

AGENDA
1065th MEETING OF THE BOARD OF TRUSTEES
OF THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
FEBRUARY 13TH, 2019

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. Introduction of new Board Members Ms. Cathy Roache, representing Alameda County, and Mr. Victor Aguilar representing the City of San Leandro (Information only)
5. Approval of the minutes of the 1064th meeting held January 9th, 2019 (**Board action required**)
6. Presentation of the Financial Audit and Memorandum on Internal Controls for Fiscal Year 2017-18 by Maze & Associates. (**Board Action Required**)
7. Review of bids and awarding of contract for the solar energy project (**Board action required**)
 - a. Staff report
 - b. Executive summary of bids
8. Review of bids and awarding of contract for the District remodel project (**Board action required**)
 - a. Staff report
 - b. Bids
 - c. Project renderings
9. Closed session – Conference with Labor Negotiators Pursuant to Government Code 54957.6. Under Negotiation – Terms and Conditions of Employment (**Possible Board Action**)

Agency-Designated representatives: Eric Hentschke, Alan Brown, Elisa Marquez, Kathy Narum
Employee Organization: Alameda County Mosquito Abatement District's Employee Association.

10. Report from the Finance Committee regarding OPEB Trust allocation and policy changes.
(Board action required)
 - a. ACMAD OPEB Investment Policy Statement – clean version
 - b. ACMAD OPEB Investment Policy Statement – redline version
11. District reserve policy proposed revisions to appendices (First reading—Information Only)
12. Presentation of the President's Award Plaque to Past Board President Elisa Marquez by President Eric Hentschke (Information only)
13. Financial Reports as of January 31st, 2019: (Information only).
 - a. Check Register
 - b. Income Statement
 - c. Investments, reserves, and cash report
14. Presentation of the Monthly Staff Report for January 2019 (Information only).
15. Presentation of the Manager's Report for January 2019 (Information only).
 - a. Passing of former Piedmont Trustee Denny McLeod (term: 1997-2014)
 - b. MVCAC annual conference summary
 - c. Trustee & Staff Anniversaries
 - d. Form 700 FFPP Conflict of Interest Report: Narum, Marquez, Dickinson
 - e. ACSDA Annual Dinner March 28th, 2018. Redwood Canyon Golf Course, Castro Valley
 - f. Training set to expire: AB1234-Washburn; AB1825-Dickinson, Doggett
 - g. Special District Leadership Academy Conference: July 7-10, Napa
 - h. Remaining Presentations: 2/19-Alameda, 3/4-Piedmont, 3/5 Dublin, 3/12-Berkeley, 3/12-Alameda County, 3/19-Fremont, 4/16-Oakland
 - i. SDLF District of Distinction training options
16. Board President asks for reports on conferences and seminars attended by Trustees.
17. Board President asks for announcements from members of the Board.
18. Board President asks trustees for items to be added to the agenda for the next Board meeting.
19. Adjournment.

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

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

MINUTES

1064th MEETING OF THE BOARD OF TRUSTEES OF THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

January 9th, 2019

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

1. Board President Marquez called the regularly scheduled board meeting to order at 5:03 P.M.
2. Trustees Marquez, Poulson, Hentschke, Beatty, Cooley, Young, Doggett, Washburn, Dickinson, Narum and Bhat were present. Trustee Hernandez was absent. Trustee Brown arrived at 5:30 P.M.
3. Board President Marquez invited members of the public to speak on any issue relevant to the District, there were none.
4. Approval of minutes of the 1063rd meeting held December 12th, 2018.
Motion: Trustee Narum moved to approve the minutes
Second: Trustee Washburn
Vote: motion carries: unanimous.
5. Election of Board Officers. Gavel transferred from President Marquez to the newly elected President.
Discussion:
The Board voted on the following slate of candidates, approved at the December Board Meeting: President Hentschke, Vice-President Poulson, Secretary Beatty.
Motion: Trustee Narum moved to approve the election of Board officers and thanked President Marquez for her fabulous work especially in consideration of her other responsibilities and the additional work involved with the position.
Second: Trustee Cooley
Vote: motion carries: unanimous, the gavel was passed from Trustee Marquez to President Hentschke.

6. Review of 2019 ACMAD Board Meeting and Event Calendar

Discussion:

None

Motion: Trustee Beatty moved to approve the ACMAD Board Meeting and Event Calendar

Second: Trustee Marquez

Vote: motion carries: unanimous.

7. Report from the Finance Committee

Discussion:

Trustee Narum reported on behalf of the Finance Committee which occurred from 3:30 P.M. to before this meeting. Recommendations for action on a variety of issues will be presented to the Board at the February Board meeting.

8. Report on Invasive *Aedes* preparedness

Discussion:

The General Manager presented the report and fielded the following questions from Trustees. Trustee Bhat asked how the District would declare an emergency (through a special or emergency meeting if not close to a regularly scheduled meeting). Trustee Cooley asked what "DART" stood for? Trustee Beatty answered that it was an acronym for *(UC) Davis Arbovirus Research and Training*. Trustee Washburn reminded Trustees of the ferocious nature of these invasive mosquito species. Trustee Marquez asked if an emergency meeting would require either a 24- or 48-hour notice (per the Brown Act, a special meeting requires a 24-hour notice, an emergency requires little to no notice to the public). President Hentschke asked if a delayed notification would disrupt emergency responses (Board authorization for specific emergency action is not required, only a declaration is. Also, the Public Health Emergency Committee would be contacted in the interim). Trustee Dickinson asked for more information on who was included on the press release distribution list, and specifically, are school representatives included (likely, but confirmation will occur at the next Board meeting).

9. Review Committee Assignments for 2019

Discussion:

The General Manager Presented the current committee assignments, no changes were discussed.

10. Financial Reports as of December 31st, 2018.

Discussion:

The General Manager presented the financial reports as of December 31st, 2018.

11. Presentation of the Monthly Staff Report for December 2018.

Discussion:

The General Manager presented the Monthly Staff Report for December 2018.

12. Presentation of the Manager's Report for December 2018.

Discussion:

The General Manager presented the Manager's Report for December 2018 and fielded the following questions. Trustees Narum and Dickinson reminded the General Manager that Trustees should read the FFPP Conflict of Interest of form carefully before filling out to list all pertinent information. President Hentschke and Trustee Bhat would like to attend the ACSDA annual dinner.

13. Board President Marquez asked for reports on conferences and seminars attended by Trustees, there were none.

14. Board President Marquez asked for announcements from the Board, there were none.
15. Board President Marquez asked trustees for items to be added to the agenda for the next Board meeting. Besides an outline of upcoming District activities that will be reviewed in upcoming months provided by the General Manager (MOU, budget, audit), there were no items.
16. The meeting adjourned at 6:01 P.M.

Respectfully submitted,

Approved as written and/or corrected
at the 1065th meeting of the Board of
Trustees held February 13th, 2019

Eric Hentschke, President
BOARD OF TRUSTEES

Robert Beatty, Secretary
BOARD OF TRUSTEES

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
HAYWARD, CALIFORNIA**

**BASIC FINANCIAL STATEMENTS
and
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

JUNE 30, 2018

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**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018**

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**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Alameda County Mosquito Abatement District
Hayward, California

Report on Financial Statements

We have audited the basic financial statements of the governmental activities and the General Fund of the Alameda County Mosquito Abatement District (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the Alameda County Mosquito Abatement District, as of June 30, 2018, and the changes in financial position thereof and the budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and required the restatement of net position as discussed in Note 11.

Other Matters

Required Supplementary Information

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

Maze + Associates

Pleasant Hill, California
January 25, 2019

Alameda County Mosquito Abatement District
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2018

(Unaudited)

This section of Alameda County Mosquito Abatement District's (the District's) basic financial statements presents management's overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage the reader to consider the information presented here in conjunction with the District's basic financial statements, including notes and supplementary information that immediately follow this section, as a whole.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements, which are comprised of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and *Management's Discussion and Analysis – for States and Local Governments*. The Single Governmental Program for Special Purpose Governments reporting model is used which best represents the activities of the District.

The required financial statements include the Government-wide and Fund Financial Statements; Statement of Net Position and Governmental Fund Balance Sheet; Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances; and the Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types.

These statements are supported by notes to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

The Basic Financial Statements

The Basic Financial Statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the District's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the District's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the District's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report the District's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the District's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the District and are presented individually. Major Funds are explained below.

Alameda County Mosquito Abatement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018
(Unaudited)

The Government-wide Financial Statements

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the District as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities - The District's basic services are considered to be governmental activities. These services are supported by general District revenues such as taxes, and by specific program revenues such as user fees and charges.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the District's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually; the District has no Non-major Funds. Major Funds present the major activities of the District for the year and may change from year-to-year as a result of changes in the pattern of the District's activities.

In the District's case, the General Fund is the only Major Governmental Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

Analyses of Major Funds

Governmental Funds

General Fund revenues increased by \$256,447 this fiscal year.

General Fund expenditures were \$3,979,792 an increase of \$500,082 from the prior year.

Alameda County Mosquito Abatement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018
(Unaudited)

Governmental Activities

	<u>Governmental Net Position</u>	
	Governmental Activities	
	2018	2017
<u>Assets</u>		
Current and other assets	\$ 7,138,612	\$ 6,445,626
Capital assets	3,465,472	4,603,353
Total assets	10,604,084	11,048,979
Deferred outflows of resources	818,392	505,352
<u>Liabilities</u>		
Current liabilities	249,398	172,021
Long-term liabilities	2,642,666	2,551,572
Total liabilities	2,892,064	2,723,593
Deferred inflows of resources	(851,621)	(908,903)
<u>Net Position</u>		
Net investment capital assets, net of debt	2,748,806	2,604,121
Unrestricted	4,929,985	5,317,714
Total net position	\$ 7,678,791	\$ 7,921,835

The District's governmental net position amounted to \$7,678,791 as of June 30, 2018, a decrease of \$243,044 from 2017, before the prior period beginning balance restatement, due to the implementation of GASB 75. The overall change in net position, including the prior period adjustment increased by \$1,049,057 from \$6,629,734. The District's net position as of June 30, 2018 is comprised of the following:

- Cash and investments of \$7,138,612.
- Capital assets of \$2,748,806 net of depreciation charges, which includes all the District's capital assets used in governmental activities.
- Net OPEB assets of \$716,666, a decrease of \$1,282,566 from \$1,999,232 due to implementation of GASB 75.
- Liabilities, including accounts payable of \$81,543, compensated absences of \$167,855, and net pension liability of \$2,642,666.
- Net position invested in capital assets, net of related debt, of \$2,748,806 representing the District's investment in capital assets used in Governmental Activities, net of amounts borrowed to finance that investment. The District has no long-term debt.

Alameda County Mosquito Abatement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2018
 (Unaudited)

- Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The District had \$4,929,985 of unrestricted net position as of June 30, 2018.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized in the following table.

Table 2
Changes in Governmental Net Position

	Governmental Activities	
	2018	2017
<u>Expenses</u>		
Mosquito control	\$ 3,574,293	\$ 4,249,706
Total expenses	3,574,293	4,249,706
 <u>General Revenues</u>		
Property Taxes	2,054,129	2,029,078
Redevelopment distributions	236,382	180,474
Special assessments	2,026,453	1,916,198
Governmental aid (Homeowners Property Tax Relief, State Subvention)	16,220	15,954
Transfer from OPEB trust	-	170,219
Miscellaneous	264,661	20,824
Interest income	25,505	34,156
Total revenues	4,623,350	4,366,903
Change in net position	\$ 1,049,057	\$ 117,197

As Table 2 above shows, all the District's fiscal year 2018 governmental revenue of \$4,623,350 came from general revenues such as taxes and interest.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Capital Assets

Detail on capital assets and current year additions can be found in Note 4.

Debt Administration

The District currently does not utilize long-term debt to fund operations or growth.

Alameda County Mosquito Abatement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018
(Unaudited)

Economic Outlook and Major Initiatives

The District's financial position continues to be more than adequate. Financial planning is based on specific assumptions from recent trends in property values, State of California economic forecasts and historical growth patterns in the various communities served by the District.

The District continues to face increases in salaries, benefits, fund, pesticides and insurance. There are also calls for changes in property tax allocation from State control to more local control.

Contacting the District Financial Management

This comprehensive Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the District's finances. Questions regarding this report should be directed to: General Manager of Alameda County Mosquito Abatement District, 23187 Connecticut Street, Hayward, CA, 94545.

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 3)	\$7,138,612
Total current assets	7,138,612
Non current assets:	
Capital assets, nondepreciable (Note 4)	61,406
Capital assets, depreciable, net of accumulated depreciation (Note 4)	2,687,400
Net OPEB asset (Note 9)	716,666
Total non current assets	3,465,472
Total Assets	10,604,084
DEFERRED OUTFLOWS OF RESOURCES	
Pension related (Note 8)	818,392
Total deferred outflows of resources	818,392
LIABILITIES	
Current liabilities:	
Accounts payable	81,543
Compensated absences (Note 2F)	167,855
Total current liabilities	249,398
Non current liabilities:	
Net pension liability (Note 8)	2,642,666
Total non current liabilities	2,642,666
Total liabilities	2,892,064
DEFERRED INFLOWS OF RESOURCES	
Pension related (Note 8)	809,861
OPEB related (Note 9)	41,760
Total deferred inflows of resources	851,621
NET POSITION (Note 2J)	
Net investment in capital assets	2,748,806
Unrestricted	4,929,985
Total Net Position	\$7,678,791

See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position Governmental Activities
Governmental Activities:			
District operations	\$3,574,293		(\$3,574,293)
Total Governmental Activities	\$3,574,293		(3,574,293)
General revenues:			
Property taxes			2,054,129
Redevelopment distributions			236,382
Special assessments			2,026,453
Government aid			16,220
Interest			25,505
Miscellaneous			264,661
Total General Revenues			4,623,350
Change in Net Position			1,049,057
Net Position - Beginning, as restated (Note 11)			6,629,734
Net Position - Ending			\$7,678,791

See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 GOVERNMENTAL FUND - GENERAL FUND
 BALANCE SHEET
 JUNE 30, 2018

ASSETS

Cash and investments (Note 3)	\$7,138,612
Prepaid retirement expense	<u> </u>
Total Assets	<u><u> \$7,138,612 </u></u>

LIABILITIES

Accounts payable	\$81,543
	<u> </u>
Total Liabilities	<u> 81,543 </u>

FUND BALANCES

Assigned for capital projects	2,822,828
Assigned for dry period cash	<u>4,234,241</u>
	<u> </u>
Total Fund Balances	<u> 7,057,069 </u>
	<u> </u>
Total Liabilities and Fund Balances	<u><u> \$7,138,612 </u></u>

See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 Reconciliation of the
 GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 JUNE 30, 2018

Total fund balances reported on the governmental funds balance sheet	\$7,057,069
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:</p>	
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	2,748,806
DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES	
Deferred outflows of resources - pension related	818,392
Deferred inflows of resources - pension related	(809,861)
Deferred inflows of resources - OPEB related	(41,760)
LONG TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Current portion of compensated absences	(167,855)
Collective net pension liability	(2,642,666)
Net OPEB asset	<u>716,666</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$7,678,791</u></u>

See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 GOVERNMENTAL FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2018

REVENUES	
Property taxes	\$2,054,129
Redevelopment distributions	236,382
Special assessments	2,026,453
Government aid (Homeowners Property Tax Relief, State Subvention)	16,220
Interest	25,505
Miscellaneous	<u>264,661</u>
Total Revenues	<u>4,623,350</u>
EXPENDITURES	
Salaries and fringe benefits	2,480,037
Materials, supplies and services	999,776
Capital outlay	<u>499,979</u>
Total Expenditures	<u>3,979,792</u>
NET CHANGE IN FUND BALANCE	643,558
BEGINNING FUND BALANCE	<u>\$6,413,511</u>
ENDING FUND BALANCE	<u><u>\$7,057,069</u></u>

See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2018

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$643,558
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	144,685
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NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Compensated absences	(27,949)
Pension expense, net of deferred inflows and outflows	320,988
Salary and benefit expenses related to OPEB	(32,225)
	(29,986)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$1,049,057
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See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$2,007,044	\$2,054,129	\$47,085
Redevelopment distributions		236,382	236,382
Special assessments	1,929,046	2,026,453	97,407
Governmental aid (Homeowners Property Tax Relief, State Subvention)		16,220	16,220
Interest	8,000	25,505	17,505
Miscellaneous	<u>5,000</u>	<u>264,661</u>	<u>259,661</u>
Total Revenues	<u>3,949,090</u>	<u>4,623,350</u>	<u>674,260</u>
EXPENDITURES			
Salaries and fringe benefits	2,771,705	2,480,037	291,668
Materials, supplies and services	1,112,500	999,776	112,724
Capital outlay	<u>240,000</u>	<u>499,979</u>	<u>(259,979)</u>
Total Expenditures	<u>4,124,205</u>	<u>3,979,792</u>	<u>144,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER REVENUES	<u><u>(\$175,115)</u></u>	643,558	<u><u>\$818,673</u></u>
BEGINNING FUND BALANCE		<u><u>\$6,413,511</u></u>	
ENDING FUND BALANCE		<u><u>\$7,057,069</u></u>	

See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 FIDUCIARY ACTIVITIES
 STATEMENT OF FIDUCIARY NET POSITION
 OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND
 JUNE 30, 2018

ASSETS	<u>OPEB Trust Fund</u>
Cash and cash equivalents (Note 3)	\$10,622
Investments, at fair value (Note 3):	
Equity mutual funds	2,487,397
Fixed income mutual funds	<u>1,788,340</u>
Total Assets	<u><u>\$4,286,359</u></u>
NET POSITION	
Net position held in trust for Other Post-Employment Benefits	<u>\$4,286,359</u>
Total net position	<u><u>\$4,286,359</u></u>

See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 OPEB TRUST FUND
 STATEMENT OF CHANGES IN
 FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018

ADDITIONS	
Investment income:	
Interest and dividends	\$96,741
Net increase in fair value investments	<u>430,447</u>
Total additions	<u>527,188</u>
DEDUCTIONS	
Benefits	178,460
Administrative expense	<u>2,769</u>
Total deductions	<u>181,229</u>
NET CHANGE IN FUND BALANCE	345,959
BEGINNING FUND BALANCE	<u>\$3,940,400</u>
ENDING FUND BALANCE	<u><u>\$4,286,359</u></u>

See accompanying notes to financial statements

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 - GENERAL

The Alameda County Mosquito Abatement District (the District) is a special district established in 1930 and empowered to take all necessary and proper steps for the control of mosquitoes within the District's service area.

The District evaluated whether any other entity should be included in these basic financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Based upon the above criteria, the District determined that it had no component units as of June 30, 2018, or during the fiscal year then ended.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounts and Records

The District maintains a cash receipts journal for recording fees collected at 23187 Connecticut Street, Hayward, CA 94545. The assessment of property, collection of taxes, disbursement of cash, and the maintenance of the general ledger for all funds are provided by the County of Alameda. Custodianship of the District's accounts and records is vested with the Auditor Controller of Alameda County (the County).

B. Accounting Principles

The District accounts for its financial transactions in accordance with the policies and procedures recommended by the State of California. The accounting policies of the District conform to U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1) Government-wide and Fund Financial Statements:

The Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) report on the District as a whole. The Statement of Activities demonstrates the degree to which the direct expenses of the District's functions are offset by program revenues.

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Direct expenses are those that are clearly identifiable with the District's functions. Program revenues include charges for services. Other items not properly included among program revenues are reported instead as general revenues. The District's General Fund is presented as a separate financial statement (Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance).

2) Measurement Focus, Basis of Accounting and Financial Statement Presentation:

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities are prepared using the *economic resources* measurement focus and the *accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized as soon as they are both *measurable and available*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District reports the following major governmental fund:

General Fund: This is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. There are no other funds of the District.

Fiduciary Fund Types

Other Post Employment Benefit Trust (the Trust) is used to report resources that are required to be held in trust to accumulate resources for post employment benefit payments to qualified employees. These funds are not incorporated into the government wide financial statements.

The Trust financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Cost of third party administrators, actuarial reports, audits and similar costs incurred exclusively for the Trust are paid from resources from the Trust. Routine administrative costs of administrating the benefit plans, accounting services and other costs are absorbed by the District.

Benefits: Benefit expense and benefits payable are recognized when payments for benefits of members are made by the employer.

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3) Use of Estimates:

The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures/ expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the basic financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

C. Budget and Budgetary Accounting

The District annually adopts a budget for its General Fund to be effective July 1 for the ensuing fiscal year. The District's Board may amend the budget by resolution during the fiscal year and approves all budgetary transfers.

D. Fair Value Measurements

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

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

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

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

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

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred.

Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

<u>Class</u>	<u>Estimated Useful Life in Years</u>
Land	Not Depreciable
Structures and Improvements	5 - 39
Machinery and Equipment	5 - 7

F. Compensated Absences

All vacation pay is accrued when incurred. Employee compensated absences hours are capped at 400 hours. The District's accrued vacation was \$167,855 as of June 30, 2018.

G. Pensions, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

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

H. OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by PARS Trust. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fund Equity

The accompanying basic financial statements reflect certain changes that have been made with respect to the reporting of the components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below. In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision making authority. The Board of Trustees serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Trustees or by management officials to whom assignment authority has been delegated by the Board of Trustees.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Net Position

GASB Statement No. 34 added the concept of Net Position. The Statement of Net Position reports the difference between the District's total assets and the District's total liabilities, including all the District's long-term assets and debt. The Statement of Net Position presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the District's net position, by subtracting total liabilities from total assets.

The Statement of Net Position breaks out net position as follows:

Restricted describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the District cannot unilaterally alter.

Unrestricted describes the portion of net position that is not restricted from use.

Net investment in capital assets, describes the portion of net position that is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of the following as of June 30, 2018:

	Carrying Value
Governmental Activities:	
Pooled cash and investments	\$4,045,657
California Local Agency Investment Fund	7,035
Cash with VCJPA	388,444
Cash in Bank of America	123,976
Camp	2,017,285
PARS	502,036
Bank of the West	54,179
Total cash and investments	\$7,138,612
Fiduciary Funds:	
Money market mutual funds	\$10,622
Equity mutual funds	2,487,397
Bond mutual funds	1,788,340
Total cash and investments	\$4,286,359

Investments are reported at fair value. The District adjusts the carrying value of its investments, if material, to reflect their fair value at the fiscal year end, and includes the effect of these adjustments in income for that fiscal year. Investments in equity securities, corporate bonds and issues of the U.S. Government are valued at the last reported sales price of the fiscal year end. International securities reflect current exchange rates in effect at the fiscal year end. Purchases and sales of securities are recorded on a trade date basis.

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

A. Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the District's name and places the District ahead of general creditors of the institution.

B. Investments

The District's cash and investments with the County Treasurer are invested under policy guidelines established by the County. Credit risk information regarding the cash held by the Treasurer is included in the Comprehensive Annual Financial Report of the County of Alameda. The District has a formal investment policy for the District's OPEB Trust fiduciary fund discussed in section C below.

The credit risk regarding the investment in the Vector Control Joint Powers Agency (VCJPA) is included in the financial statements of the Vector Control Joint Powers Agency.

The District voluntarily participates in LAIF (Local Agency Investment Fund), regulated under Section 16429 of the State Government Code. LAIF allows local agencies such as the District to participate in a Pooled Money Investment Account managed by the State Treasurer Office and overseen by the Pooled Money Investment Board and the State Treasurer Investment Committee. A Local Agency Investment Advisory Board oversees LAIF. The fair value of the District's position in the pool is the same as the value of its pool shares. The total amount invested by all public agencies in LAIF, as of June 30, 2018 was approximately \$86.2 billion. The District had a contractual withdrawal value of \$7,048 in LAIF. At June 30, 2018, these investments matured in an average of 193 days.

The District voluntarily participates in CAMP (California Asset Management Trust). The Trust is organized and operated in a manner and in accordance with objectives and policies intended to preserve principal, provide liquidity so that Shareholders will have ready access to their pooled funds, provide a high level of current income consistent with preserving principal and maintaining liquidity, and place investments, document investment transactions, in respect to the investment of debt issuances, and account for funds in a manner that is in compliance with the arbitrage rebate and yield restrictions requirements as set forth in the Internal Revenue Code and related U.S. Treasury regulations. The Trust's Investment Advisor currently invests available cash in the Pool, in a limited list of investments authorized by California Government Code Section 53601. The fair market value of the District's position in the pool, as of June 30, 2018 was approximately \$10.5 million. At June 30, 2018, these investments matured in an average of 60 days. As of June 30, 2018, the investments had an ending balance of \$2,017,285.

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Investments of the Fiduciary-Type Activities

Permitted Deposits and Investments -The District's Board of Trustees has appointed the Trust Board to oversee policies and procedures related to the operation and administration of the Other Post Employment Benefit Trust (the Trust). The Trust's Investment Policy is authorized to make deposit/investments *in* insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, and commercial paper rated A or higher by one of the three standard rating services. The Trust may also invest in certain non U.S. obligations, LAIF, mutual funds, real estate investment trusts and equity securities.

D. Custodial Credit Risk – Investments

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The Trust's investment policy requires all securities to be held by a third party custodian designated by the Trust's Board. The investment policy also provides that this risk be mitigated by investing in investment grade securities and by diversifying the investment portfolio. As of June 30, 2018, no investments were exposed to custodial credit risk.

E. Concentration of Credit Risk

The Trust's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer or maturity. As of June 30, 2018, 58% of the funds' assets were held in equity mutual funds and 42% in fixed income mutual funds.

F. Fair Value Hierarchy

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

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 3 – CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2018:

Governmental Activities:	Level 2	Total
Pooled cash and investments	\$4,045,657	\$4,045,657
<i>Investments Measure at Amortized Cost:</i>		
California Local Agency Investment Fund		7,048
CAMP	2,017,272	2,017,272
PARS	502,036	502,036
<i>Note Rated:</i>		
Cash with VCJPA		388,444
Cash in Bank of America		123,976
Cash in Bank of the West		54,179
Total cash and investments	\$6,564,965	\$7,138,612
Other Post-Employment Benefit Trust:	Level 2	Total
Equity mutual funds	\$2,487,397	\$2,487,397
Bond mutual funds	1,788,340	1,788,340
<i>Investments Measure at Amortized Cost:</i>		
Money market mutual funds		10,622
Total cash and investments	\$4,275,737	\$4,286,359

As of June 30, 2018, the District had \$4,045,648 of cash and investments pooled with the County that is classified in Level 2 of the fair value hierarchy. The fair value of the pooled investment fund is provided by the County Treasurer and is valued using quoted prices for identical instruments in markets that are not active. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Trust's investment policy provides that the exposure to interest rate risk be mitigated by purchasing a diverse combination of shorter term and longer term investments. Information about the sensitivity of the fair value of investments, held by the trustee, to market interest rate fluctuations is provided in the table below:

	Investment Maturity (In Years)			Investment Rating
	Fair Value	Less than 1	1-5	
<u>Governmental Activities:</u>				
Pooled cash and investments	\$4,045,657	\$2,103,742	\$1,941,915	AA
California Local Agency Investment Fund	7,035	7,035		Not rated
Cash with VCJPA	388,444	388,444		Not rated
Cash in Bank of America	123,976	123,976		Not rated
Bank of the West	54,179	54,179		
CAMP	2,017,285	2,017,285		
PARS	502,036	502,036		
Total cash and investments	\$7,138,612	\$5,196,697	\$1,941,915	
	Investment Maturity (In Years)		Investment	
<u>Other Post-Employment Benefit Trust:</u>	Fair Value	Less than 1	Rating	
Money market mutual funds	\$10,622	\$10,622	AA	
Equity mutual funds	2,487,397	2,487,397	Not rated	
Bond mutual funds	1,788,340	1,788,340	Not rated	
Total cash and investments	\$4,286,359	\$4,286,359		

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 4 – CAPITAL ASSETS

An analysis of capital assets at June 30, 2018, is as follows:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Balance June 30, 2018</u>	<u>NBV June 30, 2018</u>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land	\$61,406		\$61,406	\$61,406
Total capital assets not being depreciated	<u>61,406</u>		<u>61,406</u>	<u>\$61,406</u>
Capital assets being depreciated:				
Structures and improvements	4,379,435	\$149,588	4,529,023	\$2,375,929
Machinery and equipment	1,278,766	274,309	1,553,075	311,471
Total capital assets being depreciated	<u>5,658,201</u>	<u>423,897</u>	<u>6,082,098</u>	<u>\$2,687,400</u>
Less accumulated depreciation for:				
Structures and improvements	(1,956,557)	(196,537)	(2,153,094)	
Machinery and equipment	(1,158,929)	(82,675)	(1,241,604)	
Total accumulated depreciation	<u>(3,115,486)</u>	<u>(279,212)</u>	<u>(3,394,698)</u>	
Total depreciable assets	<u>2,542,715</u>	<u>\$144,685</u>	<u>2,687,400</u>	
Total capital assets - net of depreciation	<u>\$2,604,121</u>		<u>\$2,748,806</u>	

NOTE 5 – ACCRUED VACATION

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The amount of accumulated vacation totaled \$167,855 and \$139,906 at June 30, 2018 and 2017, respectively.

NOTE 6 – PROPERTY TAX LEVY, COLLECTIONS AND MAXIMUM RATES

The State of California (the State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless voters have approved an additional amount. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among counties, cities, school districts and other districts. Counties, cities, school districts and other districts may levy such additional tax as is necessary to provide for voter approved debt service.

The County of Alameda assesses properties, bills, and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due dates	50% on February 1 50% on February 1	Upon receipt of billing
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 6 – PROPERTY TAX LEVY, COLLECTIONS AND MAXIMUM RATES (Continued)

The term “unsecured” refers to taxes on property not secured by lines on real property.

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the "alternate method" of property tax distribution, known as the Teeter Plan, by the District and the County. The Teeter Plan authorizes the auditor/controller of the County to allocate 100% of the secured property taxes billed, but not yet paid. The County remits tax monies to the District in three installments as follows:

50% remitted on December 15
40% remitted on April 15
10% remitted on June 30

NOTE 7 – SELF-INSURANCE AND JOINT POWERS AGENCY

The District participates with other districts in the Vector Control Joint Powers Agency ("VCJPA") The VCJPA was established under the provisions of California Government Code Section 6500 et seq.

The program covers the District's individual workers' compensation claims of \$500,000 for any one loss; excess insurance is obtained to cover individual claims at the statutory limit and \$5,000,000 for Employer's Liability. The District is self-insured for claims under \$500,000.

Annual premiums, based on the District's total payroll, are deposited in the District's separate Pooled Workers' Compensation Account (the Account) at the VCJPA. The Account is reduced by the District's share of all program claim settlements, excess insurance premiums and related administrative expenses. Three years after the end of each fiscal year, the VCJPA is to make a retroactive adjustment to refund/ collect any remaining balance/deficit in the District's account. While the District's ultimate share of workers' compensation claim settlements and related administrative expenses is uncertain, the District's management does not believe it will have a material impact on the District's basic financial statements.

The District also participates in a pool for general liability coverage. The program covers comprehensive, general, errors and omissions, and automobile liability. The program covers individual claims for the first \$1,000,000 and purchases excess insurance from \$1,000,000 to \$10,000,000.

Annual premiums are deposited in the District's separate Liability Account at the VCJPA. The account is reduced by the District's share of all program claim settlement, excess insurance premiums and related administrative expenses. Five years after the end of each fiscal year, the VCJPA will make a retroactive adjustment to refund/ collect any remaining balance/ deficit in the District's account. While the District's ultimate share of liability claim settlement and related administrative expenses is uncertain, the District's management does not believe it will have a material impact on the District's basic financial statements. The \$388,444 in deposit with the VCJPA as of June 30, 2018, represents additional monies, under the District's control, which the District may use for future self-insurance related expenditures or any other purpose.

Deposits at the VCJPA bear interest based on the average daily balance maintained by each district. These deposits are managed by Bickmore Risk Services.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 8 – CALPERS PENSION PLAN

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's separate Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits Provided

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

The Plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.000% - 2.5000%
Required employee contribution rates	7.00%	6.50%
Required employer contribution rates	9.56%	6.91%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual *basis* by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 8 – CALPERS PENSION PLAN (Continued)

For the year ended June 30, 2018 the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$317,084

As of June 30, 2018, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous Plans as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$2,642,666

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2016 and 2017 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.073%
Proportion - June 30, 2017	0.076%
Change - Increase (Decrease)	0.003%

For the year ended June 30, 2018, the District recognized pension expense of (\$151,034). At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$317,084	
Differences between expected and actual experience	9,978	(\$2,286)
Changes of assumptions		(94,402)
Change in proportion and differences between employer contributions and proportionate share of contributions		(713,173)
Net difference between projected and actual earnings on pension plan investments	491,330	
Total	\$818,392	(\$809,861)

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 8 – CALPERS PENSION PLAN (Continued)

The \$317,084 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2018	(\$436,475)
2019	(180,950)
2020	181,612
2021	127,260
Thereafter	

Actuarial Assumptions – the total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions.

	Miscellaneous
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry-Age and Service
Mortality Rate Table ¹	Derived using CalPers Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – CALPERS PENSION PLAN (Continued)

Change of Assumptions - GASB 68, paragraph 68 states that long long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. The discount rate of 7.65 percent used for the June 30, 2016 measurement date was net of administrative expenses. The discount rate of 7.15 percent used for the June 30, 2017 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2016 measurement date were the same as those used for the June 30, 2017 measurement date.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns on all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 8 – CALPERS PENSION PLAN (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$4,238,495
Current Discount Rate	7.15%
Net Pension Liability	\$2,642,666
1% Increase	8.15%
Net Pension Liability	\$1,323,793

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018**

NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT

A. General Information about the District’s Other Post Employment Benefit (OPEB) Plan

Plan Description. As authorized by the District's Board of Trustees, the District administers a single employer defined benefit health care plan. The defined benefit post-employment healthcare plan provides medical benefits to eligible District employees who retire from the District at age 50 or older, are eligible for a CalPERS pension, and have been employed by the District for at least 10 years. The District's OPEB Trust is shown as a fiduciary fund in this financial report.

Benefits Provided. The District provides health care for employees and dependents (and also for retirees and their dependents) in accordance with the California Public Employees Medical and Hospital Care Act (PEMHCA), more commonly referred to as PERS Health. Employees may choose one of the following medical options: Kaiser HMO, PERSCare PPO, PERS Choice PPO, Anthem HMO Select, Anthem HMO Traditional, BSC Access +, HealthNet Smart Care, Kaiser Permanente, PERS Choice, PERS Select and PERSCare. The District has a cap on employer contributions set each year at 100% of the Kaiser one-party rate for the Bay Area/Sacramento region for individual coverage and 90% of the corresponding two-party rate for second and third tier coverages. Employees and retirees may choose a more expensive coverage but they must pay any premiums *in* excess of the cap. The District also pays for vision and dental for employees and retirees, *in* addition to the medical cap. There *is* a small group of retirees (pre-1980 retirees) who are reimbursed up to \$1,500 per year for dental coverage for the retiree and spouse (each). All others are covered by Delta Dental. The District also pays a 0.45% of premium administrative charge for all retirees.

Funding Policy. There is no statutory requirement for the District to prefund its OPEB obligation. The District has established a trust fund which *is* currently almost fully funded. The District currently pays for retiree healthcare benefits on a pay-as-you-go basis until the District trust is funded, which is *in* process. There are no employee contributions. For the fiscal year ending June 30, 2018, the District's plan paid approximately \$179,756 for retiree healthcare plan benefits.

Employees Covered by Benefit Terms. Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees		16
Inactive employees or beneficiaries currently receiving benefit payments		15
Total		31

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (Continued)

B. Net OPEB Liability

Actuarial Methods and Assumptions. – The District’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2017.

	Actuarial Assumptions	
Valuation Date		July 01, 2017
Measurement Date		June 30, 2018
Actuarial Cost Method		Entry Age Normal Cost, level of pay
Actuarial Assumptions:		
Discount Rate		3.00%
Payroll Growth		3.00%
Investment Rate of Return		6.00%
	Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.	
Mortality Rate		
Medical Cost Trend Rate		5.00% for 2018 and later years

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

Asset Class	Target Allocation
Mutual Funds - Equity	58.04%
Mutual Funds - Fixed Income	41.72%
Other	0.24%
Total	100.00%

Rate of Return. For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 7.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.00%.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (Continued)

C. Changes in Net OPEB Liability

The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2017	\$3,460,704	\$4,167,835	(\$707,131)
Changes Recognized for the Measurement Period:			
Service Cost	150,088		150,088
Interest on the total OPEB liability	200,500		200,500
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions			
Contributions from the employer		63,129	(63,129)
Net investment income		299,763	(299,763)
Administrative expenses		(2,769)	2,769
Benefit payments	(241,589)	(241,589)	
Net changes	108,999	118,534	(9,535)
Balance at June 30, 2018	<u>\$3,569,703</u>	<u>\$4,286,369</u>	<u>(\$716,666)</u>

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(5.00%)	(6.00%)	(7.00%)
(\$231,428)	(\$716,666)	(\$1,114,602)

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (Continued)

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00% decreasing to 2.00%) or 1-percentage-point higher (7.00% decreasing to 6.00%) than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
1% Decrease	Medical Cost	1% Increase
Trend Rates		
(5.00% decreasing to 4.00%)	(6.00% decreasing to 5.00%)	(7.00% decreasing to 6.00%)
(\$1,168,428)	(\$716,666)	(\$159,426)

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$32,225. At June 30, 2018, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	(\$41,760)
Total	(\$41,760)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2019	(\$10,440)
2020	(10,440)
2021	(10,440)
2022	(10,440)

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 10 – DEFERRED COMPENSATION PLAN

The District employees may defer a portion of their compensation under a District sponsored Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of the compensation until it is distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan. A total of 10 employees' deferred compensation during the fiscal year ended June 30, 2018.

The laws governing the Plan assets require Plan assets to be held by a Trust for the exclusive benefits of Plan participants and their beneficiaries. Since the assets held under this Plan are not the District's property, are not managed by the District and are not subject to claims by general creditors of the District, they have been excluded from these financial statements.

NOTE 11 – NET POSITION RESTATEMENT

During the fiscal year 2017/18, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as disclosed in Note 9. Accordingly, beginning net position was reduced by \$1,512,220.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND RELATED RATIOS AS OF
THE MEASUREMENT DATE

Measurement Date	Miscellaneous			
	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Plan's proportion of the Net Pension Liability (Asset)	0.0309%	0.0780%	0.0735%	0.0761%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,923,046	\$2,028,906	\$2,551,572	\$2,642,666
Plan's Covered Payroll	\$1,287,185	\$1,467,683	\$1,580,981	\$1,588,441
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	149.40%	138.24%	161.39%	166.37%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.0287%	78.2766%	78.9294%	77.7053%

*- Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
 Cost-Sharing Multiple Employer Defined Pension Plan
 Last 10 Years*
 SCHEDULE OF CONTRIBUTIONS

	Miscellaneous Plan			
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Actuarially determined contribution	\$152,526	\$205,340	\$136,053	\$317,084
Contributions in relation to the actuarially determined contributions	(152,526)	(205,340)	(136,053)	(317,084)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Covered payroll	\$1,287,185	\$1,467,683	\$1,580,981	\$1,588,441
Contributions as a percentage of covered payroll	11.85%	13.99%	8.61%	19.96%
Notes to Schedule				
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	(1)
Investment rate of return	7.15% (2)
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

*- Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Single Employer Defined Benefit Health Care Plan

Last 10 fiscal years*

Measurement Date	<u>6/30/18</u>
Total OPEB Liability	
Service Cost	\$150,088
Interest	200,500
Changes in benefit terms	
Differences between expected and actual experience	
Changes of assumptions	
Benefit payments	(241,589)
Net change in total OPEB liability	<u>108,999</u>
Total OPEB liability - beginning	<u>3,460,704</u>
Total OPEB liability - ending (a)	<u><u>\$3,569,703</u></u>
Plan fiduciary net position	
Contributions - employer	\$63,129
Contributions - employee	
Net investment income	299,763
Administrative expense	(2,769)
Benefit payments	(241,589)
Net change in plan fiduciary net position	<u>118,534</u>
Plan fiduciary net position - beginning	<u>4,167,835</u>
Plan fiduciary net position - ending (b)	<u><u>\$4,286,369</u></u>
 Net OPEB liability - ending (a)-(b)	 <u><u>(\$716,666)</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 120.08%
 Covered-employee payroll	 \$1,588,441
 Net OPEB liability as a percentage of covered-employee payroll	 <u><u>-45.12%</u></u>

* Fiscal year 2018 was the first year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS
Single Employer Defined Benefit Health Care Plan
 Last 10 fiscal years*

Fiscal Year Ended June 30,	2018
Actuarially determined contribution	\$113,347
Contributions in relation to the actuarially determined contribution	113,347
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$1,588,441
Contributions as a percentage of covered-employee payroll	7.14%

Notes to Schedule

Valuation date: July 1, 2017

Methods and assumptions used to determine contribution rates:

Valuation Date	July 01, 2017
Actuarial Assumptions:	
Discount Rate	3.00%
Inflation	
Payroll Growth	3.00%
Investment Rate of Return	6.00%

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Mortality Rate

Medical Cost Trend Rate

5.00% for 2018 and later years

* Fiscal year 2018 was the first year of implementation.

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MEMORANDUM ON INTERNAL CONTROL

Board of Trustees
Alameda County Mosquito Abatement District
Hayward, California

In planning and performing our audit of the basic financial statements of the Alameda County Mosquito Abatement District (District), in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist and that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control included on the Schedule of Significant Deficiencies to be significant deficiencies.

Included in the Schedule of Other Matters are recommendations not meeting the above definition that we believe to be of potential benefit to the District.

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

Maze & Associates

Pleasant Hill, California
January 25, 2019

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**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
SCHEDULE OF SIGNIFICANT DEFICIENCIES
FOR THE YEAR ENDED JUNE 30, 2018**

2018-01 Accurate Preparation of the District's Bank Reconciliation

Criteria: Bank reconciliation should be prepared accurately, and any unreconciled differences should be addressed.

Condition: Per review of the June 30, 2018 bank reconciliation for the District's cash account held with Bank of the West, we noted an unreconciled difference of \$161,351. The bank reconciliation appeared to have been reviewed.

Cause: The District did not incorporate the ending balance of the cash account in the bank reconciliation which caused the unreconciled difference.

Effect: The potential of an inaccurate general ledger cash balance may occur.

Recommendation: The District should review the bank reconciliation for any unreconciled differences and ensure the general ledger for cash is presented accurately.

Management's Response: The Accounting system did not update the records before printing the bank reconciliation report. After learning about this error, we understand the extra step that must be taken before printing the report.

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**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
SCHEDULE OF OTHER MATTERS
FOR THE YEAR ENDED JUNE 30, 2018**

2018-02 Upcoming Governmental Accounting Standards Board Pronouncements

EFFECTIVE FISCAL YEAR 2018/19:

GASB 83 – *Certain Asset Retirement Obligations*

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement.

This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. In addition, it requires a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. A government should remeasure an ARO only when the result of the evaluation indicates there is a significant change in the estimated outlays. The deferred outflows of resources should be reduced and recognized as outflows of resources (for example, as an expense) in a systematic and rational manner over the estimated useful life of the tangible capital asset.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
SCHEDULE OF OTHER MATTERS
FOR THE YEAR ENDED JUNE 30, 2018**

GASB 83 – Certain Asset Retirement Obligations (Continued)

A government may have a minority share (less than 50 percent) of ownership interest in a jointly owned tangible capital asset in which a nongovernmental entity is the majority owner and reports its ARO in accordance with the guidance of another recognized accounting standards setter. Additionally, a government may have a minority share of ownership interest in a jointly owned tangible capital asset in which no joint owner has a majority ownership, and a nongovernmental joint owner that has operational responsibility for the jointly owned tangible capital asset reports the associated ARO in accordance with the guidance of another recognized accounting standards setter. In both situations, the government's minority share of an ARO should be reported using the measurement produced by the nongovernmental majority owner or the nongovernmental minority owner that has operational responsibility, without adjustment to conform to the liability measurement and recognition requirements of this Statement.

In some cases, governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities. This Statement requires disclosure of how those funding and assurance requirements are being met by a government, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements.

This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
SCHEDULE OF OTHER MATTERS
FOR THE YEAR ENDED JUNE 30, 2018**

GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements (Continued)

How the Changes in This Statement Improve Financial Reporting

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

EFFECTIVE FISCAL YEAR 2019/20:

GASB 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
SCHEDULE OF OTHER MATTERS
FOR THE YEAR ENDED JUNE 30, 2018**

GASB 90 – Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61)

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

EFFECTIVE FISCAL YEAR 2020/21:

GASB 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
SCHEDULE OF OTHER MATTERS
FOR THE YEAR ENDED JUNE 30, 2018**

GASB 87 – Leases (Continued)

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

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**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES
FOR THE YEAR ENDED JUNE 30, 2018**

2017-01 Property Tax Journal Entry

Criteria: Property tax revenue should be recorded via journal entry throughout the fiscal year.

Condition: During our review of the financial statements, it came to our attention that some of the property tax activity was not booked in the District's general ledger.

Cause: The District missed booking this transaction due to key staff turnover.

Effect: The journal entry to record the property tax was over \$4 million and was booked after the end of the fiscal year.

Recommendation: The District should record the property during the fiscal year under audit.

Current Status: This item was corrected in fiscal year 2017/2018, however, property tax was recorded in the District's general ledger under one account and not allocated to the appropriate account based on property tax revenue type.

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REQUIRED COMMUNICATIONS

To the Board of Trustees of
The Alameda County Mosquito Abatement District
Hayward, California

We have audited the basic financial statements of the Alameda County Mosquito Abatement District (District) for the year ended June 30, 2018. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

The pronouncement became effective, and as disclosed in Note 9 and 11 to the financial statements and required a prior period restatement for the cumulative effect on the financial statements.

Unusual Transactions, Controversial or Emerging Areas

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

Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements are depreciation, claims liability and actuarial estimates for the District's pension related deferred outflows and inflows of resources, net pension liability and other post-employment benefits.

The value of the assets, liability and assumptions used to determine annual required contributions for other post-employment benefits is determined by an actuary study provided to the District. The value of the District's deferred outflows and inflows of resources and collective net pension liability was obtained from an actuarial valuation.

Management's estimate of depreciation is based on the estimated useful lives of the capital assets, and its estimate of claims is based on the District Attorney's estimates of current and potential litigation, as well as actuary studies provided for the District as of June 30, 2018. We evaluated the key factors and assumptions used to develop the depreciation expense and claims liability and reviewed the current actuary study and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Disclosures

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in a management representation letter dated January 25, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information Accompanying the Financial Statements

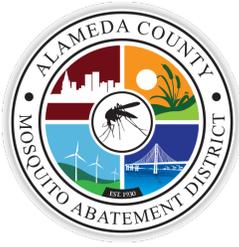
With respect to the required supplementary information accompanying the financial statements, we applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Maze + Associates

Pleasant Hill, California
January 25, 2019

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Agenda item: 1065.7

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Ryan Clausnitzer

General Manager

Summary:

The purpose of this project is to nearly eliminate energy costs with a return on investment of 7-9 years and reduce the District's harmful impact on the environment. The solar estimates listed below reviewed several years of energy bills while considering adjustments that will likely occur in the life of the equipment such as more efficient lighting/ HVAC, and increased load from additional electric vehicles. Staff followed district policy § 202.3 by posting the project for over a month--working with solar energy consultant Scott Predmore of Utility Cost Management. All companies must comply with prevailing wage requirements.

Evaluation of five bids:

To compare quotes from the vendors, staff considered the following qualitative criteria: completeness of bid, experience and references, equipment quality, warranty, and the location of the company. Staff also considered two installation locations for the equipment: the roof of the facility, or the carports. The carports were chosen over the roof as additional work would have to be made to the roof to avoid cancelling the warranty, and the option of accommodating car-charging stations in the future is more feasible in the carport scenario. The quantitative industry standard for comparisons is price/watt. We also asked each company to consider tax equity financing which is a tool by which government agencies can take advantage of the 30% tax credit for solar installations by partnering with a private company. Only Sun Light & Power included that option in their bid.

Company	Location	Cost	Watt	Price/Watt
California Building Structure	Modesto	\$259,988	76,800	\$3.39
RDC (Rakkar)	Fresno	\$175,000	61,400	\$2.85
Solar Technologies	San Ramon	\$146,450	49,000	\$2.99
Spectrum Energy	Elk Grove	\$180,463	60,520	\$3.00
Sun Light & Power	Berkeley	\$176,060	55,700	\$3.16

Recommendation:

Based on the criteria described above, staff recommends awarding Solar Technologies with the solar project bid.

Attachments:

- Executive summaries of the bids from five vendors**



Estimate

Residential - Commercial

Ph (209)846-9028 - Fax (209)846-9104

Email: californiastuctures@yahoo.com

Smart Renewable Investment for Long Term Energy

Date: 1/25/2019

Name: Mosquito Abatement District			
Address: 23187 Connecticut Street Hayward, Ca 94545			
Meter N/A			
Phone: 510 - 783 - 7744		mark@mosquitoes.org	
Qty	Item Description	Unit Price	Amount
1	Solar system to offset 100% of current usage (76.80Kw)		
	Current usage 107,400,093 kwh		
	System will include: System Generation (118,720,168 kwh)		
240	PV modules (REC 320/60 cell)		
240	Enphase IQ 7 Inverts under each Pv Modules		
1	Enphase Envoy Comm Gateway, allow monitoring 24/7		
1	All racking and standard equipment to completely instal		
1	Plans, permit, file for PTO with your utiulity company.		
1	* Note electrical upgrades are not included.		
1	* Will eliminate electric bill for 3-5 yrs,		
	Please see the 25 yr warranty info provided		
	All work to be done per plans, customers spec,city code.		
	Plans, permit, and inspection are included in this quote.		
		Total Cost	\$259,988.00
		Available Tax Credit	N/A
		Referral Discount	N/A
		Credits	None

If work is not described on the original estimate, it is considered a change order and also a price change. This estimate is to allow the selection of each component in the project.

Thank you for the opportunity to work with you.
If there are any questions or changes, please let us kno 209-846-9028

I agree with these conditions: _____



B: Executive Summary

ACMAD's goals are to achieve a 100% utility off-set with PV Solar for the most affordable price, with emergency back-up. In order to achieve this energy offset ACMAD proposed using the two parking structures along with the roof of the main building.

RDC believes that 100% utility off-set is achievable by using the roof of the main building only. After thorough review, there is not enough history on the prefabricated carports to confirm that they will be able to handle the weight of the racking along with solar panels. **We are positive that utilizing the main building roof is the most cost-effective method to proceed forward.**

RDC's in-house design department has walked the site to assess the roof's condition and structural integrity to ensure that we can safely install the PV systems. We have also contacted the original roofing contractor to patch solar system penetrations needed so that the standard 30-year roofing warranty is not voided.

Request for Proposal stated to provide a 20-25 kilowatts of battery back-up, however a battery back-up system of this size is not recommended RDC has walked the site to verify/confirm nameplate ratings of critical lab equipment and believe that 11KW generator is the most cost-effective path forward

The cost for a roof mounted PV system only is \$175,000. PV system will include (192) REC 320NP PV Modules along with (4) SolarEdge Inverters and (96) P730W optimizers.

*****Systems below are for critical loads only*******

The cost for a PV system with a Backup Generator is \$199,500 including (192) REC 320NP PV Modules along with (4) SolarEdge Inverters, (96) P730W optimizers and (1) 11Kw Generac Generator.

The cost for a PV system with a Battery backup is \$220,500 including (192) REC 320NP PV Modules along with (3) SolarEdge Inverters, (78) P730W optimizers, (1) outback FP3 FXR3048A and (2) Discover AES Lithium Iron Batteries. *Approximately 11Kw.*

Once the notice to proceed is awarded, RDC is certain that it can produce shop drawings for city approval within 4-6 weeks. By doing so, we can secure a permit by middle of March, begin construction early April and be done with the installation by end of May.

Executive Summary

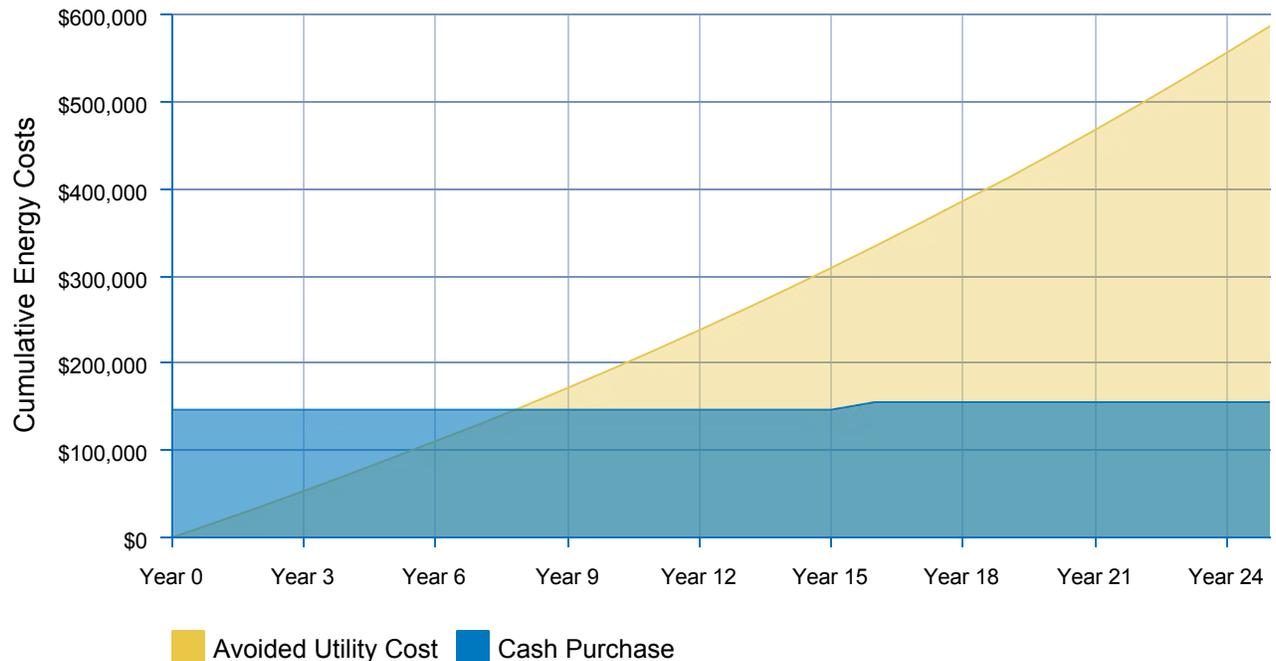
SunPower Solar PV Project Details:

Peak Output Rating (kW-DC):	49.0 kW-DC
Peak Output Rating (kW-AC):	43.7 kW-AC
Total PV Generation in Year 1:	76,971 kWh
Project Cost Per Kilowatt-DC:	\$2.99

Project Description: Turnkey installation of SunPower solar PV system including design, engineering, permitting, equipment procurement, construction, commissioning and utility interconnection.

Payment Options	Cash Purchase
Upfront Payment	\$146,450
Total Payments	\$146,450
Rebates and Incentives	-
Net Payments	\$146,450
25-Year Electric Bill Savings	\$587,189
Electric Bill Savings Year 1	\$17,273
25-Year IRR	13.2%
25-Year LCOE PV	\$0.081
25-Year NPV	\$161,116
Payback Period	7.8 Years

Long-Term Electricity Cost Forecast: Solar vs. PG&E (Status Quo)





Executive Summary

ACMAD Solar Photovoltaic System

Attn: Mark Wieland

23187 Connecticut Street

Hayward, CA 94545

(510) 783-7744

Subject: ACMAD Solar PV Project Proposal - REV2

Dear Mr. Wieland,

We are pleased to present our REVISED Solar PV project proposal for the Alameda County Mosquito Abatement District's property in Hayward, CA. We have included the Carport PV option, the Rooftop PV option, as well as an alternate option which includes battery storage for backup only.

Option 1: After our site visit to visually inspect the existing carports, it is our recommendation to use this space for your PV system. The foundation and structure appear more than capable of handling the solar arrays. We have successfully completed this type of retrofit on several different occasions with several different types of carport structures. We are willing to lower our original bid price if this is the option chosen.

Option 2: Using all three available roof spaces is another option for installing the required solar PV system. While feasible, this option presents more challenges than the carport option. The first challenge is the brand new TPO roof with a 25 year warranty that will need to be maintained per the manufacturer's specifications. This can become costly and will be an adder to our Turnkey price since we won't know the full burden until after complete design has been completed. The second challenge is that a significant amount of roof equipment causes the arrays to be broken up into small sections, greatly increasing wiring and conduit work. The cost for this option has actually gone up from the original carport quote. However, we will still be happy to build the rooftop project if that is the ACMAD choice.

Please refer to our previous proposal for battery back up recommendations, this option remains the same. We can also provide a generator backup as an alternate in a future proposal.

After the site inspection, our turnkey pricing for the Carport PV System Only has been reduced from \$186,586 down to **\$180,463** for a 60.52kWdc rated system which will provide a 99% offset of your current electricity usage, and a 93% offset of your electricity costs. Our Rooftop project pricing is higher than our original quote, due to the constraints mentioned above, which is **\$187,566** for a 59.9kWdc rated system which will provide the same amount of energy offset as the other system.

Our battery backup system pricing has remained unchanged.

23 January 2019

MARK WIELAND

Alameda County Mosquito Abatement District
23187 Connecticut Street
Hayward, CA 94545

RE: Photovoltaic System Proposal

Dear Mark:

Sun Light & Power (SLP) is pleased to provide this response to the Request for Proposal for a Photovoltaic System to be installed at the Alameda County Mosquito Abatement District (ACMAD) office in Hayward. We have carefully reviewed ACMAD's energy goals and are submitting herewith our proposal that highlights our ***over 42-year experience in providing turnkey solar solutions*** – a substantial number of which are for Bay Area municipal and commercial projects – as well as our commitment to using business as a force of good.

Experts with a Passion for Solar Energy

Since 1976, SLP has been making a positive difference in the world by providing exceptional service, products and expertise in solar energy to our customers. As a California Benefit Corporation, we are committed to the good business practices that support our shared environment, provide generously for our own team members, and enrich the community we live in. We are also proud to have been the first solar integrator in Alameda County to have achieved and maintained certification as a Green Business, since 2003.

Our goal has always been to deliver ***the lowest lifetime cost of energy*** for our clients, with the highest standards of quality. We do this by reducing our own company profit and overhead as much as possible, and flowing as much benefit to our clients as practical. For ACMAD we propose a 55.7 kW system that will offset almost all of your annual electrical bill for \$207,130.

We look forward to the opportunity of partnering with ACMAD in reducing your energy bill by putting solar on your headquarters. For any questions during the evaluation period, please contact the undersigned at (510) 809-3686 or Martin@sunlightandpower.com.

Respectfully,

Martin Morehouse
Estimator, Sun Light & Power

COLLECTIVE SUN

SOLAR POWER AGREEMENT

Customer Name, Address, and Contact
Alameda County Mosquito Abatement District
("You" or "Your")
23187 Connecticut St.
Hayward, CA 94545
Attn: Mark Weiland, Engineer
Telephone: (510) 845-2997
Email: martin@sunlightandpower.com

Installation Location
23187 Connecticut St.
Hayward, CA 94545
("Property")

Date
01/25/2019

Overview

The Solar System to be installed at Your Property will generate electricity. Under this lease C2S2 Solar Fund III LLC ("We", "Our", "Us") owns, operates, and maintains the Solar System and You agree to lease the Solar System from us for Twenty (20) years. You agree to provide an upfront loan in the amount of \$176,060. At the end of every contract year, instead of You making a fixed lease payment in cash, the lease payment is deducted from the loan balance. Your utility bill will vary

depending on the amount of electricity You consume beyond what is provided by the Solar System. This Agreement becomes effective when both We and You have signed it and continues in effect for Twenty (20) years ("Initial Term") following the date Your utility grants permission to operate the Solar System, unless You exercise Your early termination right at the end of Year 6, in which case, this Agreement will end.

Here are the key terms of Your Solar Power Agreement

55.70 kW_P

Size of Solar System

86,210 kWh

First year "Energy Production"

\$14,085

First year "Lease Rate"

\$176,060

Your loan to Us (the "Loan")

Our Promise



We maintain and repair the Solar System at no additional cost to You while We own the Solar System.



We provide 24/7 web-enabled monitoring at no additional cost.



We, and the EPC Contractor, are insured and have all required licenses to perform the work necessary to install and maintain Your system.



The pricing in this Agreement is valid for 30 days after the date shown above.

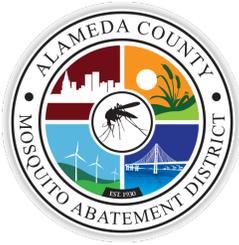
Your SPA Details

Your Early Termination Right at the end of year 6:

At the end of the Sixth (6th) year, You have the right to terminate this SPA for the Early Termination Fee of **\$123,242**, which We have determined via independent third-party appraisal to be the Solar System's fair market value at that time, as set forth in Exhibit 2. However, after applying the unused balance of Your Loan, **Your estimated net cash payment to Us is expected to be zero or minimal** (see page 5 for more details).

If You choose not to exercise Your Early Termination Right at the end of Year 6, Your choices after the 20-year Initial Term are:

- We will remove modules and inverters at no cost to You.
- You can upgrade to a new Solar System with the latest solar technology under a new contract.
- You may purchase the Solar System from Us for its fair market value as determined at that time by an appraiser selected by Us.
- You may renew this SPA for up to Ten (10) years in Two (2) Five (5) year increments.



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Union City

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General Manager

Agenda item: 1065.8

Summary:

The purpose of this project is to adjust and update the District offices to the current and future needs. These adjustments include eliminating our office supply room and computer server room—combining these uses with our public outreach lab in the prior server room. New work-stations will be installed in our old public outreach lab and the existing Board room will expand into the old office supply room allowing for more classroom hosting capabilities. It will also remove an unused reception desk, replacing it with display cases of our live and displayed insects along with a digital dashboard and enclosing our Accounting Associate’s Office with an opaque glass wall. Updates include new flooring in affected areas and replacing sheetrock walls to opaque glass where applicable. Staff followed district policy § 202.3 by posting the project for over a month, working with architectural consultant Carlos Castillo of Element One Architecture. All contractors must comply with prevailing wage requirements.

Evaluation of three contractor quotes:

Bids were posted in several forums and rated on the following criteria: cost, bid completeness, projected start time, location, and experience. The following table does NOT include 10% for contingencies.

Company	Location	Cost
California Building Structure	Modesto	\$134,159
JCR Custom/ Paul Builders	Hayward	\$237,991
RDC (Rakkar)	Fresno	\$308,890

Recommendation:

Based on the criteria described above, staff recommends awarding JCR Custom/ Paul Builders with the facility remodel bid.

Attachments:

- Bids from three contractors**
- Preliminary renderings of proposed board room and lobby**



Estimate

Residential - Commercial

Ph (209)846-9028 - Fax (209)846-9104

Email: californiastuctures@yahoo.com

Smart Renewable Investment for Long Term Energy

Date: 1/25/2019

Name: Alameda County Mosquito Abatement District			
Address: 23187 Connecticut Street Hayward, Ca 94545			
Meter N/A			
Phone: 510 - 783 - 7744		mark@mosquitoes.org	
Qty	Item Description	Unit Price	Amount
1	Flooring (VCT's) Furnish and Install as follow's (858 sf) Armstrong VCT tiles throughout Reception, Accounting, Kitchen, and supply areas. Includes removal and disposal of existing non asbestos materials, Color and Style TBD Allowance for the (VCT) 3.25 sf x 858 = 2,788.50		\$16,344.90
2	Furnish and Install Commercial glue direct Broadloom or carpet (VCT) Includes removal and disposal of existing non asbestos materials, Color and Style TBD Allowance for the (CGD) 3.25 sf x 967sf = 3,142.75 Any area effected by construction will be painted as needed Safe off for construction, Relocate as needed. Includes all standard fllor prep, Sunries, and Transition strips Project based on Prevailing wage rates. All work to be done per plans, customers spec,city code. Plans, permit, and inspection are included in this quote.		\$18,421.35
Total Cost			\$34,766.25
			Available Tax Credit
			N/A
			Referral Discount
			N/A
			Credits
			None

If work is not described on the original estimate, it is considered a change order and also a price change. This estimate is to allow the selection of each component in the project.

Thank you for the opportunity to work with you.
If there are any questions or changes, please let us kno 209-846-9028

I agree with these conditions: _____



Estimate

Residential - Commercial

Ph (209)846-9028 - Fax (209)846-9104

Email: californiastuctures@yahoo.com

Smart Renewable Investment for Long Term Energy

Date: 1/25/2019

Name: Alameda County Mosquito Abatement District			
Address: 23187 Connecticut Street Hayward, Ca 94545			
Meter N/A			
Phone: 510 - 783 - 7744		mark@mosquitoes.org	
Qty	Item Description	Unit Price	Amount
1	Demo per plans provided		\$7,164.00
1	Drywall repairs as needed in the following area		
	Conference Rm, Computer Rm, Server Rm, and Kitchen		
	Drywall to match existing wall finish.		\$11,400.00
1	Fire Sprinkler relovate as needed to meet code.		\$3,240.00
1	Glass walls, per plan to m,atch existing		\$33,974.82
1	Kitchen per plans as follow's Must meet ADA Standar		
	Remove existing cabinets, Install stainless counter top		
	Plumbing as needed, Must meet (ADA standards)		\$4,400.00
1	The following area will be painted to match existing colors		
	Any area effected by construction will be painted as needed		\$13,200.00
1	Safe off for construction, Relocate as needed.		
	No additional outlets or fixtures.		\$9,720.00
1	Relocate cabinetry throughout project as needed (If possible)		
1	Roof repair, after shylite has been removed		\$1,894.00
1	T-Bar repair/Replace 1,200 sf of T-bar as needed.		\$14,400.00
	* Note permit, plans, and bonds not included.		
	All work to be done per plans, customers spec,city code.		
	Plans, permit, and inspection are included in this quote.		\$99,392.82
			N/A
	If work is not described on the original estimate, it is considered a change order and also a price change	Referral Discount	N/A
		Credits	None

This estimate is to allow the selection of each component in the project.

Thank you for the opportunity to work with you.

If there are any questions or changes, please let us kno 209-846-9028

I agree with these conditions: _____

**JCR Custom/ Paul Builders
 Project Estimate**

CSI	Trade	Total	Scope Description
1	General Requirements		Based on 5 month duration.
	01015 Supervision	\$ 11,704	Project management, prevailing wage paperwork, misc
	01400 Special Procedures	\$ 2,337	Mobilization. Includes 2 periods of prevailing wage registration
	01500 Temporary Utilities	\$ 1,200	Porta Potty and regular service
	01600 Permits and Fees	\$ -	Not included.
	01720 Clean Up / General Labor	\$ 3,945	Continuous clean up, progressive debris removal past demolition, misc/pick-up carpentry.
	01710 Protection / Tools / Scaffolding	\$ 1,597	existing materials
	01700 Contract Closeout	\$ 3,208	Final punch list and clean up.
		\$ 23,991	
2	Sitework		
	02060 Demolition	\$ 9,685	
	02200 Earthwork	\$ -	
	02300 Shoring	\$ -	
	02400 Drainage	\$ -	
	02500 Site Utilities	\$ -	
	02600 Hardscape	\$ -	
	02700 Site Improvements	\$ -	
	02800 Landscaping	\$ -	
		\$ 9,685	
3	Concrete		
	03310 Foundation	\$ -	
		\$ -	
4	Masonry		
		\$ -	
5	Metals		
	05100 Structural Steel	\$ -	
	05200 Ornamental Metals	\$ -	
		\$ -	
6	Wood and Plastic		
	06100 Rough Framing	\$ 11,768	Rough carpentry labor and materials.
	06200 Exterior Finish Carpentry	\$ 780	Exterior finish carpentry: exterior trim, window
	06300 Interior Finish Carpentry	\$ 11,074	
	06320 Architectural Woodwork	\$ -	
	06700 Cabinets	\$ -	
		\$ 23,622	
7	Thermal and Moisture Protection		
	07100 Waterproofing	\$ -	
	07200 Insulation	\$ -	
	07300 Roofing	\$ -	
	07500 Flashing/Sheetmetal	\$ -	
	07600 Skylights	\$ -	
	07900 Caulking & Sealants	\$ 480	
		\$ 480	
8	Doors and Windows		
	08100 Interior Doors	\$ -	
	08200 Exterior Doors	\$ -	
	08500 Windows	\$ 51,450	Includes doors
	08700 Hardware	\$ 1,890	
	08800 Glass	\$ -	
		\$ 53,340	
9	Finishes		
	09100 Stucco	\$ -	
	09200 Drywall	\$ 11,256	
	09300 Tile	\$ -	
	09350 Counters	\$ 3,000	Allowance
	09610 Wood Flooring	\$ -	
	09620 Carpet	\$ 22,500	Allowance based on 1,500 SF

**JCR Custom/ Paul Builders
 Project Estimate**

CSI	Trade	Total	Scope Description
	09900 Paint, Finishing and Wall Covering	\$ 12,768	Interior Paint
		\$ 49,524	
10	Specialties		
	10100 Miscellaneous Specialties	\$ -	
	10300 Fireplaces	\$ -	
	10800 Bath Accessories	\$ -	
		\$ -	
11	Equipment		
	11900 Appliances		
		\$ -	
12	Furnishings		
	12000 Furnishings	\$ -	
		\$ -	
13	Special Construction		
	13000 Not Used	\$ -	
		\$ -	
14	Conveying Systems		
	14100 Not Used	\$ -	
		\$ -	
15	Mechanical		
	15100 Radiant Heating System	\$ -	
	15300 Fire Protection	\$ 5,980	Fire sprinkler protection.
	15410 Plumbing Rough and Trim	\$ 4,800	Plumbing rough-in & plumbing trim out included.
	15420 Plumbing Fixtures	\$ 1,000	Allowance.
	15500 HVAC	\$ 12,680	
		\$ 24,460	
16	Electrical		
	16100 Electrical Rough and Trim	\$ 17,780	Electrical roughin based on new construction, includes: basic light system; outlets, switches, recessed cans also included.
	16200 Decorative Electrical Fixtures	\$ 2,000	Allowance.
		\$ 19,780	
	Subtotal	\$ 204,882	
	18000 15% P & O	\$ 32,781	
	19000 Liability Insurance	\$ 328	
	Total	\$ 237,991	
17	Contingency		
	17000 Contingency	\$ 47,598.19	



License# 1037594

Mr. Mark Weiland
Alameda County Mosquito Abatement District
231187 Connecticut Str.
Hayward, CA 94545

Re: Alameda County Mosquito Abatement District – **Office Remodel**

Thank you for allowing Rakkar Development and Construction the opportunity to submit the following quote for the project referenced above. RDC is pleased to provide the following scope of work:

- **Remodel of Conference room.**
 - Demo walls between Storage and Conference rooms to combine both rooms.
 - Wrapping of tube steel column in paint grade wood.
 - Move existing cabinetry from existing location to North East corner of New conference room.
 - Add/Replace new soffit, T-bar ceilings and lights.
 - Remove and Replace existing floor.
 - Remove and Patch existing Storage Room door.
 - Add Electrical Outlet in wall for Recessed smart board. (Smart board to be installed by Owner)
 - Replace Ceiling light fixtures. Per Sheet A5.01
 - Add (2) electrical outlets on east wall.
 - Drywall, Mud and Texture Electrical outlet patches.
 - Painting of Conference Room. Color (T.B.D)
 - Patch, Insulate and fill in abandoned skylight.
 - Remove/Relocate Sprinkler from the abandoned skylight.

- **Reception Room Remodel.**
 - All existing furniture to be removed by owner.
 - Remove, dispose and replace existing flooring.
 - Add glass wall and door to separate reception area.
 - Add new lighting per plans. Per Sheet A5.01
 - Add (2) new outlets in accounting area and (2) new outlets in reception area.
 - Adjust T-bar as needed for wall.
 - Paint Reception Area and (N) Accounting office. Color (T.B.D)



License# 1037594

- **Remodel of Support office**
 - All existing furniture to be removed by owner.
 - Demo existing west wall and to be replaced by new glass wall and door.
 - Demo door on the north wall.
 - Remove hood vent and repair ceiling around removed hood vent.
 - Remove, dispose and replace existing flooring. Flooring TBD
 - Paint Support Office. Color (T.B.D)
 - Adding two new Electrical Outlets. Per Sheet A5.02
 - Frame Drywall, Mud and Texture north wall.

- **Supply Room**
 - Demo existing East and South wall to be replaced by new glass wall.
 - Remove, dispose and replace existing flooring. Flooring TBD
 - Paint Support Office. Color (T.B.D)

- **Kitchen**
 - Remove existing kitchen cabinets, hood vent, countertop, sink and replace with ADA Compliant countertop.
 - Replace Kitchen sink per sheet A2.02 General note 4
 - Remove, dispose and replace existing flooring. Flooring TBD
 - Paint Kitchen. Color (T.B.D)

- **Other**
 - Upgrade of plumbing fixtures to low flush per sheet A2.02.
 - Owner to provide location of shut off valve.
 - Assistive Listening device.

Exclusions

- **Any unforeseen issues or anything not listed above.**
- **Smart Board and installation of Smart Board.**
- **Any and all ADA signage not in areas being remodeled.**
- **Door Labeled (N) West Entrance per sheet A1.01**



License# 1037594

Allowances:

- \$15 per sq. ft. for flooring material. At 2,000 square feet, this allowance is approximately \$30,000.
- \$3,000 for kitchen counter top.
- \$1,000 for kitchen plumbing fixtures.
- \$7,000 for Electrical outlet relocation, and Cabinetry retrofit.
-

Contingencies:

- General Contingency of 10% of Contract total: \$26,789.00
- Accessibility Contingency of 10% of Contract total: \$26,789.00
- Asbestos Testing: \$5,000
- Not included in contract (NIC): Display Cases.

Quotation:

The price to provide above mentioned scope including any equipment, labor and supervision will be: Two hundred sixty-seven thousand eight hundred and ninety dollars (\$267,890). **Please note that this price does NOT include any contingency or allowances listed above.**

Sincerely,

Taj Rakkar
Rakkar Development and Construction
Owner

Acceptance: Alameda County

Signature: _____

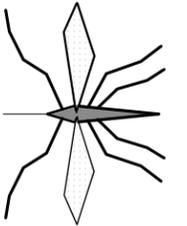
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PO #: _____

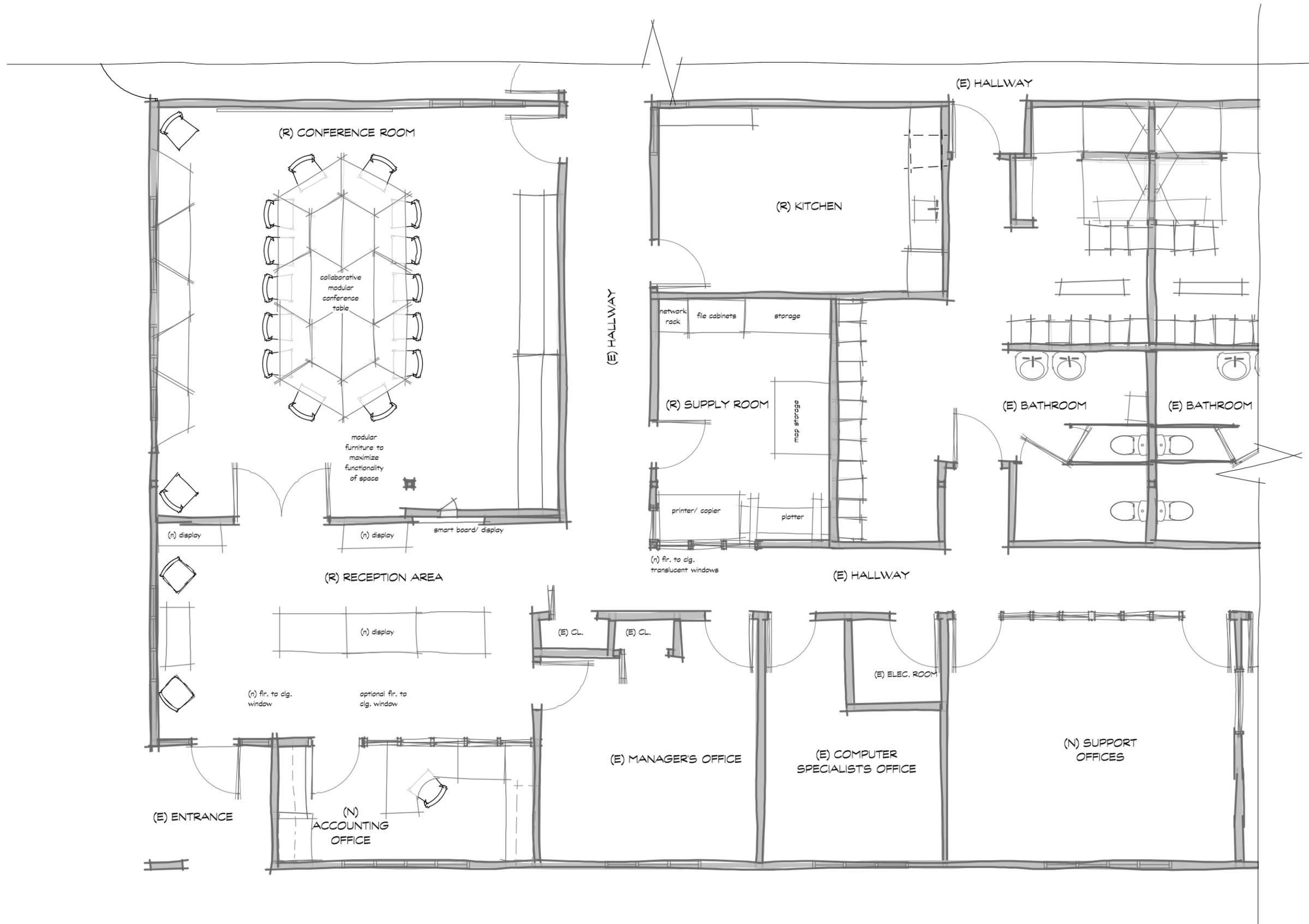
Date: _____

Cost Breakdown		
Division 01	General Requirements	\$ 71,037.16
Division 02	Existing Conditions-Demo	\$ 19,234.00
Division 06	Carpentry	\$ 4,203.20
Division 08	Doors/Windows	\$ 55,000.00
Division 09	Finishes Wall/Ceiling/Floor	\$ 45,087.00
Division 10	Specialties	\$ 5,000.00
Division 12	Furnishings	\$ 1,601.60
Division 21	Fire Sprinklers	\$ 7,500.00
Division 22	Plumbing	\$ 22,887.04
Division 23	Mechanical	\$ 9,760.00
Division 26	Electrical	\$ 26,580.00
	Total	\$ 267,890.00
Allowances		
	Flooring	\$ 30,000.00
	Kitchen Counter Top	\$ 3,000.00
	Kitchen Plumbing Fixtures	\$ 1,000.00
	Lab Electrical Relocation	\$ 7,000.00
	Total	\$ 41,000.00
Contingencies		
	General	\$ 26,789.00
	Accessibility	\$ 26,789.00
	Asbestos Abatement	\$ 5,000.00
	Total	\$ 58,578.00
Total Cost		\$ 367,468.00

\$ -



ALAMEDA COUNTY
MOSQUITO ABATEMENT DISTRICT
23187 CONNECTICUT STREET
HAYWARD, CA 94545



PARTIAL FLOOR PLAN - CONFERENCE ROOM

SCALE: N.T.S.

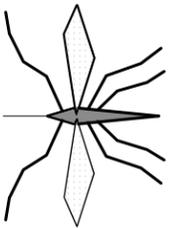


PRINT DATE 02/07/19

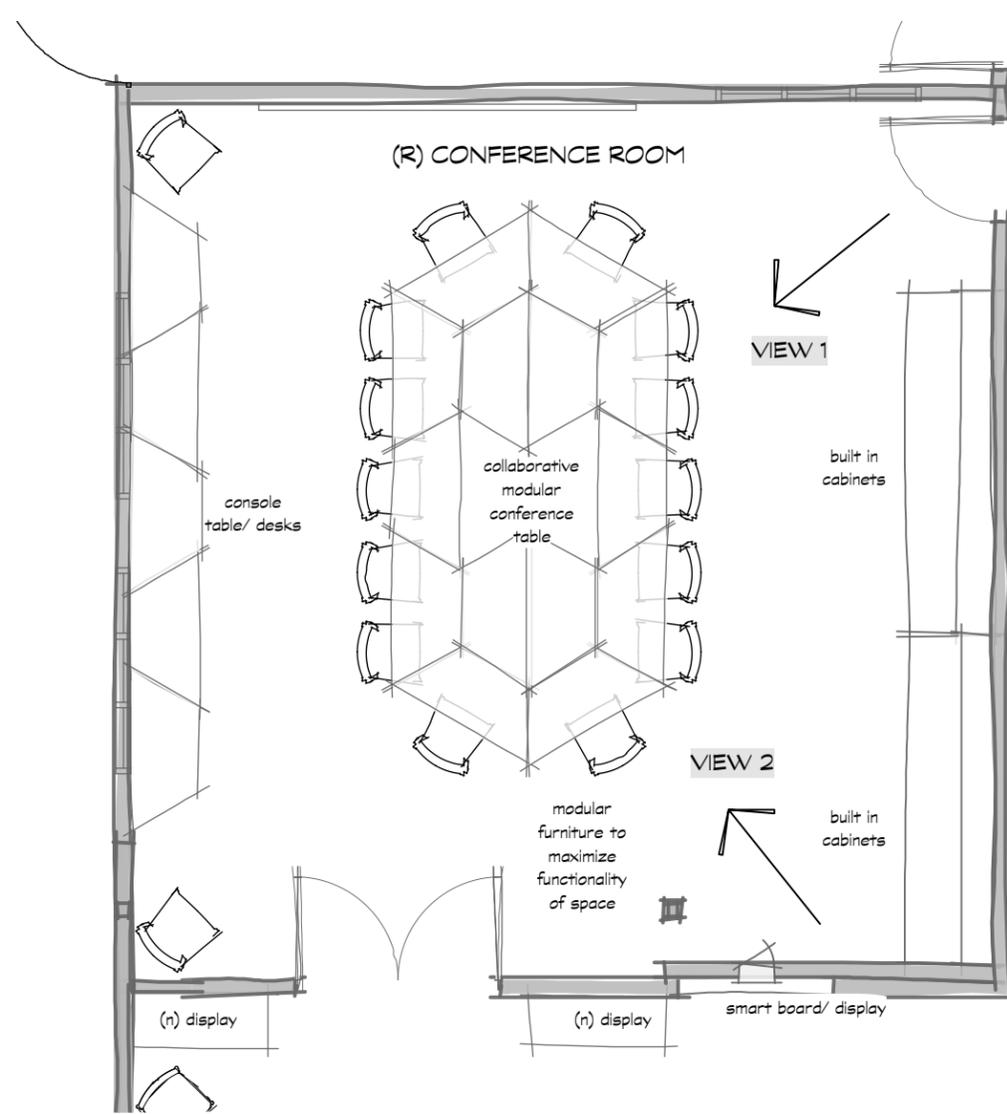
JOB NO. 17013

SHEET NUMBER

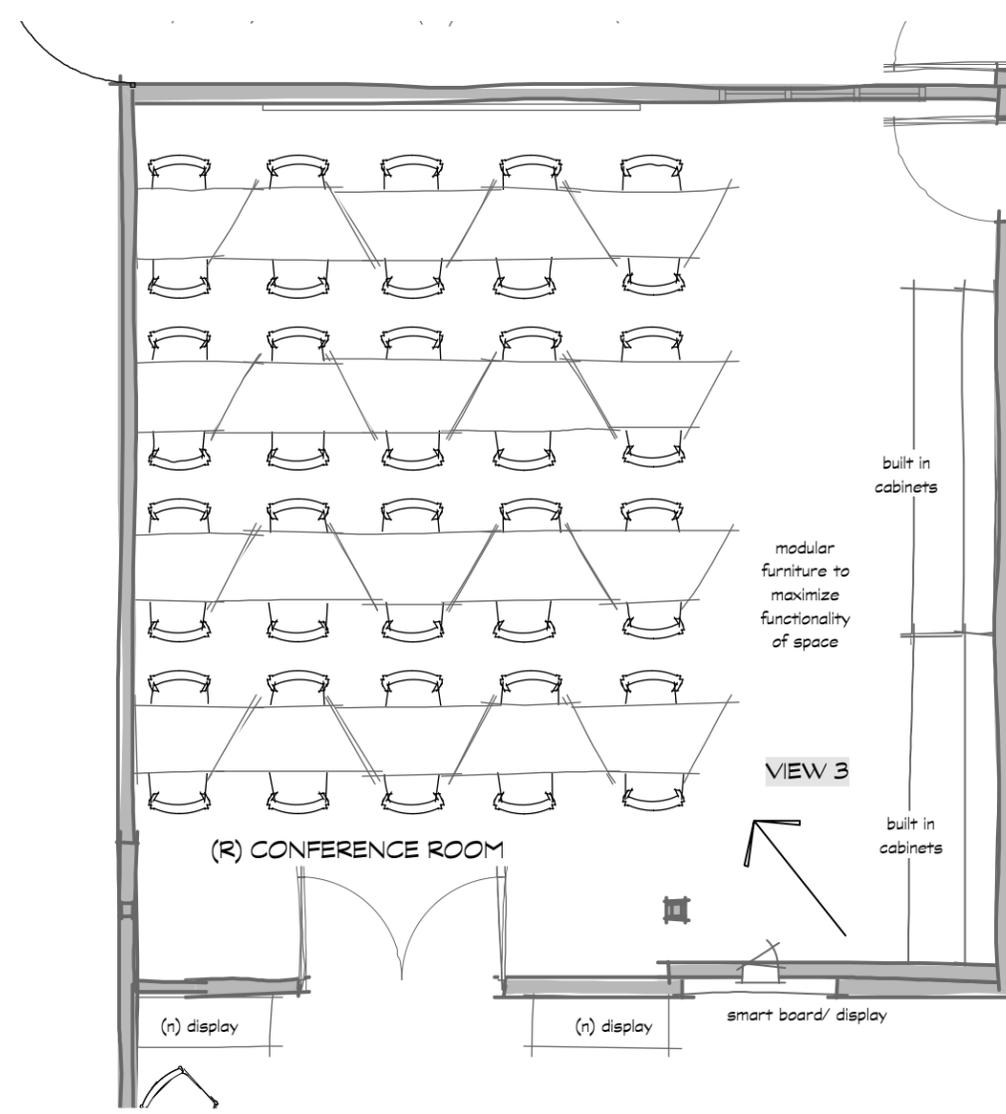
A1



ALAMEDA COUNTY
MOSQUITO ABATEMENT DISTRICT
23187 CONNECTICUT STREET
HAYWARD, CA 94545



CONFERENCE ARRANGEMENT



CLASS ROOM ARRANGEMENT

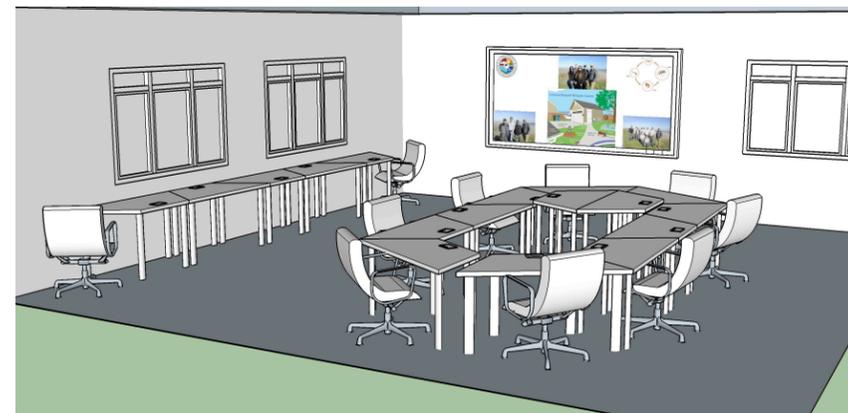


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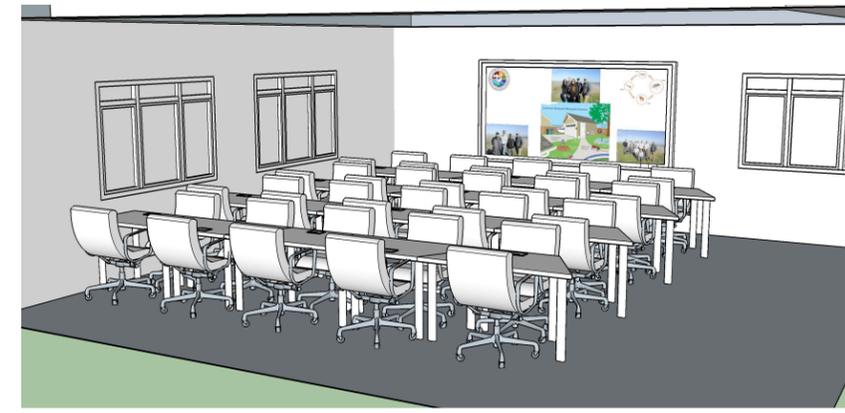
PARTIAL FLOOR PLAN - CONFERENCE ROOM



VIEW 1
CONFERENCE ARRANGEMENT
PERSPECTIVE VIEWS



VIEW 2



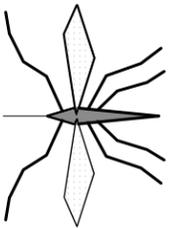
VIEW 3
CLASS ROOM ARRANGEMENT

PRINT DATE 02/07/19

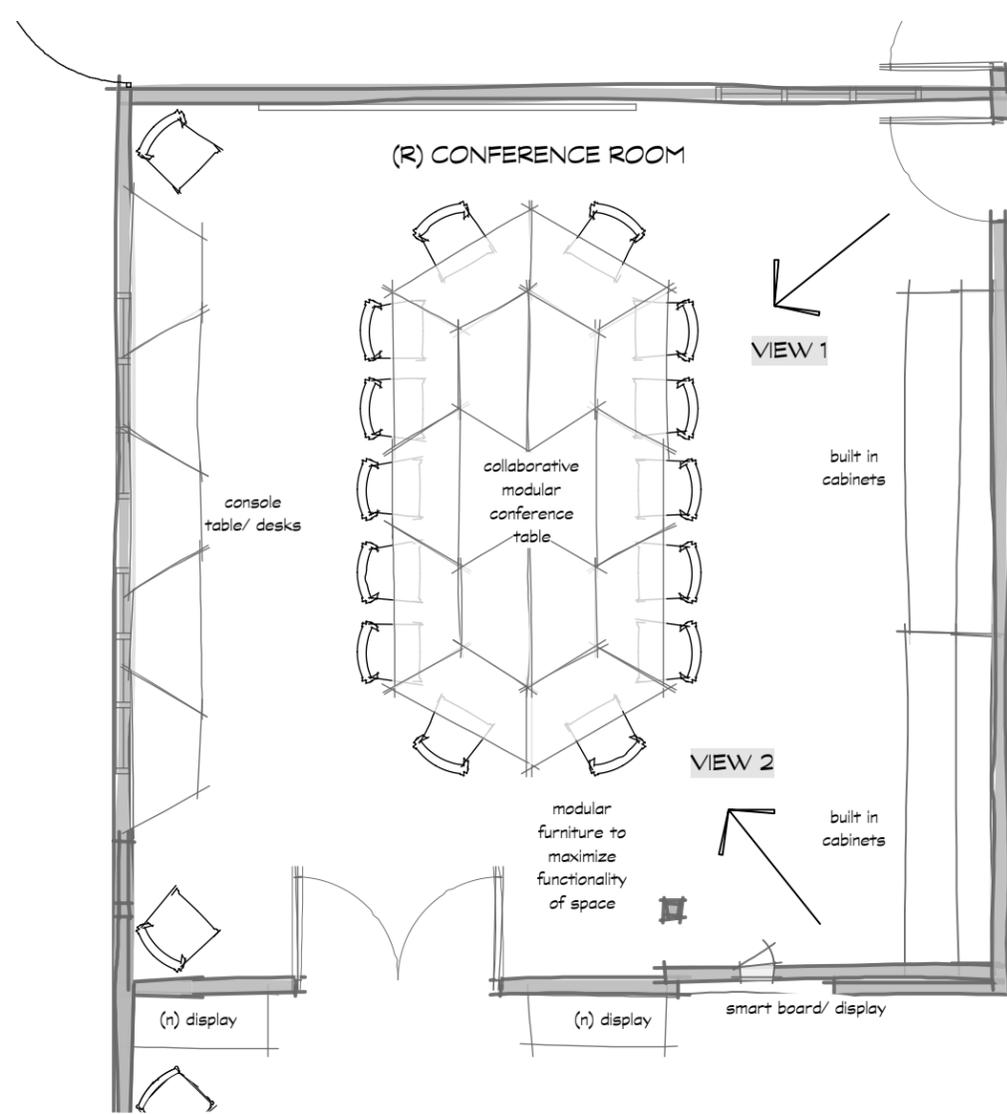
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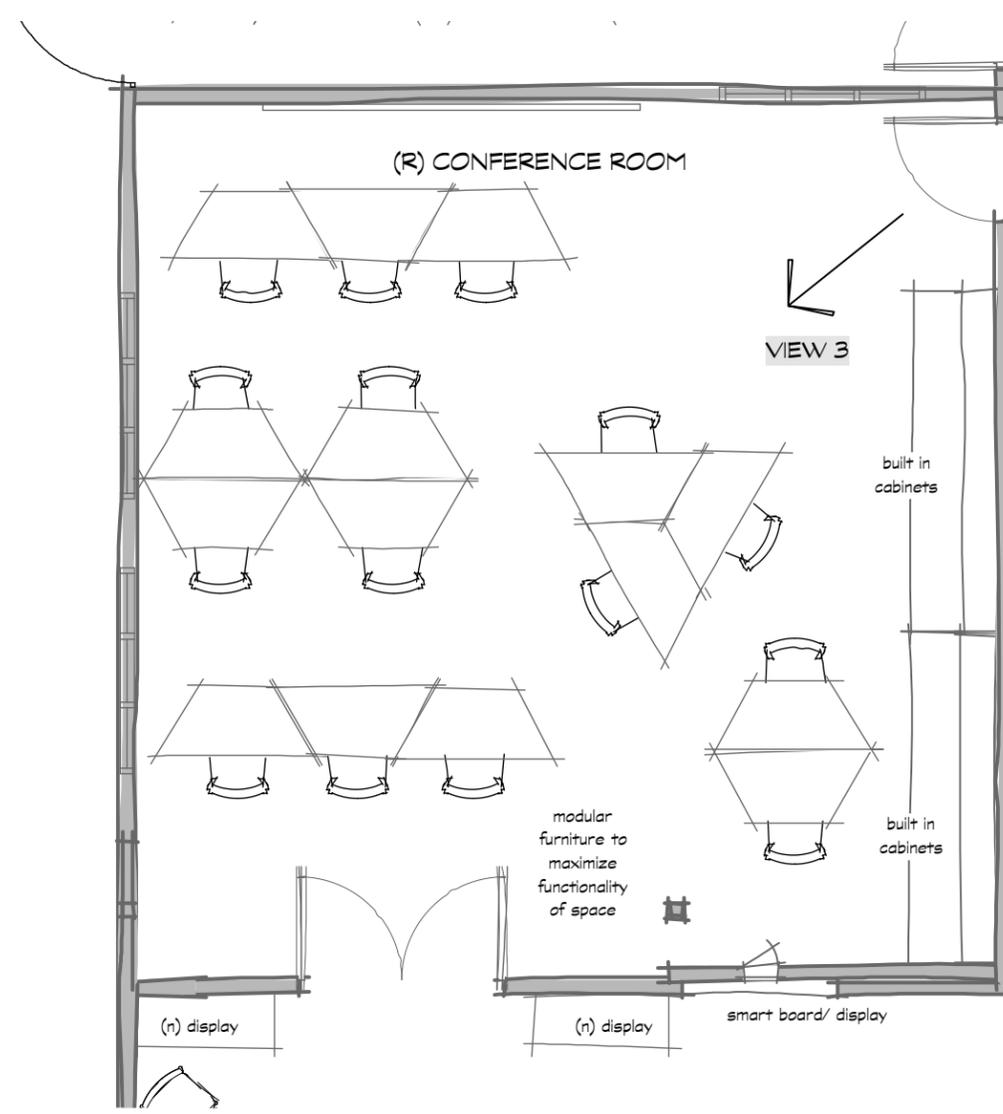
A2



ALAMEDA COUNTY
MOSQUITO ABATEMENT DISTRICT
23187 CONNECTICUT STREET
HAYWARD, CA 94545



CONFERENCE ARRANGEMENT



CLASS ROOM ARRANGEMENT



SCALE: N.T.S.

PARTIAL FLOOR PLAN - CONFERENCE ROOM

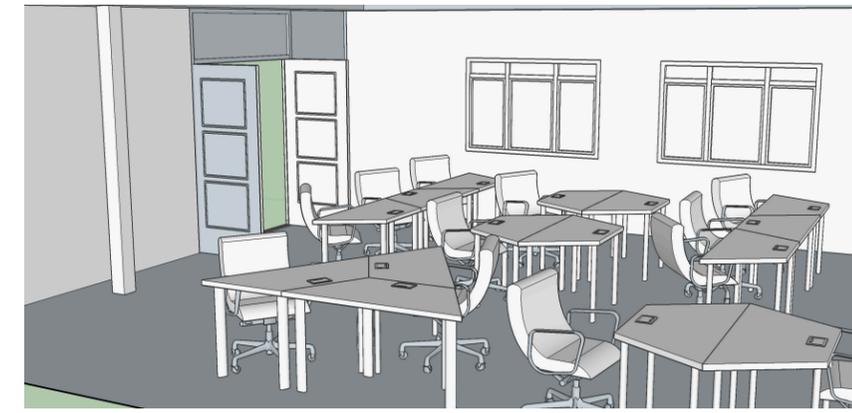


VIEW 1

CONFERENCE ARRANGEMENT
PERSPECTIVE VIEWS



VIEW 2



VIEW 3

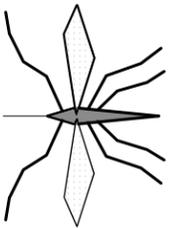
CLASS ROOM ARRANGEMENT

PRINT DATE 02/07/19

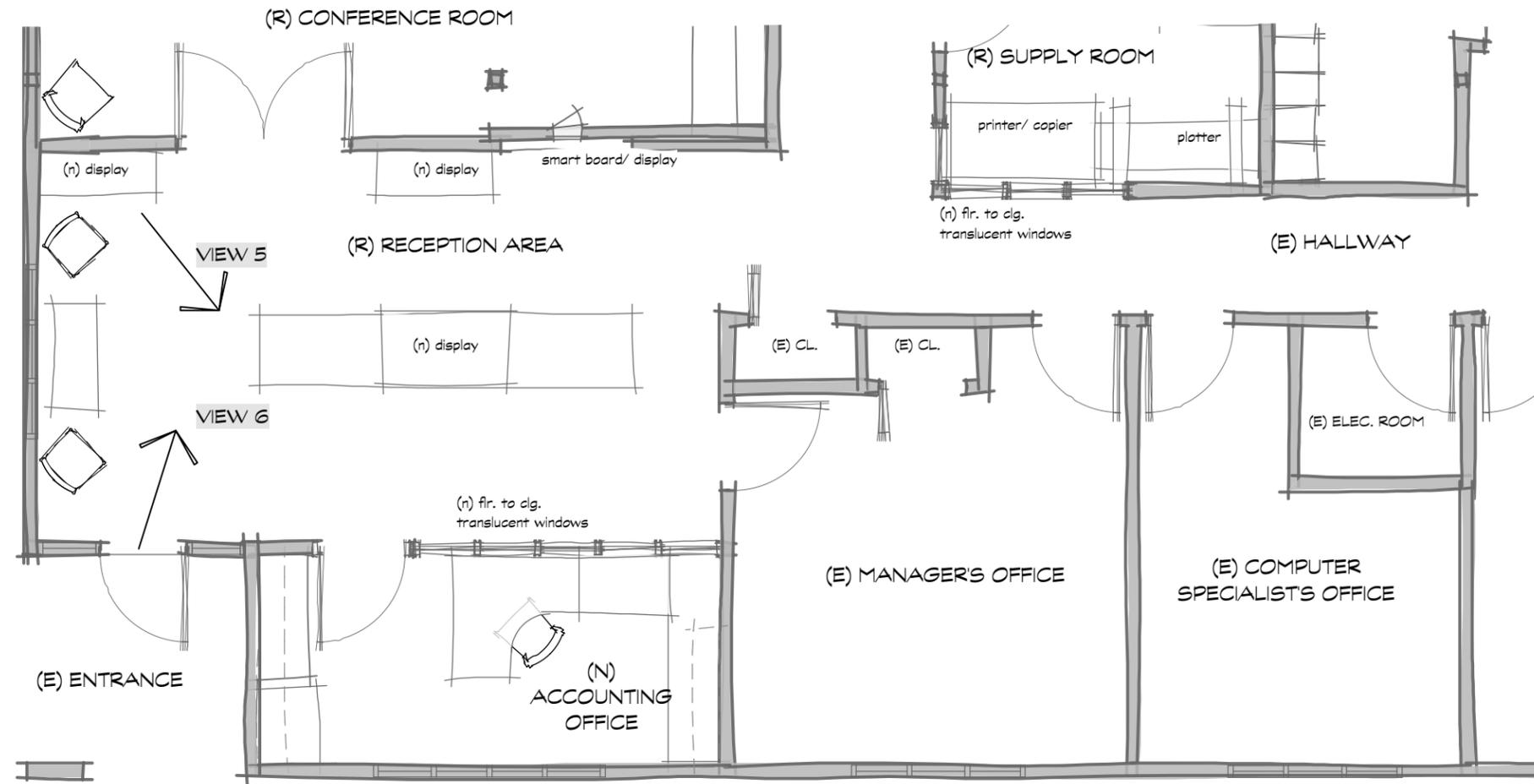
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SHEET NUMBER

A2

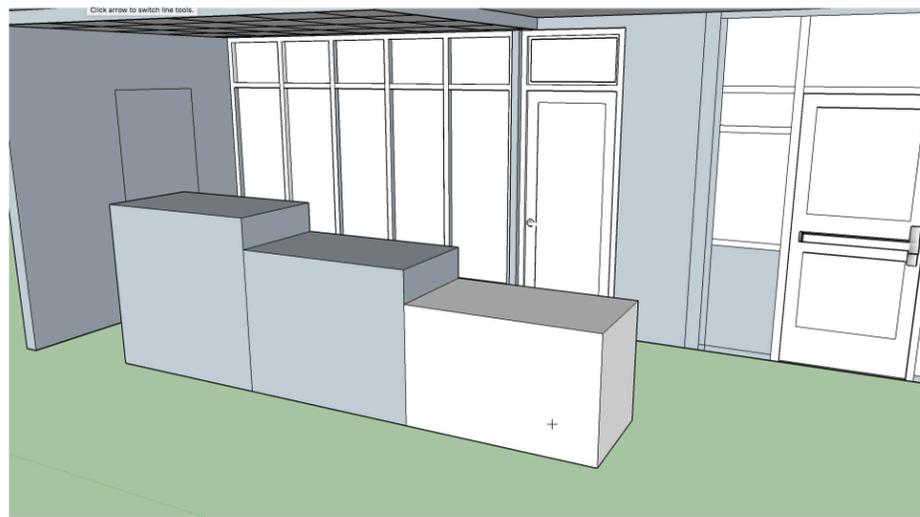


ALAMEDA COUNTY
MOSQUITO ABATEMENT DISTRICT
23187 CONNECTICUT STREET
HAYWARD, CA 94545



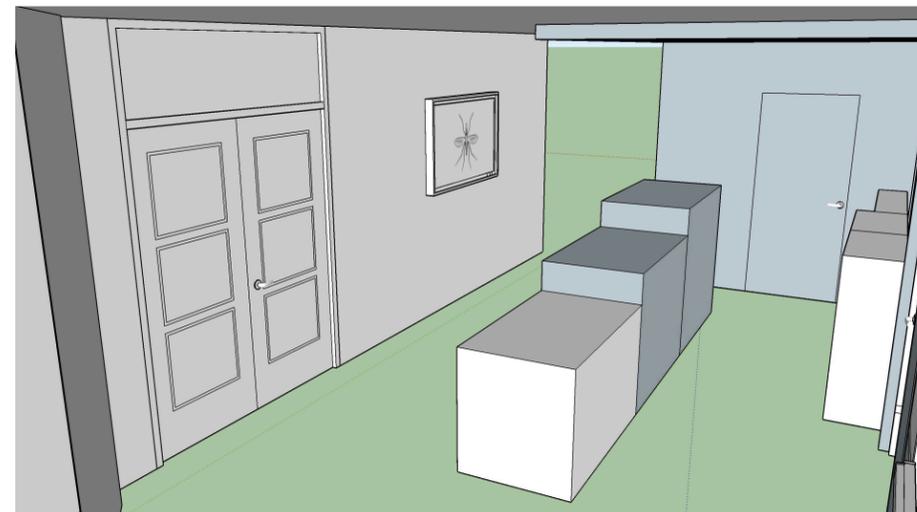
PARTIAL FLOOR PLAN - RECEPTION, ACCOUNTING OFFICE, AND HALL

SCALE: N.T.S.



VIEW 5

RECEPTION/ DISPLAY
PERSPECTIVE VIEWS



VIEW 6

PRINT DATE 02/07/19

JOB NO. 17013

SHEET NUMBER

A3

INVESTMENT POLICY STATEMENT

FOR

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

OTHER POST-EMPLOYMENT BENEFITS TRUST

Revised November 18, 2015

Revised February 13, 2019

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The Alameda County Mosquito Abatement District (the “District”) has established the Alameda County Mosquito Abatement District Other Post-Employment Benefits Trust (the “Trust”). The Trust is intended to provide for funding of non-pension post-employment benefits (“OPEB”) for those employees who meet the age and service requirements outlined in the District’s plan documents. The Trustees of the Trust hereby adopt this Investment Policy Statement (“Policy Statement”) for the following purposes.

Purpose

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the District’s current and long-term OPEB obligations.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for Trust assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Trust assets.

Investment Authority

The District has a Board of Directors (the “Board”) that oversees the policies and procedures related to the operation and administration of the Trust. The Board will have authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust. In implementing this Policy Statement, the Board believes it may delegate certain functions to:

1. An investment advisor (“Advisor”) to assist the Board in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Board in establishing investment policy objectives and guidelines and may also select investments with discretion to purchase, sell, or hold specific securities that will be used to meet the Fund’s investment objectives. The Advisor will: 1) adjust asset allocation for the Fund subject to the guidelines and limitations set forth in this Policy Statement; 2) select investment managers (“Managers”) and strategies consistent with its role as a fiduciary; 3) monitor and review

Managers and measure and evaluate their performance against their peers based upon the performance of the total funds under their direct management; and 4) execute other tasks as deemed appropriate in its role as Advisor for Fund assets. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor shall never take possession of securities, cash or other assets of the Fund, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Trustees to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trustees, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the Board shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Board in meeting its responsibilities and obligations to administer Trust assets prudently.

Statement of Investment Objectives

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals on a continuing basis for payment of benefits and reasonable expenses of operation of the Trust.
3. To conserve and enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. To minimize principal fluctuations, subject to performance expectations over the long-term Time Horizon (as defined below).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

Investment Guidelines

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, and certain real estate investments.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, and certain real estate investments.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities, and certain real estate investments.

Time Horizon

The Trust's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Board has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the "Trust Distributions"). Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

Asset Allocation

The Board believes that to achieve the greatest likelihood of meeting the Trust’s investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust’s actuarial discount rate or target rate of return over the long-term, as described in the section titled “Performance Expectations”.

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	13% - 53%	33%
International Equity	0% - 37%	17%
Other	0% - 10%	0%
Income Assets		
Fixed Income	30% - 75%	50%
Other	0% - 10%	0%
Real Return Assets	0% - 10%	0%
Cash Equivalents	0% - 20%	0%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions.

Risk Tolerance

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

Performance Expectations

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate, which is expected to be 6%. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

Selection of Investment Managers

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS[®]), Securities & Exchange Commission (“SEC”), Financial Industry Regulatory Agency (“FINRA”) or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal (“RFP”) completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

Guidelines for Portfolio Holdings

Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments. No funds with a net asset value of each share of less than \$10 shall be purchased or held. All fixed-income funds are excluded from this requirement.

Limitations on Managers' Portfolios

EQUITIES

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities: Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities: The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

FIXED INCOME

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be at least "A", or investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization ("NRSRO").

The Trust will avoid mutual funds whose primary focus is adding value through the use of high yield bonds. This does not exclude investment grade fixed-income funds which may contain a small component of high yield securities.

Fixed income investments will not contain more than an aggregate of 10% in derivative instruments such as options, futures contracts, or swap agreements. It is understood that mortgage-backed and asset-backed securities are not considered derivative instruments.

OTHER ASSETS (ALTERNATIVES)

Alternatives may consist of real estate and commodities, when deemed appropriate. The total allocation to this category may not exceed 10% of the overall portfolio. Prior to adding an allocation to any of the following asset classes, with the exception of publicly-traded mutual fund vehicles, the Advisor shall receive approval from the Board.

Real Estate: Consists solely of publicly traded Real Estate Investment Trust ("REIT") securities. Investments of this type are designed to provide a stable level of income combined with potential for

price appreciation, particularly in periods of unexpected inflation. For purposes of asset allocation targets and limitations, publicly traded REITs will be categorized as “Other” under the Growth Assets category.

Inflation Hedge: Shall consist of pooled vehicles holding among other assets: Treasury Inflation Protected Securities (“TIPS”), commodities or commodity contracts, index-linked derivative contracts, certain real estate or real property funds and the equity of companies in businesses thought to hedge inflation. Inflation hedge assets will be reported in the Real Return Assets category.

CASH EQUIVALENTS

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased or held: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities), or venture capital funds, private equity, or hedge funds and stocks with a value of less than \$10.00. Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited. All investments shall have a ready market and be listed on a major exchange.

Safekeeping

All assets of the Trust shall be held by a custodian approved by the Board for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or Investment Assets shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

Control Procedures

Review of Investment Objectives

The Advisor shall review annually and report to the Board the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

Review of Investment Performance

The Advisor shall report on a quarterly basis to the Board to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Board advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

Voting of Proxies

The Board recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

Adoption of Investment Policy Statement

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Board. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the Alameda County Mosquito Abatement District Board of Directors:

Resolved by:

Chair

Date

INVESTMENT POLICY STATEMENT

FOR

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

OTHER POST-EMPLOYMENT BENEFITS TRUST

Revised November 18, 2015

[Revised February 13, 2019](#)

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The Alameda County Mosquito Abatement District (the “District”) has established the Alameda County Mosquito Abatement District Other Post-Employment Benefits Trust (the “Trust”). The Trust is intended to provide for funding of non-pension post-employment benefits (“OPEB”) for those employees who meet the age and service requirements outlined in the District’s plan documents. The Trustees of the Trust hereby adopt this Investment Policy Statement (“Policy Statement”) for the following purposes.

Purpose

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the District’s current and long-term OPEB obligations.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for Trust assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Trust assets.

Investment Authority

The District has a Board of Directors (the “Board”) that oversees the policies and procedures related to the operation and administration of the Trust. The Board will have authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust. In implementing this Policy Statement, the Board believes it may delegate certain functions to:

1. An investment advisor (“Advisor”) to assist the Board in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Board in establishing investment policy objectives and guidelines and may also select investments with discretion to purchase, sell, or hold specific securities that will be used to meet the Fund’s investment objectives. The Advisor will: 1) adjust asset allocation for the Fund subject to the guidelines and limitations set forth in this Policy Statement; 2) select investment managers (“Managers”) and strategies consistent with its role as a fiduciary; 3) monitor and review Managers and measure

and evaluate their performance against their peers based upon the performance of the total funds under their direct management; and 4) execute other tasks as deemed appropriate in its role as Advisor for Fund assets. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor shall never take possession of securities, cash or other assets of the Fund, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Trustees to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trustees, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the Board shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Board in meeting its responsibilities and obligations to administer Trust assets prudently.

Statement of Investment Objectives

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals on a continuing basis for payment of benefits and reasonable expenses of operation of the Trust.
3. To conserve and enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. To minimize principal fluctuations, subject to performance expectations over the long-term Time Horizon (as defined below).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

Investment Guidelines

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, and certain real estate investments.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, and certain real estate investments.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities, and certain real estate investments.

Time Horizon

The Trust's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Board has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the "Trust Distributions"). Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

Asset Allocation

The Board believes that to achieve the greatest likelihood of meeting the Trust’s investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust’s actuarial discount rate or target rate of return over the long-term, as described in the section titled “Performance Expectations”.

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	16% - 56% 13% - 53%	36% 33%
International Equity	0% - 39%	17%
Other	0% - 10%	0%
Income Assets		
Fixed Income	25% - 70% 30% - 75%	45% 50%
Other	0% - 10%	0%
Real Return Assets	0% - 10%	0%
Cash Equivalents	0% - 20%	0%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions.

Risk Tolerance

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

Performance Expectations

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate, which is expected to be 6%. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

Selection of Investment Managers

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS[®]), Securities & Exchange Commission (“SEC”), Financial Industry Regulatory Agency (“FINRA”) or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal (“RFP”) completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

Guidelines for Portfolio Holdings

Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments. No funds with a net asset value of each share of less than \$10 shall be purchased or held. All fixed-income funds are excluded from this requirement.

Limitations on Managers' Portfolios

EQUITIES

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities: Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities: The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

FIXED INCOME

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be at least "A", or investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization ("NRSRO").

The Trust will avoid mutual funds whose primary focus is adding value through the use of high yield bonds. This does not exclude investment grade fixed-income funds which may contain a small component of high yield securities.

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OTHER ASSETS (ALTERNATIVES)

Alternatives may consist of real estate and commodities, when deemed appropriate. The total allocation to this category may not exceed 10% of the overall portfolio. Prior to adding an allocation to any of the following asset classes, with the exception of publicly-traded mutual fund vehicles, the Advisor shall receive approval from the Board.

Real Estate: Consists solely of publicly traded Real Estate Investment Trust ("REIT") securities. Investments of this type are designed to provide a stable level of income combined with potential for

price appreciation, particularly in periods of unexpected inflation. For purposes of asset allocation targets and limitations, publicly traded REITs will be categorized as “Other” under the Growth Assets category.

Inflation Hedge: Shall consist of pooled vehicles holding among other assets: Treasury Inflation Protected Securities (“TIPS”), commodities or commodity contracts, index-linked derivative contracts, certain real estate or real property funds and the equity of companies in businesses thought to hedge inflation. Inflation hedge assets will be reported in the Real Return Assets category.

CASH EQUIVALENTS

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased or held: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities), or venture capital funds, private equity, or hedge funds and stocks with a value of less than \$10.00. Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited. All investments shall have a ready market and be listed on a major exchange.

Safekeeping

All assets of the Trust shall be held by a custodian approved by the Board for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or Investment Assets shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

Control Procedures

Review of Investment Objectives

The Advisor shall review annually and report to the Board the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

Review of Investment Performance

The Advisor shall report on a quarterly basis to the Board to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Board advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

Voting of Proxies

The Board recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

Adoption of Investment Policy Statement

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Board. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the Alameda County Mosquito Abatement District Board of Directors:

Resolved by:

Chair

Date

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 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.

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.

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.

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

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Amount
1379	1/10/19	Payroll	66,637.76
1380	1/15/19	All-Ways Green Services	410.00
1381	1/15/19	CalPERS 457	3,220.00
1382	1/15/19	Cintas	675.96
1383	1/15/19	CentiMark Corporation	73,766.67
1384	1/15/19	Castillo, Erika	550.00
1385	1/15/19	Delta Dental	4,411.85
1386	1/15/19	Richard Finn	40.88
1387	1/15/19	Grainger	79.61
1388	1/15/19	GSO	6.52
1389	1/15/19	Industrial Park Landscape Maintenance	215.00
1390	1/15/19	PG&E	374.78
1391	1/15/19	PFM Asset Management	1,673.78
1392	1/15/19	Pitney Bowes	94.82
1393	1/15/19	The Hartford	77.78
1394	1/15/19	Techniclean	245.49
1395	1/15/19	Voya Institutional Trust Company	150.00
1396	1/15/19	VSP	667.19
1397	1/15/19	UC Regents	5,000.00
1398	1/15/19	Waste Management of Alameda County	248.94
1399	1/15/19	U.S Bank Corporate Payment System	14,467.87
ACH	1/15/19	CalPERS Retirement	11,950.58
Total Expenditures 01/15/2019			184,965.48

Alameda County Mosquito Abatement Dist.
 Check Register
 For the Period From Jan 16, 2019 to Jan 31, 2019

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Amount
1400	1/30/19	Payroll	68,791.45
1401	1/31/19	P. Robert Beatty	100.00
1402	1/31/19	Subrahmanya Y Bhat	100.00
1403	1/31/19	Alan Brown	100.00
1404	1/31/19	Elizabeth Cooley	100.00
1405	1/31/19	James N Doggett	100.00
1406	1/31/19	Robert Dickinson	100.00
1407	1/31/19	Eric Armin Hentschke	100.00
1408	1/31/19	Elisa Marquez	100.00
1409	1/31/19	Katherine Narum	100.00
1410	1/31/19	Wendi Lynn Poulson	100.00
1411	1/31/19	Jan Washburn	100.00
1412	1/31/19	George Young	100.00
1413	1/31/19	Airgas	73.86
1414	1/31/19	Adapco	6,885.00
1415	1/31/19	Argo Adventure	3,103.84
1416	1/31/19	Bay Alarm	808.77
1417	1/31/19	Beck's Shoes	190.00
1418	1/31/19	CalPERS 457	3,220.00
1419	1/31/19	Cintas	450.64
1420	1/31/19	Grainger	744.13
1421	1/31/19	Hayward Water System	1,842.74
1422	1/31/19	Eric Haas- Stapleton	166.04
1423	1/31/19	Kimball Midwest	252.78
1424	1/31/19	KBA Docusys	380.41
1425	1/31/19	MAZE & ASSOCIATES	4,703.00
1426	1/31/19	Mar-Len Supply, Inc.	308.19
1427	1/31/19	NBC Supply Corp	403.00
1428	1/31/19	PG&E	1,645.99
1429	1/31/19	PC Professional	3,510.00
1430	1/31/19	Pitney Bowes	208.99
1431	1/31/19	Regional Government	3,308.60
1432	1/31/19	SCI Consulting Group	12,802.20
1433	1/31/19	The Hartford	77.78
1434	1/31/19	Voya Institutional Trust Company	150.00
1435	1/31/19	VSP	667.19
1436	1/31/19	Verizon	1,398.55
1437	1/31/19	Waste Management of Alameda County	248.94
1438	1/31/19	WEX Bank	2,520.49
1439	1/31/19	Engravit	115.81
ACH	1/31/19	CalPERS Retirement	11,989.65
ACH	1/31/19	CalPERS Health	32,114.10

Total Expenditures 01/31/2019 164,282.14

Alameda County Mosquito Abatement District
Income Statement
Consolidated
January 31, 2019. (7 of 12 mth, 58%)

REVENUES	Actual 2015/16 ¹	Actual 2016/17 ¹	Current Month	Year to Date 2018/2019	Budget 2018/2019	Actual vs Budget
Total Revenue	\$ 4,180,831.00	\$ 4,366,903.00	\$ 37,528.00	\$ 2,191,435.03	\$ 4,476,728.00	49%

EXPENDITURES	Actual 2015/16	Actual 2016/17	Current Month ²	Year to Date 2018/2019	Budget 2018/19	Actual vs Budget
Salaries	\$1,661,234	\$1,677,469	\$ 150,433.50	\$ 1,094,578.03	\$1,933,182	57%
CalPERS Retirement	\$205,340	\$219,892	\$ 13,662.98	\$ 242,099.36	\$301,812	80%
Medicare	\$21,160	\$21,368	\$ 2,012.96	\$ 14,697.77	\$28,031	52%
Fringe Benefits	\$554,630	\$453,877	\$ 38,015.89	\$ 265,779.27	\$508,680	52%
Total Salaries, Retirement, & Benefits	\$2,442,364	\$2,372,606	\$204,125	\$1,617,154	\$2,771,705	58%
Clothing and personal supplies (purchased)	\$7,169	\$8,955	\$ 383.20	\$ 3,335.56	\$6,000	56%
Laundry service and supplies (rented)	\$7,162	\$8,840	\$ 1,126.60	\$ 6,956.27	\$9,500	73%
Utilities	\$22,214	\$27,084	\$ 4,361.39	\$ 16,645.05	\$36,500	46%
Communications-IT	\$32,756	\$54,128	\$ 9,654.67	\$ 52,055.40	\$122,200	43%
Maintenance: structures & improvements	\$6,739	\$19,503	\$ 621.68	\$ 5,350.59	\$25,000	21%
Maintenance of equipment	\$24,175	\$27,051	\$ 3,973.95	\$ 11,699.15	\$35,000	33%
Transportation, travel, training, & board	\$75,326	\$124,827	\$ 7,426.65	\$ 52,525.51	\$134,210	39%
Professional services	\$159,499	\$82,082	\$ 26,342.64	\$ 79,660.56	\$190,620	42%
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	\$ 575.90	\$ 13,520.18	\$33,000	41%
Operations	\$187,490	\$176,758	\$ 4,909.16	\$ 62,696.42	\$234,000	27%
Household expenses	\$13,790	\$17,373	\$ 1,464.26	\$ 14,056.61	\$19,350	73%
Office expenses	\$14,195	\$18,590	\$ 1,219.49	\$ 6,581.33	\$15,100	44%
Laboratory supplies	\$76,130	\$80,008	\$ 8,128.48	\$ 37,987.30	\$118,148	32%
Small tools and instruments	\$1,155	\$2,513	\$ -	\$ 2,021.44	\$2,500	81%
Total Staff Budget	\$ 780,944.00	\$833,192	\$ 70,188.07	\$ 510,711.21	\$1,130,381	45%
Total Operating Expenditures	\$ 3,032,263.00	\$3,479,710	\$ 274,313.40	\$ 2,127,865.64	\$3,902,086	55%

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 and capital purchases.

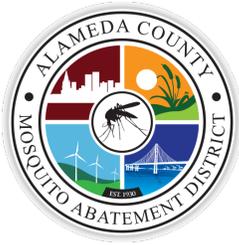
**Alameda County Mosquito Abatement District
Investment, Reserves, and Cash Balance Report
January 31, 2019. (7 of 12 mth, 58%)**

Account #	Investment Accounts	Beginning Balance	Deposits	Withdrawals	Interest Activity	New Balance
800005	LAIF	\$ 244,013.19	\$ -	\$ (185,000.00)	\$ 3,813.85	\$ 62,827.04
800006	OPEB Fund	\$ 3,901,799.31			\$ 233,886.06	\$ 4,135,685.37
101106	VCJPA Member Contingency	\$ 339,153.00	\$ -		\$ 4,562.00	\$ 343,715.00
101106.1	VCJPA Property Contingency	\$ 50,649.00	\$ -		\$ 683.00	\$ 51,332.00
800007.1	CAMP: Repair and Replace ¹	\$ 589,170.67	\$ -		\$ 1,312.19	\$ 590,482.86
800007.2	CAMP: Public Health Emergency	\$ 510,236.35	\$ -		\$ 1,136.39	\$ 511,372.74
800007.3	CAMP: Operating Reserve	\$ 1,885,269.77	\$ -		\$ 4,198.84	\$ 1,889,468.61
800007.4	CAMP: Capital Reserve Fund	\$ 250,671.17	\$ -		\$ 558.29	\$ 251,229.46
800008	PARS: Pension Stabilization ²	\$ 994,764.16	\$ -		\$ (20,192.75)	\$ 974,571.41
Total		\$ 8,765,726.62	\$ -	\$ (185,000.00)	\$ 229,957.87	\$ 8,810,684.49
Cash Accounts		Beginning Balance		Withdrawals	Activity	New Balance
101110	Bank of America (Payroll Account)	\$ 55,407.82				\$ 121,859.15
101111	Bank of The West (Transfer Account)	\$ 332,643.93				\$ 2,758,299.26
100001	County Account ³	\$ 2,614,569.12		\$ (2,552,883.43)	\$ 11,675.54	\$ 73,361.23
Total		\$ 3,002,620.87		\$ (2,552,883.43)	\$ 11,675.54	\$ 2,953,519.64

1 - \$73,841.67 will be transferred from CAMP - Repair and Replace to cover the remaining balance of the roof project.

2- PARS - Pension Stabilization balance is as of December 31, 2018.

3 - \$2,552,883.43 was transferred from the County Fund to the Bank of the West account. These funds will be transferred to the LAIF account.



23187 Connecticut Street
Hayward, CA 94545

T: (510) 783-7744
F: (510) 783-3903

acmad@mosquitoes.org

MONTHLY STAFF REPORT – January 2019

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Piedmont

Kathy Narum

Pleasanton

Victor Aguilar

San Leandro

Subru Bhat

Union City

Ryan Clausnitzer

General Manager

1. **OPERATIONS REPORT**

On January 31st, operations staff completed their last day of ditch maintenance for this permitting cycle. The permit was active from September 1st, 2018 to January 31st, 2019. During the permit period, operations staff conducted maintenance on 20,102 linear feet of ditches in six different sources in three zones. Preliminary post-ditching inspections of water flow into and out of some of the completed ditches looks promising. This work is expected to lessen the amount of standing water in and around these ditches and thus lessen mosquito breeding. This project should also lead to less time, effort, and material spent on these sources in the months ahead. This work has also made many of these areas safer for district staff as ditches have become hidden, overgrown and treacherous after years of receiving no maintenance. Now, the ditches are visible, lessening the potential for missteps during inspections and treatments. Operations staff cooperated well on the project and made more progress than was expected. Plans for other sources and ditches that were not worked on during this cycle are already being discussed and prioritized for the next permit cycle.

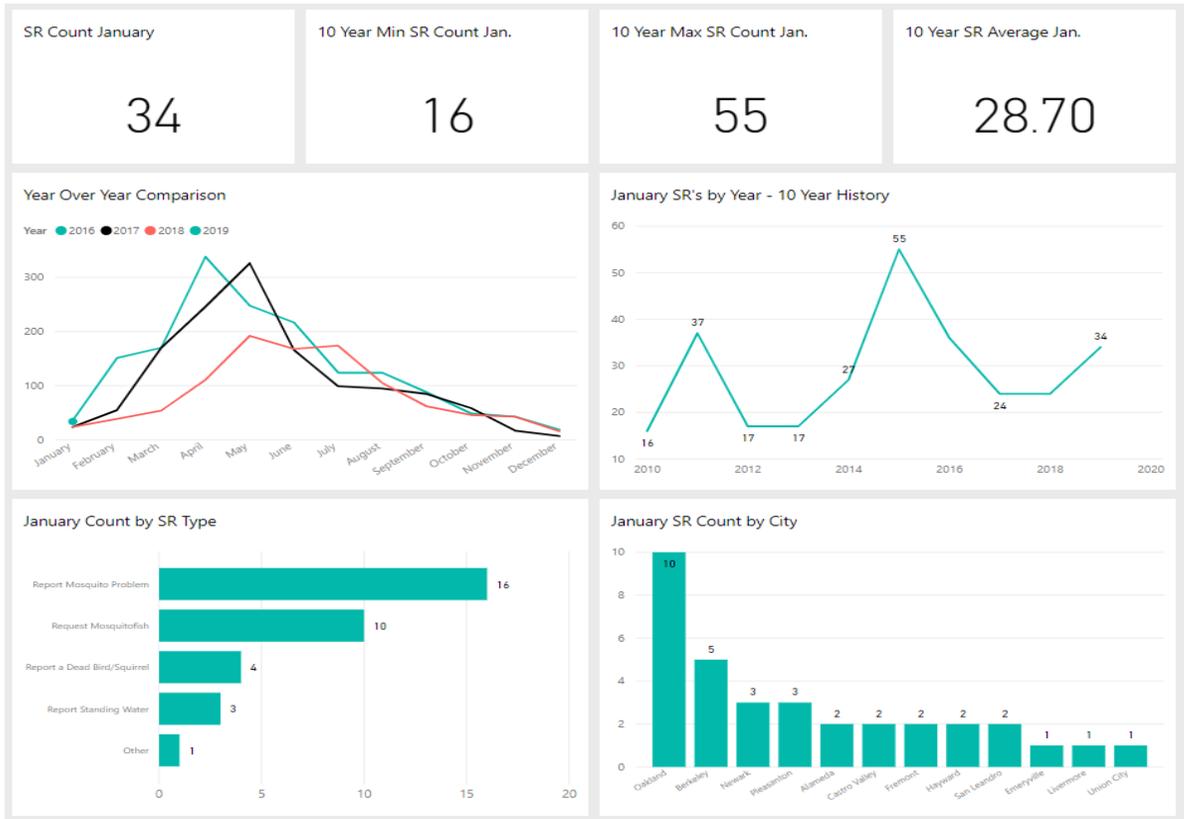
During the month of January, operations staff continued focus on three of our four main winter mosquito species; *Aedes squamiger*, *Aedes washinoi* and *Culiseta inornata*. Almost all of the sources that breed these species have been treated at least once to date and many have already been treated several times. Operations staff have done well in balancing inspections and treatments with rainfall and ditching efforts. During inspections, several sources were also shown to be producing *Culex tarsalis*, one of our main West Nile virus vector species. It is unexpected to encounter larvae of this species during this time of year. These sources have been treated and operations staff will be paying close attention to all potential sources for this species during the month of February. Operations will continue monitoring sources for all the aforementioned species, as well as sources for *Aedes sierrensis*, another winter species, during February and March.

Operations staff responded to 34 requests for service during the month of January. This number is above the 10-year average for the month. Sixteen of these calls were in the "report a mosquito problem" category, several ended up being attributed to non-biting/mosquito-like insects such as midges and fungus gnats. As we enter into the spring months, the number of "mosquito" calls that end up being midges, crane flies, dixids etc. tend to increase as this is the time the adults of these species tend to emerge and become noticeable to the public. Some of these insects, especially midges, emerge in massive numbers and quickly garner attention. Operations staff use these calls as opportunities to educate the public on our efforts and to discuss some of the other insects that our residents encounter that do not bite or transmit disease. Callers are provided with information and district pamphlets during these interactions which staff utilizes by providing a "teaching moment". This includes educating the public on how our district operates which is hopefully passed along to friends, family and neighbors. Operations view this as a good opportunity to spread ACMAD's message to our public.

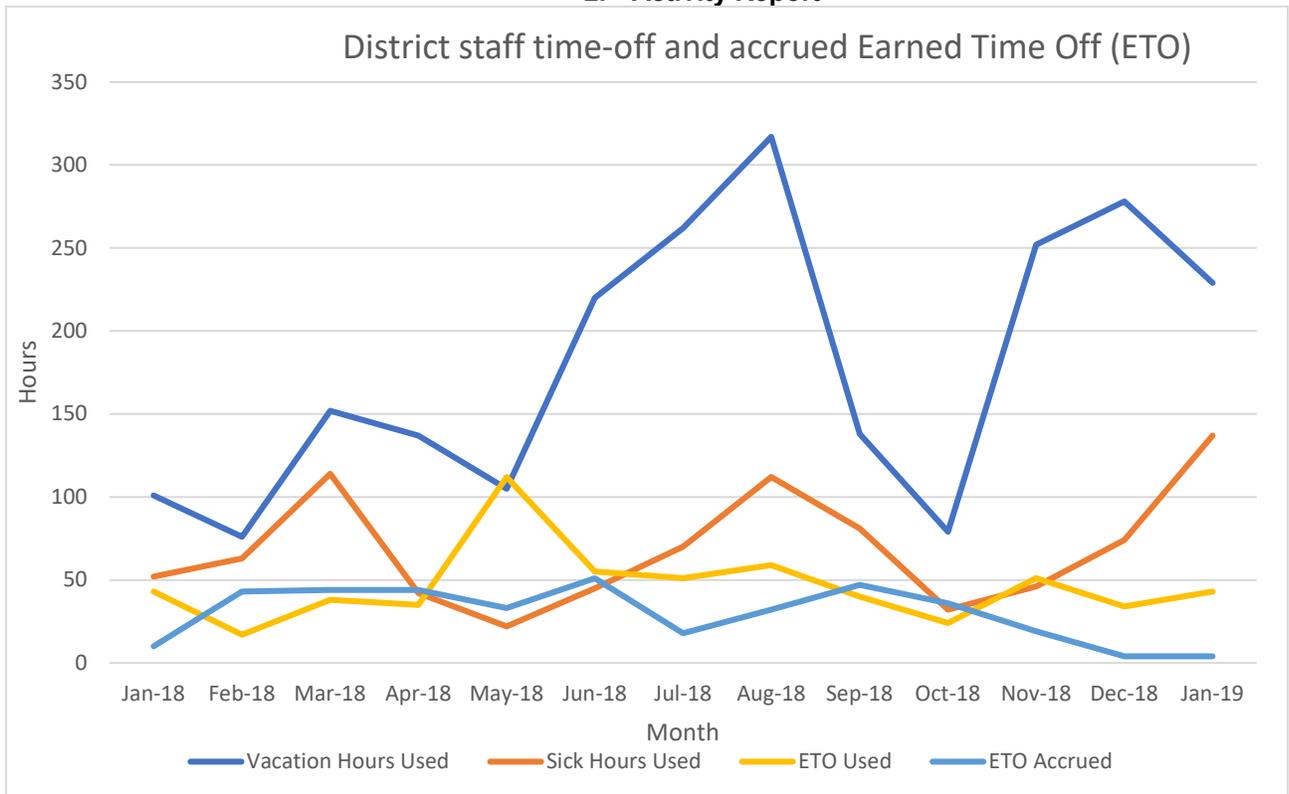
Joseph Huston
Field Operations Supervisor

A. District Data

1. Service Requests

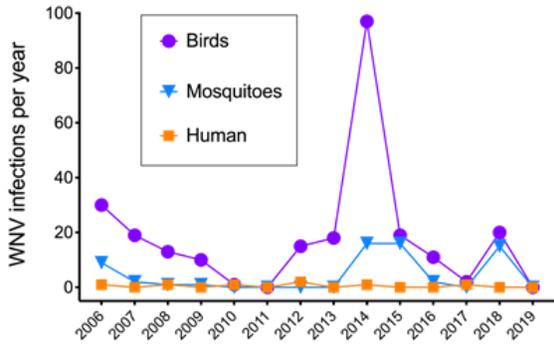


2. Activity Report

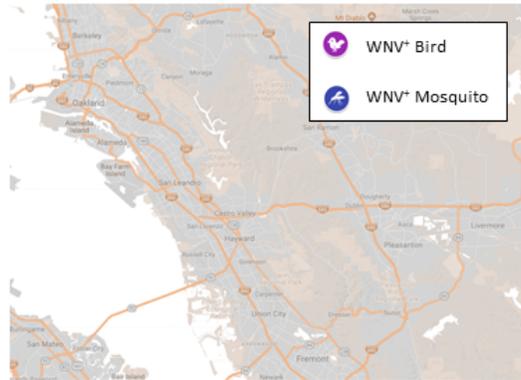


3. WNV Activity

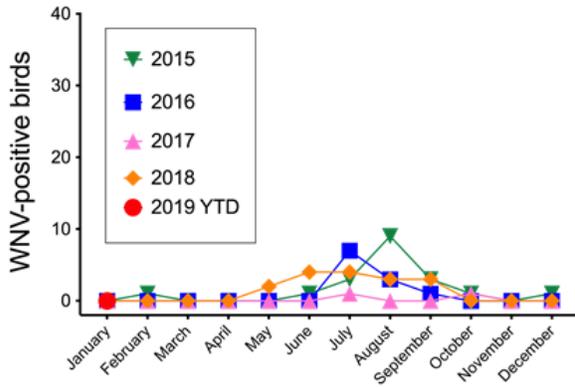
WNV infections detected in Alameda County
2005 – 2019 YTD



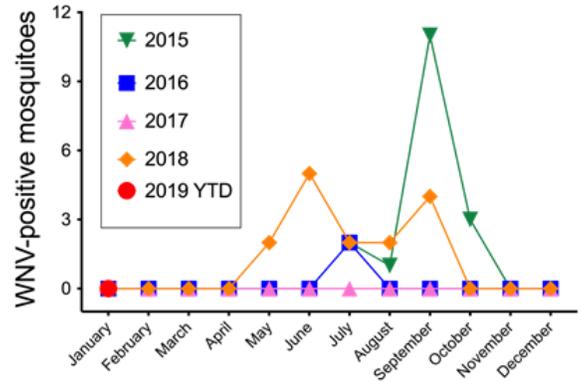
Locations of WNV-infected mosquitoes and birds
collected in Alameda County during 2019



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 January.
- Mosquito abundance in January was similar to the prior month.
- Four posters were presented at the 2019 Annual Conference of the MVCAC that described research conducted by ACMAD staff during 2018.

Arbovirus Monitoring

- West Nile virus (WNV) was not detected in birds or mosquitoes during the month of January 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 January, there was 1.03 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 68 °F.
- EVS CO₂ traps were not placed during the month of January because of the rainfall and cooler temperatures.
- Mosquito abundance, as measured using NJLT, was similar to the prior month (0.40 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 MVCAC

- Four posters were presented at the Annual Conference of MVCAC that highlighted research conducted by ACMAD staff during the prior year. Below are the titles and authors of each poster that was presented (name of each presenter is underlined), followed by a selection of the figures that were included on each poster.
 - Mapping the *kdr* mutation in *Culex pipiens* throughout Alameda County. Miguel Barretto, Dereje Alemayehu, Eric Haas-Stapleton (Figures 1 and 2).
 - Determining the Effectiveness of a Sticky Light Trap in Trapping and Testing Mosquitoes for Insecticide Resistance. Annika Avery¹, Miguel Barretto¹, Dereje Alemayehu¹, John Busam¹, Babak Ebrahimi², Noor Tietze², Eric Haas-Stapleton¹. (¹Alameda County Mosquito Abatement District, 23187 Connecticut Street, Hayward CA 94545; ²Santa Clara County Vector Control District, 1580 Berger Drive, San Jose, CA 95112; Figures 3, 4, 5)
 - Unexpected observations in catch basins treated with extended release briquettes. Sarah Erspamer, Annika Avery, Joseph Huston, and Eric J. Haas-Stapleton. (Tables 1 and 2)
 - Assessing mosquito breeding sites and abundance from above with an unmanned aircsystem. Eric Haas-Stapleton and Ryan Clausnitzer. (Figures 6, 7, 8)

FIGURES

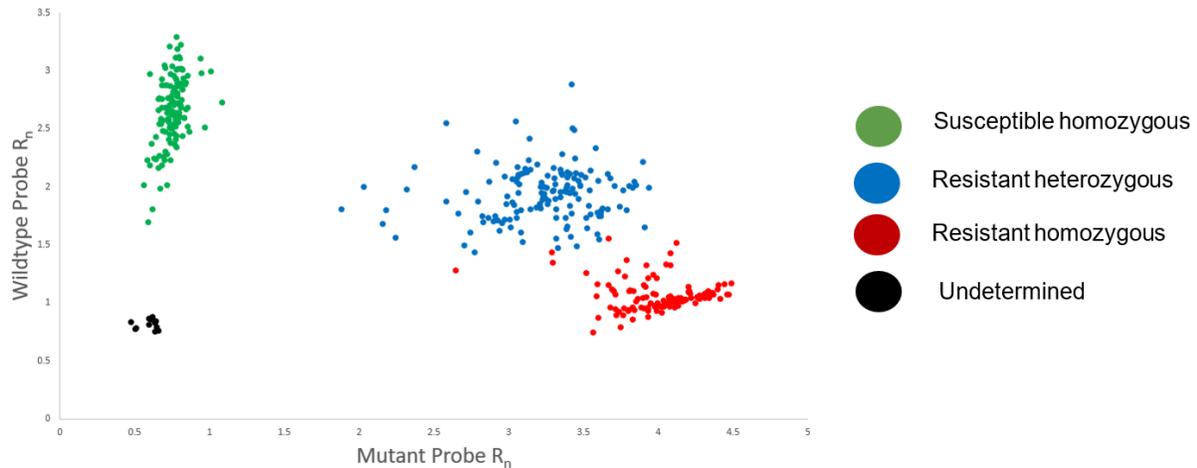


Figure 1. Composite allelic discrimination plot of 390 adult *Culex pipiens* collected throughout Alameda County. The knockdown resistance (*kdr*) allele that is linked to pyrethroid resistance in mosquitoes was evaluated using quantitative polymerase chain reaction (qPCR) for *Culex pipiens* that were collected in Alameda County. The *kdr* allele is a single nucleotide polymorphism (SNP) that reduces pyrethroid binding to the voltage-gated sodium channel (VGSC), allowing normal function of the VGSC and resistance to pyrethroid insecticides. The QuantStudio analysis software generates a scatter plot to identify genotype. The points are then algorithmically separated into four separate clusters and their genotype called based on the position of the cluster on the plot. Both homozygous groups (green and red circles) formed tighter clusters than the heterozygous cluster (blue circle). Less than 5 % of the samples could not be assigned a genotype (black circle). Generally, the mutant probe shows higher florescence than the wildtype probe. This indicates a higher sensitivity for that probe, resulting in a shift of the heterozygous samples to the right of the plot.

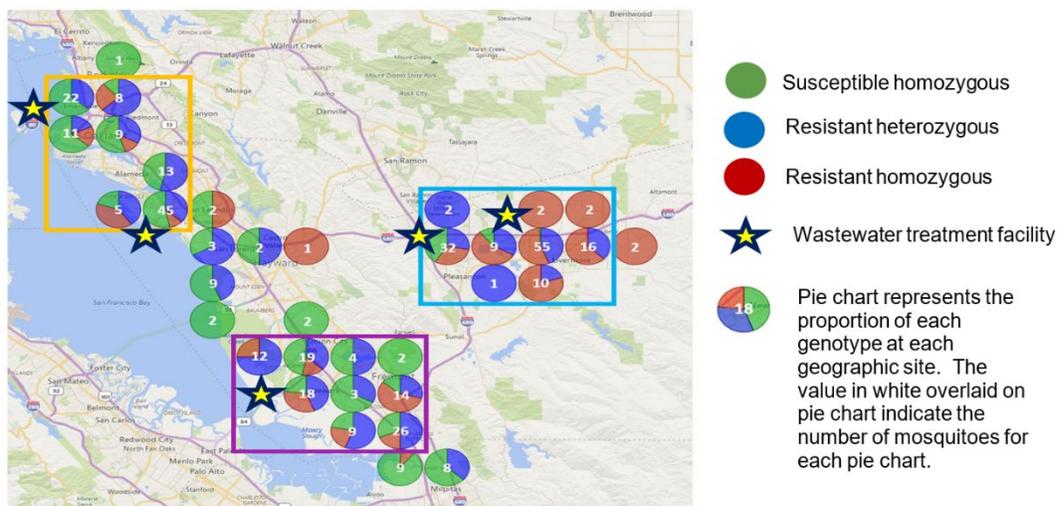


Figure 2. Geographic distribution of the *kdr* marker that is associated with pyrethroid resistance for adult *Culex pipiens* that were collected during 2018. A high proportion of adult *Cx. pipiens* that were collected in the eastern region of the county had a genetic marker for pyrethroid resistance (blue box). Mosquitoes collected near the waste water treatment facility in the southern region of the county had a moderately high proportion of resistant markers (purple box), while those collected in the norther region of the county were more likely to have genetic markers indicating susceptibility to pyrethroid insecticides (orange box). The genotypic distribution was aligned to a grid covering 2.8 mi² per pie chart. The locations of the waste water treatment facilities are approximate.



Figure 3. Design of a Sticky Light Trap. The concept for a Sticky Light Trap (SLT) was developed by lab staff at Santa Clara County Vector Control District, and improved by lab staff at ACMAD. The SLT is comprised of a 4 inch square card with adhesive on one side, magnets on the other, and perforated with LED lights powered by coin batteries (left). The magnets allow for the SLT to be attached to metal surfaces, such as catch basin grates (CB) where mosquitoes breed (center). The LED lights attract the mosquitoes to the SLT (right).

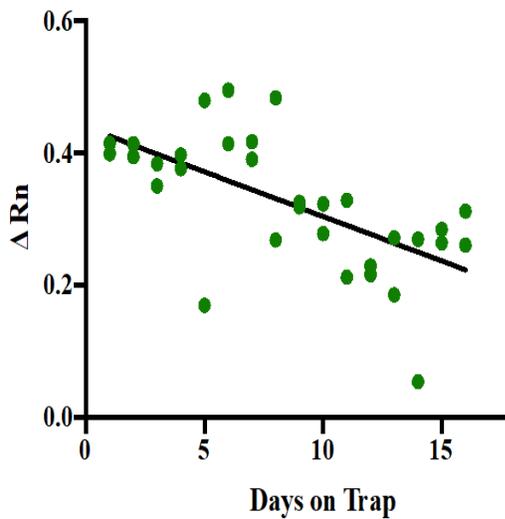
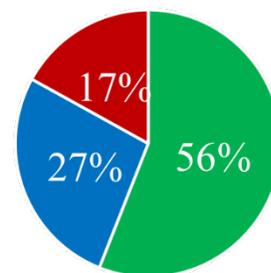
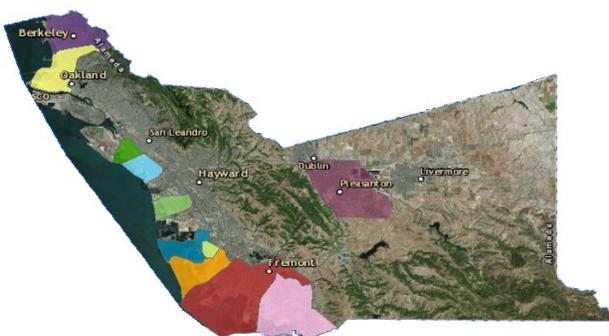


Figure 4. Mosquitoes collected on a SLT can be tested for the *kdr* marker of pyrethroid resistance. Adult *Culex pipiens* were placed on a SLT, five were collected each day for 16 days and tested using QPCR for the *kdr* marker. Linear regression demonstrated an inverse correlation between ΔRn and the number of days that dead adult *Cx. pipiens* remained on the SLT. A significant difference between ΔRn values and the number of days on the trap suggest that the ability to test the *Cx. pipiens* for the *kdr* allele decreases over time. ($P < 0.0001$).



- Homozygous Wildtype/Wildtype
- Heterozygous Mutant/Wildtype
- Homozygous Mutant/Mutant

Figure 5. Location of Sticky Light Traps (SLT) placed in Alameda County from June – August 2018 (left) and distribution of the *kdr* allele in the *Cx. pipiens* that were captured by the SLT (right; n = 86).

	Altosid XR	FourStar	FourStar Bti	Natular XRT
2 weeks post-treatment				
% of CB Breeding	85	60	65	10
# of CB Breeding	17/20	12/20	13/20	2/20
4 weeks post-treatment				
% of CB Breeding	90	55	75	25
# of CB Breeding	18/20	11/20	15/20	5/20
# of CB that never had larvae	2	3	5	9

Table 1. Impact of four extended release briquettes (ERB) on controlling larvae in catch basins (CB). The ERB used in this study (Altosid XR, FourStar, FourStar Bti, and Natular XRT) are reported by the manufacturers to provide at least 5 months of larval control. Twenty CB were evaluated for each of the four ERB products. At two and four weeks post treatment, each CB was dipped to determine if larvae were present. Some of the CB did not contain larvae for the duration of the study, suggesting those CB may not have been suitable for supporting mosquito breeding. Mosquito larvae were detected in most of the CB both two and four weeks post treatment, suggesting that none of the ERB that were evaluated performed as described by the manufacturers. The study was terminated after 4 weeks because of unacceptable levels of breeding and adult emergence.

	Altosid XR	FourStar	FourStar Bti	Natular XRT
2 weeks post- treatment				
% of CB	35	50	78	0
# of CB	6/17	6/12	10/13	0/2
4 weeks post- treatment				
% of CB	28	64	53	80
# of CB	5/18	7/11	8/15	4/5

Table 2. Adult emergence of larvae that were collected from CB that were treated with ERB. Because CB that were treated with methoprene-based ERB (Altosid XR) were expected to contain live mosquito larvae, the larvae that were collected from the treated CB were reared in the lab to determine if adult mosquitoes successfully emerged. A high proportion of the larvae collected four weeks post treatment emerged to produce adult mosquitoes.



Figure 6. Evaluating ditching using drone imagery. Drone was used to quickly identify an obstruction in a recently cleared ditch (Insert).

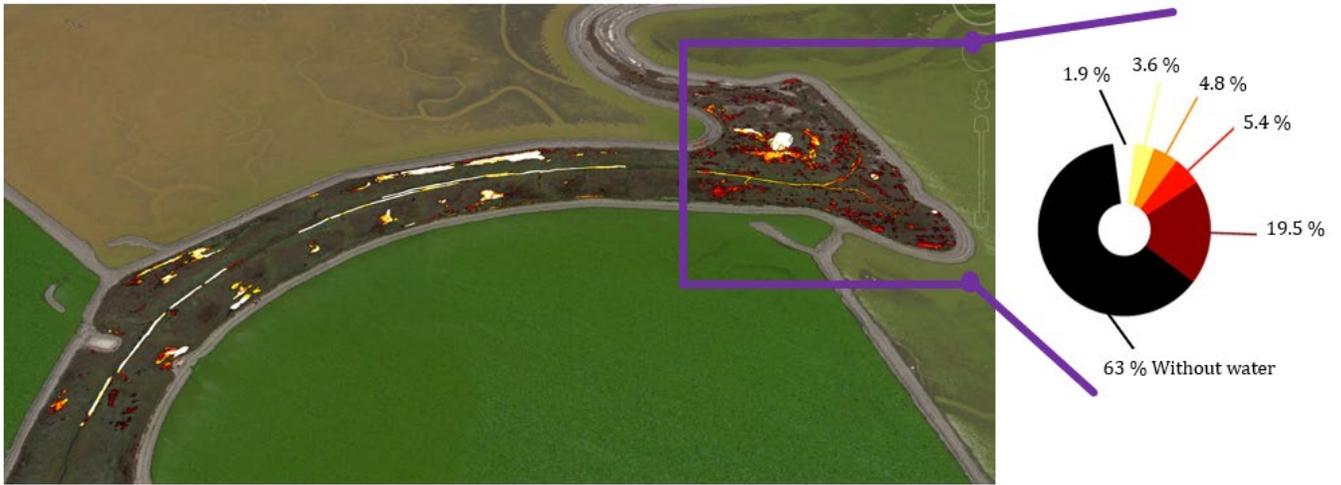


Figure 7. Imaging a landscape for accumulated water. (Left) Albrae Marsh evaluated two days after a high tide event for accumulated water using a drone and multispectral camera (70 acres; Newark, CA). White indicated the most water, yellow was intermediate and red was the least. The multispectral images were overlaid onto satellite imagery from Google Maps. (Right) Donut chart showing the proportion of the landscape shown in the open purple box (20 acres) that contains accumulated surface water.

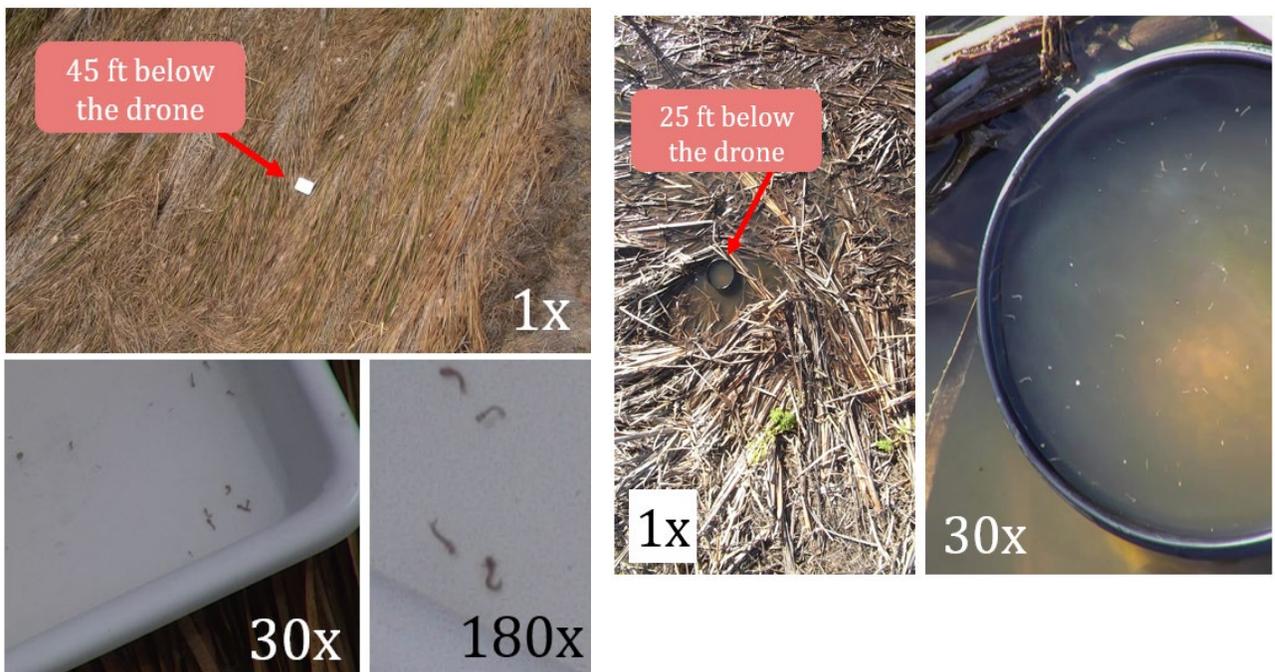


Figure 8. Visualizing mosquito larva using a drone. *Culex pipiens* larvae were placed in a white tray (8" x 10") with tap water or a black bucket with marsh water and imaged from above using a drone fitted with the Z30 camera. Values in the lower corners indicate camera magnification. Images were cropped for clarity, but were not otherwise enhanced.

PUBLIC EDUCATION

A. Events

i. Upcoming

- **Spring Home & Garden Show** – Friday, February 15th to Sunday, February 17th (Pleasanton)
- **St. Patrick's Day Celebration** – Saturday, March 16th & Sunday, March 17th (Dublin)

B. Google Analytics

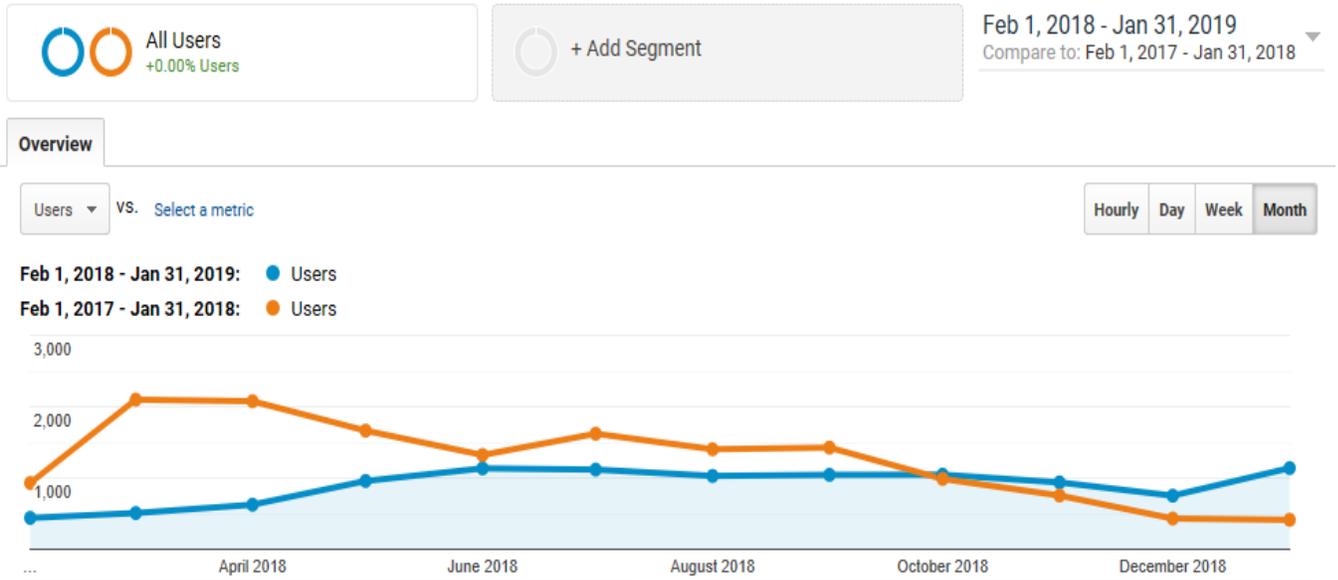


Figure 1. Comparison of website users over the past two years

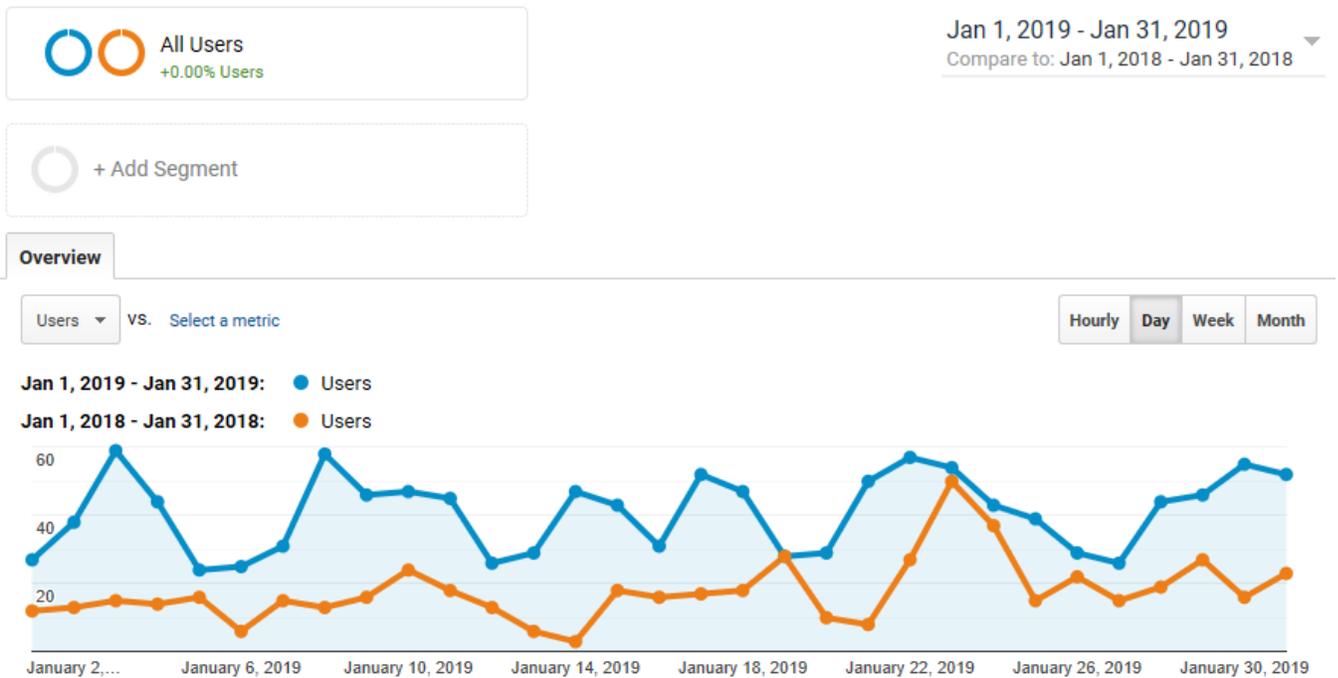
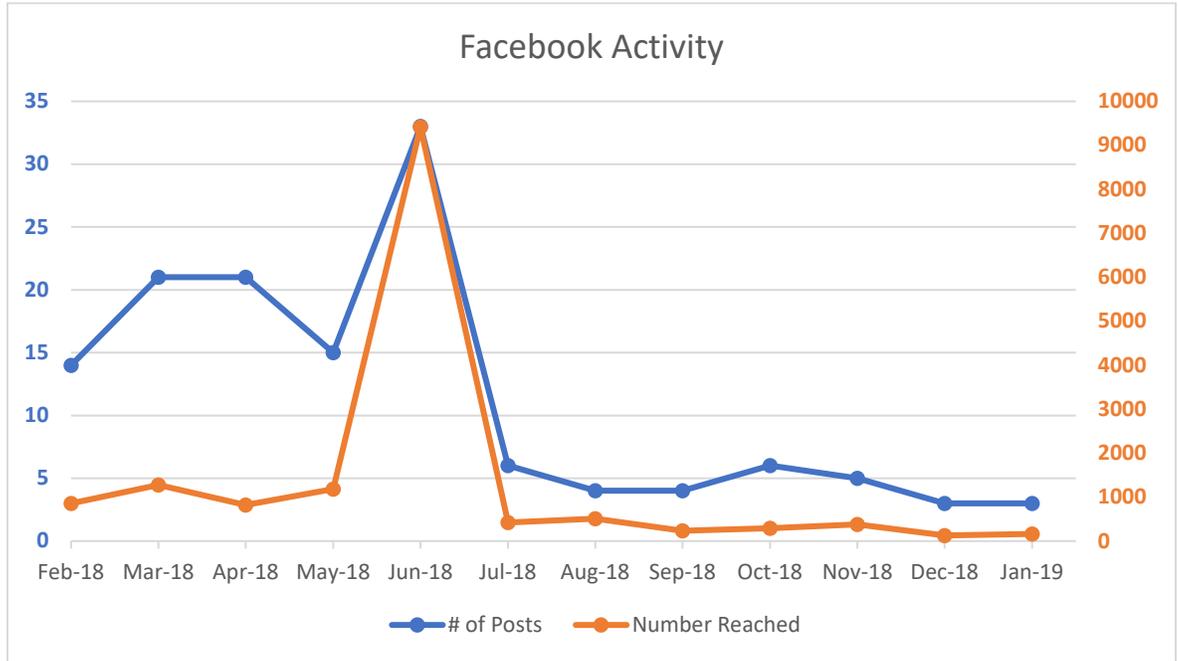


Figure 2. Comparison of website users over the past two years for the month of January.

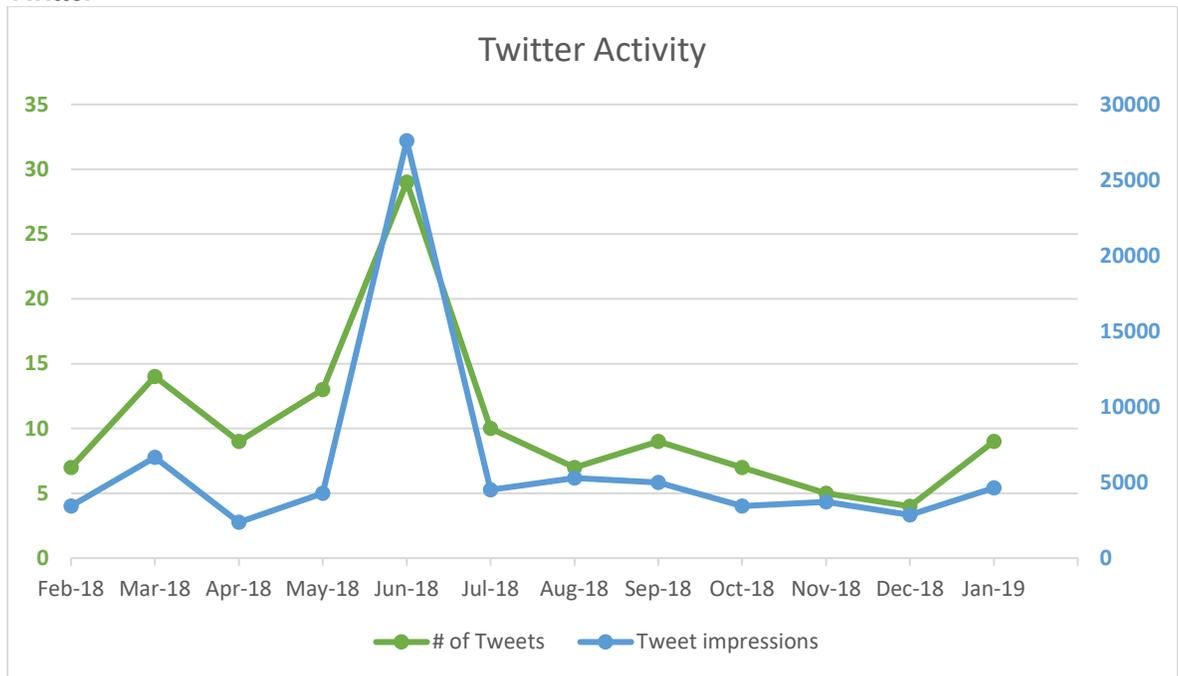
C. Facebook



Total Number of Followers: 175 (up from 174 in December)

January's Most Popular Post: Hopefully you didn't bring mosquitoes into the new year with you! It's easy to forget about things in your yard that can hold water, but with the rain coming up make sure that your yard is checked and water is dumped. (GIF)

D. Twitter

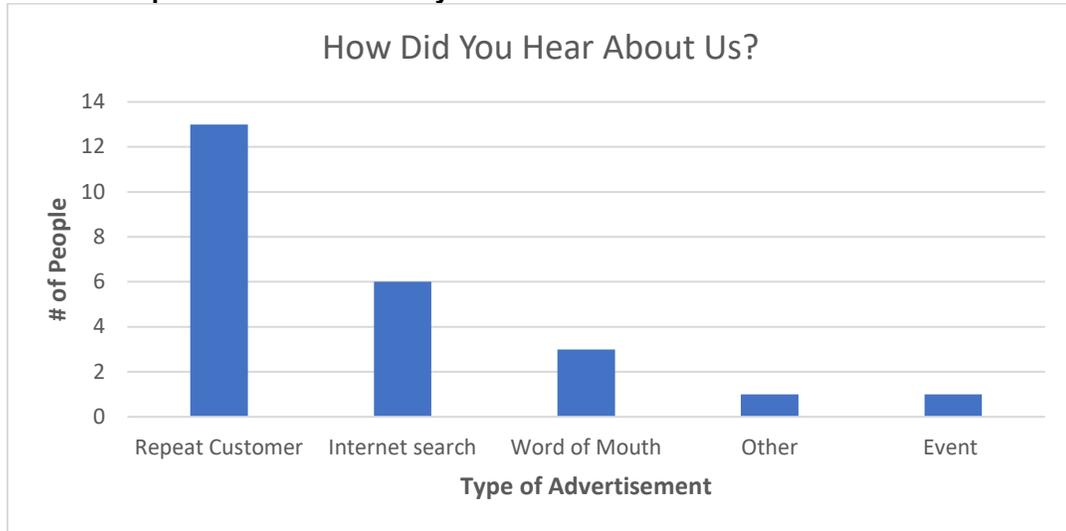


Number of Profile Visits in January: 54

Total Number of Followers (New This Month): 618 (up from 617 in December)

Top January Tweet: We've been enjoying this break in the rain, but that means so have mosquitoes. Don't let them breed in standing water in your yard! (photo)

E. Service Request Referral Summary



Note: Property Tax, District Vehicle or Employee, Social Media, Internet Ad, Billboard Ad, Movie Theater Ads, Phone Book, and News Story are also options for this question, but were not included on this chart, because they were not selected in the month of January. The reason given for Other was that they were redirected to us from Vector Control.

4. MVCAC/ AMCA LEGISLATIVE UPDATE:

	Bill Name and description	Status	ACMAD Position	ACMAD Action
<i>California</i>				
MVCAC	AB 320 (Quirk): 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	(none yet)

5. OTHER UPDATES:

Member of the Board suggested that the Public Information Officer from Alameda County Office of Education should be added to our press release email list. The following is a screenshot of her contact information in our contact list in Constant Contact.

<input type="checkbox"/>	Lauren	laurens@unioncity.org	City	
<input type="checkbox"/>	Swenson, Kirsten	kswenson@acoe.org	AC Education Department	
			San Leandro	



January 2019

The holidays are over and now it's time to get back to work. On January 7, the California State Legislature reconvened for the 2019-2020 Legislative Session and Governor Gavin Newsom was sworn in as California's 40th Governor. Governor Newsom introduced his first budget on January 10 and touched on topics such as housing, property taxes, developer impact fees and water taxes. Throughout the legislative year, CSDA will continue to monitor new legislation and updates to the budget for any changes that may impact special districts.



Inside this edition of the Take Action Brief:

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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
colleenh@csda.net
colek@csda.net
stevenn@csda.net
chrisp@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.

Governor Newsom Proposes First Budget, Calling for "California For All"

On January 10, Governor Gavin Newsom [unveiled](#) his first state budget proposal, announcing significant one-time expenditures in health and education, and also addressing several topics with significant impact on special districts. Calling his budget one that seeks "discipline" while building a strong financial foundation, Newsom announced a total budget of \$209 billion, a 4% increase over the prior year, with general fund spending totaling \$144 billion (a 3.6% increase). Additions to the state Rainy Day Fund will bring the balance to \$15.3 billion in 2019-2020, gradually increasing to \$19.4 billion by 2022-2023.

Governor Newsom broadly addressed many topics of interest to special districts, including the likelihood of the return of redevelopment agencies (RDA). His comments appeared to signal a resistance to the idea of resurrecting traditional RDAs, favoring enhanced infrastructure financing districts (EIFD) as a "legitimate successor agency to redevelopment as we have known it." Newsom suggested eliminating the 55% voter threshold for EIFD debt obligation as a strategy to promoting the formation of EIFDs.

Newsom's budget also seemingly embraced a statewide water tax to fund access to safe and affordable drinking water. According to the Governor's Budget Summary, the administration is looking to take the same approach proposed last year by [SB 623 \(Monning\)](#), potentially placing the burden of tax collection on local agencies already strained by other state mandated programs and services. The Budget includes \$4.9 million General Fund one-time spending for the State Water Resources Control Board and the Department of Food and Agriculture to take initial steps toward implementation of this new Safe and Affordable Drinking Water Program. This weekend, the Governor followed his call for a water tax with a visit along with his cabinet at the Monterey Park Tract in Ceres, where he participated in a roundtable discussion with members of the community who are paying for water that is unsafe to drink.

Other notable items in the Governor's budget proposal include:

- A focus on development impact fees, calling them "out of control" and "usurious" as a cause for driving up the cost of housing, indicating that he would form a task force to consider the issue.
- \$13.6 billion dedicated to paying down the state's unfunded liabilities, including an "unprecedented" \$3 billion supplemental contribution to pay down the state's liabilities within CalPERS.
- \$25 million for mutual aid to support local governments in their pre-deployment work in response to emergencies.
- \$50 million one-time spending for local grants and to immediately begin a comprehensive, statewide education campaign on disaster preparedness and safety.
- \$31.3 million to back-fill wildfire-related property tax revenue losses for cities, counties, and special districts.

With a new administration in the Governor's Office, CSDA will continue to closely monitor the budget process for relevant issues related to special districts. You can find a full summary of the Governor's Budget Proposal at ebudget.ca.gov. Legislators will conduct Budget Sub-Committee Hearings over the coming months, with the Governor's May Revise due out in mid-May following analysis of the April tax receipts. The budget, which must be passed by a June 15 Constitutional deadline, takes effect July 1.



2019 Special District Revenue Measures

The Governor released his first budget on January 10th and it had a robust package to tackle homelessness and affordable housing. Of interest to special districts is that the Governor seems committed to **not** restoring traditional redevelopment agencies (RDAs) as part of that package. As you know, RDAs were a revenue drain on special districts and hindered their ability to deliver services and infrastructure to our constituents.

In contrast to the calls for “RDA 2.0” that we saw in 2018, Governor Newsom called for more use of enhanced infrastructure finance districts (EIFDs). EIFDs are tax increment tools that land use authorities like cities can use. Special districts can join EIFDs voluntarily, unlike RDAs which were forced upon special districts.

The Governor is seeking to entirely eliminate the current 55% voter threshold for EIFDs to borrow against the increment, among other changes to incentivize their use. That same day, [SB 128 \(Beall\)](#) was introduced to that end.

Of potentially great interest to special districts, the Governor also alluded to revisiting the issue of developer impact fees. The fees are currently paid by developers to local governments to mitigate impacts of development, provide for essential service connections, infrastructure, parks and other costs and impacts due to growth.

While the budget is light on specifics, the [budget summary](#) and the Governor’s presentation point to a task force on impact fees to study fees that are, according to the Governor, “driving up the cost of housing.” Obviously, this will be of great interest to all local governments.

[ACA 1 \(Aguiar-Curry\)](#) **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 engaged with the author’s office regarding this issue and will keep you updated.

[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 RDAs that attempts to create a pass-through for special districts to be made whole for any revenue losses. CSDA had an “Oppose unless Amended” position on this version of redevelopment and were successfully working with the author when the measure stalled in the Appropriations Committee. CSDA is still engaged with its local government partners and the author’s office regarding some of the technical and policy details of this measure.

[SB 15 \(Portantino\)](#) **Redevelopment**

This bill would state the intent of the Legislature to enact legislation relating to redevelopment. This is a “spot bill” or a placeholder. CSDA is engaged with the author’s office and will continue to monitor this measure.

[SB 5 \(Beall\)](#) **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. Special districts are not specifically authorized to voluntarily participate. CSDA is engaging the author's office to not only thank them for their innovative approach that would leave special districts whole 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 enhanced infrastructure financing districts (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.

If you have any questions or comments about these bills, please contact CSDA Legislative Representative Anthony Tannehill at anthonyt@cdda.net.

Governor Newsom Embraces State Water Tax

In his 2019-2020 budget proposal, Governor Newsom endorsed the creation of a state tax on water bills to fund access to safe and affordable drinking water. According to the Governor's Budget Summary, the administration is looking to take the same approach proposed by [SB 623 \(Monning\)](#), which was strongly supported by the previous administration. [SB 623 was opposed by CSDA and many others](#), in part because it would have placed the burden of tax collection on already strained local agencies. SB 623 and its parallel bills failed to pass last year when many Assembly Democrats withheld their votes.

From the [Governor's Budget Summary](#):

"Safe and Affordable Drinking Water Fund—Establish a new special fund, with a dedicated funding source from new water, fertilizer, and dairy fees, to enable the State Water Resources Control Board to assist communities, particularly disadvantaged communities, in paying for the short-term and long-term costs of obtaining access to safe and affordable drinking water. This proposal is consistent with the policy framework of SB 623, introduced in the 2017-18 legislative session. The Budget also includes \$4.9 million General Fund on a one-time basis for the State Water Resources Control Board and the Department of Food and Agriculture to take initial steps toward implementation of this new Safe and Affordable Drinking Water Program, including (1) implementation of fee collection systems, (2) adoption of an annual implementation plan, and (3) development of a map of high-risk aquifers used as drinking water sources."

If you have any questions or comments, please contact CSDA Legislative Representative Rylan Gervase at rylang@cdda.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.

Senator will Pursue Limits on Accessory Dwelling Unit Fees in 2019

As the Legislature returns from the winter holidays, CSDA Legislative Representatives met with Senator Bob Wieckowski's (D-Fremont) office to discuss his Senate Bill 13. SB 13 is [a spot bill](#) that declares it the intent of the Legislature to "enact legislation that would reduce impact fees and other existing barriers for homeowners seeking to create accessory dwelling units for the purpose of creating additional residential housing within their neighborhoods".

Although the Senator's office offered few details, staff indicated that the Senator plans to continue his previous efforts to reduce fees charged by local agencies on new accessory dwelling units (ADUs). Substantive language is expected to be inserted into the bill in the coming weeks.

SB 13 appears to be a reintroduction of 2018's [SB 831](#), which would have eliminated all impact, connection, and capacity fees for ADUs under 1,200 square feet. CSDA [strongly opposed](#) this attempt to shift the costs of development onto existing residents served by local agencies. While SB 13 lacks substantive language, it is likely that the bill will seek to lower or eliminate these fees.

Assembly Member Ting (D-San Francisco) introduced a pair of bills, [AB 68](#) and [AB 69](#), which appear to be a follow up to 2018's [AB 2890](#). CSDA [opposed AB 2890](#) in its original form, which would have eliminated developer impact fees on small ADUs. At this stage, the bills deal with the ministerial approval of ADU permits and other land use issues surrounding ADU approvals. While these issues do not directly affect special districts, CSDA will keep an eye on them in case efforts are made to address developer fees. The Assembly Member's office has indicated that they intend to defer to Senator Wieckowski to take the lead on the fee issue.

In 2017, introduction of multiple ADU bills by authors in the Senate and Assembly led to rivalry on the issue among the leadership of the houses. This, and the fact that local agencies were still implementing ADU mandates from 2016, ensured that no measure was sent to the Governor. CSDA will be monitoring these bills and any others that are introduced and will likely take positions this spring.

If you have any questions or comments about these bills, please contact CSDA Legislative Representative Rylan Gervase at rylang@csda.net.



➤ 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.

Sexual Harassment Remains a Legislative Hot Topic in 2019

Last year we saw an abundance of legislation related to sexual harassment following the #MeToo movement that resulted in four significant bills being signed into law. With four more bills introduced at the beginning of the 2019 legislative session, it appears sexual harassment remains a hot topic in the Legislature. Interestingly, each of the four new sexual harassment prevention bills are reintroductions of bills that were vetoed by Governor Brown in 2018. We can assume that the authors of the bills listed below are hopeful that this year's legislation will fare better with the newly-inaugurated Governor Gavin Newsom.

2019 Sexual Harassment Prevention Legislation:

[AB 9 \(Reyes\)](#): Extends the statute of limitations for filing a Fair Employment and Housing Act claim with an employer from one to three years. This bill is similar to vetoed bill [AB 1870 \(Reyes, 2018\)](#).

[AB 51 \(Gonzalez Fletcher\)](#): Prohibits a person from conditioning employment, continued employment, the receipt of any employment-related benefit or a contractual arrangement on preventing the disclosure of an instance of sexual harassment or otherwise opposing any lawful practice, or from exercising any right or obligation or participating in any investigation or proceeding related to unlawful harassment or discrimination. This bill is similar to vetoed bill [AB 3080 \(Gonzalez Fletcher, 2018\)](#).

[AB 170 \(Gonzalez Fletcher\)](#): Requires a client employer to share with a labor contractor all civil legal responsibility and civil liability for harassment for all workers supplied by that labor contractor. This bill, combined with AB 171 below, make up vetoed bill [AB 3081 \(Gonzalez Fletcher, 2018\)](#).

[AB 171 \(Gonzalez Fletcher\)](#): Prohibits an employer from discharging or in any manner discriminating or retaliating against an employee because of the employee's status as a victim of sexual harassment and establish a rebuttable presumption of unlawful retaliation based on the employee's status as a victim of domestic violence, sexual assault, sexual harassment, or stalking if an employer takes specific actions within 90 days following the date that the victim provides notice to the employer or the employer has actual knowledge of the status. This bill combined with AB 170 listed above make up vetoed bill [AB 3081 \(Gonzalez Fletcher, 2018\)](#). However, one difference between AB 171 and AB 3081 is that in AB 171 the rebuttable presumption is for actions taken within 90 days, whereas in AB 3081 the presumption was based on actions taken within 30 days of an employer becoming aware of an employee's status.

If you have any questions or comments about these bills, please contact CSDA Legislative Representative Dillon Gibbons at dillong@cdda.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

Dollars for Districts to Handle Fire Relief and More

Last week, Governor Newsom presented his proposed State Budget, which included funds for local governments, including special districts, in areas impacted by last year's wildfires. As proposed, the California State Budget included over \$30 million for property tax backfill, which will go to counties, cities, and special districts. The proposal would allocate:

- \$11.5 million to backfill entities in Butte, Lake, Los Angeles, Orange, Riverside, Shasta and Siskiyou counties for losses estimated to be incurred in 2019-20 as a result of the 2018 wildfires.
- \$16.1 million would go to backfill entities in Butte County for losses estimated to be incurred in 2020-21 and 2021-22 due to the 2018 Camp Fire.
- \$3.6 million would go to backfill entities in Lake County for losses estimated to be incurred in 2019-20, 2020-21, and 2021-22 resulting from the wildfires in 2015, 2016, and 2017.

The Budget also includes an additional backfill amount for Butte and Lake counties due to the magnitude of the fire damage in those counties which will require additional time to reconstruct the impacted properties and restore them to the property tax rolls.

Additionally, the Governor has proposed \$172.3 million to improve the state's emergency response and preparedness capabilities.

- \$60 million would go towards improving the State Emergency Telephone Number Account (SETNA) and 9-1-1 advancements.
- \$16.3 million to build-out the California Earthquake Early Warning System
- \$25 million towards mutual aid for repositioning of existing Office of Emergency Services and local government resources that are part of the statewide mutual aid system with the goal of enhancing disaster response readiness.
- \$50 million to begin a comprehensive, statewide education campaign on disaster preparedness and safety.
- \$20 million to increase the amount of funding available through the California Disaster Assistance Act, which is used to repair, restore, or replace public real property damaged or destroyed by a disaster, and to reimburse local government costs associated with certain emergency activities undertaken in response to a state of emergency. This augmentation increases total CDAA funding to \$82.6 million in 2019-20.

This State Budget is a reflection of the Governor's priorities, and it is clear from his proposal that he is committed to addressing not only the impacts of wildfires, but also preventing and reducing the size and scope of future fires. CSDA will continue to monitor the State Budget as it moves through the budget process and is ultimately voted on by the State Legislature prior to the June 15 deadline to pass a balanced State Budget.

If you have any questions or comments, please contact CSDA Legislative Representative Dillon Gibbons at dillong@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 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.

Scholarship Award Presented to 1st Place Student Video Contest Winner

On January 14, Districts Make the Difference held an award presentation at the Leucadia Wastewater District to recognize Heath Dunbar, the first-place contest winner. Heath was presented with the \$2,000 first-place scholarship prize and received additional recognition for his achievement from the City of Carlsbad Mayor Matt Hall and from the Office of Senator Pat Bates. Leucadia Wastewater District Board President David Kulchin, CSDA Board Member Jo Mackenzie, and San Diego Chapter President Tom Kennedy from the Rainbow Municipal Water District were also at the award presentation to congratulate Heath.

The 2018 Districts Make the Difference Student Video Contest was a close competition. After the month-long public voting period, the winners were:

- 1st Place: “Special Districts Make the Difference” by Heath - \$2,000 scholarship
- 2nd Place: “Delta Diablo” by Jason and Haley - \$1,000 scholarship
- 3rd Place: “CV San Special District” by Angelina - \$500 scholarship



Thank you to all the districts that promoted the contest and encouraged participation at each stage of the contest!

The 2019 Student Video Contest will have a slightly different timeline. Look for upcoming news about the adjusted schedule and encourage your local chapter to participate. 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).



➤ 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 3-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 CSDA Professional Development Catalog has been released. You can find it [here at csda.net](#).

The 2019 schedule features two District Network Workshops in each network. The Board Member Best Practices Workshop offered in each network during the first half of the year is no charge to SDRMA members and only \$50 to CSDA members – includes lunch sponsored by the California Special Districts Alliance.

The Special District Leadership Foundation has released \$60,000 in scholarship funds for 2019. Applications are now available at [sdlf.org](#). Funds can be used to cover 2019 professional development events and/or district websites. The next deadline is January 15, 2019.

Give Feedback

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

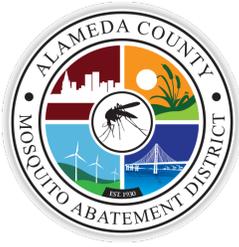
- Budget, Finance and Taxation
- Environment
- Formation and Reorganization
- Human Resources and Personnel
- Governance
- Public Works and Contracting

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 for help accessing these additional member resources.



23187 Connecticut Street
Hayward, CA 94545

T: (510) 783-7744
F: (510) 783-3903

acmad@mosquitoes.org

Trustee & Staff Anniversary Recognitions:

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Robert Dickinson

Piedmont

Kathy Narum

Pleasanton

Victor Aguilar

San Leandro

Subru Bhat

Union City

Ryan Clausnitzer

General Manager

Background:

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

Trustee	City	Years of Service	Anniversary Date
George Young	Fremont	6	February 1st
Employee	Title	Years of Service	Anniversary Date
Miguel Cardenas	Vector Biologist	7	February 1st
Mark Wieland	Mechanic Specialist	4	February 9th



SHOWCASE YOUR COMMITMENT TO EXCELLENCE

District of Distinction Application

The District of Distinction is an accreditation program that enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply for designation as a District of Distinction by submitting financial audits, policies and procedures and proof of training received by directors and executive staff.

Requirements:

FINANCIAL AUDITS

Districts must demonstrate they undergo regular financial audits, have no major deficiencies and apply any recommendations to future years.

What to submit:

- Copies of the three most recent district audits, including financial statements (3), SAS 114 and management letters (3). Each audit, including findings and recommendations, will be reviewed by a member of the Certification & Audit Review Advisory Committee. Committee members are volunteers from the special district community, including district controllers, directors of finance and SDA certified general managers.

POLICIES AND PROCEDURES

Districts must demonstrate that their operations conform to all statutes and regulations under state law as reflected in a policies and procedures manual. Policies and procedures should focus on governance, ethics, board conduct, district finances, reserves, reimbursement/compensation, etc.

What to submit:

- Copy of your district's current approved policies and procedures manual.
- Copy of your district's Board minute action adopting and/or having reviewed the policies and procedures manual within the past year.

TRAINING

What to submit:

Documentation showing class attendance, such as certificate of completion for each board member, general manager and other executive staff members (as identified by the board) in the following areas:

- Governance Training:** Six hours of basic governance training within the past five years. *Governance Foundations*, offered by CSDA's Special District Leadership Academy, satisfies this requirement. Other courses may qualify as well, however will need to be submitted for review by SDLF. Also, *Board Member Best Practices* (3 hours) plus 2 approved webinars will satisfy that requirement. Approved webinars are:
Board Member and District Liability Issues, Must Have Communication Protocols for Board & Staff, and Who Does What? Best Practices in Board Staff Relations.
**Districts with boards larger than 7 need at least a majority of total board members completing this training requirement.*
- Ethics Training:** Documentation verifying completion of AB 1234 ethics compliance training within the last two years.
- Harassment Prevention Training:** Documentation verifying completion of AB 1825 harassment prevention training within the last two years.

OTHER

Districts must also include the following items with the accreditation/re-accreditation application:

What to submit:

- Board of Directors roster
- List of executive staff, including titles
- Completed application for accreditation/re-accreditation
- Accreditation/re-accreditation application fee
- Completed SDLF District Transparency Certificate of Excellence

Who should apply to be a District of Distinction?

Any California special district that wants to demonstrate publicly the effectiveness of its operations. Applying for this designation shows that your district understands and respects the responsibilities inherent to providing essential public services in a fiscally responsible manner.

What does a district receive for completing the program?

Districts of Distinction earn the right to use the program’s seal on district materials and a plaque honoring their accomplishment. SDLF will also send a letter to a local publication and notify legislators on a district’s behalf. The District will also receive a Legislative Resolution.

How does a district apply?

Districts interested in earning the Districts of Distinction designation must complete the application and submit it along with the required documentation. Applications must also be accompanied by an application fee.

If my district is a member of the Special District Risk Management Authority (SDRMA), will getting a District of Distinction accreditation save me money on my premiums?

Yes. SDRMA offers Credit Incentive Points (CIPs) if your district earns the District of Distinction accreditation which can provide significant premium discounts. For more information, contact SDRMA at 800.537.7790 or visit www.sdrma.org.

RE-ACCREDITATION

For how long is the designation valid?

The Districts of Distinction designation is valid for two years and a district may be re-accredited by submitting the application and all current required documents for review along with the re-accreditation fee.

Fees

The fees are on a sliding scale, based on a district’s budget:

INITIAL ACCREDITATION & RE-ACCREDITATION

Annual operating budget	Fee
\$0-299,999	\$125
\$300,000-749,999	\$150
\$750,000-999,999	\$175
\$1,000,000--2,999,999	\$200
\$3,000,000 or more	\$250

Submit this application along with all required documentation and payment to:

Special District Leadership Foundation
 1112 I Street, Suite 200
 Sacramento, CA 95814
 Phone: 916-231-2909 • Fax: 916-442-7889 • sdlf.org

Electronic filing is preferable.

Contact SDLF for instructions.

District:		
Mailing Address:		
City:	State:	Zip:
Contact Name:	Title:	
Phone:	Fax:	
Email:	Website:	
Assembly Member(s)*:		
Senator*:		
Local Newspaper(s):		
I certify that the information submitted is accurate and complete to the best of my knowledge.		Signature:

SILVER, GOLD OR PLATINUM RECOGNITION

Board Members who have received Recognition in Special District Governance: (attach additional pages if necessary)

	Date:
	Date:
	Date:

General Manager:

Has completed Recognition in Special District Governance

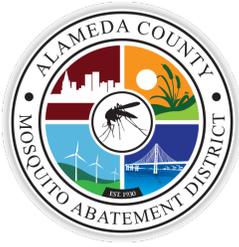
Has completed Recognition in Special District Administrator

PAYMENT

Total: \$ Check Visa Mastercard Discover American Express

Acct. Name: Acct. Number:

Expiration Date: Authorized Signature:



23187 Connecticut Street
Hayward, CA 94545

T: (510) 783-7744
F: (510) 783-3903

acmad@mosquitoes.org

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Pleasanton

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San Leandro

Subru Bhat

Union City

Ryan Clausnitzer

General Manager

Options to receive governance training to obtain the SDLF District of Distinction recognition:

1. Attend the July SLDA Conferences, if Trustees can only attend one day (Monday or Tuesday), discounted pricing would be \$225 per person
2. September 25th at the CSDA Annual Conference in Anaheim as a pre-conference workshop at the cost of \$225 per person

***ACMAD would qualify for SDLF Scholarship Funds for any of the first three options

- a. Have a 6-hour Governance Foundations workshop at your location for \$225 per person with a minimum of 20 attendees.