committee had discussed this option that the fund is fully funded, and this policy will ensure that the fund is safe and will not fall below 80% during future Board discussions). The General Manager reminded the Board that this is only the first reading. Trustee Aguilar asked if target level for OPEB will be revisited in two years (yes, based on the actuarial report). Trustee Narum recognized that Trustees should pay attention to the OPEB especially since it will now be placed on the balance sheet.
12. The President's Award Plaque was presented to Past Board President Elisa Marquez by President Eric Hentschke and the General Manager. The General Manager and the Board expressed their gratitude to Trustee Marquez for her dedication and hard work while serving as Board President.
13. Presentation of the Financial Reports as of January 31<sup>st</sup>, 2019.  
**Discussion:**  
The General Manager presented the Financial Reports as of January 31<sup>st</sup>, 2019 and fielded the following discussion. Trustee Narum commented on the positive health of the district's finances, specifically its cash flow.
14. Presentation of the Monthly Staff Report for January 2019.  
**Discussion:**  
The General Manager presented the Monthly Staff Report for January 2019.
15. Presentation of the Manager's Report for January 2019.  
**Discussion:**  
The General Manager presented the Manager's Report for January 2019 and fielded the following discussion. Trustee Washburn attended the MVCAC Annual Conference and commented on the high quality of the conference and how it has only gotten better over the years. Trustee Washburn also commended the District's employee's presence at the conference as well giving excellent talks and poster presentations, especially noting the significance of the KDR resistance testing poster. Trustee Washburn asked when the upcoming Oakland City Council meeting will start (around 7pm). The General Manager noted and thanked Jeremy Sette for his participation in the Union City council meeting. Trustee Narum added that Information Technology Director Robert Ferdan attended the Pleasanton City Council meeting. Trustee Marquez asked how many trustees need to participate in the SDLF training (a quorum). Trustee Washburn asked what the time frame is to finish the SDLF training (at least 6 months). Trustee Marquez suggested having the training happen on an afternoon where Board members could take a half day off work or a Saturday.
16. Board President Hentschke asked for reports on conferences and seminars attended by Trustees. Trustee Washburn addressed his attendance to the MVCAC.
17. Board President Hentschke asked for announcements from the Board. The General Manager apologized for omitting item 10b from the printed packet (it was in electronic version sent through email and posted online).
18. Board President Hentschke asked trustees for items to be added to the agenda for the next Board meeting. None.

19. The meeting adjourned at 6:56 P.M.

**Respectfully submitted,**

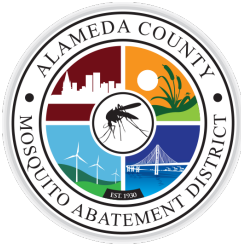
Approved as written and/or corrected  
at the 1066<sup>nd</sup> meeting of the Board of  
Trustees held March 13<sup>th</sup>, 2019

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Eric Hentschke, President  
BOARD OF TRUSTEES

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P. Robert Beatty, Secretary  
BOARD OF TRUSTEES



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## Board of Trustees

### *President*

Eric Hentschke

### **Newark**

### *Vice-President*

Wendi Poulson

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### *Secretary*

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### **Berkeley**

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### **Emeryville**

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Elisa Marquez

### **Hayward**

James N. Doggett

### **Livermore**

Jan O. Washburn

### **Oakland**

Robert Dickinson

### **Piedmont**

Kathy Narum

### **Pleasanton**

Victor Aguilar

### **San Leandro**

Subru Bhat

### **Union City**

### **Ryan Clausnitzer**

*General Manager*

## Agenda item: 1066.x

### Capital Asset Replacement Program Analysis and Report:

#### Background:

The District commissioned Municipal Resource Group, LLC to create this report at its December 2018 Board meeting. The purpose of this program is to evaluate the capital assets of the District (assets costing over \$5,000) and to recommend funding strategies towards managing these assets over a 20-year period. This report also provides the instructions needed to continue this replacement program past the 20-year funding period through semi-annual, annual, and 5-year updates to the program. Recommendations from this report are also incorporated into the District's financial reserve policies, which will be discussed on a separate agenda item.

#### Recommendation:

Approve and adopt the report as presented

#### **Attachments:**

- 1. Capital Asset Replacement Program Analysis and Report**

# ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

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## Capital Asset Replacement Program Analysis and Report



*Prepared by*

**Mike Bakaldin  
Jack Dilles  
Mike Oliver**

**Municipal Resource Group, LLC**

March 2019



**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT  
DRAFT CAPITAL ASSET REPLACEMENT PROGRAM ANALYSIS AND REPORT**

**PURPOSE OF THE PROJECT**

The Alameda County Mosquito Abatement District (District) owns a variety of capital assets, including buildings, vehicles, water craft, machinery and equipment. The District is in a position where it has the financial capacity to set aside sufficient cash over the next few years to finance the replacement of its major capital assets for the next 20 years.

The District's services are capital asset-dependent. The District owns more than 70 capital assets, all of which will eventually need to be replaced. Municipal Resource Group, LLC (MRG) was retained by the District to prepare this Capital Asset Replacement Program Analysis and Report (Report), which identifies the District's ongoing capital asset replacement requirements and proposes capital asset replacement funding strategies.

This Report includes a Capital Asset Replacement Schedule that identifies (i) a list of existing capital assets that will be replaced; (ii) the estimated useful life of each capital asset; and (iii) the estimated current and future replacement cost of each capital asset.

The Capital Asset Replacement Schedule forms the basis for the Report's Capital Asset Funding Strategies, with each strategy projecting costs over the next 20 years. MRG first performed a Pay-As-You-Go analysis to determine annual budget requirements as part of an Annual Budget Strategy. MRG then performed a Net Present Value Analysis to determine the amount of money required to be reserved now to pay for the eventual replacement of existing capital assets as part of a Reserve Fund Strategy.

The Report also includes a Cash Flow Analysis to ensure that adequate funds would be available on an annual basis to pay for the replacement of existing capital assets under the Net Present Value Analysis/Reserve Fund Strategy, including scenarios where the net present value cost is funded over one year, three years or four years.

**I. PROJECT METHODOLOGY**

MRG worked collaboratively with District staff in conducting the analysis and in preparing this Report. The Project Methodology included the following steps, tasks, analyses and deliverables:

1. MRG consultants met with key District staff to confirm the project objectives and discuss the project tasks, timelines and deliverables. MRG received a preliminary list of District assets, including year of purchase and purchase price for each asset.
2. MRG conducted a second site visit, during which specific assets were visually confirmed. MRG met with District staff to discuss capital assets that would be

replaced, and proposed methodologies for determining useful lives and replacement costs.

3. Working with District staff, MRG prepared a Capital Asset Replacement Schedule, identifying for each capital asset the year it was placed in service, as well as its useful life, original cost and current replacement cost. A list of existing capital assets that are not planned to be replaced was also prepared. District staff provided input on all assumptions and data.
4. MRG prepared a Draft Capital Asset Replacement Program Analysis and Report for consideration by District staff.

## **II. CAPITAL ASSET REPLACEMENT SCHEDULE**

The District's capital assets include major building systems, vehicles, shop equipment, fish equipment, and lab equipment. Several non-capital assets were included in the schedule and analysis at the request of the District, because even though these items do not qualify as capital assets, the District has an ongoing need to finance periodic replacement of these costly items.

A Capital Asset Replacement Schedule has been prepared (**Exhibit A**), which includes approximately 70 separate capital assets, each with a current replacement cost in excess of five thousand dollars. Existing capital assets that will not be replaced and assets with a replacement cost of less than five thousand dollars are not included in the Capital Asset Replacement Schedule.

The Capital Asset Replacement Schedule provides the following information:

*Year Purchased/In Service* – the year in which the capital asset was either purchased or placed into service by the District.

*Asset Description* – a brief description and/or the brand/model of the capital asset.

*Service Life* – the estimated *useful* life of the capital asset. Useful lives range from five years for certain equipment to 40 years for parking lot concrete pavement.

*Original Acquisition Cost* – the *cost*, according to the District's financial records, of the capital asset when it was purchased.

*Current Replacement Cost* – the *estimated* cost to replace the capital asset in 2019.

*Replacement Cost Source* – the *methodology* or the source of information used to estimate the current (2019) replacement cost of the capital asset. Several methods and/or sources were used to estimate current replacement cost:

*Cost + ENR-BCI* – for major building systems, the analysis uses the original cost and adjusts that cost by the Engineering News Record – 20 City Average Building Construction Cost Index (ENR-BCI) from the date the capital asset was placed into service to 2019. The ENR-BCI is a commonly used index that tracks the average cost of construction. The ENR-BCI annual average over the past 20 years is 2.92%.

*Cost + CPI* – for some capital assets, the analysis uses the original cost and adjusts that cost by a Consumer Price Index (CPI) factor. The analysis applies a 2.79% annual CPI factor from the date the capital asset was purchased to 2019, consistent with the Consumer Price Index – All Urban Consumers – San Francisco-Oakland-San Jose, which has averaged 2.79% annually over the past 20 years.

*Brand Names* – MRG and/or District staff researched supplier and trade industry costs for some of the capital assets. For example, brand name assets such as “Alco HVAC,” “John Deere,” “Mar-Len,” “Fisher Scientific” and other brands were researched to determine actual current prices (including sales tax).

*District* – replacement cost is based on District staff’s experience in acquiring capital assets.

*MRG* – replacement cost is based on MRG’s experience in conducting similar analyses.

**A. Assets Not Included in the Capital Asset Replacement Schedule**

The District has a “capitalization” standard of five thousand dollars, meaning that any asset purchase in an amount less than five thousand dollars is “expensed” and not carried in the District’s financial statements as an asset. The Capital Asset Replacement Schedule does not include existing assets with a current replacement cost of less than five thousand dollars.

District staff identified certain capital assets that will not be replaced, because of obsolescence or for other reasons. These capital assets are also not included in the Capital Asset Replacement Schedule.

When the District purchases a new vehicle, the older vehicle it has replaced is sometimes placed in a fleet “pool” and is used by staff as a back-up vehicle, until it is eventually disposed of at auction in accordance with surplus property procedures. These pool vehicles are not subsequently replaced, and are not included in the Capital Asset Replacement Schedule.

While major building systems that will require eventual replacement are included in the Capital Asset Replacement Schedule (such as roofs and HVAC systems), complete

replacement of the District’s permanent buildings is not included in the Capital Asset Replacement Schedule, for several reasons. First, assets that “depreciate” are typically included in a replacement schedule; buildings do not necessarily depreciate over time, and may in fact appreciate in value. Second, if District facilities were to be relocated to another location in the future, there would be significant resale value attributable to the existing buildings and facilities, the value of which is not known at this time. Third, purchase or construction of any future replacement buildings would likely be financed by bond proceeds, with debt service payments made in the years following the purchase or construction of the new facilities, rather than reserved in advance. Fourth, the analysis in this Report is based on a 20-year period, and the District’s relatively new buildings and facilities will not likely be replaced within that time frame.

**Exhibit B** lists the five existing capital assets that have been excluded from the Capital Asset Replacement Schedule for the reasons identified above.

### **III. CAPITAL ASSET FUNDING STRATEGIES**

The Capital Asset Replacement Schedule forms the basis of this Report’s analysis for the Capital Asset Funding Strategies. There are two primary Capital Asset Funding Strategies presented below.

#### **A. Pay-As-You-Go Analysis/Annual Budget Strategy**

The Pay-As-You-Go Analysis estimates the cost of replacing each existing capital asset in the year in which it is expected to be replaced (when the useful life expires). The cost in the replacement year is “inflation-adjusted” by one of the two following factors:

1. For major building systems, the replacement cost in the year in which the asset is expected to be replaced is based on the current replacement cost adjusted by an average annual 2.92% ENR-BCI factor from 2019 to the expected replacement year. For example, a capital asset with a current (2019) replacement cost of \$100,000 that is scheduled to be replaced in 2020 would have a 2020 replacement cost of \$103,000 (all replacement costs are rounded).
2. For equipment, vehicles and other purchased assets, the replacement cost in the year in which the asset is expected to be replaced is based on the current (2019) replacement cost, adjusted by an average annual 2.79% CPI factor from 2019 to the replacement year.

**Exhibit C** provides the Pay-As-You-Go Analysis. It provides the inflation-adjusted replacement cost for all District-owned capital assets, with 2019 as the base year replacement cost and continuing from 2020 through 2039, a 20-year period. All existing capital assets will be replaced at least once during the 20-year period, except for the parking lot concrete pavement and two 800 gallon fish tanks, which are scheduled to be replaced

after the 20-year period. Assets with relatively short useful lives may be replaced more than once during the 20-year period.

Exhibit C can be used as an Annual Budget Strategy tool, in that it estimates the amount in inflation-adjusted dollars required in any given year to replace capital assets that have reached the end of their useful lives.

The Pay-As-You-Go Analysis/Annual Budget Strategy indicates that the annual replacement cost (in inflation-adjusted dollars) would range from \$66,000 in 2028 to \$487,000 in 2035. Exhibit C identifies the replacement cost for each capital asset from 2019 through 2039. **Table IV-1**, below, provides a summary of the Annual Budget Strategy requirements in inflation-adjusted dollars.

**Table IV-1: Annual Budget Strategy Requirements, Inflation-Adjusted Dollars**

Year	Capital Budget Requirement
2019	\$74,000
2020	\$386,000
2021	\$185,000
2022	\$313,000
2023	\$83,000
2024	\$164,000
2025	\$440,000
2026	\$241,000
2027	\$407,000
2028	\$66,000
2029	\$219,000
2030	\$95,000
2031	\$205,000
2032	\$411,000
2033	\$97,000
2034	\$378,000
2035	\$487,000
2036	\$215,000
2037	\$404,000
2038	\$482,000
2039	\$251,000

It is noted that any new capital assets added to the District's inventory in future years would need to be added to the Capital Asset Replacement Schedule, and the Pay-As-You-Go Analysis would need to be rerun at regular intervals.

#### **B. Net Present Value Analysis/Reserve Fund Strategy**

The District is in a position where it has the financial capacity to set aside sufficient cash over the next few years to finance the replacement of its major capital assets for the next 20 years.

The Net Present Value Analysis estimates the amount of money that would need to be set aside in a reserve fund in 2019, which if invested at a given interest rate (also known as a discount rate) would provide sufficient funding to pay for the inflation-adjusted cost of replacing all current capital assets over the 20-year period.

The Net Present Value Analysis assumes that money in a reserve fund would accrue interest income at an annual interest rate of 2.26%, which has been the average annual California State Treasurer Local Agency Investment Fund (LAIF) interest rate over the past 20 years. A lower interest rate (discount rate) would result in a higher net present value and a higher amount required to be set aside in 2019 to fully fund the replacement of all existing capital assets. Similarly, a higher interest rate (discount rate) would result in a lower net present value and a lower amount required to be set aside in 2019 to fully fund the replacement of all existing capital assets.

**Table IV-2**, below, provides the Net Present Value Analysis. Based on the Capital Asset Replacement Schedule and an assumed interest rate/discount rate of 2.26%, the District would need to set aside \$4,319,711 in a reserve fund in 2019, which would be invested and would accrue interest at an annual rate of 2.26% over the 20-year period to provide sufficient funding for the replacement of the District’s existing capital assets.

**Table IV-2: Net Present Value Analysis, Inflation-Adjusted Dollars, 2.26% Discount Rate**

Year	Inflation-Adjusted Expense
2019	\$74,000
2020	\$386,000
2021	\$185,000
2022	\$313,000
2023	\$83,000
2024	\$164,000
2025	\$440,000
2026	\$241,000
2027	\$407,000
2028	\$66,000
2029	\$219,000
2030	\$95,000
2031	\$205,000
2032	\$411,000
2033	\$97,000
2034	\$378,000
2035	\$487,000
2036	\$215,000
2037	\$404,000
2038	\$482,000
2039	\$251,000
Net Present Value <sup>1</sup>	\$4,319,711

<sup>1</sup>The Net Present Value Discount Rate of 2.26% is based on the average quarterly Local Agency Investment Fund interest rate as reported by the California State Treasurer over the past 20 years.

If the District chose to fund the net present value over three years, it could do so by making annual deposits of \$1,472,000 into the Capital Replacement Fund in the years 2019, 2020 and 2021.

Alternatively, if the District chose to fund the net present value over four years, it could do so by making annual deposits of \$1,116,000 into the Capital Replacement Fund in the years 2019, 2020, 2021 and 2022.

It is noted that any new capital assets that are added to the District's inventory in the future would need to be added to the Capital Asset Replacement Schedule, and the Net Present Value Analysis/Reserve Fund Strategy would need to be rerun at regular intervals.

### C. Cash Flow Analysis

The Cash Flow Analysis is based on the Net Present Value Analysis. It provides the annual flow of funds in the Capital Replacement Fund, under three different scenarios. Under the three scenarios, initial capital replacement reserve deposits over one, three, or four years are assumed, plus 2.26% annual interest on the fund balance over 20 years, less capital asset expenditures over 20 years, resulting in a \$0 Capital Replacement Fund balance at the end of 20 years. The Cash Flow Analysis is provided to confirm that annual funding is adequate for the replacement of the existing capital assets under the Net Present Value/Reserve Fund Strategy, based on the assumptions described in this Report. However, it is noted that the analysis is interest rate sensitive. While the interest rates have averaged 2.26% over the past 20 years, the rates fluctuate over time. If interest rates trend low for an extended period of time or do not achieve the long-term 2.26% average, the initial Capital Reserve Fund deposits will not be sufficient to fully fund the replacement of all capital assets.

Under the first scenario, as presented in **Table IV-3**, below, the District would make a one-time deposit of \$4,319,711, to the Capital Replacement Fund in 2019, using approximately \$500,000 in funds from the Repair and Replacement Fund and from other available funds.

**Table IV-3: Scenario 1: Cash Flow Analysis/Capital Reserve Fund  
Using a One-Time Cash Deposit of \$4,319,711**

Year	Beginning Fund Balance	Plus: Interest Income (2.26%)	Less: Capital Expense	Ending Fund Balance
2019	\$4,319,711	\$97,625	(\$74,000)	\$4,343,336
2020	\$4,343,336	\$98,159	(\$386,000)	\$4,055,495
2021	\$4,055,495	\$91,654	(\$185,000)	\$3,962,150
2022	\$3,962,150	\$89,545	(\$313,000)	\$3,738,694
2023	\$3,738,694	\$84,494	(\$83,000)	\$3,740,189
2024	\$3,740,189	\$84,528	(\$164,000)	\$3,660,717
2025	\$3,660,717	\$82,732	(\$440,000)	\$3,303,449
2026	\$3,303,449	\$74,658	(\$241,000)	\$3,137,107
2027	\$3,137,107	\$70,899	(\$407,000)	\$2,801,006
2028	\$2,801,006	\$63,303	(\$66,000)	\$2,798,308
2029	\$2,798,308	\$63,242	(\$219,000)	\$2,642,550
2030	\$2,642,550	\$59,722	(\$95,000)	\$2,607,272

Year	Beginning Fund Balance	Plus: Interest Income (2.26%)	Less: Capital Expense	Ending Fund Balance
2031	\$2,607,272	\$58,924	(\$205,000)	\$2,461,196
2032	\$2,461,196	\$55,623	(\$411,000)	\$2,105,819
2033	\$2,105,819	\$47,592	(\$97,000)	\$2,056,411
2034	\$2,056,411	\$46,475	(\$378,000)	\$1,724,886
2035	\$1,724,886	\$38,982	(\$487,000)	\$1,276,868
2036	\$1,276,868	\$28,857	(\$215,000)	\$1,090,725
2037	\$1,090,725	\$24,650	(\$404,000)	\$711,376
2038	\$711,376	\$16,077	(\$482,000)	\$245,453
2039	\$245,453	\$5,547	(\$251,000)	\$ - 0 -

Under the second scenario, as presented in **Table IV-4**, below, the District would make annual deposits of \$1,472,000 in 2019, 2020 and 2021 into the Capital Replacement Fund, using approximately \$500,000 in funds available from the Repair and Replacement Fund and other available funds.

**Table IV-4: Scenario 2: Cash Flow Analysis/Capital Reserve Fund Using Three Annual Deposits**

Year	Beginning Fund Balance	Deposits	Plus: Interest Income (2.26%)	Less: Capital Expense	Ending Fund Balance
2019	\$ - 0 -	\$1,472,000	\$33,267	(\$74,000)	\$1,431,267
2020	\$1,431,267	\$1,472,000	\$65,614	(\$386,000)	\$2,582,881
2021	\$2,582,881	\$1,472,615	\$91,654	(\$185,000)	\$3,962,150
2022	\$3,962,150		\$89,545	(\$313,000)	\$3,738,695
2023	\$3,738,695		\$84,495	(\$83,000)	\$3,740,189
2024	\$3,740,189		\$84,528	(\$164,000)	\$3,660,718
2025	\$3,660,718		\$82,732	(\$440,000)	\$3,303,450
2026	\$3,303,450		\$74,658	(\$241,000)	\$3,137,108
2027	\$3,137,108		\$70,899	(\$407,000)	\$2,801,006
2028	\$2,801,006		\$63,303	(\$66,000)	\$2,798,309
2029	\$2,798,309		\$63,242	(\$219,000)	\$2,642,551
2030	\$2,642,551		\$59,722	(\$95,000)	\$2,607,273
2031	\$2,607,273		\$58,924	(\$205,000)	\$2,461,197
2032	\$2,461,197		\$55,623	(\$411,000)	\$2,105,820
2033	\$2,105,820		\$47,592	(\$97,000)	\$2,056,412
2034	\$2,056,412		\$46,475	(\$378,000)	\$1,724,886
2035	\$1,724,886		\$38,982	(\$487,000)	\$1,276,869
2036	\$1,276,869		\$28,857	(\$215,000)	\$1,090,726
2037	\$1,090,726		\$24,650	(\$404,000)	\$711,377
2038	\$711,377		\$16,077	(\$482,000)	\$245,454
2039	\$245,454		\$5,547	(\$251,000)	\$ 1

Under the third scenario, as presented in **Table IV-5**, below, the District would make annual deposits of approximately \$1,116,000 in 2019, 2020, 2021 and 2022 into the Capital Replacement Fund, using approximately \$500,000 in funds available from the Repair and Replacement Fund and other available funds.



**Table IV-5: Scenario 3: Cash Flow Analysis/Capital Reserve Fund  
Using Four Annual Deposits**

Year	Beginning Fund Balance	Deposits	Plus: Interest Income (2.26%)	Less: Capital Expense	Ending Fund Balance
2019	\$ - 0 -	\$1,116,000	\$25,222	(\$74,000)	\$1,067,222
2020	\$1,067,222	\$1,116,000	\$49,341	(\$386,000)	\$1,846,562
2021	\$1,846,562	\$1,116,807	\$66,972	(\$185,000)	\$2,845,342
2022	\$2,845,342	\$1,116,808	\$89,545	(\$313,000)	\$3,738,694
2023	\$3,738,694		\$84,494	(\$83,000)	\$3,740,189
2024	\$3,740,189		\$84,528	(\$164,000)	\$3,660,717
2025	\$3,660,717		\$82,732	(\$440,000)	\$3,303,449
2026	\$3,303,449		\$74,658	(\$241,000)	\$3,137,107
2027	\$3,137,107		\$70,899	(\$407,000)	\$2,801,006
2028	\$2,801,006		\$63,303	(\$66,000)	\$2,798,308
2029	\$2,798,308		\$63,242	(\$219,000)	\$2,642,550
2030	\$2,642,550		\$59,722	(\$95,000)	\$2,607,272
2031	\$2,607,272		\$58,924	(\$205,000)	\$2,461,196
2032	\$2,461,196		\$55,623	(\$411,000)	\$2,105,819
2033	\$2,105,819		\$47,592	(\$97,000)	\$2,056,411
2034	\$2,056,411		\$46,475	(\$378,000)	\$1,724,886
2035	\$1,724,886		\$38,982	(\$487,000)	\$1,276,868
2036	\$1,276,868		\$28,857	(\$215,000)	\$1,090,725
2037	\$1,090,725		\$24,650	(\$404,000)	\$711,376
2038	\$711,376		\$16,077	(\$482,000)	\$245,453
2039	\$245,453		\$5,547	(\$251,000)	\$ - 0 -

**IV. SUMMARY, RECOMMENDATIONS AND CONCLUSION****A. Summary**

This Capital Asset Replacement Program Analysis and Report provides a current Capital Asset Replacement Schedule and strategies to fund the replacement of the District's existing capital assets over the next 20 years.

The Pay-As-You-Go/Annual Budget Strategy provides the estimated annual inflation-adjusted amount the District would need to budget each year to replace existing capital assets. The range of inflation-adjusted budget requirements over a 20-year period ranges from \$66,000 in 2028 to \$487,000 in 2035.

The Net Present Value/Reserve Fund Strategy calculates the amount that would need to be set aside today, to be invested and accruing interest at an average of 2.26%, to fund the eventual replacement of all of the District's existing capital assets over the next 20 years should the District decide to fund the entire amount at one time. The Net Present Value/Reserve Fund Strategy amount that should be set aside in the Capital Replacement fund is \$4,319,711.

The Cash Flow Analysis, based on the Net Present Value/Reserve Fund Strategy, demonstrates that adequate funding would be available, assuming that a deposit of

\$4,319,711 is made into the Capital Replacement Fund, with interest accruing on that deposit at 2.26% annually, and that capital assets are replaced at the replacement costs and in the replacement years identified in this Report. The Cash Flow Analysis also shows that adequate funding would be available if, instead, annual deposits of \$1,472,000 were made in the years 2019, 2020 and 2021, or if annual payments of \$1,116,000 were made in the years 2019, 2020, 2021 and 2022.

There are several variables and scenarios under which these analyses and strategies would need to be updated and revised. These would include, at a minimum:

- Capital assets are not replaced based on the Capital Asset Replacement Schedule;
- Capital assets are replaced at inflation-adjusted costs that differ from this Report's estimated capital asset replacement costs;
- Additional capital assets not currently on the Capital Asset Replacement Schedule are acquired and replaced; or
- Interest rates remain low for an extended period of time and do not increase reasonably early in the 20-year period to achieve the long-term 2.26% average.

Therefore, as the District replaces existing capital assets or acquires new capital assets, it should update the Capital Asset Replacement Schedule. In addition, the District should periodically review and update the Pay-As-You-Go and Net Present Value Analyses to ensure that adequate funds are being set aside for capital asset replacement.

## **B. Recommendations**

**Recommendation 1: MRG recommends the Net Present Value/Reserve Fund Strategy with payments over either three or four years. This would require either annual deposits of \$1,472,000 in years 2019, 2020 and 2021; or annual deposits of \$1,116,000 in years 2019, 2020, 2021 and 2022.**

The District has previously and prudently established a Capital Repair and Replacement Fund. In addition, the District has other reserves, and currently has a significant positive operating margin that could be used to fund the Capital Replacement Fund. MRG does not recommend the Pay-As-You-Go/Annual Budget Strategy, since it would require an uneven annual budgetary commitment, ranging from \$66,000 in 2028 to \$487,000 in 2035 in inflation-adjusted dollars. MRG also does not recommend the Net Present Value/Reserve Fund Strategy with an up-front one-time deposit of \$4,319,711 in 2019, because it appears that insufficient funds are available at this time.

**Recommendation 2: MRG recommends that the District update the Capital Asset Replacement Schedule as it acquires new assets or replaces existing assets.**

Maintaining an accurate and up-to-date Capital Asset Replacement Schedule will make future analyses much simpler to perform. MRG will provide instructions, separate from this

Report, to assist the District in establishing a system for updating the Capital Asset Replacement Schedule.

**Recommendation 3: MRG recommends that the District update the Pay-As-You-Go and Net Present Value Analyses at approximately five-year intervals to ensure that adequate funds are being set aside for capital asset replacement.**

Regular updates to the Pay-As-You-Go and Net Present Value Analyses will ensure that the District can adjust its funding needs as new assets are acquired, existing assets are replaced, economic conditions evolve, and asset replacements outside the initial 20-year period come due. MRG will provide instructions, separate from this Report, to assist the District in establishing a system for updating the analyses.

### **C. Conclusion**

Implementation of the recommended approach to funding the Net Present Value/Reserve Fund Strategy on a three- or four-year basis, with periodic reviews, will ensure adequate funds are available to replace the items currently listed on the Capital Asset Replacement Schedule. It is important to note that as both new and replacement items are added to the list there will be a need for the District to begin to add funds to the Reserve Fund to make certain there is adequate funding for their replacement.

A five-year review and replacement fund analysis will ensure the District identifies the future replacement costs for the new and replacement items. MRG is available to assist the District in creating a review schedule and protocol to make certain the Capital Asset Replacement Schedule is maintained adequately to meet the District's future needs.

# **ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT**

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## **Capital Asset Replacement Program Analysis and Report**

### **Exhibits**

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
<b>BUILDING MAJOR SYSTEMS</b>					
2005	HVAC (small)	20	n/a	\$8,000	ALCO HVAC
2005	HVAC (small)	20	n/a	\$8,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC
2005	HVAC (large)	20	n/a	\$10,000	ALCO HVAC
2009	Electric Gate	20	\$10,275	\$14,000	Cost + ENR-BCI
2011	Roof Gutter System	15	\$17,075	\$21,000	Cost + ENR-BCI
2015	Parking Lot Asphalt Pavement	20	\$77,668	\$87,000	Cost + ENR-BCI
2005	Parking Lot Concrete Pavement (5,200 s. f.)	40	n/a	\$104,000	MRG
2015	Roof - Shop	20	\$50,608	\$57,000	Cost + ENR-BCI
2018	Roof - Office	20	\$107,000	\$133,000	District
1990	Public Ed Shed	35	n/a	\$8,000	MRG
1985	Wash Rack - Pad and Separator	40	\$8,000	\$50,000	Hydro Tech/MRG
1985	Parking Structure Roof (6,400 s.f.)	35	n/a	\$96,000	MRG

Future Cost Based on Current Cost Plus 2.92% Annual ENR-BCI

Alameda County Mosquito Abatement District  
Capital Asset Replacement Schedule

Exhibit A

Municipal Resource Group LLC  
February 2019

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
	<b>VEHICLES</b>				
2003	2003 Ford E-150 Cargo Van 4X2	20	\$27,070	\$42,000	Cost + CPI
2005	2005 Jeep Wrangler 4X4 RHD (White)	20	\$30,140	\$44,000	Cost + CPI
2005	2005 Jeep Wrangler 4X4 RHD (Red)	20	\$30,140	\$44,000	Cost + CPI
2019	2008 Ford Ranger 4DR 4X4	10	\$22,530	\$37,000	District
2009	2009 Ford F-150 4X4	12	\$29,495	\$39,000	Cost + CPI
2019	2009 Ford Ranger 4DR 4X2	10	\$29,225	\$37,000	District
2011	2011 Ford Ranger 4DR 4X4	10	\$22,899	\$37,000	District
2011	2011 Ford F-150 4X4	12	\$29,582	\$37,000	Cost + CPI
2011	2011 Ford Ranger 4DR 4X2	10	\$22,899	\$37,000	District
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI
2014	2013 Jeep Wrangler 4X4 RHD	20	\$34,909	\$40,000	Cost + CPI
2014	2014 Ford F-150 4X4 XTRA Cab	12	\$30,783	\$35,000	Cost + CPI
2014	2014 Ford F-150 4X4 XTRA Cab	12	\$26,783	\$31,000	Cost + CPI
2014	2014 Ford Fusion Hybrid	12	\$28,146	\$32,000	Cost + CPI
2015	2014 Ford F-150 4X2 Long Bed	12	\$26,984	\$30,000	Cost + CPI
2015	2015 Nissan Frontier 4X4 XTRA Cab	12	\$26,690	\$30,000	Cost + CPI
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000	Cost + CPI
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000	Cost + CPI
2018	2018 GMC Canyon 4X4	12	\$37,910	\$39,000	Cost + CPI
2011	Argo All-Terrain	10	\$28,519	\$30,000	Argo Advent.
2012	Argo All-Terrain	10	\$23,949	\$30,000	Argo Advent.
2014	Argo All-Terrain	10	\$27,428	\$30,000	Argo Advent.
2015	Argo All-Terrain	10	\$27,687	\$30,000	Argo Advent.

Future Cost Based on Current Cost Plus 2.79% Annual CPI

Alameda County Mosquito Abatement District  
Capital Asset Replacement Schedule

Exhibit A

Municipal Resource Group LLC  
February 2019

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
	<b>SHOP EQUIPMENT</b>				
2016	Mar-Len, Pressure Water System	5	\$6,875	\$8,000	Mar-Len Supply
2000	Vehicle Lift	25	\$10,000	\$15,000	Ferris Hoist
2000	Tire Balancer	25	n/a	\$5,000	District
2000	Tire Changer	25	n/a	\$5,000	District
2000	Two Ton Crane Hoist	25	\$5,000	\$8,000	Ferris Hoist
1991	Oil Tank (BVA) and Slab	35	n/a	\$50,000	District/MRG
2005	Mozzie Electric ULV	15	\$8,000	\$15,000	Leading Edge
1985	Leco Gas ULV/Larvicidal Rig	35	\$7,000	\$15,000	Leading Edge
2018	London Fogger	10	\$17,000	\$17,000	District

Future Cost Based on Current Cost Plus 2.79% Annual CPI

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
<b>FISH EQUIPMENT</b>					
1990	Fish Tank (2,400 gal)***	35	n/a	\$24,000	Sac. Koi
2002	Filtration (large)	20	n/a	\$12,000	Sac. Koi
2015	Fish Tank, Sac. Koi (800 gal)	25	\$10,827	\$12,000	Sac. Koi
2015	Filtration (small)	10	\$7,000	\$8,000	Sac. Koi
2016	Fish Tank, Sac. Koi (800 gal)	25	\$10,469	\$12,000	Sac. Koi
<b>LAB EQUIPMENT</b>					
2015	Microscope	10	\$6,267	\$23,000	Fisher Scientbtific
2015	Microscope	10	\$6,267	\$23,000	Fisher Scientbtific
2015	Lifetech PCR Machine	5	\$33,978	\$31,000	Fisher Scientbtific
2015	Incubator	8	n/a	\$11,000	Fisher Scientbtific
2016	Lifetech Nucleic Acid Isolator	5	\$24,511	\$25,000	Fisher Scientbtific
2016	Bio Tek Spec Plate Reader	8	\$8,828	\$11,000	Fisher Scientbtific
2018	Autoclave	10	\$7,493	\$7,000	District
2018	Minus 80 Freezer	8	\$17,720	\$17,000	District
2018	Drone	5	\$26,820	\$27,000	District
<b>NON-CAPITAL ASSETS</b>					
2017	Mosquito District Database	5	\$233,000	\$246,000	Cost + CPI
2005	Painting - Exterior Main Building	15	n/a	\$25,000	Shine Painting/MRG
2005	Painting - Interior Main Building	15	n/a	\$15,000	Shine Painting/MRG
2005	Painting - Parking Structure	15	n/a	\$15,000	Shine Painting/MRG
2005	Flooring - Main Building (7,200 s. f.)	15	n/a	\$108,000	MRG
2000	Landscaping	20	n/a	\$15,000	MRG

\*\*\* Fish Tank (2,400 gal) will be replaced by two Fish Tanks (800 gal) according to District



Alameda County Mosquito Abatement District  
 Assets Not Included in Asset Replacement Schedule

Exhibit B

Municipal Resource Group LLC  
 February 2019

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	REASON
1985/2005 2018 Unknown	<u>BUILDINGS</u> Main Building Pesticide Shed Parking Structures	buildings excluded by policy buildings excluded by policy buildings excluded by policy
2014	<u>BUILDING MAJOR SYSTEMS</u> CCTV	will not be replaced
2005	<u>VEHICLES</u> 2005 Ford F-150 4X4	will not be replaced (spare vehicle)

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE	REPLACEMENT YEAR																				
						2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037		
	<b>BUILDING MAJOR SYSTEMS</b>	Future Cost Based on Current Cost Plus 2.92% Annual ENR-BCI																								
2005	HVAC (small)	20	n/a	\$8,000	ALCO HVAC							\$10,000														
2005	HVAC (small)	20	n/a	\$8,000	ALCO HVAC							\$10,000														
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC							\$11,000														
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC							\$11,000														
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC							\$11,000														
2005	HVAC (large)	20	n/a	\$10,000	ALCO HVAC							\$12,000														
2009	Electric Gate	20	\$10,275	\$14,000	Cost + ENR-BCI											\$19,000										
2011	Roof Gutter System	15	\$17,075	\$21,000	Cost + ENR-BCI										\$26,000											
2015	Parking Lot Asphalt Pavement	20	\$77,868	\$87,000	Cost + ENR-BCI																			\$138,000		
2005	Parking Lot Concrete Pavement (5,200 s. f.)	40	n/a	\$104,000	MRG																					
2015	Roof Installation - Shop	20	\$50,808	\$57,000	Cost + ENR-BCI																				\$90,000	
2018	Roof Installation - Office	20	\$107,000	\$133,000	District																					
1990	Public Ed Shed	35	n/a	\$8,000	MRG								\$10,000													
1985	Wash Rack - Pad and Separator	40	\$8,000	\$50,000	Hydro Tech/MRG							\$59,000														
1985	Parking Structure Roof (6,400 s. f.)	35	n/a	\$96,000	MRG		\$99,000																			
	<b>VEHICLES</b>	Future Cost Based on Current Cost Plus 2.79% Annual CPI																								
2003	2003 Ford E-150 Cargo Van 4X2	20	\$27,070	\$42,000	Cost + CPI			\$43,000																		
2005	2005 Jeep Wrangler 4X4 RHD (White)	20	\$30,140	\$44,000	Cost + CPI							\$52,000														
2005	2005 Jeep Wrangler 4X4 RHD (Red)	20	\$30,140	\$44,000	Cost + CPI							\$52,000														
2019	2008 Ford Ranger 4DR 4X4	10	\$22,530	\$37,000	District	\$37,000										\$49,000										
2009	2009 Ford F-150 4X4	12	\$29,495	\$39,000	Cost + CPI			\$41,000														\$57,000				
2019	2009 Ford Ranger 4DR 4X2	10	\$29,225	\$37,000	District	\$37,000										\$49,000										
2011	2011 Ford Ranger 4DR 4X4	10	\$22,899	\$37,000	District			\$39,000											\$51,000							
2011	2011 Ford F-150 4X4	12	\$29,582	\$37,000	Cost + CPI				\$41,000										\$51,000						\$57,000	
2011	2011 Ford Ranger 4DR 4X2	10	\$22,899	\$37,000	District			\$39,000																		
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI						\$39,000														\$54,000	
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI						\$39,000														\$54,000	
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI						\$39,000														\$54,000	
2014	2013 Jeep Wrangler 4X4 RHD	20	\$34,909	\$40,000	Cost + CPI																		\$60,000			
2014	2014 Ford F-150 4X4 XTRA Cab	12	\$30,783	\$35,000	Cost + CPI								\$42,000													
2014	2014 Ford F-150 4X4X TRA Cab	12	\$26,783	\$31,000	Cost + CPI								\$38,000													
2014	2014 Ford Fusion Hybrid	12	\$28,146	\$32,000	Cost + CPI								\$39,000													
2015	2014 Ford F-150 4X2 Long Bed	12	\$26,984	\$30,000	Cost + CPI										\$37,000											
2015	2015 Nissan Frontier 4X4 XTRA Cab	12	\$26,690	\$30,000	Cost + CPI										\$37,000											
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000	Cost + CPI												\$51,000									
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000	Cost + CPI												\$51,000									
2018	2018 GMC Canyon 4X4	12	\$37,910	\$39,000	Cost + CPI													\$53,000								
2011	Argo All Terrain Vehicle	10	\$28,519	\$30,000	Argo Advent.			\$32,000											\$42,000							
2012	Argo All Terrain Vehicle	10	\$23,949	\$30,000	Argo Advent.			\$33,000											\$43,000							
2014	Argo All Terrain Vehicle	10	\$27,428	\$30,000	Argo Advent.				\$34,000												\$45,000					
2015	Argo All Terrain Vehicle	10	\$27,687	\$30,000	Argo Advent.					\$35,000												\$47,000				
	<b>SHOP EQUIPMENT</b>	Future Cost Based on Current Cost Plus 2.79% Annual CPI																								
2016	Mar-Len, Pressure Water System	5	\$6,875	\$8,000	Mar-Len Supply			\$8,000									\$10,000								\$13,000	
2000	Vehicle Lift	25	\$10,000	\$15,000	Ferris Hoist								\$16,000							\$11,000						
2000	Tire Balancer	25	n/a	\$5,000	District								\$6,000													
2000	Tire Changer	25	n/a	\$5,000	District								\$6,000													
2000	Two Ton Crane Hoist	25	\$5,000	\$8,000	Ferris Hoist								\$9,000													
1991	Oil Tank (BVA) and Slab	35	n/a	\$50,000	District/MRG							\$61,000														
2005	Mozzie Electric ULV	15	\$8,000	\$15,000	Leading Edge			\$15,000																	\$23,000	
1985	Leco Gas ULV/Larvicidal Rig	35	\$7,000	\$15,000	Leading Edge			\$15,000																		
2018	London Fogger	10	\$17,000	\$17,000	District											\$22,000										
	<b>FISH EQUIPMENT</b>	Future Cost Based on Current Cost Plus 2.79% Annual CPI																								
1990	Fish Tank (2,400 gal)	35	n/a	\$24,000	Sac. Koi								\$28,000													
2002	Filtration (large)	20	n/a	\$12,000	Sac. Koi				\$13,000																	
2015	Fish Tank, Sac. Koi (800 gal)	25	\$10,827	\$12,000	Sac. Koi																					
2015	Filtration (small)	10	\$7,000	\$8,000	Sac. Koi								\$9,000												\$12,000	
2016	Fish Tank, Sac. Koi (800 gal)	25	\$10,469	\$12,000	Sac. Koi																					
	<b>LAB EQUIPMENT</b>	Future Cost Based on Current Cost Plus 2.79% Annual CPI																								
2015	Microscope	10	\$6,267	\$23,000	Fisher Scientific								\$27,000												\$36,000	
2015	Microscope	10	\$6,267	\$23,000	Fisher Scientific								\$27,000												\$36,000	
2015	Lifetech PCR Machine	5	\$33,978	\$31,000	Fisher Scientific			\$32,000								\$42,000									\$48,000	
2015	Incubator	8	n/a	\$11,000	Fisher Scientific														\$15,000							
2016	Lifetech Nucleic Acid Isolator	5	\$24,511	\$25,000	Fisher Scientific			\$26,000						\$30,000					\$35,000						\$40,000	
2016	Bio Tek Spec Plate Reader	8	\$8,828	\$11,000	Fisher Scientific						\$13,000										\$16,000					
2018	Autoclave	10	\$7,493	\$7,000	District											\$9,000										
2018	Minus 80 Freezer	8	\$17,720	\$17,000	District								\$21,000										\$26,000			
2018	Drone	5	\$26,820	\$27,000	District				\$30,000							\$35,000						\$40,000				
	<b>NON-CAPITAL ASSETS</b>	Future Cost Based on Current Cost Plus 2.79% Annual CPI																								
2017	Mosquito District Database	5	\$233,000	\$246,000	Cost + CPI				\$267,000										\$352,000						\$404,000	
2005	Painting - Exterior Main Building	15	n/a	\$25,000	Shine Painting/MRG				\$26,000														\$38,000			
2005	Painting - Interior Main Building	15	n/a	\$15,000	Shine Painting/MRG				\$15,000														\$23,000			
2005	Painting - Parking Structure	15	n/a	\$15,000	Shine Painting/MRG				\$15,000														\$23,000			
2005	Flooring - Main Building (7,200 s. f.)	15	n/a	\$108,000	MRG				\$111,000														\$163,000			
2000	Landscaping	20	n/a	\$15,000	MRG				\$15,000																	
TOTAL, ALL ASSETS (Inflation-Adjusted Dollars)						\$74,000	\$386,000	\$185,000	\$313,000	\$83,000	\$164,000	\$440,000	\$241,000	\$407,000	\$66,000	\$219,000	\$95,000	\$205,000	\$411,000	\$97,000	\$378,000	\$487,000	\$215,000	\$404,000		

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	2038	2039
<b>BUILDING MAJOR SYSTEMS</b>						
Future Cost Based on Current Cost Plus 2.92% Annual ENR-BCI						
2005	HVAC (small)	20	n/a	\$8,000		
2005	HVAC (small)	20	n/a	\$8,000		
2005	HVAC (medium)	20	n/a	\$9,000		
2005	HVAC (medium)	20	n/a	\$9,000		
2005	HVAC (medium)	20	n/a	\$9,000		
2005	HVAC (large)	20	n/a	\$10,000		
2009	Electric Gate	20	\$10,275	\$14,000		
2011	Roof Gutter System	15	\$17,075	\$21,000		
2015	Parking Lot Asphalt Pavement	20	\$77,668	\$87,000		
2005	Parking Lot Concrete Pavement (5,200 s. f.)	40	n/a	\$104,000		
2015	Roof Installation - Shop	20	\$50,608	\$57,000		
2018	Roof Installation - Office	20	\$107,000	\$133,000	\$230,000	
1990	Public Ed Shed	35	n/a	\$8,000		
1985	Wash Rack - Pad and Separator	40	\$8,000	\$50,000		
1985	Parking Structure Roof (6,400 s.f.)	35	n/a	\$96,000		
<b>VEHICLES</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
2003	2003 Ford E-150 Cargo Van 4X2	20	\$27,070	\$42,000		
2005	2005 Jeep Wrangler 4X4 RHD (White)	20	\$30,140	\$44,000		
2005	2005 Jeep Wrangler 4X4 RHD (Red)	20	\$30,140	\$44,000		
2019	2008 Ford Ranger 4DR 4X4	10	\$22,530	\$37,000	\$64,000	
2009	2009 Ford F-150 4X4	12	\$29,495	\$39,000		
2019	2009 Ford Ranger 4DR 4X2	10	\$29,225	\$37,000	\$64,000	
2011	2011 Ford Ranger 4DR 4X4	10	\$22,899	\$37,000		
2011	2011 Ford F-150 4X4	12	\$29,582	\$37,000		
2011	2011 Ford Ranger 4DR 4X2	10	\$22,899	\$37,000		
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000		
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000		
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000		
2014	2013 Jeep Wrangler 4X4 RHD	20	\$34,909	\$40,000		
2014	2014 Ford F-150 4X4 XTRA Cab	12	\$30,783	\$35,000	\$59,000	
2014	2014 Ford F-150 4X4X TRA Cab	12	\$26,783	\$31,000	\$52,000	
2014	2014 Ford Fusion Hybrid	12	\$28,146	\$32,000	\$54,000	
2015	2014 Ford F-150 4X2 Long Bed	12	\$26,984	\$30,000	\$52,000	
2015	2015 Nissan Frontier 4X4 XTRA Cab	12	\$26,690	\$30,000	\$52,000	
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000		
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000		
2018	2018 GMC Canyon 4X4	12	\$37,910	\$39,000		
2011	Argo All Terrain Vehicle	10	\$28,519	\$30,000		
2012	Argo All Terrain Vehicle	10	\$23,949	\$30,000		
2014	Argo All Terrain Vehicle	10	\$27,428	\$30,000		
2015	Argo All Terrain Vehicle	10	\$27,687	\$30,000		
<b>SHOP EQUIPMENT</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
2016	Mar-Len, Pressure Water System	5	\$6,875	\$8,000		
2000	Vehicle Lift	25	\$10,000	\$15,000		
2000	Tire Balancer	25	n/a	\$5,000		
2000	Tire Changer	25	n/a	\$5,000		
2000	Two Ton Crane Hoist	25	\$5,000	\$8,000		
1991	Oil Tank (BVA) and Slab	35	n/a	\$50,000		
2005	Mozzie Electric ULV	15	\$8,000	\$15,000		
1985	Leco Gas ULV/Larvicidal Rig	35	\$7,000	\$15,000		
2018	London Fogger	10	\$17,000	\$17,000	\$29,000	
<b>FISH EQUIPMENT</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
1990	Fish Tank (2,400 gal)	35	n/a	\$24,000		
2002	Filtration (large)	20	n/a	\$12,000		
2015	Fish Tank, Sac. Koi (800 gal)	25	\$10,827	\$12,000		
2015	Filtration (small)	10	\$7,000	\$8,000		
2016	Fish Tank, Sac. Koi (800 gal)	25	\$10,469	\$12,000		
<b>LAB EQUIPMENT</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
2015	Microscope	10	\$6,267	\$23,000		
2015	Microscope	10	\$6,267	\$23,000		
2015	Lifetech PCR Machine	5	\$33,978	\$31,000		
2015	Incubator	8	n/a	\$11,000	\$19,000	
2016	Lifetech Nucleic Acid Isolator	5	\$24,511	\$25,000		
2016	Bio Tek Spec Plate Reader	8	\$8,828	\$11,000		
2018	Autoclave	10	\$7,493	\$7,000	\$12,000	
2018	Minus 80 Freezer	8	\$17,720	\$17,000		
2018	Drone	5	\$26,820	\$27,000	\$46,000	
<b>NON-CAPITAL ASSETS</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
2017	Mosquito District Database	5	\$233,000	\$246,000		
2005	Painting - Exterior Main Building	15	n/a	\$25,000		
2005	Painting - Interior Main Building	15	n/a	\$15,000		
2005	Painting - Parking Structure	15	n/a	\$15,000		
2005	Flooring - Main Building (7,200 s. f.)	15	n/a	\$108,000		
2000	Landscaping	20	n/a	\$15,000		
TOTAL, ALL ASSETS (Inflation-Adjusted Dollars)					\$482,000	\$251,000

## APPENDIX 200-1

### ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT PUBLIC HEALTH EMERGENCY FUND

#### **Purpose of Fund:**

The purpose of the Public Health Emergency Fund is to mitigate the financial impact of unusually high levels of vector-borne disease activity or prevent a future threat to public health from a newly detected invasive mosquito species.

#### **Policy:**

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Public Health Emergency Fund."
2. The Public Health Emergency Fund shall be designated as a Committed Fund.
3. These funds will be used to replenish operating cash flow in the General Fund should circumstances cause the District to incur greater than normal expenses to prevent or manage an imminent threat to public health from vectors and vector-borne disease.
4. Expenditure of Public Health Emergency Funds must be authorized by the Board of Trustees at a publicly noticed meeting.
5. Expenditures from this designated fund that are subsequently recovered, either partially or fully, from State sources, shall be utilized solely for the purpose of refunding the Public Health Emergency Fund.
6. Investment earnings from the Public Health Emergency Fund may be credited to the District's General Fund.
7. The Public Health Emergency Fund may be invested in financial institutions and instruments that maintain the highest level of liquidity, such as checking, savings, and interest earning savings accounts.
8. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.
9. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

**Target Fund Level:**

The target balance of this fund is based on an estimate of likely operational needs should the most likely public health threat scenario become reality. This target balance will be reviewed annually and adjusted as needed to remain current. However it is recognized that having a minimum fund balance of \$500,000 would be prudent.

## APPENDIX 200-2

### ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT REPAIR AND REPLACE FUND

#### **Purpose of Fund:**

The purpose of the Repair and Replace Fund is to set aside sufficient financial resources to ensure timely replacement and upgrade of the District's vehicles, mobile equipment, laboratory equipment, operational equipment, administrative equipment, and facilities.

#### **Policy:**

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Repair and Replace Fund."
2. The Repair and Replace Fund shall be designated as a Committed Fund.
3. These funds will be used to pay for capital assets according to the District budget and purchasing policies.
4. Each year, funds can be transferred from the Repair and Replace Fund to the General Fund to cover the cost of capital purchases designated and approved during the annual budgeting process.
5. Funds transferred from the Repair and Replace Fund shall be expended solely for the purpose of replacement, repair and upgrade of existing District vehicles and equipment, or for renovations or replacement of District facilities.
6. The Repair and Replace Fund may be invested in financial institutions and instruments that maintain the highest level of liquidity, such as checking, savings, and reserve accounts.
7. Investment earnings from the Capital Improvement Fund may be credited to the District's General Fund.
8. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.
9. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

#### **Target Fund Level:**

The target balance for this fund [is determined by the District's capital asset replacement](#)

program and the ~~will be the~~ total cumulative depreciation for the District's capital assets as stated in the District's Basic Financial Statements prepared by the auditor each year. —This target will be reviewed annually and adjusted as needed with the additions, deletions, or replacements of capital assets. A more thorough review shall be completed every 5 years to update the escalation rates, the discount rate, net present value, and overall cash flow required to extend the replacement plan another 5 years. This fund shall be funded in order of preference in 3 or 4-year installments, a lump sum payment, or pay as you go.

## APPENDIX 200-3

### ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT OPERATING RESERVE FUND

#### Purpose of Fund:

This fund would act as a rate stabilizer, covering unforeseen losses in revenue caused by drastic reductions in property taxes. This fund will preserve the District's credit worthiness, ensure adequate financial resources are available for timely payment of District obligations, and provide liquidity throughout the fiscal year.

#### Policy:

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. The fund shall be known as the "Operating Reserve Fund-."
2. The Operating Reserve shall be designated as a Committed reserve fund.
3. Each year, funds can be transferred from the General Fund to the Operating Reserve Fund to ensure the target fund balance is met.
4. Funds transferred from the Operating Reserve Fund shall be expended solely for the purpose covering unforeseen losses in revenue caused by drastic reductions in property taxes.
5. Investment earnings from the Operating Reserve Fund may be credited to the District's General Fund.
6. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.
7. This policy shall be reviewed on an annual basis for long-term adequacy and use restrictions.

#### Target Fund Level:

The target fund level for the Operating Reserve Fund is to maintain a minimum equal to 60% of discretionary General Fund revenues, as of July 1st of each fiscal year. [If under-funded, 25% of excess revenues will be deposited into the Operation Reserve Fund.](#)

This target fund level was established based upon the following general guidelines:

1. The District shall maintain a balance in the Operating Reserve Fund equal to approximately 60% budgeted expenditures for the fiscal year.
2. For the purpose of this policy, budgeted expenditures shall include all expenditures associated with the following:



- (a) Salaries and Employee Benefits; and
- (b) Services and Supplies.

## APPENDIX 200-4

### ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT CAPITAL RESERVE FUND

#### **Purpose of Fund:**

The purpose of the Capital Reserve Fund is to set aside money for large projects rather than withdrawing those funds from the general fund account. [Projects may include future capital assets that are ineligible for repair and replace funding such as flooring & painting, or adding new capital assets that are not listed in the capital asset replacement program.](#)

#### **Policy:**

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as Capital Reserve Fund.”
2. The Capital Reserve Fund shall be designated as a Committed Fund.
3. These funds will be used to finance large projects that may be identified in the strategic plan.
4. Each year, funds can be transferred from the General Fund to Capital Reserve Fund to ensure the target fund balance is met.
5. Funds transferred from the Operating Capital Reserve shall be expended solely on strategic plan-identified capital projects.
6. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

#### **Target Fund Level:**

The target balance of this fund is based on large future capital project needs. This target balance will be reviewed annually and adjusted as needed to remain current. [If under-funded, 25% of excess revenues will be deposited into the Capital Reserve Fund.](#)

## APPENDIX 200-5

### ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT PENSION STABILIZATION FUND

#### **Purpose of Fund:**

The purpose of the Pension Stabilization Fund is to ensure that increasing pension costs are offset by investments in interest-earning accounts.

#### **Policy:**

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Pension Stabilization Fund."
2. The Pension Stabilization Fund shall be designated as a Restricted Fund.
3. These funds will be used to offset increases in pension costs from unfunded liabilities.
4. The Pension Stabilization Fund will be invested in financial institutions that restrict the funds for only pension-related expenses.
5. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

#### **Target Fund Level:**

The target balance of this fund is based on the annual CalPERS actuarial report of unfunded liability. This target balance will consider funds in CalPERS combined with the amount in PARS to not exceed 100% of liabilities. If under-funded, 25% of excess revenues will be deposited into the PARS 115 Trust.

#### **Withdrawal:**

Withdrawals may be considered in the event of:

- pension costs affecting operational costs
- if the growth of pension contribution rates (in dollars) is greater than the growth in property tax revenue
- paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Trust Fund
- economic conditions or fiscal demands arise, e.g. non-discretionary expenditures exceeding revenues

## APPENDIX 200-6

### ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT OTHER POST-EMPLOYEE BENEFITS (OPEB) FUND

#### **Purpose of Fund:**

The purpose of the Other Post-Employee Benefits (OPEB) Fund is to ensure that agreed-upon health, dental, and vision benefits to retired employees, will be fulfilled.

#### **Policy:**

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Other Post-Employee Benefits (OPEB) Fund."
2. The Other Post-Employee Benefits (OPEB) Fund shall be designated as a Restricted Fund.
3. These funds will be used to annually replenish expenses occurred in the General Fund used to provide health, dental, and vision benefits to qualified retired employees along with fund management.
4. The Other Post-Employee Benefits (OPEB) Fund will be invested in financial institutions that restrict the funds for only OPEB-related expenses.
5. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

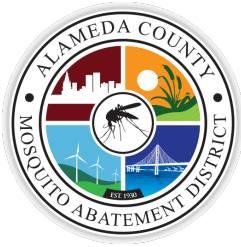
#### **Target Fund Level:**

The target balance of this fund is based on an actuarial report provided by an independent audit firm based on the current requirements of the Government Accounting Standards Board (GASB). It is the intent of the District to fully fund the OPEB. The funded status of the OPEB will be assessed based upon the most recent actuarial valuation. Should the plan drop below 90% funded, the District shall consider making an annual contribution equal to at least 50% of the annual determined contribution (ADC) as defined by the most recent actuarial valuation (or whatever percentage the District deems appropriate) from excess revenues.

Additionally, the District will review this policy at a minimum biennially, coincident with preparation of the actuarial valuation, to determine if changes to this policy are necessary to ensure adequate resources are being accumulated to fund OPEB benefits.

#### **Withdrawal:**

Annual withdrawals are calculated after the close of the fiscal year by adding the prior year's retiree health care, dental, and vision costs along with retiree reimbursements, US Bank, and PFM administrative fees.



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Victor Aguilar

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Subru Bhat

**Union City**

**Ryan Clausnitzer**

*General Manager*

**ACMAD RESOLUTION 1066-1**

**NOMINATION OF GENERAL MANAGER RYAN CLAUSNITZER FOR ELECTION TO THE BAY ARE REGION SEAT B ON THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS**

WHEREAS, The term for the CSDA Board of Directors Bay Area region seat B currently held by Ryan Clausnitzer expires soon, and

WHEREAS, The CSDA is calling for nominations for the 2020-2022 term, and

WHEREAS, Any independent special district regular member is eligible to nominate one person, a board member or managerial employee for election to the CSDA Board of Directors and must do so by board resolution or minute action; now, therefore be it

RESOLVED, That the Alameda County Mosquito Abatement District nominates Ryan Clausnitzer, ACMAD General Manager, as a candidate for the position of Bay Area, seat B on the California Special Districts Association Board of Directors.

Adopted at a regular meeting of the Alameda County Mosquito Abatement District Board of Trustees at Hayward, California this 13th day of March 2019.

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

President, Board of Trustees

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

Secretary, Board of Trustees

Alameda County Mosquito Abatement Dist.  
Check Register  
For the Period From Feb 1, 2019 to Feb 15, 2019

Filter Criteria includes: Report order is by Date.

<b>Check #</b>	<b>Date</b>	<b>Payee</b>	<b>Amount</b>
1440	2/14/19	Payroll	67,154.84
1441	2/15/19	All-Ways Green Services	410.00
1442	2/15/19	Airgas	58.62
1443	2/15/19	Alameda Recreation and Parks	75.00
1444	2/15/19	CalPERS 457	3,220.00
1445	2/15/19	Cintas	450.64
1446	2/15/19	Delta Dental	4,411.85
1447	2/15/19	Grainger	163.34
1448	2/15/19	Industrial Park Landscape Maintenance	215.00
1449	2/15/19	MAZE & ASSOCIATES	1,722.00
1450	2/15/19	Municipal Resource Group, LLC	5,986.18
1451	2/15/19	PG&E	505.75
1452	2/15/19	Regional Government	4,722.00
1453	2/15/19	The Light House	338.68
1454	2/15/19	Techniclean	171.51
1455	2/15/19	Voya Institutional Trust Company	150.00
1456	2/13/19	U.S Bank Corporate Payment System	8,835.45
1457	2/14/19	Matthes, Michelle	400.00
ACH	2/13/19	CalPERS Retirement	12,012.33
<b>Total Expenditures 02/15/2019</b>			<b>111,003.19</b>

Alameda County Mosquito Abatement Dist.  
**Check Register**  
For the Period From Feb 16, 2019 to Feb 28, 2019

Filter Criteria includes: Report order is by Date.

<b>Check #</b>	<b>Date</b>	<b>Payee</b>	<b>Amount</b>
1458	2/25/19	Payroll	68,857.68
1459	2/28/19	Airgas	24.59
1460	2/28/19	ACSDA	196.00
1461	2/28/19	Bay Alarm	930.00
1462	2/28/19	CalPERS 457	3,220.00
1463	2/28/19	Cintas	450.64
1464	2/28/19	Clarke	5,163.51
1465	2/28/19	Grainger	85.78
1466	2/28/19	PG&E	1,784.82
1467	2/28/19	PFM Asset Management	1,658.44
1468	2/28/19	Eric Armin Hentschke	100.00
1469	2/28/19	Wendi Lynn Poulson	100.00
1470	2/28/19	Jan Washburn	100.00
1471	2/28/19	George Young	100.00
1472	2/28/19	Voya Institutional Trust Company	150.00
1473	2/28/19	Verizon	1,404.75
1474	2/28/19	WEX Bank	2,918.37
ACH	2/28/19	Alan Brown	100.00
ACH	2/28/19	CalPERS Health	32,114.10
ACH	2/28/19	CalPERS Retirement	12,013.51
ACH	2/28/19	Cathy J Pinkerton. Roache	100.00
ACH	2/28/19	Elisa Marquez	100.00
ACH	2/28/19	Elizabeth Cooley	100.00
ACH	2/28/19	Katherine Narum	100.00
ACH	2/28/19	Victor Aguilar	100.00
<b>Total Expenditures 02/28/2019</b>			<b>131,972.19</b>



**Alameda County Mosquito Abatement District  
Income Statement  
Consolidated  
February 28, 2019. (8 of 12 mth, 67%)**

REVENUES	Actual 2015/16 <sup>1</sup>	Actual 2016/17 <sup>1</sup>	Current Month	Year to Date 2018/2019	Budget 2018/2019	Actual vs Budget
<b>Total Revenue</b>	<b>\$ 4,180,831.00</b>	<b>\$ 4,366,903.00</b>	<b>\$ 129,166.60</b>	<b>\$ 2,320,601.63</b>	<b>\$ 4,476,728.00</b>	<b>52%</b>

EXPENDITURES	Actual 2015/16	Actual 2016/17	Current Month <sup>2</sup>	Year to Date 2018/2019	Budget 2018/19	Actual vs Budget
Salaries	\$1,661,234	\$1,677,469	\$ 151,041.45	\$ 1,245,619.48	\$1,933,182	64%
CalPERS Retirement	\$205,340	\$219,892	\$ 13,708.16	\$ 255,807.52	\$301,812	85%
Medicare	\$21,160	\$21,368	\$ 2,028.75	\$ 16,726.02	\$28,031	60%
Fringe Benefits	\$554,630	\$453,877	\$ 36,525.95	\$ 302,305.22	\$508,680	59%
<b>Total Salaries, Retirement, &amp; Benefits</b>	<b>\$2,442,364</b>	<b>\$2,372,606</b>	<b>\$203,304</b>	<b>\$1,820,458</b>	<b>\$2,771,705</b>	<b>66%</b>
Clothing and personal supplies (purchased)	\$7,169	\$8,955	\$ 302.26	\$ 3,637.82	\$6,000	61%
Laundry service and supplies (rented)	\$7,162	\$8,840	\$ 901.28	\$ 7,857.55	\$9,500	83%
Utilities	\$22,214	\$27,084	\$ 2,290.57	\$ 18,935.62	\$36,500	52%
Communications-IT	\$32,756	\$54,128	\$ 3,822.97	\$ 55,878.37	\$122,200	46%
Maintenance: structures & improvements	\$6,739	\$19,503	\$ 279.00	\$ 5,629.59	\$25,000	23%
Maintenance of equipment	\$24,175	\$27,051	\$ 908.65	\$ 12,607.80	\$35,000	36%
Transportation, travel, training, & board	\$75,326	\$124,827	\$ 5,485.07	\$ 58,126.39	\$134,210	43%
Professional services	\$159,499	\$82,082	\$ 6,999.57	\$ 86,220.26	\$190,620	45%
Memberships, dues, & subscriptions	\$14,540	\$20,191	\$ -	\$ 20,698.00	\$21,402	97%
Insurance - (VCJPA, UAS)	\$106,268	\$113,867	\$ -	\$ 124,921.84	\$127,851	98%
Community education	\$12,450	\$40,222	\$ 834.59	\$ 14,354.77	\$33,000	43%
Operations	\$187,490	\$176,758	\$ 4,678.42	\$ 67,445.98	\$234,000	29%
Household expenses	\$13,790	\$17,373	\$ 1,610.85	\$ 15,667.46	\$19,350	81%
Office expenses	\$14,195	\$18,590	\$ 35.00	\$ 6,616.33	\$15,100	44%
Laboratory supplies	\$76,130	\$80,008	\$ 3,719.95	\$ 41,707.25	\$118,148	35%
Small tools and instruments	\$1,155	\$2,513	\$ -	\$ 1,950.27	\$2,500	78%
<b>Total Staff Budget</b>	<b>\$ 780,944.00</b>	<b>\$833,192</b>	<b>\$ 31,868.18</b>	<b>\$ 542,255.30</b>	<b>\$1,130,381</b>	<b>48%</b>
<b>Total Operating Expenditures</b>	<b>\$ 3,032,263.00</b>	<b>\$3,479,710</b>	<b>\$ 235,172.49</b>	<b>\$ 2,362,713.54</b>	<b>\$3,902,086</b>	<b>61%</b>

1 - Subcategories in Fiscal years 2015/16 and 2016/17 do not add up due to accruals not being posted

2 - Total Operating Expenditures in current month do not match the check register due to Accounts receivable, capital purchases, and petty cash transfer.

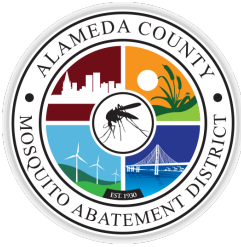
**Alameda County Mosquito Abatement District**  
**Investment, Reserves, and Cash Balance Report**  
**February 28, 2019. (8 of 12 mth, 67%)**

Account #	Investment Accounts	Beginning Balance	Deposits	Withdrawals	Interest Activity	New Balance
800005	LAIF <sup>1</sup>	\$ 62,827.04	\$ 2,314,000.00	\$ (58,000.00)	\$ -	\$ 2,318,827.04
800006	OPEB Fund	\$ 4,135,685.37	\$ -	\$ -	\$ -	\$ 4,135,685.37
101106	VCJPA Member Contingency	\$ 343,715.00	\$ -	\$ -	\$ -	\$ 343,715.00
101106.1	VCJPA Property Contingency	\$ 51,332.00	\$ -	\$ -	\$ -	\$ 51,332.00
800007.1	CAMP: Repair and Replace <sup>2</sup>	\$ 590,482.86	\$ -	\$ (79,827.85)	\$ 1,168.82	\$ 511,823.83
800007.2	CAMP: Public Health Emergency	\$ 511,372.74	\$ -	\$ -	\$ 1,034.34	\$ 512,407.08
800007.3	CAMP: Operating Reserve	\$ 1,889,468.61	\$ -	\$ -	\$ 3,821.77	\$ 1,893,290.38
800007.4	CAMP: Capital Reserve Fund	\$ 251,229.46	\$ -	\$ -	\$ 508.15	\$ 251,737.61
800008	PARS: Pension Stabilization <sup>3</sup>	\$ 974,571.40	\$ -	\$ -	\$ 36,390.11	\$ 1,010,961.51
<b>Total</b>		<b>\$ 8,810,684.48</b>	<b>\$ 2,314,000.00</b>	<b>\$ (137,827.85)</b>	<b>\$ 42,923.19</b>	<b>\$ 11,029,779.82</b>
Cash Accounts		Beginning Balance		Withdrawals	Activity	New Balance
101110	Bank of America (Payroll Account)	\$ 121,859.15		\$ -	\$ -	\$ 120,556.55
101111	Bank of The West (Transfer Account) <sup>1</sup>	\$ 2,758,299.26		\$ -	\$ -	\$ 311,148.28
100001	County Account	\$ 72,620.67		\$ -	\$ 123,748.07	\$ 196,233.74
<b>Total</b>		<b>\$ 2,952,779.08</b>		<b>\$ -</b>	<b>\$ 123,748.07</b>	<b>\$ 627,938.57</b>

1 - \$2,314,000.00 transferred from Bank of the West to LAIF

2 - \$79,827.85 was transferred from CAMP - Repair and Replace to cover the remaining balance of the roof project and Capital Assets Report.

3- PARS - Pension Stabilization balance is as of January 31, 2019.



## Board of Trustees

MONTHLY STAFF REPORT - 1066

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## 1. OPERATIONS REPORT

Significant rainfall during the month of February, including a storm dubbed “an arctic river”, kept operations staff busy for the entire month focusing on rainwater mosquito breeding sources of our winter species. We saw new hatches of *Aedes squamiger* and *Aedes washinoi*, and continued hatches of *Culiseta inornata* and *Culex tarsalis*. Operations staff spent most of their time inspecting and treating their traditional winter sources, many of which have already received several treatments this season. Staff also adjusted time to inspect sources in other areas that have taken on water due to condensed periods of significant rainfall. Though these are not sources that produce mosquitoes every year, they have the potential to produce large numbers of mosquitoes if not monitored. Operations will be mindful of these sources as more *Culex tarsalis* begin laying eggs. Post-treatment inspections of treated sources indicated good levels of control were achieved.

All these mosquito breeding sources will still require consistent inspections to be sure new hatches triggered by rising water levels are detected and treated in a timely manner. As the photoperiod and temperature begin to change, the larvae of several of our winter species will begin to move through their larval stages at an accelerated pace, so timing will become more and more imperative.

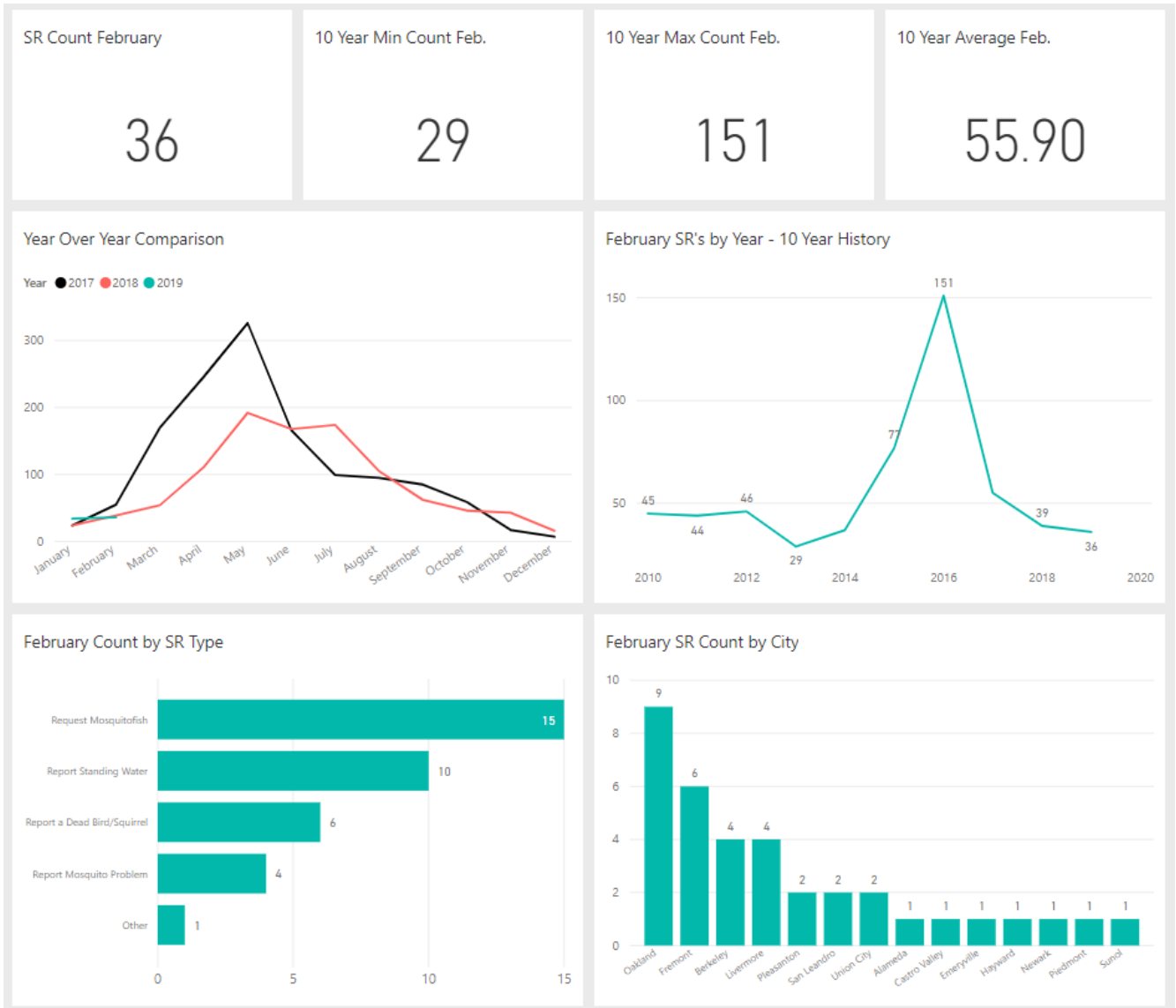
Service request numbers for the month of February were below the ten-year average. Continued rainfall and abnormally cold temperatures likely contributed to these lower numbers. During the coldest periods of the month, snow levels were down to 1,000 feet and some of the higher hills in the county received a dusting of snow. Most of the requests for service received in February were requests for mosquito fish and standing water. There were also six calls to report dead birds and four calls to report potential mosquito problems. As operations staff continue to monitor and treat sources, they also anticipate and expect a significant rise in the number of requests for service, especially for mosquito fish and reports of standing water in the weeks and months to come. The continued rains kept a good push of water going through catch basins, storm drains, creeks, and canals all month long. This water flow renders these sources inhospitable to mosquitoes seeking to lay eggs. These mosquito breeding sources will only require inspections and treatments when the consistent flow of water slows or ceases. This rain is also expected to lead to a banner year for our “mosquito-like” insects as mentioned in last month’s report.

On February 4<sup>th</sup> and 5<sup>th</sup>, the entire operations staff attended the annual MVCAC (Mosquito and Vector Control Association of California) conference. This year’s conference was held just across the bay in Burlingame, which provided the opportunity for the whole staff to attend. This was a great chance to see presentations on numerous mosquito related topics including how districts in other parts of California are dealing with invasive species of *Aedes* mosquitoes. Other pertinent talks and posters on mosquito biology, control and pesticide resistance were insightful as well. This conference also provided operations staff the opportunity to interact with some of their peers from throughout the state and exchange information, ideas, and knowledge. ACMAD was well represented at the conference presenting two talks and with four poster presentations, including a poster presentation by Mosquito Control Technician, Sarah Erspamer.

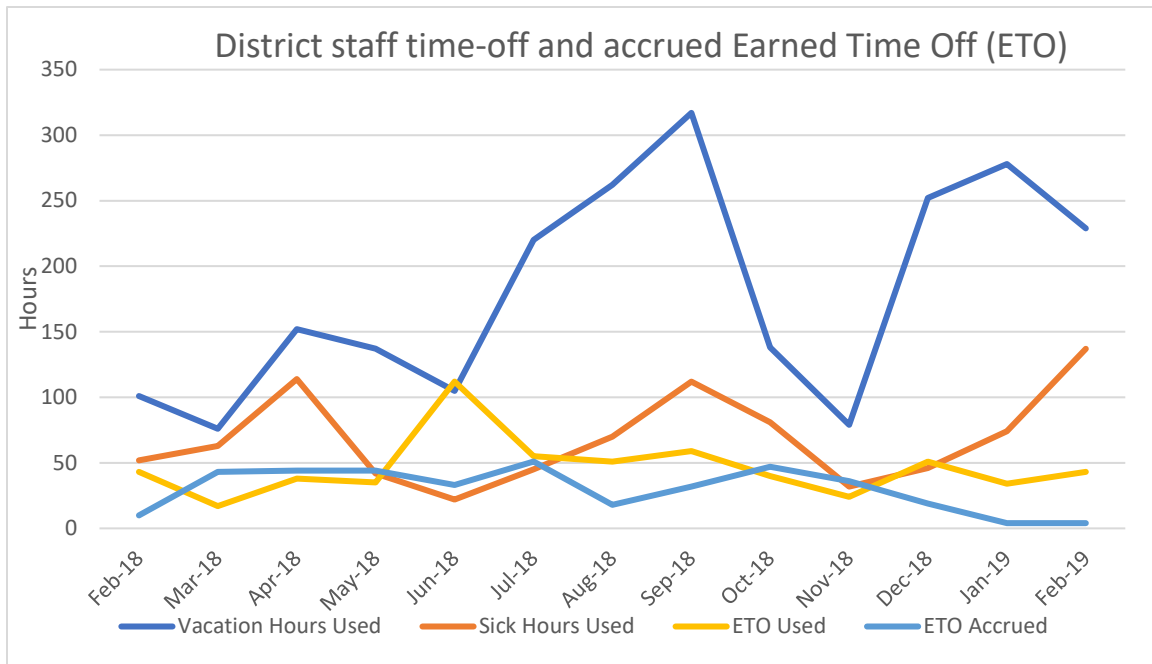
Joseph Huston  
Field Operations Supervisor

## A. District Data

### i. Service Requests

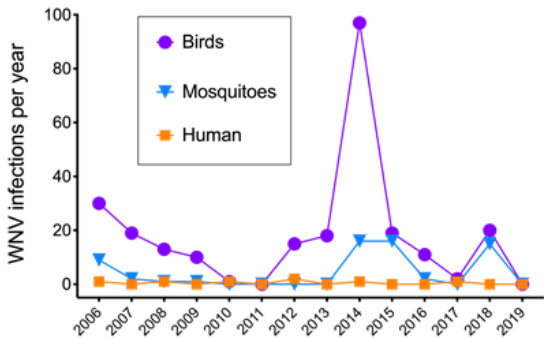


ii. Staff Leave Report

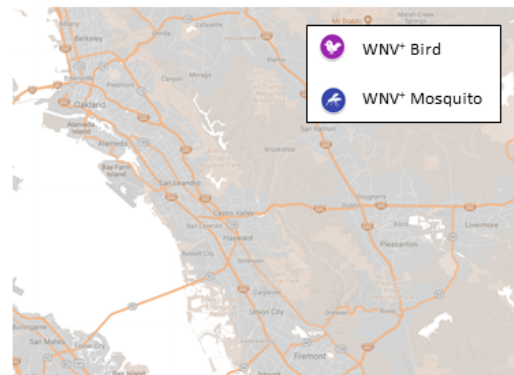


iii. WNV Activity

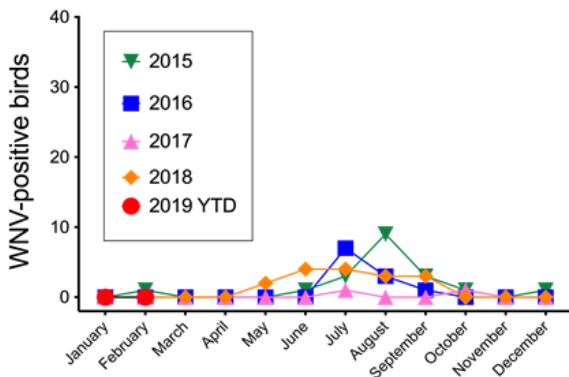
WNV infections detected in Alameda County 2005 – 2019 YTD



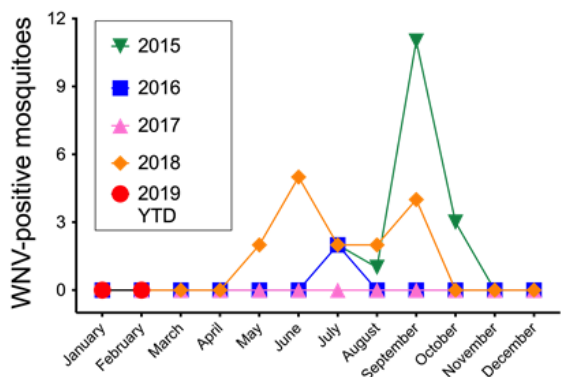
Locations of WNV-infected mosquitoes and birds collected in Alameda County during 2019



WNV-infected birds collected in Alameda County



WNV-infected mosquitoes collected in Alameda County



## 2. LAB

### Summary

- West Nile virus (WNV) was not detected in birds or mosquitoes during the month of February.
- Mosquito abundance in February was similar to the prior month.
- One oral presentation describing research conducted by ACMAD was presented at the Annual Conference of the American Mosquito Control Association.

### Arbovirus Monitoring

- West Nile virus (WNV) was not detected in birds or mosquitoes during the month of February 2019.
- None of the mosquitoes or birds that were collected during 2019 were found to contain Saint Louis encephalitis virus (SLEV) or Western equine encephalitis virus (WEEV).

### Native Mosquito Abundance

- For the month of February, there was 3.46 inches of rainfall and the average maximum temperature was 57 °F, (Hayward, CA). The prior two months had average maximum temperatures of 57 °F and 57 °F.
- Limited EVS CO<sub>2</sub> trapping was focused on winter breeding sites during the month of February because of the rainfall and cooler temperatures. A total of 64 adult female mosquitoes were collected at Coyote Hills Regional Park. The majority (n = 62) were *Culiseta inornata*, which is not recognized as a competent vector for arboviruses that infect people. Traps at South Marsh Pond (0.47 miles south of Union City Sanitary District) collected a single adult female *Culex pipiens*.
- Mosquito abundance, as measured using NJLT, was identical to the prior month (0.47 vs 0.47 mosquitoes / trap night, respectively).

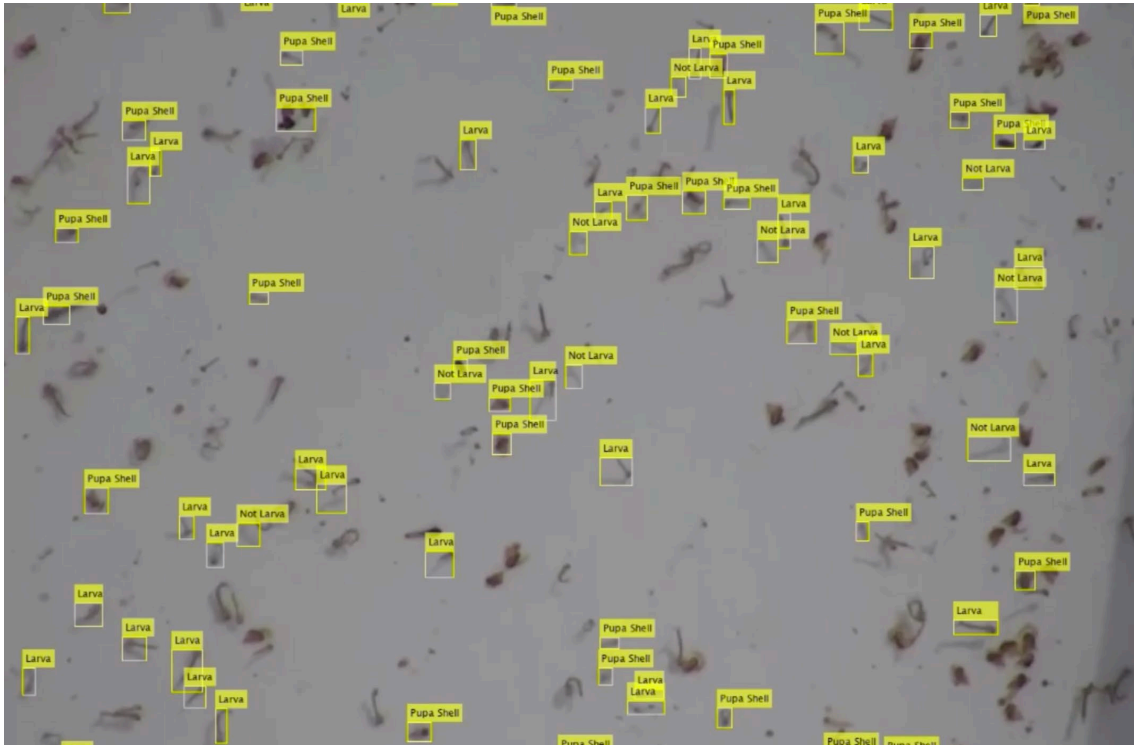
### Invasive Aedes Monitoring

- Invasive *Aedes* mosquitoes have not been detected in any mosquito trap placed in Alameda County during 2019.

### Research presented at the 2019 Annual Conference of the American Mosquito Control Association

- The Laboratory Director provided an oral presentation at the Annual Conference of the American Mosquito Control Association that was focused upon our use of drones to image the landscape for accumulated surface water and imaging mosquito larvae in potential breeding sites. Much of what was presented was already described in the poster that was presented at the 2019 Annual Conference of the Mosquito Control Association of California and described in the January report to the ACMAD Board of Trustees. Of exception was the presentation of our recent use of artificial intelligence (AI) to analyze video captured using our drone for mosquito larvae and pupae in water. We were able to successfully discriminate mosquito larvae from pupae and debris (Figure 1).

## FIGURES



**Figure 1. Use of artificial intelligence (AI) to categorize aquatic mosquitoes as larvae or pupae.** The ACMAD imaging drone was piloted 45 feet above a white tray that contained live *Culex pipiens* larvae that were suspended in water. Video of the larvae was captured using the DJI Z30 camera and processed using MATLAB with Deep Learning and Computer Vision Toolbox. The algorithm had approximately 80 % success in correctly discriminating larvae from pupa and not larva (as indicated by the yellow boxes and labels that surround each feature in the image). Note the figure is a still image captured from one frame of a video that shows the AI attempting to identify each of the features. The AI algorithm was trained by Miguel Barretto, our Assistant Vector Scientist, with the assistance of a contractor.

iv. **PUBLIC EDUCATION**

A. **Events**

i. **Upcoming**

- **St. Patrick's Day Celebration** – Saturday, March 16<sup>th</sup> & Sunday, March 17<sup>th</sup> (Dublin)
- **Berkeley Bay Festival** – Saturday, April 6<sup>th</sup> (Berkeley)
- **Alameda Earth Day Festival** – Saturday, April 20<sup>th</sup> (Alameda)

B. **Google Analytics**

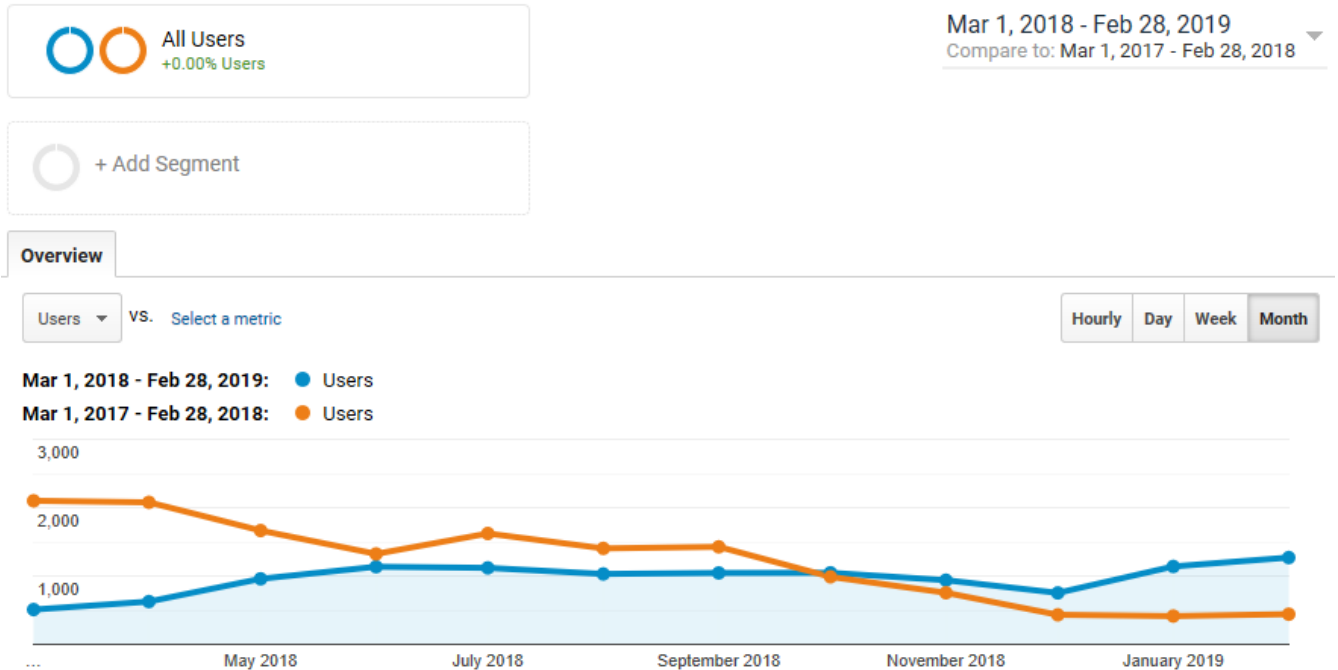


Figure 1. Comparison of website users over the past two years

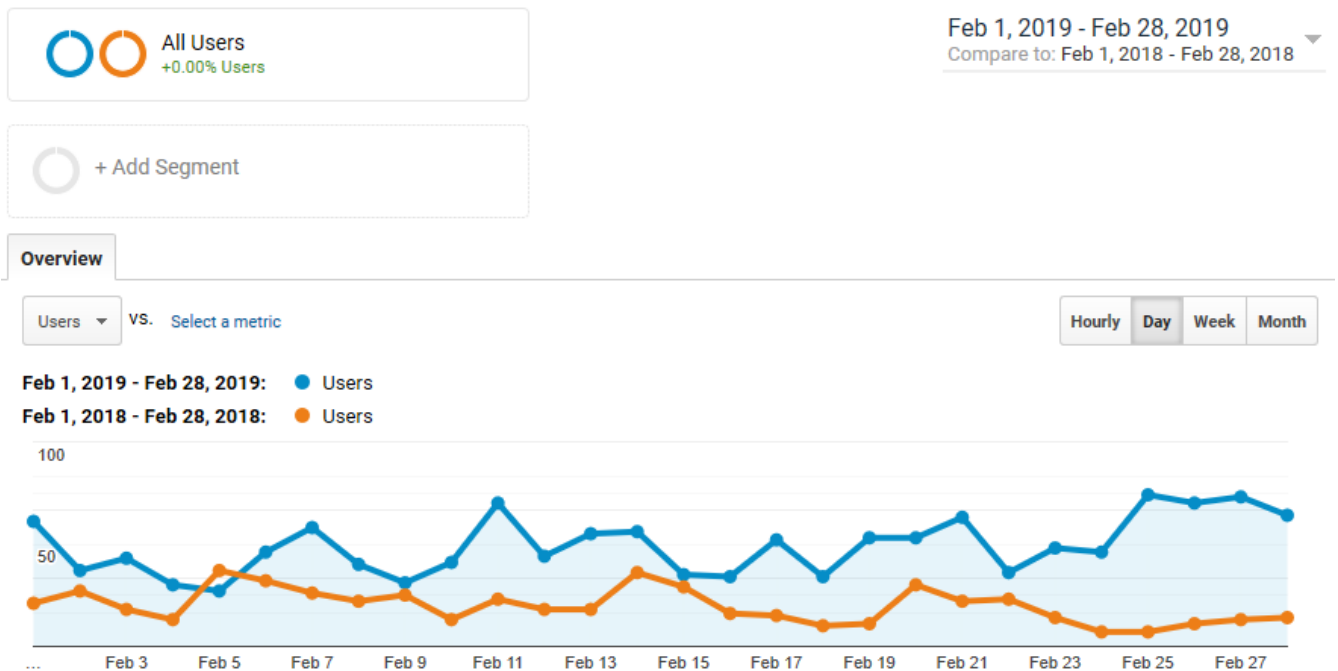
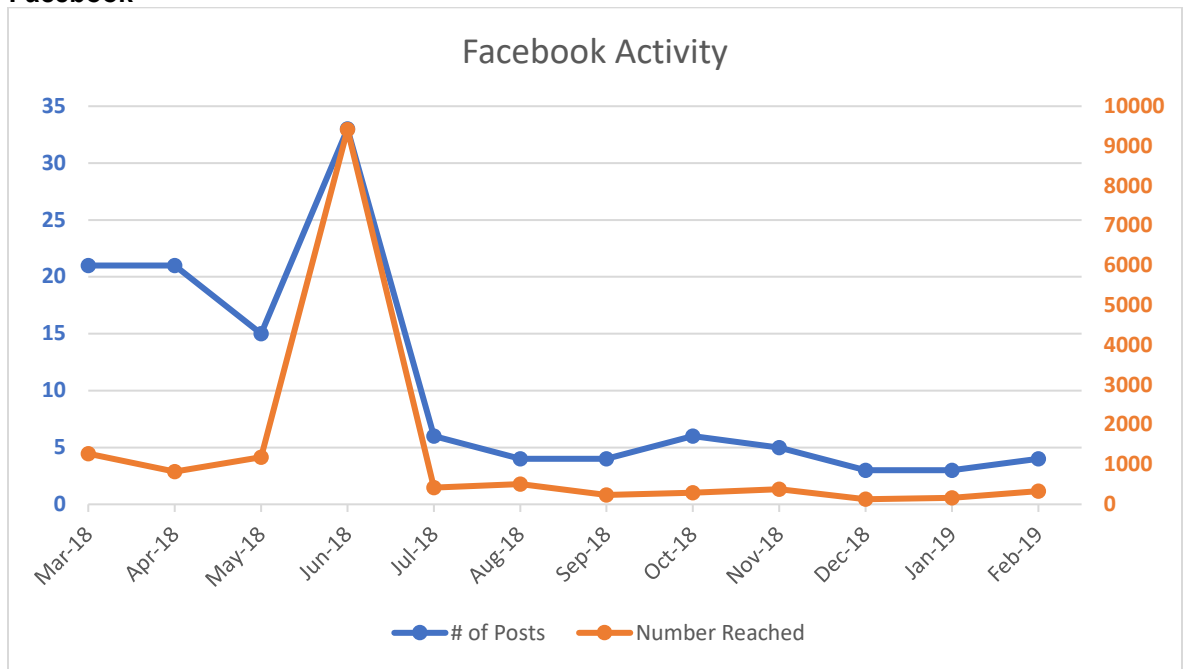


Figure 2. Comparison of website users over the past two years for the month of February.



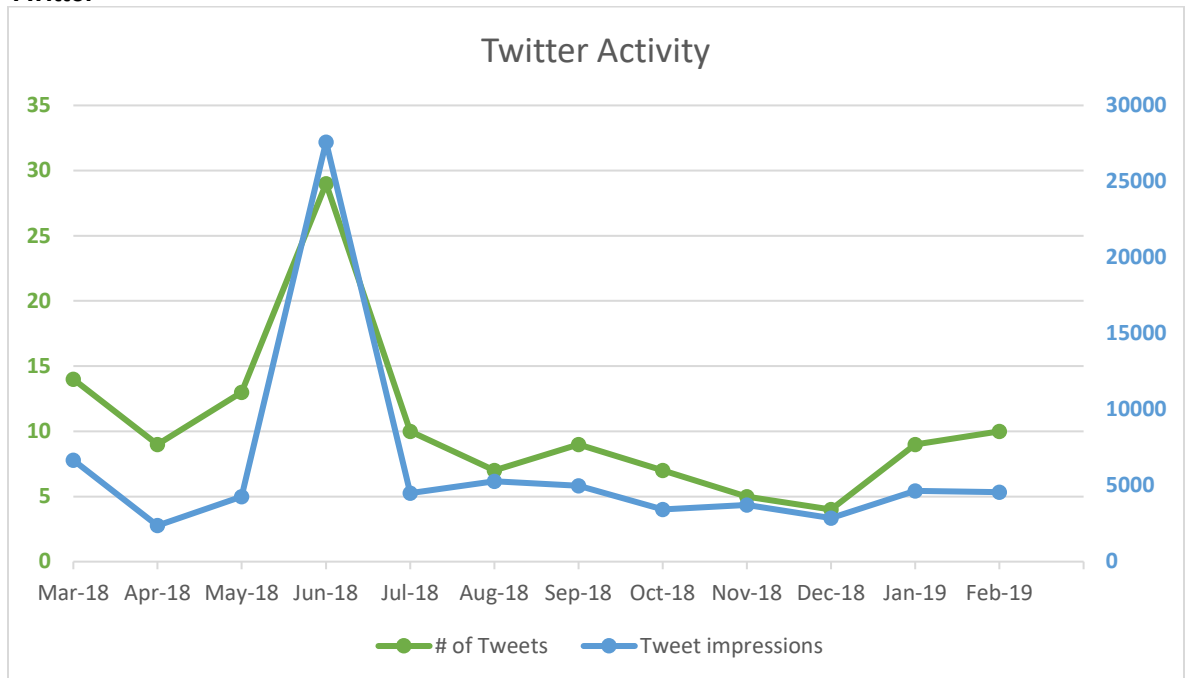
**C. Facebook**



**Total Number of Followers:** 177 (up from 175 in January)

**February's Most Popular Post:** We're in for more rain this weekend. Have you checked your yard? You might have some of these things in your yard that can become a breeding site after the rain. ☁️💧 (photo)

**D. Twitter**



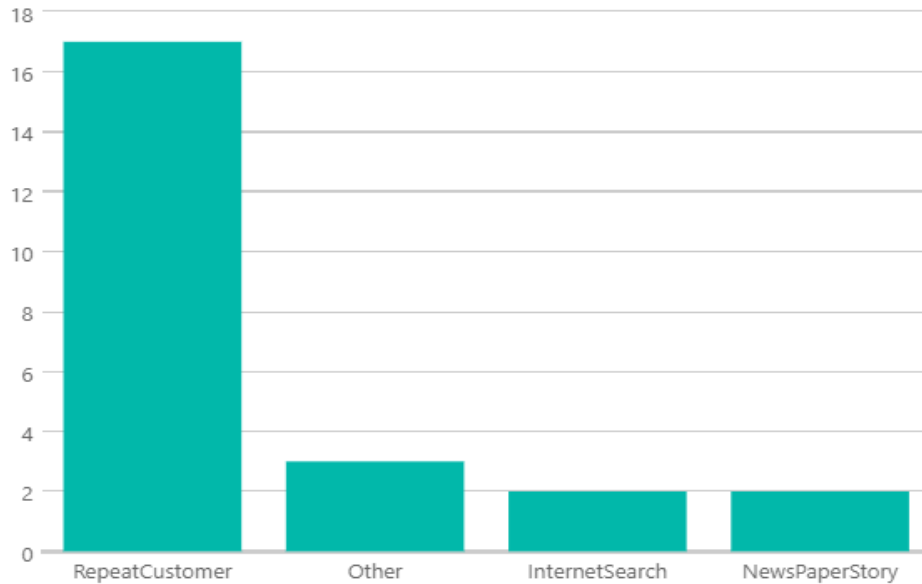
**Number of Profile Visits in February:** 56

**Total Number of Followers (New This Month):** 628 (up from 618 in January)

**Top February Tweet:** We're in for more rain this weekend. Have you checked your yard? You might have some of these things in your yard that can become a breeding site after the rain. ☁️💧 (photo)

**E. Service Request Referral Summary**

Number of Requests by Channel



**Note:** Word of Mouth, Event, Property Tax, District Vehicle or Employee, Social Media, Internet Ad, Billboard Ad, Movie Theater Ads, and Phone Book are also options for this question, but were not included on this chart, because they were not selected in the month of February. There were no reasons indicated by the people who chose “Other”.

4. **LEGISLATIVE UPDATE:**

	Bill Name and description	Status	ACMAD Position	ACMAD Action
<i>California</i>				
<b>MVCAC</b>	<b>AB 320:</b> This bill would create the California Mosquito Surveillance and Research Program, to be administered by the University of California, and would require the University to maintain an interactive internet website for management and dissemination of data on mosquito-borne virus and surveillance control and coordinate with the department, among other functions. The bill would make related findings and declarations.	Introduced	Support	Support letter to author and committee chairperson, Assemblymember Quirk



# TAKE ACTION BRIEF

## February 2019

Legislators are busy proposing new legislation before the bill introduction deadline. After February 22, all bills will have been introduced and CSDA will know which bills may impact special districts and the services they provide. As bills are heard in committees and amended, CSDA will continue to provide updates and inform you of ways you and your district can take action.



### Inside this edition of the Take Action Brief:

- CSDA Sponsoring Bill to Allow Flexibility in Video Records Retention Requirements.....2
- Assembly Asks Questions About Local Agencies’ Fees and Regulations for ADUs.....3
- Local Revenue Tied to Housing Crisis in Latest Flurry of Bills.....4
- Lactation Accommodation Legislation Reintroduced in 2019.....6
- Appeals Court Expands Scope of Prevailing Wage for Work Done for Special Districts .....7
- New Timeline for 2019 Student Video Contest.....8
- Win Lunch for Your Staff! Take the Special District School Engagement Survey.....9
- Learn More, Access Resources, Join Today, and Stay Informed.....9

### Contact a local CSDA representative near you!

Dane Wadlé  
 Colleen Haley  
 Cole Karr  
 Steven Nascimento  
 Chris Palmer

Northern & Sierra Networks  
 Bay Area Network  
 Central Network  
 Coastal Network  
 Southern Network

[danew@csda.net](mailto:danew@csda.net)  
[colleenh@csda.net](mailto:colleenh@csda.net)  
[colek@csda.net](mailto:colek@csda.net)  
[stevonn@csda.net](mailto:stevonn@csda.net)  
[chrisp@csda.net](mailto:chrisp@csda.net)



## ➤ GOVERNANCE AND ACCOUNTABILITY

*CSDA's long range policy priority on governance and accountability is to enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant, or one-size-fits all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preference of each community*

### **CSDA Sponsoring Bill to Allow Flexibility in Video Records Retention Requirements**

CSDA is sponsoring legislation that will modernize the Government Code to allow local public agencies, including special districts, to adopt records retention policies designed for modern digital recording technologies, while ensuring the proper retention of any records in which an incident may have occurred. This change in law, which will be introduced as an Assembly Bill in the month of February, will allow agencies to retain important records and delete useless ones, thus saving a significant amount of taxpayer dollars on unnecessary data storage costs. The proposed legislation does not affect video monitoring or retention policies related to law enforcement activities or open and public meetings.

Since 1998, all local public agencies have been required to retain routine video monitoring for at least one year. The legislative history shows the original intent was to store videotapes. However, since that time, technology has advanced significantly, while the law has remained unchanged, and the vast majority of video monitoring is now done using digital cameras that record onto DVRs, agency servers, and cloud-based servers.

Public agencies are installing an ever-increasing number of cameras and the cameras are recording in significantly higher resolution, 4k in some instances, making the recordings increasingly more useful and effective. However, with the increased number of cameras and picture quality, the amount of data that must be stored to comply with the current mandated retention requirements is astronomical and is costing local public agencies enormous sums of taxpayer dollars.

Additionally, while the higher picture quality of digital cameras is more useful than video tape, most of the routine video monitoring is of no value to the public because it is simply filming nothing happening. For example, 24-hour footage from a camera facing the back entrance to an office building where zero incidents have occurred must still be maintained for at least one year.

The soon to be introduced bill will modernize existing law to catch up with the technology of today and allow flexibility for public agencies to adapt to future technological advances.

The bill will require public agencies to continue to maintain routine monitoring records where incidents may have occurred until the incident is fully resolved but will also allow agencies to diligently manage their financial and equipment resources by setting their own records retention policies based on the needs and the use of their cameras, radios, and telephones.

Furthermore, in the absence of an agency adopting their own records retention policies in a public forum, the current one-year retention policy would remain in effect.

Please watch for future articles, emails, and other communications about the proposed legislation. Once introduced, we will be asking districts to assist CSDA in getting this bill signed into law by sending in letters of support for the bill. Should you have any questions about the proposed bill, please contact CSDA Senior Legislative Representative Dillon Gibbons at [dillong@csda.net](mailto:dillong@csda.net).



## ➤ INFRASTRUCTURE, INNOVATION, AND INVESTMENT

CSDA's long range policy principal regarding infrastructure, innovation, and investment is to encourage prudent planning for investment and maintenance of innovative long-term infrastructure. CSDA supports the development of fiscal tools and incentives to assist special districts in their efforts to meet California's changing demands, ensuring the efficient and effective delivery of core local services.

### **Assembly Asks Questions About Local Agencies' Fees and Regulations for ADUs**

In January, prior to the commencement of hearings on newly introduced legislation, the Assembly Committees on Local Government and Housing and Community Development held [a joint hearing on accessory dwelling unit \(ADU\) policy](#). Panelists represented the full spectrum of stakeholders: local governments, state agencies, non-profit advocates, and urban planning experts. Of particular interest to special districts was the testimony of Sophia Skoda, Director of Finance for East Bay Municipal Utility District (EBMUD).

Skoda offered concerns with the Legislature's proposal to restrict developer fees on new ADU construction. Skoda cited EBMUD's finding that there is no evidence capacity and connection fees are holding back development in their service area. Skoda also testified that banning fees puts costs back on ratepayers, many of whom are low income individuals in EBMUD's service area.

David Garcia, Policy Director for the Turner Center for Housing Innovation at UC Berkeley, also testified to their findings that the average developer fee in many cities and counties is \$50,000 per unit. Garcia admitted that this figure did not account for any additional fees charged by overlapping special districts. The Turner Center is working on a report for the Department of Housing and Community Development that will analyze developer fees charged throughout the state. The report is expected to be released this summer.

After witness testimony, the hearing wrapped up with public comment. CSDA staff testified on the importance of preserving local flexibility to set developer fees, which are critically important for water, sewer, utility, fire protection, and parks districts to provide essential services and infrastructure to local communities.

The Assembly Joint Hearing was an effort by Housing and Community Development Committee Chair David Chiu (D-San Francisco) and Local Government Committee Chair Cecilia Aguiar-Curry (D-Winters) to examine obstacles to ADU construction and evaluate possible solutions.

ADUs, also known as granny flats or in-law units, are secondary dwellings attached to an existing dwelling or constructed on the same lot. State regulation of local policies for ADUs has been a controversial topic in the Capitol for the past few years. Until recently, construction of ADUs was illegal in most municipalities in California. Many homeowners across the state chose to construct unpermitted accessory dwellings regardless of local restrictions. These ADUs have since become technically legal, although their construction and use are still heavily regulated in most localities.

Developers and housing advocates have pushed ADU construction as an answer to California's affordable housing crisis. ADUs can be considered infill development and do not require opening new land for housing, an advantage for policy makers confronting local "NIMBY" (not in my back yard) movements. So far this year, three new bills on ADU policy have been introduced, and several others are anticipated to be authored as well. Legislation is expected to focus on promoting ADU construction with a combination of slashing local development fees on ADUs, reducing timeframes for ministerial approval of new units, and restricting local agencies' ability to place requirements on ADUs for parking and other considerations.

Legislation introduced thus far includes:

- [SB 13 \(Wieckowski\) Developer Impact Fees](#)
- [AB 68 \(Ting\) Land Use Zoning and Approval](#)
- [AB 69 \(Ting\) Land Use Standards](#)

For more information, please contact CSDA Legislative Representative Rylan Gervase at [rylang@csda.net](mailto:rylang@csda.net).



## ➤ REVENUE, FINANCES, AND TAXATION

CSDA's long range policy priority on revenue, finances, and taxation is to ensure adequate funding for special districts' safe and reliable core local service delivery. Protect special districts' resources from the shift or diversion of revenues without the consent of the affected districts. Promote the financial independence of special districts and afford them access to revenue opportunities equal to that of other types of local agencies.

### Local Revenue Tied to Housing Crisis in Latest Flurry of Bills

Housing, or the lack thereof, continues to be a hot topic in Sacramento and a top legislative priority for policy makers. Just weeks prior to the February 22<sup>nd</sup> deadline for the introduction of new bills in the State Legislature, CSDA is already tracking a number of revenue related measures related to housing and infrastructure development.

In contrast to the calls for "RDA 2.0" that we saw in 2018, Governor Gavin Newsom has called for improvements to enhanced infrastructure financing districts (EIFDs). EIFDs are tax increment tools that land use authorities like cities can use to fund infrastructure improvements by bonding against the future growth in property tax revenue. Special districts can join EIFDs voluntarily, unlike RDAs which were forced upon special districts. CSDA is tracking a number of measures that work toward that end and we may see more in the weeks to come.

Some of the highlights include:

#### **ACA 1 (Aguilar-Curry) Local government financing: affordable housing and public infrastructure: voter approval**

This measure would allow for local government to pass special taxes for certain purposes with a 55 percent voter threshold instead of the current two-thirds requirement. This measure also would allow general obligation bonds for certain purposes to be passed at 55 percent, but only for cities and counties. CSDA is working collaboratively with the author's office and anticipates special districts will be afforded equal access to the new infrastructure financing tool in future amendments.

#### **AB 11 (Chiu) Community Redevelopment Law of 2019**

This measure picks up where [AB 3037](#) left off last year; which is a new twist on traditional redevelopment agencies (RDAs) that attempts to create a "pass-through" for special districts and counties to be made whole for any revenue losses experienced by the loss of tax increment. CSDA adopted an "Oppose unless Amended" position on this version of redevelopment and was successfully working with the author when the measure stalled in the Assembly Appropriations Committee last year. CSDA remains engaged with its local government partners and the author's office regarding some of the technical and policy details of this new version of the proposal.

#### **SB 5 (Beall and McGuire) Local-State Sustainable Investment Incentive Program**

This bill would authorize most local entities to apply to a new state-level "Sustainable Investment Incentive Committee" to participate in the program created by this measure to fund housing development and related infrastructure. The program is voluntary and uses property tax monies that are paid into the Educational Revenue Augmentation Fund (ERAF) to leverage dollars for certain projects and taxing entities who voluntarily commit to using their tax increment. Special districts are not specifically authorized to voluntarily participate outside of their membership in a joint powers authority or EIFD.

CSDA is engaging the authors' offices to not only thank them for their innovative approach that does not divert local revenue, but also to remind them of the important role that special districts could voluntarily play in development projects.





.....

## **SB 128 (Beall) Enhanced Infrastructure Financing Districts**

This measure will remove the requirement that EIFDs go to the voters to bond against their tax increment. The current threshold is 55 percent. This measure is related to the Governor’s plan to incentivize use of EIFDs rather than use traditional RDAs to fund housing programs and projects.

## **SCA 3 (Hill) Property taxation: change in ownership: inheritance exclusion**

The California Constitution specifies transfers that are not deemed to be a “purchase” or “change in ownership” of a property for the purpose of reassessment of property value and therefore ad valorem property tax. These exceptions include the transfer of a principal residence to children or grandchildren up to the first \$1,000,000 of value. Senate Constitutional Amendment 3 would limit this exclusion to those properties that the recipient uses as their actual principal residence, potentially dramatically increasing local property tax revenues.

If you have any questions or comments about these bills, please contact CSDA Legislative Representative Anthony Tannehill at [anthonyt@cda.net](mailto:anthonyt@cda.net).



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## ➤ HUMAN RESOURCES AND PERSONNEL

*CSDA's long range policy priority on human resources and personnel is to promote policies related to hiring, management, and benefits and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees, both represented and non-represented.*

### Lactation Accommodation Legislation Reintroduced in 2019

Only a few months after Governor Brown vetoed [SB 937](#), Senator Scott Weiner (D-San Francisco) has reintroduced his lactation accommodation legislation from last year as [SB 142 \(Weiner\)](#), hoping for a different outcome under newly elected Governor Gavin Newsom.

The bill requires all employers, including public agencies, to install lactation facilities in newly constructed workplaces and in tenant upgrades that cost more than \$1 million and are larger than 15,000 square feet. The lactation facilities need to be at least 50 square feet, contain an electrical outlet, with an additional outlet for a refrigerator where possible, provide access to a sink with hot and cold water, have a door with a lock that can be locked from the inside and contain a place to sit as well as an area to place lactation equipment.

The number of lactation facilities prescribed by the legislation is based on the number of employees, starting at one facility for employers with 50 or more employees and ranging up to 11 facilities for employers with 4,000 employees at a workplace, with an additional facility required for every 999 additional employees. The facilities must be within close proximity to employees' workstations and no more than two floors away from employees at multilevel workplaces. While the bill applies to all employers, those employers with fewer than 50 employees may be exempt from the requirements if they can demonstrate that the requirements pose an undue hardship.

SB 142 is a vast expansion of accommodation requirements that could be quite costly for many employers and difficult to comply with, particularly with relation to the necessary plumbing required by the bill. Current law was amended last year through [AB 1976](#) and requires an employer provide lactation accommodation to employees in an area other than a bathroom. When SB 937 was vetoed last year, the Governor stated in his veto message that he "signed AB 1976 which furthers the state's ongoing efforts to support working mothers and their families. Therefore, this bill is not necessary."

CSDA opposed last year's SB 937, and the CSDA Legislative Committee will formally adopt a position on SB 142 at its March 1 meeting. Governor Newsom has not yet indicated whether he might sign this year's bill, but CSDA will continue to monitor the bill and keep our membership updated as this bill continues through the legislative process.

If you have any questions or comments about these bills, please contact CSDA Legislative Representative Dillon Gibbons at [dillong@csda.net](mailto:dillong@csda.net).





## ➤ LEGAL ADVOCACY

CSDA is the leading legal advocacy voice for all special districts regarding public policy in California and actively tracks and reviews cases of significance affecting special districts in state and federal courts. Under the guidance of CSDA's Legal Advisory Working Group, CSDA files amicus briefs and opines on court cases when appropriate.

### Appeals Court Expands Scope of Prevailing Wage for Work Done for Special Districts

A recent decision by a California appellate court continued the expansion of prevailing wage law to include routine work done for the operation of existing facilities. In [\*Kaanaana v. Barrett Business Services, Inc.\*](#), a divided court (2-1) held that a private company providing employees to sort recyclables at recycling facilities owned by a sanitation district was required to pay the company's employees prevailing wage because work done for the special district is "public work," and therefore subject to state prevailing wage requirements.

The *Kaanaana* opinion substantially expands the categories of work for which contract workers at local public agencies must be paid prevailing wages by expanding the definition of "public works." Under the reasoning of the opinion, prevailing wage could be mandated for such workers as contract janitors, security officers, food service workers, temporary clerical workers, and other workers supplied to public agencies by contract employers.

Under current law, when a public works project exceeds \$1,000 prevailing wage rates must be paid to all workers employed on "public works" when the work is performed under contract and not carried out by a public agency with its own forces. Traditionally, the definition of "public works" has been limited to "construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds..."

The workers in question in *Kaanaana* acted as "belt sorters" tasked with standing at sorting stations along a conveyor belt, removing recyclable materials from the belt and placing them in receptacles at the sorting stations. The trial court decided that recyclable sorting work did not come within the definition of a "public work" because it was not in the nature of construction work.

The appellate court reversed. The court disagreed with the trial court's narrow interpretation of "public work" under state prevailing wage law when looking at "work done for irrigation, utility, reclamation, and improvement districts, and other districts of this type." The court concluded, "the recycling work done for the sanitation districts in this case constitutes "public work." The dissenting justice refuted many of the majority's arguments. The dissent expressed concern that prevailing wage law has been applied to various kinds of work involving or affecting physical facilities and infrastructure but never, until now, to routine operations performed inside an existing facility.

On January 29, CSDA joined the League of California Cities, California State Association of Counties, California Association of Sanitation Agencies, and County of Los Angeles Sanitation District in a letter to the California Supreme Court supporting a petition for review of this case. The CSDA letter argues that the issue is of statewide significance with profound economic and administrative impact for special districts and asks the Supreme Court for clear guidance on prevailing wage law. CSDA also joined a letter in support of de-publication of the unfavorable Court of Appeal opinion.

CSDA will continue to monitor this case for our members and act as appropriate. For more information about this decision and how it may impact your district, contact Legislative Analyst – Attorney Mustafa Hessabi at [mustafah@csda.net](mailto:mustafah@csda.net).



## ➤ DISTRICTS MAKE THE DIFFERENCE

*Districts Make the Difference* was created to increase public awareness and understanding of special districts across California. The campaign website, [www.districtsmakethedifference.org](http://www.districtsmakethedifference.org) provides a public place to learn more about special districts and the positive effect they have on their communities, while also serving as a resource for districts to download useful materials, collateral, and information.

### New Timeline for 2019 Student Video Contest

Districts Make the Difference is excited to announce changes to the upcoming submission period for the 2019 Student Video Contest. This year, the submission period has been extended! High school and college students now have from **May 1 to September 30** to submit a short video highlighting how special districts make the difference in California.

It's never too early for students to start working on their videos starring special districts. Students are encouraged to be as creative as possible when making their 60-90 second videos. That's correct, the length of the videos has also been extended! Students can now create videos up to 90 seconds long.

Do you know a student who may be interested? Do you know a teacher, principal, superintendent, or school board member that can help promote the contest? Spread the word!

Promotional material including a flyer and the social media graphic below are available on the Districts Make the Difference website at [www.districtsmakethedifference.org/video-contest](http://www.districtsmakethedifference.org/video-contest).

The video contest is a great opportunity to engage with students in your community and promote the important work and essential services your district provides. Watch the 2018 winning videos on the [Districts Make the Difference website](http://www.districtsmakethedifference.org).





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## ➤ OTHER WAYS TO TAKE ACTION

### Win Lunch for Your Staff! Take the Special District School Engagement Survey

Special districts throughout California are being asked to take a short three-question survey about their engagement with students and schools in their communities. Survey responses will help CSDA develop resources for special districts looking to be more involved with their local schools. Whether your district has a robust internship program, awards an annual scholarship, conducts an outreach event, or is simply interested in how to get started, CSDA needs you to [take this survey!](#)

***Each survey response\* will be entered for a chance to win lunch for staff at your special district.†***

CSDA appreciates how important your time is, that's why we made sure the survey will only take a couple of minutes. If you have not received a link to the survey, contact your CSDA Public Affairs Field Coordinator to request the survey and enter for your chance to WIN lunch!

\*Limit one response per person. Multiple responses from single district permitted. Survey ends 2/28/2019.

†Value not to exceed \$100. CSDA will make arrangements for lunch with winning entry upon conclusion of survey.

### Learn More

The 2019 Special District Leadership Academy Conference has 2 locations this year located in San Diego and Napa. This conference is based on CSDA's groundbreaking, curriculum-based continuing education program, which recognizes the necessity for the board and general manager to work closely toward a common goal.

To pay at a reduced price, the early bird deadline for SDLA San Diego is on March 8 and for SDLA Napa is on June 7. Are you a first time or returning attendee? Don't worry! There are workshops where one can complete all four modules to complete the Academy or take a deep dive into common opportunities and challenges facing special districts. Learn more at [www.sdma.csdanet](http://www.sdma.csdanet).

### Access Resources

Updated versions of CSDA's Board Member Handbook and California Public Records Act (CPRA) Compliance Manual are now available in the online Bookstore. The Special District Board Member Handbook is perfect for introducing newly elected officials to the world of special districts or for keeping seasoned board members current on their roles and responsibilities. The CPRA Compliance Manual provides a summary of the public records law and guidelines to fulfilling CPRA requests, including compliance tips for easy reference and a special section on disclosure of electronic records. Visit the [Bookstore](#) for more information.

### Join Today

Join an Expert Feedback Teams to provide CSDA staff with invaluable insights on policy issues. Email [marcusd@csda.net](mailto:marcusd@csda.net) to inquire about joining one of the following teams:

- Budget, Finance and Taxation
- Environment
- Formation and Reorganization
- Human Resources and Personnel
- Governance
- Public Works and Contracting



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITIES

# TAKE ACTION BRIEF

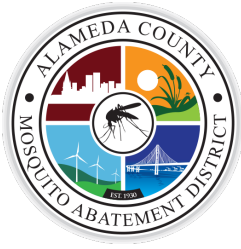
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## Stay Informed

In addition to the many ways you can **TAKE ACTION** with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach. Make sure you're reading these resources:

- CSDA's weekly e-Newsletter
- Districts in the News
- CSDA's CA Special District Magazine

Email [advocacy@csda.net](mailto:advocacy@csda.net) for help accessing these additional member resources.



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### Trustee & Staff Anniversary Recognitions:

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*General Manager*

**Background:**

ACMAD is pleased to recognize and thank the following Trustees & Staff on their anniversaries in the month of March

Trustee	City	Years of Service	Anniversary Date
Elisa Marquez	Hayward	4	March 3rd
Employee	Title	Years of Service	Anniversary Date
John Busam	Vector Biologist	17	March 1st
Erik Castillo	Regulatory & Public Affairs Director	17	March 1st
Nick Appice	Vector Biologist	5	March 5th