

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
October 27, 2014**

CALL TO ORDER.

President Fernandez called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE.

ROLL CALL.

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

STAFF: Paul Eldredge, General Manager/District Engineer
Rich Cortés, Business Services Manager
Andy Morrison, Collection Services Manager
Dave Livingston, Treatment & Disposal Services Manager
Sami Ghossain, Technical Services Manager
Maria Scott, Principle Financial Analyst
Richard Scobee, Senior GIS/Database Administrator
Louis Rivera, Mechanic II
Kristina Silva, Administrative Specialist I
Regina McEvoy, Assistant to the GM/Board Secretary

APPROVAL OF THE MINUTES OF OCTOBER 13, 2014.

It was moved by Director Kite, seconded by Director Lathi, to Approve the Minutes of the Board of Director's Meeting held October 13, 2014. Motion carried unanimously.

MONTHLY OPERATIONS REPORT FOR SEPTEMBER 2014.

The Budget and Finance Committee reviewed this item. Paul Eldredge reported the following:

- There were two odor complaints, both in the City of Fremont. Each complaint was investigated with no odors found.
- There were no employee accidents in September.
- Regina McEvoy began work as the Assistant to the General Manager/Board Secretary.
- Dr. Connie Li began work as the Senior Process Engineer.
- Mike Farsai started work as a Plant Operator III Trainee.
- The General Manager transition between Rich Currie and Paul Eldredge took place on September 16, 2014.
- A joint Board of Directors meeting between Alameda County Water District and Union Sanitary District took place at the Union Sanitary District offices on September 25, 2014.

- The Board of Directors attended a retreat on September 29, 2014, which was attended by the new and outgoing General Managers.
- Several of the Directors and staff attended the Union City State of the City Address on September 30, 2014.
- Rich Currie's retirement party was held September 30, 2014.
- Current projections indicate the average annual sick leave per employee is 49.36, which is higher than the goal of 47.

Maria Scott reported the following:

- The following capacity fees were received in September:
 - \$72,000 from Coast Tropical
 - \$120,000 from Lennar Homes
 - \$87,000 from Robson Homes
 - \$11,000 from Mercedes Benz in South Fremont
- Current expenses include work on the Cogeneration Project and the Upper Hetch Hetchy Sewer System Rehabilitation.

WRITTEN COMMUNICATIONS.

There were no written communications.

ORAL COMMUNICATIONS.

There were no oral communications.

AUTHORIZING THE GENERAL MANAGER TO EXECUTE CHANGE ORDER NO. 3 WITH GSE CONSTRUCTION COMPANY FOR THE THICKENER CONTROL BUILDING IMPROVEMENTS PROJECT.

The Construction Committee reviewed this item. Sami Ghossain stated the Board awarded the contract for the Project to GSE Construction. The contract included funds for the purchase of domestic valves to conform to new American Iron and Steel (AIS) requirements for all Clean Water State Revolving Fund Projects. On September 4, 2014, the State Water Resources Control Board provided staff with executed Amendment No. 1, which amended the finance agreement for the Project to waive AIS requirements, thereby allowing use of non-domestic valves for the Project. GSE research found \$154,769 in cost savings by purchasing non-domestic valves for the Project, in addition to a shorter procurement time. Staff negotiated a 90:10 cost saving split with GSE, in the District's favor. The 10 percent cost sharing was to compensate GSE for identifying potential savings, and their time spent investigating and computing valve pricing. Change Order No. 3 will reduce the change order rate to -1.35% of the original contract amount, and result in a total credit to the District of \$139,292.

It was moved by Director Kite, seconded by Director Handley, to Authorize the General Manager to Execute Change Order No. 3 with GSE Construction Company for the Thickener Control Building Improvements Project. Motion carried unanimously.

GIS JPA FY15 BUDGET ADJUSTMENT.

Note: This item was previously listed as a motion item, and was changed to an information item following the recommendation of the Budget & Finance Committee.

The Budget & Finance Committee reviewed this item. Richard Scobee stated USD will purchase a 3-year subscription service through the Southern Alameda County GIS Authority (SACGISA) from Alameda County for aerial photos, a copy of the new aerial photos to use in-house, and access to the Pictometry Online browser service for \$8,000 per year for FY15 to FY17. SACGISA will contract Pictometry to digitize building outlines from the new aerial photos for a one-time cost to USD of no more than \$8,400. This adjustment resulted in a net \$7,600 reduction of the current FY15 GIS JPA project.

ACCEPTING FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2014.

The Audit Committee reviewed this item. AJ Major, representing the District's audit firm Vavrinek, Trine, Day & Company, stated the audit found the District's financial statements to be accurate, neutral, and transparent. No instances of noncompliance were found.

It was moved by Director Handley, seconded by Director Fernandez, to Accept Financial Statements for Fiscal Year Ended June 30, 2014. Motion carried unanimously.

INFORMATION ITEMS:

Check Register. All questions were answered to the Board's satisfaction.

Report on the East Bay Dischargers Authority Commission Meeting of October 16, 2014.

Director Handley reported the following:

- The Commission discussed strategies and logistics for the Outfall Pipe Inspection Project.
- The National Pollutant Discharge Elimination System (NPDES) report for September showed EBDA's performance continues to operate within the normal range.
- The EBDA JPA Ad Hoc Committee met to discuss non-controversial JPA language changes on October 15, 2014.

Cal-Card Quarterly Activity Report.

The Budget & Finance Committee reviewed this item. Rich Cortés stated the Quarterly Activity Report covers transactions for the CAL-Card billing period June 24, 2014 through September 22, 2014. There were 184 transactions totaling \$41,538.46.

Status of Priority 1 CIP Projects.

The Construction Committee reviewed this item. Sami Ghossain stated there are 21 projects in the FY15 Capital Improvement Program (CIP) budget. There are nine projects ranked as Priority 1, and 12 ranked as Priority 2, based on criteria prepared by staff and approved by the Executive Team. Priority 1 projects are reviewed quarterly by the Executive Team, and all are currently on schedule.

First Quarterly Report on Capital Improvement Program for FY 15.

The Construction Committee reviewed this item. Sami Ghossain stated CIP expenditures up to September 30, 2014, were above first quarter projections by approximately \$35,000 due in part to the early start of excavation work for the Thickener Control Building Modifications project.

COMMITTEE MEETING REPORTS:

The Construction and Budget & Finance Committees met.

GENERAL MANAGER'S REPORT:

Paul Eldredge reported the following:

- CASA appointed Paul to serve on the Federal Legislative Committee.
- The CalPERS on-site audit was completed during the week of October 20 – 24, 2014. Per the auditor's direction, Director's information will be added to the publicly available pay schedule.
- Paul attended the Union City Lion's Club meeting on October 23, 2014, and provided a general overview of USD.
- Paul will present to the League of Women Voters in Fremont on November 17, 2014.
- Safety-Kleen Systems worked with USD staff to develop parameters that allowed them to run batches to be tested prior to discharge. The first batch tested by USD staff was deemed acceptable for discharge, however the second batch was not. USD and Safety-Kleen representatives continue to meet to address the issue. Safety-Kleen has not determined the cause of the contaminants.
- A Fremont resident contacted USD to request the District contribute to the cost of their private lateral replacement. The individual believed roots started in the sewer main and grew into their private lateral. Staff believe the roots started in the private lateral and began growing into the sewer main, and do not believe USD is financially responsible for the private lateral replacement. Pursuant to District policy, USD will reimburse the contractor for the cost of the wye replacement. Per Board direction, Paul will forward information on the matter to the Fremont City Manager.
- Interviews have begun for the Collection Services and Treatment and Disposal Services Manager positions. Interviews for the three finalists for each position will be scheduled.
- The tour of the Hayward Marsh with the East Bay Regional Park District Board will likely be scheduled for the end of November.

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting adjourned at 7:57 to a USD Video Board Workshop in the Boardroom on Monday, November 3, 2014 at 6:30 p.m.

The Board will then adjourn to a Newsletter Workshop in the Centerville Conference Room on Monday, November 10, 2014, at 5:30 p.m.

The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, November 10, 2014 at 7:00 p.m.

SUBMITTED:


REGINA McEVOY
SECRETARY TO THE BOARD

ATTEST:


TOM HANDLEY
SECRETARY

APPROVED:


MANNY FERNANDEZ
PRESIDENT

Adopted this 10th day of November, 2014