

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
March 26, 2018**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

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

STAFF: Paul Eldredge, General Manager
Karen Murphy, District Counsel
James Schofield, Collection Services Manager
Sami Ghossain, Technical Services Manager
Armando Lopez, Treatment and Disposal Services Manager
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITORS: Howard Cin, East Bay Dischargers Authority Maintenance Manager
Alice Johnson, League of Women Voters
Roelle Balan, Tri-City Voice Newspaper

APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF FEBRUARY 27, 2018

It was moved by Director Handley, seconded by Vice President Lathi, to approve the Minutes of the Special Meeting of February 27, 2018. Motion carried unanimously.

APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF MARCH 1, 2018

It was moved by Vice President Lathi, seconded by Director Handley, to approve the Minutes of the Special Meeting of March 1, 2018. Motion carried unanimously.

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MARCH 12, 2018

It was moved by Director Toy, seconded by Vice President Lathi, to approve the Minutes of the Regular Meeting of March 12, 2018. Motion carried unanimously.

FEBRUARY 2018 MONTHLY OPERATIONS REPORT

General Manager Eldredge provided details regarding two odor reports, an overview of the February 2018 Monthly Operations Report included in the Board meeting packet, and an overview of the February 2018 financial reports.

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

There were no oral communications.

AWARD THE CONSTRUCTION CONTRACT FOR THE FORCE MAIN CORROSION REPAIRS PROJECT, PHASE 2 TO CRATUS, INC.

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the District operates and maintains the transport system consisting of three pump stations, three lift stations, and 12 ½ miles of twin force main pipelines to convey wastewater to the Plant. There are 78 manholes along the pipeline alignment. Over time the manhole manways, blind flanges, and appurtenances have corroded. Staff performed visual inspection inside all 78 manholes and hired Carollo Engineers in 2016 to review the data collected during the inspections. Carollo recommended the corroded elements be rehabilitated or replaced. West Yost Associates completed the preliminary design services for the Project and outlined a three-phase plan to accomplish the repairs. Phase 1 addressed corrosion repairs on the eastern force main's manholes. Phase 2 will address corrosion repairs for manholes on the western force main between Newark Pump Station and the Alvarado Wastewater Treatment Plant. Cratus, Inc. was the lowest responsive and responsible bidder for Phase 2 with a total base bid amount of \$931,800. The bid also included prices for Bid Alternates A through D that were not included in the Total Base Bid Amount. The four bid alternates account for different repair details for the blow off and combo manholes. Depending on the extent of the corrosion damage discovered during construction, staff can direct the contractor to change the repair detail per the bid alternate prices or negotiate a different cost at staff's discretion. Staff recommended the Board award the construction contract for the Force Main Corrosion Repairs Project, Phase 2 to Cratus, Inc., in the amount of \$931,800 and authorize staff to issue the Notice of Award for the Project.

It was moved by Director Handley, seconded by Vice President Lathi, to Award the Construction Contract for the Force Main Corrosion Repairs Project, Phase 2 to Cratus, Inc., in the Amount of \$931,800. Motion carried unanimously.

REVIEW AND CONSIDER STAFF RECOMMENDATIONS FOR THE 2018 HYDRAULIC ANALYSIS CONDUCTED BY THE EAST BAY DISCHARGERS AUTHORITY AND PROVIDE DIRECTION ON THE JPA NEGOTIATIONS

This item was reviewed by the Legal/Community Affairs Committee. General Manager Eldredge stated the East Bay Dischargers Authority (EBDA) is a Joint Powers Authority (JPA) of which Union Sanitary District is a member. The JPA agreement was formed and entered by the City of Hayward, City of San Leandro, Oro Loma Sanitary District, Union Sanitary District, and Castro Valley Sanitary District. The JPA currently provides a wastewater transport system to collect effluent from six wastewater treatment plants in the East Bay, including two non-member agencies, and removes chlorine prior to its discharge through a deep-water outfall to the San Francisco Bay.

The JPA Agreement was amended in 1978, 1986, and 2007. The current JPA is set to expire in January of 2020; discussions and negotiations have been taking place over the last few years to develop deal points and a framework for a renewed agreement. The deal points under consideration include: term, escape clause, spending cap, cost allocation/system capacity, and penalty clause. The cost allocation/system capacity is complicated due to the financial implications for the agencies.

When the JPA was established, each agency selected its capacity in the system. The capacity an agency has in the system is directly proportional to the fixed costs an agency is responsible for annually. The member agencies have been evaluating capacity needs in conjunction with JPA negotiations, and EBDA conducted a hydraulic model to study the maximum capacity. USD's existing capacity is 42.9, and the District had initially proposed a sustained flow rate of 55 mgd for the new EBDA JPA. The maximum flow rate for USD supported by the hydraulic model was between 46.5 and 50 mgd with the Hayward Marsh offline, which did not support the District's desired flow rate. Staff recommended the Board support making no changes to the District's capacity, and requested the Board provide direction regarding the cost allocation/system capacity for renewal of the EBDA JPA.

Director Handley stated it would not make sense for the District to pay more for the same capacity going forward; Vice President Lathi and Director Toy agreed with Director Handley's statement.

It was moved by Vice President Lathi, seconded by Director Fernandez, to Direct Staff to Make No Changes to the District's Purchased Flow Rate for the New East Bay Dischargers Authority Joint Powers Agreement. Motion carried unanimously.

REVIEW AND CONSIDER PROPOSED EDITS TO DISTRICT ORDINANCE NO. 44 AND POLICY NO. 3040, BOARDMEMBER COMPENSATION

This item was reviewed by the Legal/Community Affairs Committee. District Counsel Murphy stated California Health and Safety Code Section 4733 and 6489 allow for an increase in Boardmember compensation of up to 5% per year. In 2000, the Board adopted Ordinance #44 stating that on January 1 or each year, Boardmember compensation shall be increased

by the amount of increased of classified employees' wages for the year. The Ordinance also provides for the Board to review the compensation increase prior to it going into effect. The Board has not voted to increase their meeting stipend since 2003. Per Board direction, staff prepared a revised version of the Ordinance as well as a revised version of Policy No. 3040, Boardmember Compensation. The revised Ordinance and Policy modify the review date for the end of the fiscal year, as opposed to the end of the calendar year. The policy has also been revised to provide that review of Director Compensation will take place in April or May of each year to allow any increases to be incorporated in the operating budget. Staff recommended the Board adopt the revised Ordinance 44.01 and proposed revisions to Policy No. 3040, Boardmember Compensation.

It was moved by Director Handley, seconded by Director Toy, to Adopt Revised Ordinance 44.01 and Policy 3040, Boardmember Compensation. Motion carried unanimously.

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ORDINANCE #44.01

Directors' Compensation

The Board of Directors of the Union Sanitary District hereby ordains as follows:

I. Effective January 1, 2003, Directors of the Union Sanitary District shall receive a stipend in the amount of \$212.10 for each day of service to Union Sanitary District as authorized by Health and Safety Code Section 6489. This compensation will be paid for no more than six (6) days of service per calendar month.

II. The Board of Directors of Union Sanitary District shall review compensation of Directors on an annual basis pursuant to Policy 3040 before July 1 of each year. Any annual increase will go into effect on July 1, or at a later date as may be stipulated by the Board.

III. Director compensation shall increase by no more than the lesser of: (a) the same percentage as any increase in the salaries of Union Sanitary District Classified Employees; or (b) an amount equal to five percent for each calendar year following the operative date of the last adjustment, or such other amount as may be permitted pursuant to Health and Safety Section 6489.

IV. The compensation of Directors set forth above will be in addition to any benefits currently provided to Directors or to be authorized and approved for sanitary district directors in the future.

Adopted by the following vote on March 26, 2018:

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None

ABSTAINED: None

ABSENT: None



President, Board of Directors
UNION SANITARY DISTRICT

ATTEST:



Secretary, Board of Directors
UNION SANITARY DISTRICT

Argus

c/o Bay Area News Group-East Bay
6086 Stewart Avenue
Fremont, CA 94538
510-403-4483
2054285

UNION SANITARY DISTRICT
ATTN: ACCOUNTS PAYABLE
PO BOX 5050
UNION CITY, CA 94587

PROOF OF PUBLICATION

FILE NO. Ordinance #44.01 - Directors' Compensation

In the matter of

Argus

The Argus

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above-entitled matter. I am the Legal Advertising Clerk of the printer and publisher of The Argus, a newspaper published in the English language in the City of Fremont, County of Alameda, State of California.

I declare that the Argus is a newspaper of general circulation as defined by the laws of the State of California as determined by this court's order dated July 28, 2008 in the action entitled In the Matter of the Ascertainment and Establishment of the Standing of The Argus as a Newspaper of General Circulation, Case Number HG08-390724. Said order states "The Argus" has been established, printed and published in the City of Fremont, County of Alameda, State of California; That it is a newspaper published daily for the dissemination of local and telegraphic news and intelligence of general character and has a bona fide subscription list of paying subscribers; and...THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:...That "The Argus" is a newspaper of general circulation for the City of Fremont, County of Alameda, California. Said order has not been revoked.

I declare that this notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

03/30/2018

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated: March 30, 2018


Public Notice Advertising Clerk

Legal No. 0006129746

ORDINANCE #44.01

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Adopted by the following vote on
March 26, 2018:

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None

ABSTAINED: None

ABSENT: None

REGINA MCEVOY, BOARD CLERK
AR #6129746; March 30, 2018

WHATS HAPPENINGS TRI CITY VOICE

This space for filing stamp only

39737 PASEO PADRE PKWY, FREMONT, CA 94538
Telephone (510) 494-1999 / Fax (510) 796-2462

REGINA MCEVOY
UNION SANITARY DISTRICT/BOARD CLERK
5072 BENSON RD
UNION CITY, CA - 94587

CNS#: 3116623

ORDINANCE #44.01

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IV. The compensation of Directors set forth above will be in addition to any benefits currently provided to Directors or to be authorized and approved for sanitary district directors in the future.

Adopted by the following vote on March 26, 2018:

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None

ABSTAINED: None

ABSENT: None

REGINA McEVOY,
BOARD CLERK
4/3/18

CNS-3116623#

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of ALAMEDA) ss

Notice Type: ORD - ORDINANCE PUBLICATION

Ad Description:

ORDINANCE #44.01

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the WHATS HAPPENINGS TRI CITY VOICE, a newspaper of general circulation in the city of Union City, county of Alameda as defined by the laws of the State of California by the Superior Court of the County of Alameda, State of California under date 05/02/2008, case no. FG08374520. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

04/03/2018

Executed on: 04/03/2018
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature



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INFORMATION ITEMS:

Report on the East Bay Dischargers Authority (EBDA) Meeting of March 15, 2018

Director Toy provided an overview of the EBDA meeting of March 15, 2018.

Check Register

All questions were answered to the Board's satisfaction.

COMMITTEE MEETING REPORTS:

The Engineering and Information Technology, Legal/Community Affairs, and Budget & Finance Committees met.

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- The Fremont State of the City Luncheon will be held March 28, 2018
- The Newark State of the City Luncheon will be held April 19, 2018
- First round interviews for the District's Business Services Manager/Chief Financial Officer were held the week of March 19, 2018, and second round interviews will be held in April

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 7:42 p.m. to the next Board Meeting in the Boardroom on Monday, April 9, 2018, at 7:00 p.m.

SUBMITTED:

ATTEST:



REGINA McEVOY
BOARD CLERK



MANNY FERNANDEZ
SECRETARY

APPROVED:



PAT KITE
PRESIDENT

Adopted this 9th day of April 2018