

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
August 24, 2015**

**THIS MEETING WAS TELECONFERENCED WITH DIRECTOR LATHI FROM THE
GUEST PARKING AREA ON OCASO CAMINO, WEST OF THE INTERSECTION OF
PASEO PADRE PARKWAY IN FREMONT, CALIFORNIA.**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT: Jennifer Toy, President
Tom Handley, Vice President
Pat Kite, Secretary
Manny Fernandez, Director
Anjali Lathi, Director (*via teleconference*)

STAFF: Paul Eldredge, General Manager
Karen Murphy, District Counsel
Rich Cortés, Business Services Manager
Armando Lopez, Treatment & Disposal Services Manager
Sami Ghossain, Technical Services Manager
James Schofield, Collection Services Manager
Robert Simonich, Fabrication, Maintenance, and Construction Manager
Kathy Destafney, Business Services Manager
Chris Pachmayer, Electrical/Support Team Manager
Sheila Tolbert, Human Resources Manager
Laurie Brenner, Organizational Performance Program Manager
Roslyn Fuller, Purchasing Agent
Todd Jacob, IT Administrator
Mike Marzano, Environmental Health and Safety Program Manager
Michelle Powell, Communications and Intergovernmental Relations Coordinator
Jamie Rojo, Accounting Technician
Maria Scott, Principal Financial Analyst
Kristina Silva, Administrative Specialist

GUEST: Alice Johnson, League of Women Voters

APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 10, 2015

It was moved by Secretary Kite, seconded by Vice President Handley, to Approve the Minutes of the Regular Meeting held August 10, 2015. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy (*via roll call*)
NOES: None
ABSENT: None
ABSTAIN: None

MONTHLY OPERATIONS REPORT

This item was reviewed by the Budget & Finance Committee.

- a. Monthly Odor Report & Financial Reports: General Manager Eldredge stated there was one odor reported during the month of July 2015, by a resident located on Bret Harte Court in Fremont. District staff inspected the USD mains and city storm drain inlets in the area, and no odor was detected. Staff followed up with the resident by providing information regarding how District lines are cleaned, and advised the individual to run water in their sinks to fill the P-Traps within their home.

Principal Financial Analyst Scott reported the following for the month of July:

- Revenues:
 - \$519,000 received in capacity fees for Washington Hospital Phase II
 - \$101,000 for new Ohlone College buildings
 - \$58,000 for Synergy Corporate Housing in Union City
 - \$329,000 received in State Revolving Fund proceeds for the Thickener project
- Expenses:
 - \$65,000 credit was received from ACWD for the washer rebate program
 - \$76,000 for actuators and pumpers purchased from the Plant & Pump Station Renewal & Replacement
 - \$411,000 payment made to the State Revolving Fund loan for the Boyce Pump Station

July 2015 investment activities for purchases, interest payments, and maturities were reviewed.

Internal fund activity and CalPERS Retiree Medical Trust Statements were reviewed.

- b. Annual Performance Report for District-wide Balanced Scorecard Measures: Operational Performance Program Manager Brenner stated the 2015 USD

Strategic Performance Report, included in the meeting packet, summarizes the District's progress meeting operational and safety objectives and targets for Fiscal Year 2014-15.

Operational Performance Program Manager Brenner highlighted several results, both positive and negative, included in the staff report.

- There were two incidents of critical asset failure with impacts. Both incidents were associated with rapid regrowth of roots in the sewer mains.
 - The District had two Category 1 sanitary sewer overflows. The first occurred on October 28, 2014, in Fremont on Palm Avenue. It was reported that 495 gallons had spilled; 445 gallons of the amount spilled were captured. The second overflow occurred on April 23, 2015, in Fremont on Mission Boulevard. It was reported that 3,911 had spilled; 300 gallons of the amount spilled were captured.
 - Operational expenditures were 93% of budget, missing the target of 95% by 2%.
 - District staff responded to 97.7% of all calls for service within one hour. The average response time was less than 42 minutes.
 - 94% of planned outreach activities were completed. California Association of Sanitation Agencies (CASA) presented the District with their Fiscal Year 15 Achievement Awards in the Outstanding Public Outreach and Education category at the CASA conference held in August 2015.
 - Employee turnover rate was 6.2%. 1.6% was due to resignations, the remaining amount was due to planned retirements.
 - Assessments of the training module program exceeded the annual target by 15%.
 - Three lost-time injuries occurred during Fiscal Year 2015
 - Three incidents of vehicle or equipment damage occurred.
 - 80% of employees were trained on mandatory safety subjects.
 - The Workers Compensation Experience Modifier (X-Mod) was decreased to 1.01 from 1.16.
 - 300 worksite inspections were performed by management.
- c. Business Services Balance Score Card Measurements and Results were displayed on poster boards at the back of the Boardroom. Those who were present reviewed the posters. The posters reflected the information included in the meeting packet.

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

There were no oral communications at either meeting location.

APPROVE THE PUBLICLY AVAILABLE PAY SCHEDULE

This item was reviewed by the Personnel Committee. Business Services Manager Cortes stated the salary changes contained in the current pay schedule reflect the salary for the newly created Communications and Intergovernmental Communications Coordinator, adjustment to the Buyer I salary, and adjustments made to the Unclassified employee pay ranges as the result of the 2014 salary survey.

It was moved by Director Fernandez, seconded by Secretary Kite, to Approve the Publicly Available Pay Schedule Effective August 22, 2015. Motion carried by the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy (*via roll call*)
NOES: None
ABSENT: None
ABSTAIN: None

DISCUSS AND PROVIDE DIRECTION (AS NECESSARY) REGARDING PUBLIC OUTREACH, SCHEDULING, AND PROCEDURES FOR SEWER SERVICE RATES

This item was reviewed by the Legal/Community Affairs Committee. General Manager Eldredge stated that at a previous meeting Vice President Handley requested scheduling a discussion regarding public outreach for annual rate hearings, public outreach for Proposition 218 rate notification, and the District's procedure for responding to protest emails and customer communication.

It was agreed to have the District hold one town hall meeting for the Proposition 218 rate notification prior to the Public Hearing. The desired date for the Public Hearing is December 14, 2015. Concerns were expressed that the schedule of deadlines for preparation was too aggressive. A consensus was reached that an alternate date of January 25, 2016, could be used at Staff's discretion.

Information for fact sheets and notifications will be subject to legal review. The Board agreed an Ad Hoc Committee, consisting of two Board members, should review the content of the Proposition 218 notification mailer.

Board members agreed that it is important to acknowledge and respond in a timely manner to customer communications. Any protest emails and customer communications regarding sewer service rates will be incorporated into the public record and the author will be advised of the public hearing date. The Board also agreed that communications received which staff believe may warrant a more detailed response shall be presented and discussed at a regular Board meeting.

The Board agreed to the following by consensus:

1. Public outreach for annual rate hearing procedures will not change as proposed by staff.

2. Public outreach for Proposition 218 rate notification will include a town hall meeting. The Union Sanitary District Boardroom may be used if an outside location is not feasible. The town hall meeting is a one-time trial evaluation. A Public Hearing was tentatively scheduled for December 14, 2015. An alternate date of January 25, 2016, can be utilized if needed at staff's discretion. A two-member ad hoc committee will be created for the Proposition 218 rate notification information.
3. A standard acknowledgement response and fact sheet will be created for protest emails and customer communication regarding sewer service rates. Communications received which staff believes may require further response will be brought to the Board for direction.

It was moved by Secretary Kite, seconded by Director Fernandez, to direct staff to proceed with the addition of a town hall meeting to occur prior to the Public Hearing to consider rates; to proceed to schedule the Public Hearing for Proposition 218 rate notification with a desired date of December 14, 2015 (or alternate date of January 25, 2016); to create a two-member ad hoc committee to review content of the Proposition 218 rate notification information; and to have staff create a standard response to reply to communications regarding sewer service rates and provide a fact sheet if appropriate; communications received that staff believes may require further response will be brought to the Board for direction. Motion carried by the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy (*via roll call*)
NOES: None
ABSENT: None
ABSTAIN: None

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT AND TASK ORDER NO. 1 WITH WEST YOST ASSOCIATES FOR THE DESIGN OF THE SLUDGE DEGRITTER SYSTEM PROJECT

Technical Services Manager Ghossain stated the Degritter Building was constructed in 1985, and used to house five belt filter presses to dewater biosolids prior to disposal. The District replaced the belt filter presses with centrifuges, and replaced the original grit removal equipment with two degritter units. The two existing sludge degritters receive sludge flow from primary clarifiers 1 through 6. Both degritters are required to operate concurrently in order to handle the sludge flow from the primary clarifiers. When one of the degritters is out of service, the other unit does not have the capacity to process all of the primary sludge flow. This results in additional sludge accumulation in the primary clarifiers and the lower sludge flow rate could affect the ability of the thickeners to efficiently settle the solids. Therefore, operation staff determined an additional degritter was needed. Staff also identified a need to install a new chemical tank and pump system to dose ferrous chloride into the degrittied sludge pipeline. The proposed project will construct a third degritter, install new sludge piping, instrumentation, grit conveyor, chemical tank, and chemical metering pumps.

Staff prepared a Request for Proposal for design services for the project and contacted five firms from the District's consultant short list. Design of the project is scheduled to be completed in the summer of 2016, with construction to follow in fall of 2016. Staff recommended the Board authorize the General Manager to execute an Agreement and Task Order No. 1 with West Yost Associates in the amount of \$180,629 for design of the Sludge Degritter System Project.

It was moved by Vice President Handley, seconded by Secretary Kite, to Authorize the General Manager to Execute an Agreement and Task Order No. 1 with West Yost Associates for the Design of the Sludge Degritter System Project. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy (*via roll call*)
NOES: None
ABSENT: None
ABSTAIN: None

DESIGNATE AND APPOINT TWO BOARD REPRESENTATIVES TO AD HOC SUBCOMMITTEE ON GENERAL MANAGER CONTRACT NEGOTIATIONS

District General Counsel Murphy stated that per the employment agreement between the District and Mr. Eldredge, the General Manager's salary should be reviewed annually. This agenda item requested two representatives be designated to an Ad Hoc Subcommittee.

It was moved by Director Fernandez, seconded by Vice President Handley, to appoint Secretary Kite and Vice President Handley to serve as representatives to the Ad Hoc Subcommittee on General Manager Contract Negotiations. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy (*via roll call*)
NOES: None
ABSENT: None
ABSTAIN: None

INFORMATION ITEMS:

Check Register

All questions were answered to the Board's satisfaction.

PG&E Net Metering Annual True-up for FY 15

This item was reviewed by the Budget & Finance Committee. Treatment & Disposal Services Manager Lopez stated the District's electrical service for the wastewater treatment plant was converted to a Net Energy Metering (NEM) tariff with the installation of the solar carport project in August 2011. The cost of electrical generation and related non-generation charges are billed at the end of a 12-month period, which is known as the

"true-up" bill. A true-up bill in the amount of \$770,152.28 was received in August which includes previously unbilled charges accumulated between July 2014 and June 2015. The payment appears on the current check register. The total FY15 cost for electricity at the treatment plant was \$1,361,495.54.

National Association of Clean Water Agencies (NACWA) Peak Performance Award for Calendar Year 2014

Treatment & Disposal Services Manager Lopez stated the District received a Platinum Peak Performance Award from NACWA for the 2014 calendar year. NACWA Peak Performance Awards recognize member agency facilities for outstanding compliance with their National Pollutant Discharge Elimination System (NPDES) permit limits. The Platinum Award recognizes facilities that have achieved 100% compliance with their NPDES permits for five consecutive calendar years. The District has been recognized through the Peak Performance Award Program for the past 22 years and has been presented with 2 Silver Awards, 16 Gold Awards, and 4 Platinum Awards. The Peak Performance Award reflects the District's commitment to excellence in environmental protection.

The National Association of Clean Water Agencies (NACWA) Excellence in Management (EIM) Gold Award

Operational Performance Program Manager Brenner stated the District was selected to receive an Excellence in Management Gold recognition award from NACWA, based on our management practices, performance measures and results. In order to be eligible for this award, Peak Performance awards must have been previously achieved. This award is good for 3 years and enables the District to be eligible for other certifications.

Report from the East Bay Dischargers Authority (EBDA) Commission Meeting held August 13, 2015

Vice President Handley stated nutrient reduction was the main focus of the discussion at the meeting. The Managers Advisory Committee reviewed submitted proposals for the Hayward Effluent Pump Station and discussed the selection process. The Operations and Maintenance (O&M) Committee provided an update regarding EBDA performance.

COMMITTEE MEETING REPORTS:

The Budget & Finance, Construction, Legal/Community Affairs, and Personnel Committees met.

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- Sheila Tolbert, newly hired Human Resources Manager was introduced.
- Chris Pachmayer, recently promoted Electrical/Support Team Manager was introduced. Mr. Pachmayer was previously an Associate Engineer in the Capital Improvements Projects team.
- The Co-digestion Pilot program experienced minor operational issues; these type of issues are typical with pilot programs. An increase in gas emission has been

documented and the District will continue to document progress for several months evaluate this program.

- A bike rack will be installed in front of the District Administration Building.
- The District will host a vendor fair on October 15, 2015.
- The General Manager will be out of the office September 7 - 18, 2015.
- The District received an award at the California Association of Sanitation Agencies (CASA) conference in recognition of our open house. Many agencies at the conference reached out to USD staff to enquire about the specifics of the open house.

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 8:54 p.m. to the Special Meeting to be held in the Boardroom on Thursday, August 27, 2015, at 11:30 a.m.

The Board will then adjourn to the next scheduled Regular Board Meeting in the Boardroom on Monday, September 14, 2015, at 7:00 p.m.

SUBMITTED:



REGINA McEVOY
SECRETARY TO THE BOARD

ATTEST:



PAT KITE
SECRETARY

APPROVED:



JENNIFER TOY
PRESIDENT

Adopted this 28th day of September, 2015

UNION SANITARY DISTRICT PAY SCHEDULE

| Effective August 22, 2015 | | |
|----------------------------------------------------------|----------------------------------|----------------------------------|
| Position Title | Minimum Bi-Weekly Pay Rate | Maximum Bi-Weekly Pay Rate |
| Accounting Tech Specialist | \$3,041.23 | \$3,696.63 |
| Accounting Technician II | \$2,703.31 | \$3,285.90 |
| Administrative Specialist I | \$2,402.15 | \$2,919.83 |
| Administrative Specialist II | \$2,528.58 | \$3,073.50 |
| Assistant Engineer | \$3,596.80 | \$4,720.80 |
| Assistant to the General Manager | \$3,088.87 | \$4,054.14 |
| Assistant Storekeeper | \$2,335.82 | \$2,839.19 |
| Associate Engineer | \$4,022.80 | \$5,279.92 |
| Buyer I | \$2,726.87 | \$3,579.02 |
| Buyer II | \$3,029.86 | \$3,976.69 |
| Chemist I | \$3,305.21 | \$4,017.50 |
| Chemist II | \$3,470.47 | \$4,218.38 |
| Coach, Business Services | \$4,641.14 | \$6,091.50 |
| Coach, Capital Improvement Projects | \$5,355.22 | \$7,028.73 |
| Coach, Collection Services | \$4,291.62 | \$5,632.75 |
| Coach, Customer Service | \$5,355.22 | \$7,028.73 |
| Coach, Electrical & Instrumentation | \$4,368.06 | \$5,733.08 |
| Coach, Environmental Compliance | \$4,386.22 | \$5,756.92 |
| Coach - Mechanical Maintenance | \$4,289.80 | \$5,630.36 |
| Coach, Research & Support/Sr. Process Engineer | \$4,765.42 | \$6,254.62 |
| Coach, Total Plant Operations | \$4,330.69 | \$5,684.03 |
| Collection System Worker I | \$2,481.78 | \$3,016.62 |
| Collection System Worker II | \$2,729.97 | \$3,318.30 |
| Communications & Intergovernmental Relations Coordinator | \$3,565.94 | \$4,334.41 |
| Construction Inspector I | \$2,887.70 | \$3,510.02 |
| Construction Inspector II | \$3,176.47 | \$3,861.02 |
| Construction Inspector III | \$3,303.54 | \$4,015.46 |
| Customer Service Fee Analyst | \$2,744.97 | \$3,336.52 |
| Engineering Technician I | \$2,786.27 | \$3,386.74 |
| Engineering Technician II | \$3,064.90 | \$3,725.41 |
| Engineering Technician III | \$3,371.40 | \$4,097.95 |
| Environmental Compliance (EC) Inspector I | \$2,727.98 | \$3,315.88 |
| Environmental Compliance (EC) Inspector II | \$3,069.05 | \$3,730.45 |
| Environmental Compliance (EC) Inspector III | \$3,406.64 | \$4,140.79 |
| Environmental Compliance (EC) Inspector IV | \$3,645.10 | \$4,430.65 |

| Effective August 22, 2015 | | |
|----------------------------------------------------|----------------------------------|----------------------------------|
| Position Title | Minimum Bi-Weekly Pay Rate | Maximum Bi-Weekly Pay Rate |
| Environmental Control (EC) Outreach Representative | \$3,406.64 | \$4,140.79 |
| Environmental Health and Safety Program Manager | \$3,945.26 | \$5,178.15 |
| Environmental Program Coordinator | \$3,968.49 | \$5,208.64 |
| Fleet Mechanic I | \$2,751.67 | \$3,344.67 |
| Fleet Mechanic II | \$3,081.87 | \$3,746.04 |
| General Manager | \$7,074.72 | \$9,285.56 |
| Human Resources Manager | \$4,832.03 | \$6,342.04 |
| Human Resources Analyst II | \$3,350.31 | \$4,397.29 |
| Information Technology Administrator | \$4,635.89 | \$6,084.60 |
| Information Technology Analyst | \$3,237.58 | \$4,249.32 |
| Instrument Tech/Electrician | \$3,389.49 | \$4,119.94 |
| Janitor | \$1,840.39 | \$2,237.01 |
| Junior Engineer | \$3,237.12 | \$4,248.72 |
| Laboratory Director | \$4,111.05 | \$4,997.00 |
| Lead Collection System Worker | \$3,002.96 | \$3,650.05 |
| Maintenance Assistant | \$1,182.47 | \$1,437.30 |
| Manager, Business Services | \$6,598.22 | \$8,660.17 |
| Manager, Collection Services | \$5,819.59 | \$7,638.22 |
| Manager, Maintenance | \$5,819.59 | \$7,638.22 |
| Manager, Technical Services | \$6,401.55 | \$8,402.03 |
| Manager, Treatment & Disposal Services | \$5,819.59 | \$7,638.22 |
| Mechanic I | \$2,783.77 | \$3,383.69 |
| Mechanic II | \$3,117.83 | \$3,789.75 |
| Mechanic XL | \$3,714.66 | \$3,979.24 |
| Organizational Performance Program Manager | \$4,197.08 | \$5,508.67 |
| Painter | \$2,861.01 | \$3,477.57 |
| Planner/Scheduler I | \$3,196.08 | \$3,884.86 |
| Planner/Scheduler II | \$3,436.87 | \$4,177.54 |
| Plant Operations Trainer | \$3,775.57 | \$4,589.22 |
| Plant Operator I | \$2,655.79 | \$3,228.14 |
| Plant Operator II | \$2,947.94 | \$3,583.24 |
| Plant Operator III | \$3,371.03 | \$4,097.51 |
| Plant Operator XL | \$4,016.32 | \$4,302.38 |
| Principal Engineer | \$4,845.20 | \$6,359.32 |
| Principal Financial Analyst | \$3,850.64 | \$5,053.97 |
| Purchasing Agent | \$3,378.49 | \$4,434.26 |
| Receptionist | \$2,100.44 | \$2,553.10 |
| Senior Accountant | \$3,488.23 | \$4,578.30 |
| Senior Database Administrator / Developer | \$4,071.23 | \$5,343.49 |

| Effective August 22, 2015 | | |
|-------------------------------------------------------------------|----------------------------------|----------------------------------|
| Position Title | Minimum Bi-Weekly Pay Rate | Maximum Bi-Weekly Pay Rate |
| Senior Engineer | \$4,311.57 | \$5,658.94 |
| Senior Geographic Information System (GIS)/Database Administrator | \$4,071.23 | \$5,343.49 |
| Senior Information Technology Analyst | \$3,597.31 | \$4,721.47 |
| Senior Network Administrator | \$3,943.39 | \$5,175.70 |
| Senior Planner/Scheduler | \$3,881.24 | \$5,094.13 |
| Senior Process Engineer | \$4,311.57 | \$5,658.94 |
| Storekeeper I | \$2,953.54 | \$3,590.06 |
| Storekeeper II | \$3,101.22 | \$3,769.55 |
| Technical Training Program Coordinator | \$3,781.44 | \$4,963.14 |
| Utility Worker | \$2,267.32 | \$2,755.94 |

Board of Directors: Directors meet or serve in their official capacity 3 – 12 times per month with a maximum of six paid meetings/month at a rate of \$212.10 per meeting and are paid for a maximum of one meeting per day.

Approved by: _____

President, Board of Directors

Date: 8/24/15