

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
November 9, 2015**

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

STAFF: Paul Eldredge, General Manager
Karen Murphy, District Counsel
Sami Ghossain, Technical Services Manager
James Schofield, Collection Services Manager
Robert Simonich, Fabrication, Maintenance, and Construction Manager
Armando Lopez, Treatment & Disposal Services Manager
Maria Scott, Principal Financial Analyst
Michelle Powell, Communications and Intergovernmental Relations Coordinator
Regina McEvoy, Assistant to the General Manager/Board Secretary

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 26, 2015

It was moved by Secretary Kite, seconded by Director Fernandez, to Approve the Minutes of the Meeting of October 26, 2015. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSENT: None
ABSTAIN: None

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

There were no oral communications.

AWARD TRANSPORTATION AND BENEFICIAL REUSE AND/OR DISPOSAL OF BIOSOLIDS CONTRACT TO SYNAGRO

This item was reviewed by the Budget & Finance Committee. Treatment & Disposal Services Manager Lopez stated the District produces approximately 20,000 wet tons of Class-B biosolids annually. All biosolids have been transported and beneficially reused in accordance with EPA regulations under a contract with Synagro, Inc. The District's existing contract with Synagro Inc. is set to expire December 31, 2015. An Invitation for Bid (IFB) was issued on September 15, 2015, to select a service provider for a 5-year term. Synagro submitted the only bid for the contract. Staff has been satisfied with Synagro's performance in the past and recommends the Board authorize the General Manager to execute a new 5-year contract.

It was moved by Vice President Handley, seconded by Secretary Kite, to Authorize the General Manager to Award Transportation and Beneficial Reuse and/or Disposal of Biosolids Contract to Synagro. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSENT: None
ABSTAIN: None

CONSIDER A RESOLUTION CONFIRMING AND DECLARING THE NEED TO CONTINUE AN EMERGENCY AND AUTHORIZING THE EMERGENCY EXPENDITURE OF FUNDS TO REPAIR 33 INCH SEWER ON ALVARADO BOULEVARD

This item was reviewed by the Construction Committee. General Manager Eldredge stated a sinkhole surfaced at the intersection of Alvarado Boulevard and New Haven Street in Union City on Wednesday, October 14, 2015. The sinkhole was amplified by a subsequent water main break, which was repaired by Alameda County Water District on the same day. Union Sanitary District's 20-foot deep, 33-inch pipeline, and manhole located in the intersection were inspected and found to be damaged. Given the potential for the sinkhole to affect the health and safety of the community and possible impact to District facilities, it was determined an emergency existed and the necessary steps were taken to meet the emergency, secure the site, and start the repair process.

Resolution No. 1931, adopted in 1989, delegates to the General Manager the authority to expend District funds when an emergency occurs which adversely affects, directly or potentially, the ability of the District to perform its essential function or which may imperil the health and safety of the community. Pursuant to the resolution, the General Manager is required to inform the Board of the emergency, the steps taken, and funds incurred at the earliest opportunity.

The District's Purchasing Policy also addresses emergency contracting and authorizes the General Manager to determine that the public interest and necessity demand the immediate expenditure of District funds to safeguard life, health, or property and to commit up to \$500,000 for such purpose. California Public Contract Code Section 22050

authorizes the Board to declare an emergency and to delegate the authority to declare an emergency to the General Manager. The Board previously made such delegation in Resolution No. 1931 and the Purchasing Policy. The Public Contract Code requires the Board to review the status of the emergency action at each subsequent meeting until the emergency action is terminated, and authorize continuation of the emergency action by a four-fifths vote.

Upon review of the item, the Construction Committee inquired about the anticipated total cost of the repair. General Manager Eldredge stated the total cost is unknown at this time pending more information.

The Board inquired about the cause of the event. General Manager Eldredge stated the cause is yet to be determined, but staff believe multiple contributing factors led to this event.

The Board directed staff to discuss the necessity for allowing bike traffic and the associated "Share the Road" signs with Union City staff due to the condition of the repair site.

It was moved by Secretary Kite, seconded by Director Fernandez, to Adopt Resolution No. 2768 Confirming and Declaring a Continued Emergency and the Need for the Emergency Expenditure of Funds to Repair 33 Inch Sewer on Alvarado Boulevard. Motion carried with the following vote:

AYES:	Fernandez, Handley, Kite, Lathi, Toy
NOES:	None
ABSENT:	None
ABSTAIN:	None

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UNION SANITARY DISTRICT

RESOLUTION NO. 2768

**CONFIRMING AND DECLARING A CONTINUED EMERGENCY AND THE NEED FOR THE
EMERGENCY EXPENDITURE OF FUNDS TO REPAIR 33 INCH SEWER ON
ALVARADO BOULEVARD**

WHEREAS, on Wednesday, October 14th, a sinkhole opened up at the intersection of Alvarado Boulevard and New Haven Street in Union City. The sinkhole was amplified by a subsequent water main break, which was repaired by Alameda County Water District that same day. Union Sanitary District's 20-foot deep, 33-inch pipeline, and manhole located in the intersection were inspected and found to be damaged; and

WHEREAS, given the potential for the sinkhole to affect the health and safety of the community and the possible impact to District facilities, it was determined that an emergency existed and the necessary steps were taken to meet the emergency, secure the site and start the repair process; and

WHEREAS, compliance with competitive bidding procedures typically takes a number of months and would not have allowed prompt action to be taken, as required to safeguard the public and District facilities; and

WHEREAS, Resolution No. 1931, adopted in 1989, delegates to the General Manager the authority to determine an emergency exists and to take whatever steps and expend whatever funds are deemed necessary to meet the emergency; and

WHEREAS, the District's Purchasing Policy authorizes the General Manager to determine that the public interest and necessity demand the immediate expenditure of District funds to safeguard life, health, or property and to commit up to \$500,000 for such purpose without complying with the requirements of the Policy, in the event that a quorum of the Board cannot meet; and

WHEREAS, section 22050 of the California Public Contract Code authorizes the Board to delegate the authority to declare an emergency to the General Manager. The Board has previously made such delegation in Resolution No. 1931 and the Purchasing Policy; and

WHEREAS, in order to stabilize the sinkhole, the General Manager determined that an emergency existed and took steps and expended funds to meet the emergency through an existing contract with McGuire and Hester for emergency services; and

WHEREAS, the California Environmental Quality Act establishes a statutory exemption for emergency repairs to public service facilities necessary to maintain service, and other specific actions necessary to prevent or mitigate an emergency; and

WHEREAS, this situation has arisen suddenly and unexpectedly, and involves a clear and imminent threat, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, and essential public services.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of Union Sanitary District, that the Board finds, pursuant to Public Contract Code section 22050(a), that based on substantial evidence presented before the Board, the emergency will not permit a delay resulting from competitive solicitation for bids for the repair of the District's 33" sanitary sewer line, and that this action is necessary to respond to the emergency and further finds that an emergency continues to exist and there is a need to continue the action; and

BE IT FURTHER RESOLVED that the Board authorizes staff to continue to proceed with the repair or replacement of the 33" sanitary sewer and procurement of the necessary equipment, services and supplies for that purpose without giving notice for bids to let contracts; and

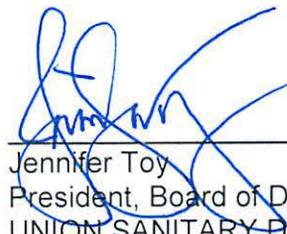
BE IT FURTHER RESOLVED that staff will proceed to obtain all necessary regulatory authorizations for the repair on an expedited basis using all available emergency procedures; and

BE IT FURTHER RESOLVED that USD will request all governmental entities with authority over this repair to expedite their consideration of the matter and to use available emergency procedures to ensure that this repair is completed in a timely manner so as to avoid the harms that would result from a catastrophic failure of the pipeline; and

BE IT FURTHER RESOLVED that the Board will review the status of the emergency at each subsequent meeting of the Board of Directors and vote to authorize continuation of this resolution until the emergency action is completed.

On motion duly made and seconded, this resolution was adopted by the following vote on November 9, 2015. (Four-fifths vote required for passage.)

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSENT: None
ABSTAIN: None



Jennifer Toy
President, Board of Directors
UNION SANITARY DISTRICT

Attest:


Pat Kite
Secretary, Board of Directors
UNION SANITARY DISTRICT

INFORMATION ITEMS:

Check Register

All questions were answered to the Board's satisfaction.

Cal-Card Quarterly Activity Report

This item was reviewed by the Budget & Finance Committee. Principal Financial Analyst Scott stated the CAL-Card Merchant Spend Analysis details CAL-Card activity for the first quarter of FY 2016. This covers transactions for the CAL-Card billing period July 23, 2015 through September 22, 2015, which included 1,150 transactions totaling \$63,663.49. There were \$2,154 in fraudulent charges during this period, and all have been credited back to the District.

First Quarterly Report on the Capital Improvement Program for FY16

This item was reviewed by the Construction Committee. Technical Services Manager Ghossain stated the FY16 Capital Improvement Program (CIP) budget was approved by the Board in July 2015 for \$15.08 million for design and construction of 27 projects. Total CIP expenditures up to September 30, 2015, were below first quarter projections by approximately \$569,000. The Thickener Control Project was under budget by \$310,000 due to the contractor being behind schedule on the project. Miscellaneous Spot Repairs - Phase 6 was also under budget by \$160,000 due to an invoice not yet submitted by the contractor. Newark Backyard Relocation – Phase II was under budget by \$99,000 due to a water main replacement invoice yet to be received from ACWD.

Status of Priority 1 Capital Improvement Program Projects

This item was reviewed by the Construction Committee. Technical Services Manager Ghossain stated CIP projects are ranked as Priority 1 or 2 based on criteria prepared by staff and approved by the Executive Team. Priority 1 CIP project status is reviewed by the Executive Team at the end of each quarter and submitted to the Board for review. For FY16, there are 10 Priority 1 projects and 17 Priority 2 projects. Most projects met targets with the exception of the Equalization Storage at Alvarado, which was behind schedule.

Update on the Alvarado Boulevard Sewer Main Repairs

Technical Services Manager Ghossain stated a sinkhole surfaced at the intersection of Alvarado Boulevard and New Haven Street in Union City on Wednesday, October 14, 2015. Union Sanitary District's 20-foot deep, 33-inch pipeline, and manhole located in the intersection were inspected and found to be damaged. District staff immediately responded and called upon the District's emergency contractor, McGuire & Hester Inc., for assistance. Immediate repairs to the damaged sewer facilities could not be accomplished due to the high groundwater level and unstable soil conditions. McGuire & Hester (M&H) stabilized the site by backfilling the sinkhole. District staff have monitored the site daily and have detected no further subsidence to date.

Initially, both westbound lanes of Alvarado Boulevard were closed. District staff and M&H crews were able to re-open one westbound lane on October 21, 2015. One eastbound lane was closed to allow for construction of an overflow pipe and groundwater dewatering wells.

The damaged sewer pipe had to be bypassed to ensure sewer service would not be interrupted. After the hole was stabilized, M&H brought pumps and bypass equipment to the site and set up a temporary bypass from the affected 33-inch trunk sewer on the north side of Alvarado Boulevard to an unaffected 39-inch trunk sewer on the south side of the street. This isolated the damaged facilities and ensured continuous sewer flows to the plant. District staff identified the need for an overflow pipe to serve as a cross-connection between the two trunk mains as a beneficial feature for maintenance purposes, and M&H completed installation.

The pumps were not having the desired effect on the groundwater at the site, and the District will begin working with a geotechnical engineer to assess the situation. Soil stabilization will be the next step via grouting in an attempt to minimize the inflow of groundwater. The cause of the sinkhole is still unknown, and we may never know the cause due to the extent of the damage. The repair timeline and cost estimate are difficult to approximate. Repairs are expected to continue into December, and potentially January if more challenges are encountered. To date, the District has incurred approximately \$200,000 in expenses, a large portion of which is due to the bypass that will benefit the District long term. Staff will continue to provide updates at future Board meetings.

The Board asked if additional staff would be needed to complete repairs. Technical Services Manager Ghossain stated staff are working overtime as needed.

General Manager Eldredge expressed gratitude for the professionalism of USD crews at the site and at the District, and stated all staff involved have done all they can to assist during this situation.

COMMITTEE MEETING REPORTS:

The Budget & Finance and Construction Committees met.

General Manager Eldredge stated the Proposition 218 Notification Ad Hoc Subcommittee continues to meet to review the developing 218 notice.

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- The District experienced some rain recently, with 33.3 MGD as the current high.
- District staff met with East Bay Regional Park District (EBRPD) representatives to discuss next steps for the Hayward Marsh Study.
- Due to known and anticipated retirements, in addition to other staffing challenges, it has been difficult to maintain a full Plant Operations Staff. The Board may need to conduct a workshop in the future to discuss long range options.
- Business Services Work Group Manager second interviews were recently held for three individuals. Staff are in the process of exploring the next round to fill the position.

OTHER BUSINESS:

Director Lathi stated the California Special Districts Association will offer an on-demand webinar regarding General Manager Evaluations, and suggested a Board workshop to complete the webinar as a group. Director Lathi requested, with agreement from Vice President Handley, to discuss the matter as an item on a future meeting agenda. Vice President Handley stated the workshop could also be an opportunity for the Board to discuss revisions to the review form. General Manager Eldredge stated staff would include the matter on a future Board meeting agenda.

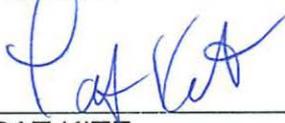
ADJOURNMENT:

The meeting was adjourned at 7:49 p.m. to the next scheduled Regular Board Meeting to be held in the Boardroom on Monday, November 23, 2015, at 7:00 p.m.

SUBMITTED:


REGINA McEVOY
SECRETARY TO THE BOARD

ATTEST:


PAT KITE
SECRETARY

APPROVED:


JENNIFER TOY
PRESIDENT

Adopted this 23rd day of November, 2015