

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
November 14, 2016**

CALL TO ORDER

President Handley called the meeting to order at 7:04 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT: Tom Handley, President
Pat Kite, Vice President
Anjali Lathi, Secretary
Manny Fernandez, Director
Jennifer Toy, Director (arrived at 7:12 p.m.)

STAFF: Paul Eldredge, General Manager
Karen Murphy, District Counsel
Sami Ghossain, Technical Services Manager
James Schofield, Collection Services Manager
Armando Lopez, Treatment and Disposal Services Manager
Pamela Arends-King, Business Services Manager/CFO
Robert Simonich, Fabrication, Maintenance, and Construction Manager
Mike Marzano, Environmental Health and Safety Program Manager
Mohammad Ghoury, Engineering Technician II
Jason Yeates, Environmental Compliance Inspector III
Regina McEvoy, Assistant to the General Manager/Board Secretary

VISITORS: AJ Major, Partner at Vavrinek, Trine, and Day Co., LLP
Grace Chow, Vice President of Brown and Caldwell Vice President

APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF OCTOBER 18, 2016

It was moved by Vice President Kite, seconded by Director Fernandez, to approve the Minutes of the Special Meeting of October 18, 2016. Motion carried with the following vote:

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

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 24, 2016

It was moved by Director Fernandez, seconded by Vice President Kite, to approve the Minutes of the Meeting of October 24, 2016. Motion carried with the following vote:

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

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

There were no oral communications.

REVIEW AND ACCEPT THE JUNE 30, 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This item was reviewed by the Audit Committee. Business Services Manager/CFO Arends-King stated that in previous years, the audited financials were presented to the Board for approval before the CAFR was completed. This is the first year for staff to present audited financials as part of the CAFR. Business Services Manager/CFO Arends-King introduced AJ Major, Certified Public Accountant and Partner at Vavrinek, Trine, and Day Co., who presented the CAFR and responded to Boardmember questions.

It was moved by Director Fernandez, seconded by Vice President Kite, to Accept the June 30, 2016 Comprehensive Annual Financial Report. Motion carried with the following vote:

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

BOARD MEMBER COMPENSATION FOR 2017

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge stated the Budget & Finance Committee discussed possibly changing the Board's annual review of its compensation from the end of each calendar year to the end of each fiscal year. The Board directed staff to present Policy No. 3040, Boardmember Compensation Limits, and Ordinance 44 at a future meeting for review.

It was moved by Director Fernandez, seconded by Secretary Lathi, to make no changes to Board Member Compensation for 2017. Motion carried unanimously.

CONSIDER SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN UNION SANITARY DISTRICT AND PAUL ELDREDGE

District Counsel Murphy stated the original employment agreement between Union Sanitary District and Paul Eldredge was executed June 25, 2014, and the first amendment to the agreement was approved by the Board September 28, 2015. The three revisions in the second amendment were a salary increase, an increase in deferred compensation, and the removal of a termination date. The aforementioned revisions will bring the agreement in closer alignment with that of other water and wastewater General Managers in the area.

President Handley commended General Manager Eldredge for all he had accomplished since joining the District.

It was moved by Vice President Kite, seconded by Director Fernandez, to Approve the Second Amendment to Employment Agreement Between Union Sanitary District and Paul Eldredge. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT AND TASK ORDER NO. 1 WITH BROWN AND CALDWELL FOR THE STANDBY POWER GENERATION SYSTEM UPGRADE PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the standby power system at the Alvarado Wastewater Treatment Plant is critical to the operation of the facility. The pre-design study report was completed by Beecher Engineering. Brown and Caldwell, with Beecher Engineering as a subconsultant, will complete the pre-design phase. Staff recommended the Board authorize the General Manager to execute an Agreement and Task Order No. 1 with Brown and Caldwell in the amount of \$175,064 for the Standby Power Generation System Upgrade Project.

It was moved by Director Fernandez, seconded by Vice President Kite, to Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Brown and Caldwell for the Standby Power Generation System Upgrade Project. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT AND TASK ORDER NO. 1 WITH BROWN AND CALDWELL FOR THE PRIMARY DIGESTER NO. 7 PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the Plant maintains six primary anaerobic digesters. A recent assessment conducted by Carollo Engineers determined current

biosolids loadings have reached the original design capacity with all digesters in service. It was also determined that Primary Digester No. 6, the largest digester, cannot be taken out of service for cleaning until additional digestion capacity is available. Brown and Caldwell is expected to complete the predesign phase for Primary Digester No. 7 by Summer 2017, final design is estimated to be completed in early 2018, and construction is expected to begin by Summer 2018. Staff recommended the Board authorize the General Manager to execute an Agreement and Task Order No. 1 with Brown and Caldwell in the amount of \$137,577 for the Primary Digester No. 7 Project.

It was moved by Director Fernandez, seconded by Director Toy, to Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Brown and Caldwell for the Primary Digester No. 7 Project. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT AND TASK ORDER NO. 1 WITH RMC WATER AND ENVIRONMENT FOR THE FORCE MAIN CONDITION ASSESSMENT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the District last completed a Force Main Study with Brown and Caldwell in 2004, at which time it was recommended an internal inspection be completed every 10 years and external inspection every 20 years. Following the Request for Proposals process, RMC was selected for the Project. The Project will include review of video footage of the internal inspection of the force mains, external inspection and testing of the force main pipeline to be removed as part of a relocation project, and development of recommendations for a lining repair method. Staff recommended the Board authorize the General Manager to execute an Agreement and Task Order No. 1 in the amount of \$121,390 with RMC Water and Environment for the Force Main Condition Assessment.

It was moved by Director Toy, seconded by Secretary Lathi, to Authorize the General Manager to Execute an Agreement and Task Order No. 1 with RMC Water and Environment for the Force Main Condition Assessment. Motion carried unanimously.

INFORMATION ITEMS:

Check Register

All questions were answered to the Board's satisfaction.

Annual Reporting of Expense Reimbursements Over \$100

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Arends-King stated the Government Code requires reimbursements over \$100 be made public annually. The report of expense reimbursement containing individual charges of at least \$100 for the period of July 1, 2015 through June 30, 2016, was included in the Board meeting packet and is maintained by Human Resources. President Handley stated the Budget & Finance Committee requested future

presentations for this item include one list sorted by dollar amount and another list sorted by employee name.

Status of Priority 1 Capital Improvement Program Projects

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated all Priority 1 Capital Improvement Program Projects were on schedule.

First Quarterly Report on the Capital Improvement Program for FY 17

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated graphs included in the Board meeting packet depict actual expenditures versus the approved Capital Improvement Programs (CIP) budget. Total CIP expenditures through September 30, 2016, were above projections for the first quarter of the fiscal year by approximately \$965,000 due primarily to a few projects being ahead of schedule. The main projects which incurred higher than projected quarterly expenditures were the Alvarado-Niles Road Sewer Rehabilitation and the Thickener Control Building projects.

Report on the East Bay Dischargers Authority (EBDA) Meeting of October 20, 2016

Director Toy provided an overview of the report included in the Board Meeting Packet.

COMMITTEE MEETING REPORTS:

The Audit, Budget & Finance, and Engineering and Information Technology Committees met.

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- The CASA Winter Conference will be held in Palm Springs January 18-20, 2017. The registration deadline is January 3, 2017.
- District offices will be closed Thursday, November 24 and Friday, November 25 in observance of the Thanksgiving holiday.
- Technical Services Manager Ghossain will serve as acting General Manager while General Manager Eldredge is out of the office November 21 – 23, 2016.

OTHER BUSINESS:

Director Kite stated she attended the Alameda County Special Districts Association meeting held at the District November 9, 2016.

ADJOURNMENT:

The meeting was adjourned at 7:49 p.m. to a Special Meeting to be held in the Alvarado Conference Room on Monday, November 28, 2016, at 6:00 p.m.

The Board will then adjourn to the next scheduled Regular Board Meeting to be held in the Boardroom on Monday, December 12, 2016, at 7:00 p.m.

SUBMITTED:


REGINA McEVOY
BOARD SECRETARY

ATTEST:


ANJALI LATHI
SECRETARY

APPROVED:


TOM HANDLEY
PRESIDENT

Adopted this 12th day of December, 2016