

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
June 4, 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
Anjali Lathi, Vice President
Manny Fernandez, Secretary
Jennifer Toy, Director

ABSENT: Tom Handley, Director

STAFF: Paul Eldredge, General Manager
Karen Murphy, District Counsel
Sami Ghossain, Technical Services Manager
Armando Lopez, Treatment and Disposal Services Manager
Robert Simonich, Fabrication, Maintenance, and Construction Manager
James Schofield, Collection Services Manager
Gene Boucher, Human Resources Manager
Laurie Brenner, Business Services Coach
Michelle Powell, Communications and Intergovernmental Relations Coordinator
Randy Musgraves, Business Services Consultant
Danielle Lemos, Administrative Specialist

VISITORS: Alice Johnson, League of Women Voters
Roelle Balan, Tri-City Voice Newspaper

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MAY 14, 2018

It was moved by Director Toy, seconded by Secretary Fernandez, to approve the Minutes of the Regular Meeting of May 14, 2018. Motion carried with the following vote:

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

BALANCED SCORECARD

This item was reviewed by the Legal and Community Affairs Committee.

- a. Third Quarter FY 18 District-wide Balanced Scorecard Measures – Business Services Coach Brenner provided an overview of the third quarter Fiscal Year 2018 Balanced Scorecard included in the Board meeting packet.
- b. Balanced Scorecard Report for the Technical Services Work Group – Technical Services Manager Ghossain presented the following:

The summary of objectives and measures remained unchanged from the prior year's report.

- Capital Improvements Projects (CIP) Team measures focus on internal and external customer satisfaction, management of District funds, and successful quality control of capital projects.
 - All customer perspective surveys regarding communication and responsiveness of project managers exceeded the target of 90%.
 - The Thickener Control Building Improvements Project was the only project to exceed the 20% target for percent of design and construction management costs to construction cost. The higher percentage was due to the extended construction period and complexity of the project.
 - Details regarding Projects that exceeded the goal for percentage of total contract change order amounts to construction costs were included in the Board meeting packet.
- Customer Service (CST) Team measures focus on timely return of plan reviews, dispatching trouble calls, collection of fees, providing quality construction inspection of sewer facilities, and providing high-quality customer service to both external and internal customers.
 - The goal of less than five refunds issued per year was attained with two refunds issued in the past year, the largest being \$1,993.
 - The goal of checking 90% of plans within 10 working was not met in the fourth quarter of FY 17 and the first quarter of FY 18. In addition to an increase in plan reviews, the Team experienced an unexpected vacancy of a key staff member. The longest turnaround time during the reporting period was 29 days. In the second quarter the vacancy was fill by a temporary employee, improving plan check review time. The average review time for all four quarters was 6.9 days.
 - The goal of dispatching a minimum of 90% of trouble calls within 10 minutes was exceeded in all four quarters. The longest relay time was 17 minutes.
- Environmental Compliance (EC) Team measures are related to the protection of District workers, facilities, and the Plant from potentially harmful discharges; compliance with Local, State, and Federal regulations and requirements; and developing constructive and professional relationships with our Industrial and Commercial users.

- All Public Outreach surveys returned indicated 100% positive feedback. Targets were exceeded in all quarters except quarter one due to schools being out of session over the summer.
- EC staff were successful in meeting the target of 90%-100% expenditures for the City of Fremont Clean Water Program Contract. A total of 72% was spent and invoiced by end of quarter three, and the Team projects 90% of the annual budget will be utilized by the end of FY18.
- EC inspectors exceeded all quarterly targets for the number of samples taken.

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

Alice Johnson thanked General Manager Eldredge, the Board, and Union Sanitary District staff for a fabulous Open House. She acknowledged the effort required to organize an event of this scale and commended all involved. Her family, friends, and neighbors who attended were impressed and thoroughly enjoyed the tour. Staff was extremely knowledgeable, friendly, and outgoing. The posters were wonderful and easy to understand. Safety was well planned and organized. She commended the Board for adhering to the Brown Act. Additionally, Ms. Johnson reminded all to be sure to vote tomorrow.

CONSIDER A RESOLUTION TO ACCEPT A SANITARY SEWER EASEMENT FOR TRACT 8192 – CALABRIA, LOCATED ON ALDER AVENUE BETWEEN POLVOROSA COURT AND NASA TERRACE IN THE CITY OF FREMONT

This item was reviewed by the Legal and Community Affairs Committee. Technical Services Manager Ghossain stated that developer Van Daele is constructing 17 single family units within the City of Fremont. A vicinity map was included in the Board packet for reference. Roadways do not meet City standards for public streets, therefore are designated as private streets. A sanitary sewer easement is required. Staff recommended the Board consider a resolution to accept a sanitary sewer easement for Tract 8192 – Calabria, located on Alder Avenue between Polvorosa Court and Nasa Terrace in the City of Fremont.

It was moved by Vice President Lathi seconded by Director Toy to Adopt Resolution No. 2828 Accepting a Sanitary Sewer Easement for Tract 8192 – Calabria, Located on Alder Avenue Between Polvorosa Court and Nasa Terrace, in the City of Fremont, California. Motion carried with the following vote:

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

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RESOLUTION NO. 2828

**ACCEPT A SANITARY SEWER EASEMENT FOR TRACT 8192 – CALABRIA,
LOCATED ON ALDER AVENUE BETWEEN POLVOROSA COURT AND
NASA TERRACE, IN THE CITY OF FREMONT, CA**

RESOLVED by the Board of Directors of UNION SANITARY DISTRICT, that it hereby accepts the Grant of Easement from Van Daele Development of Northern California, Inc., executed on November 6, 2015, as described in the Grant of Easement for Sanitary Sewer Purposes and by the legal description and plat map, attached Exhibit A and Exhibit B, respectively.

FURTHER RESOLVED by the Board of Directors of UNION SANITARY DISTRICT that it hereby authorizes the General Manager/District Engineer, or his designee, to attend to the recordation thereof.

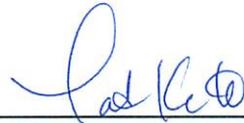
On motion duly made and seconded, this resolution was adopted by the following vote on June 4, 2018:

AYES: Fernandez, Kite, Lathi, Toy

NOES: None

ABSENT: Handley

ABSTAIN: None



PAT KITE
President, Board of Directors
Union Sanitary District

Attest:



MANNY FERNANDEZ
Secretary, Board of Directors
Union Sanitary District

GRANT OF EASEMENT

FOR SANITARY SEWER PURPOSES

THIS INDENTURE, made this 6 day of November, 2015, by and between Van Daele Development of Northern California, Inc., a California corporation, the Party/~~Parties~~ of the First Part, and Union Sanitary District, the Party/Parties of the Second Part,

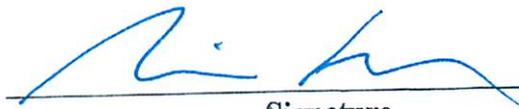
WITNESSETH:

That said Party/~~Parties~~ of the First Part does hereby grant to the Party of the Second Part and to its successors and assigns forever, for the use and purposes herein stated, the rights of way and easements hereinafter described, located in the City of Fremont, County of Alameda, State of California:

See Exhibit "A" and Exhibit "B"

together with the right and privilege of constructing, reconstructing, cleaning, repairing and maintaining at any time, a sanitary sewer and appurtenances along, upon, over, in, through and across the above described property; together with free ingress and egress to and for the said Party of the Second Part, its successors and assigns, its agents and employees, workmen, contractors, equipment, vehicles and tools, along, upon, over, in, through and across said right of way; together with the right of access by its successors and assigns, its agents and employees, workmen, contractors, equipment, vehicles and tools to said right of way from the nearest public street, over and across the adjoining property, if such there be; otherwise by such route or routes across said adjoining property as shall occasion the least practicable damage and inconvenience to the Party of the First Part, for constructing, cleaning, repairing and maintaining said sanitary sewer and appurtenances; together with free ingress and egress over the land immediately adjoining for maintenance, repair and replacement as well as the initial construction of said sewer.

IN WITNESS WHEREOF the said Party/~~Parties~~ of the First Part have executed this indenture the day and year first above written.



Signature

By: Brian Hardy, VP of Operations
Party/Parties of the First Part

(Notarize)



Olin Howard Covington
NOVEMBER 12, 2015

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of CONTRA COSTA)

On NOVEMBER 12, 2013 before me Olin Howard Covington, Notary Public (insert name & title of the officer)

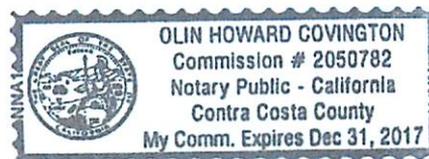
personally appeared:

BRIAN HARDY

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Olin Howard Covington (Seal)

SEPTEMBER 22, 2015
JOB NO.: 2415-000

**EXHIBIT A
LEGAL DESCRIPTION
SANITARY SEWER EASEMENT CONVEYED TO UNION SANITARY DISTRICT
TRACT 8192
FREMONT, CALIFORNIA**

ALL THAT REAL PROPERTY SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF FREMONT, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING ALL OF LOTS A, B, AND C OF TRACT 8192, RECORDED DEC 22, 2015 FILED IN BOOK 337 OF MAPS, AT PAGE 38, ALAMEDA COUNTY RECORDS AND SHOWN ON EXHIBIT B - PLAT MAP OF SANITARY SEWER EASEMENT GRANTED TO UNION SANITARY DISTRICT.

CONTAINING 15,291 SQUARE FEET OF LAND, MORE OR LESS.

END OF DESCRIPTION



MARK H. WEHBER, P.L.S.
L.S. NO. 7960



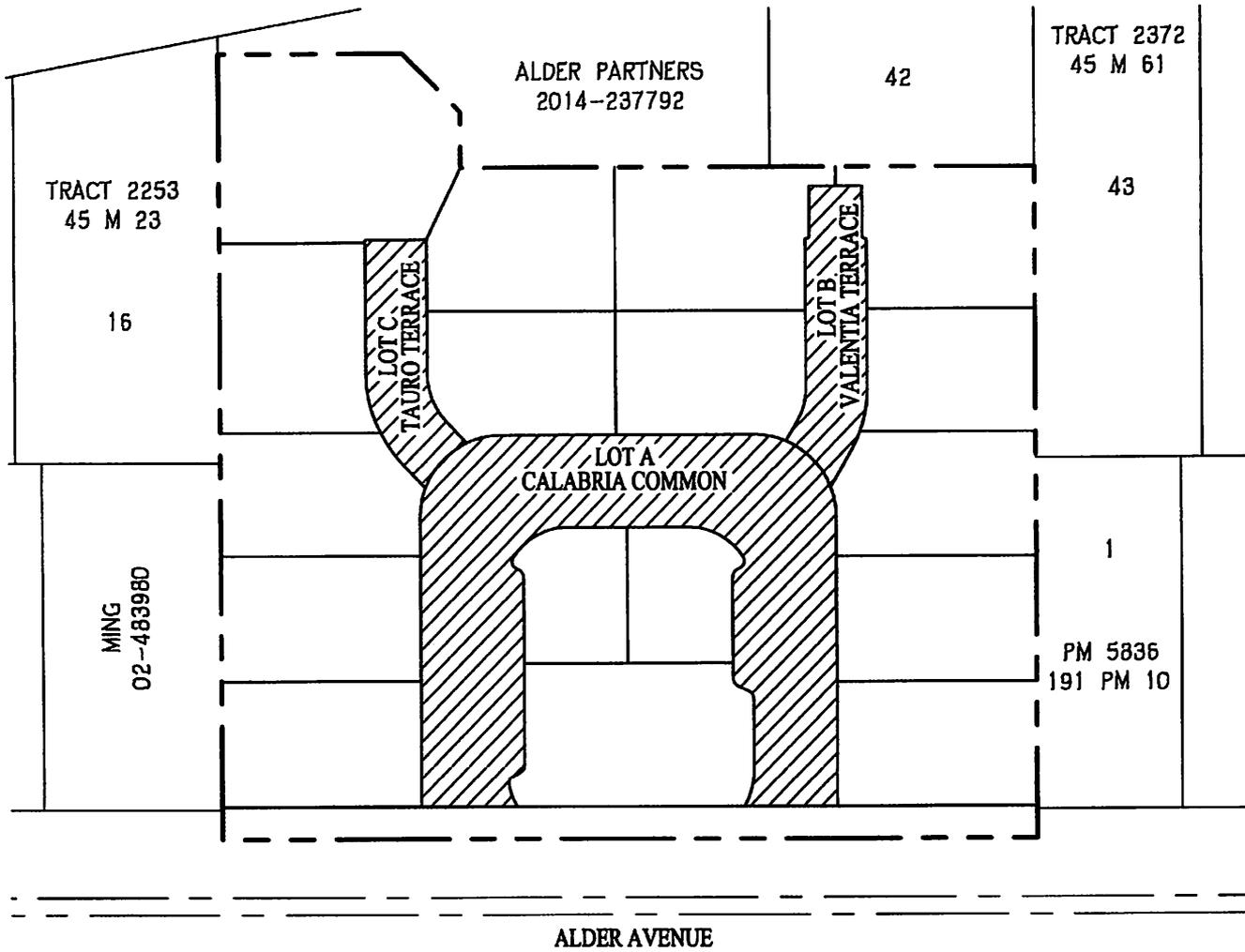


EXHIBIT B
PLAT TO ACCOMPANY LEGAL DESCRIPTION

PLAT MAP OF TRACT 8192 SANITARY SEWER EASEMENT
 GRANTED TO UNION SANITARY DISTRICT
 FREMONT, CALIFORNIA

SEPTEMBER 22, 2015

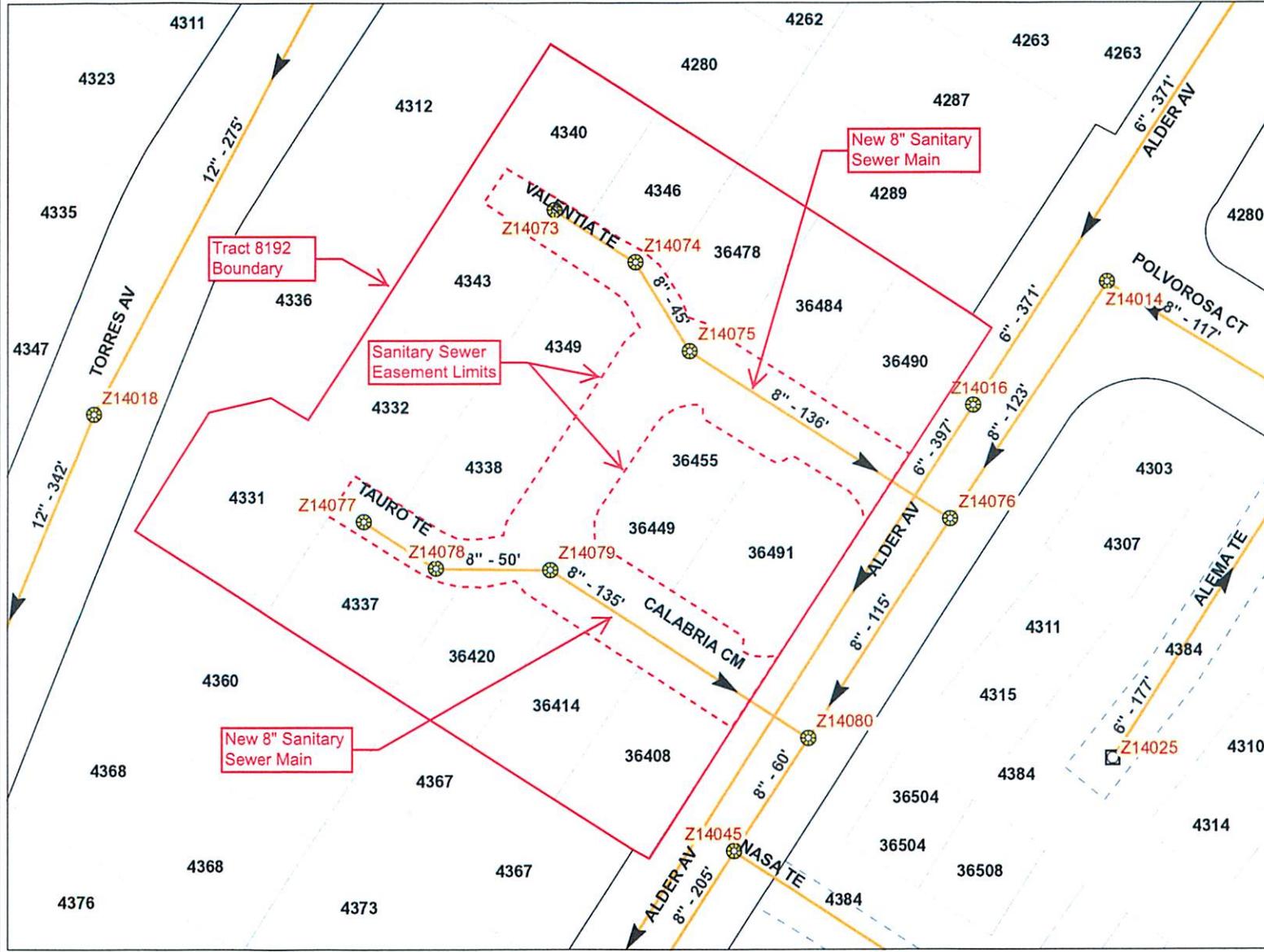
SHEET 1 OF 1

Carlson, Barbee & Gibson, Inc.

CIVIL ENGINEERS • SURVEYORS • PLANNERS
 2633 CAMINO RAMON, SUITE 350
 SAN RAMON, CALIFORNIA, (925) 866-0322



Vicinity Map, TR 8192 - Calabria, Grant of Easement



Legend

Sewer Manholes

- Drop manhole
- End Cap
- Forcemain access
- Forcemain air release
- Forcemain blow off
- Junction structure
- Lamphole
- Lift station
- Manhole
- Pump Station
- Riser

Sewer Mains

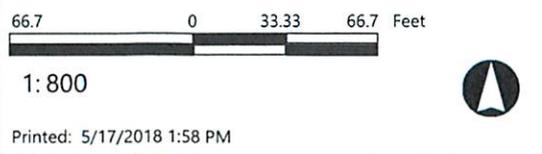
- <all other values>
- EBDA outfall
- Forcemain
- Gravity main
- Overflow main
- Siphons
- Trunk Main

Public Right of Way

Private Right of Way

Parcels

- <all other values>
- Alameda Cnty Flood Cntrl



For USD use only

The information on this map is provided by Union Sanitary District (USD) for internal use only. Such information is derived from multiple sources which may not be current, be outside the control of USD, and may be of indeterminate accuracy. The information provided hereon may be inaccurate or out of date and any person or entity who relies on said information for any purpose whatsoever does so solely at their own risk.

Notes

SCHEDULING PUBLIC HEARING TO CONSIDER COLLECTION OF SEWER SERVICE CHARGES ON THE TAX ROLL FOR FISCAL YEAR 2019

This item was reviewed by the Budget and Finance Committee. Business Services Coach Brenner stated the Board approved sewer service charge rates for fiscal years 2017 through 2021 on January 25, 2016. The collection of sewer service charges on the tax rolls requires an annual hearing and consideration by the Board. Staff prepared the report to be considered at the public hearing and published the Public Hearing Notice in the Argus Newspaper and the Tri-City Voice.. Staff recommended the Board set the time for holding the public hearing to consider collection of sewer service charges on the tax roll for fiscal year 2019 for 7:00 p.m., or as soon thereafter as the matter may be heard, on June 25, 2018, in the Boardroom at 5072 Benson Road, Union City, California.

It was moved by Vice President Lathi seconded by Secretary Fernandez to Set the Time for Holding the Public Hearing to Consider Collection of Sewer Service Charges on the Tax Roll for Fiscal Year 2019 at 7:00 p.m. on June 25, 2018, in the Boardroom at 5072 Benson Road, Union City, California. Motion carried with the following vote:

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

CONSIDER A RESOLUTION TO ADOPT CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) REQUIREMENTS REGARDING COACH CRITERIA PAY

This item was reviewed by the Budget and Finance Committee. Human Resources Manager Boucher stated that during a recent routine audit it was determined by CalPERS that the Board is required to pass a resolution to adopt CalPERS requirements regarding Coach criteria pay. Staff recommended the Board adopt a resolution confirming and approving Coach Criteria Pay as pensionable compensation.

It was moved by Secretary Fernandez seconded by Director Toy to Adopt Resolution No. 2829 Adopting California Public Employees' Retirement System (CalPERS) Requirements Regarding Coach Criteria Pay. Motion carried with the following vote:

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

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RESOLUTION NO. 2829

**CONFIRMING AND APPROVING COACH CRITERIA PAY AS PENSIONABLE
COMPENSATION AS REQUIRED BY THE CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM (CALPERS)**

WHEREAS, the Union Sanitary District ("The District") contracts with the Californian Public Employees' Retirement System ("CalPERS") for retirement benefits; and

WHEREAS, in accordance with Government Code §20636, the District is required to report elements of compensation to PERS for the calculation of retirement benefits; and

WHEREAS, The District has a long-standing practice of providing "Coach Criteria Pay" to Coaches that receive a superior performance evaluation and achieve agreed upon goals during the year, and has been reporting compensation paid as Coach Criteria Pay to CalPERS as pensionable compensation and submitting pension contributions; and

WHEREAS, the Board has approved Policy Number 6560 – Unclassified Compensation Plan, which provides for additional Coach Criteria Pay; and

WHEREAS, CalPERS has reviewed the payment of Coach Criteria Pay and has identified the Union Sanitary District's "Coach Criteria" Pay as Incentive Pay, a form of Special Compensation, in accordance with California Code of Regulations 2 CCR, section 571(a)(1) for "Classic" members; and

WHEREAS, Coach Criteria is not reportable as an element of Special Compensation for "New Members" as defined by the Public Employees' Pension Reform Act (PEPRA) which took effect January 1, 2013 for a member who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CalPERS employer after a break in service of greater than six months; or, a new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California Public retirement system; or a new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system.

NOW, THEREFORE, BE IT RESOLVED that the Union Sanitary District Board of Directors hereby confirms and approves as follows:

Effective as of July 1, 2011, in compliance with the Public Employees' Retirement System regulations and definition of Special Compensation (2 CCR section 571), the monetary value of Coaching Criteria, shall be reported to CalPERS as Special Compensation. The District and CalPERS agree that Coaching Criteria "Bonus Pay" is described in Title 2 CCR, section 571(a)(1) as a "Incentive Pay" – a type of reportable compensation. Coaches that demonstrate superior performance on an annual

performance review will be eligible to receive this special compensation payment. However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation. "New Members," as defined under PEPRA, will not have the value of Bonus Pay reported to CalPERS as Bonus Pay is not a reportable item of special compensation as listed in Title 2 CCR, section 571.1.

On motion duly made and seconded, this resolution was adopted by the following vote on June 4, 2018:

AYES: Fernandez, Kite, Lathi, Toy

NOES: None

ABSENT: Handley

ABSTAIN: None



PAT KITE
President, Board of Directors
Union Sanitary District

Attest:



MANNY FERNANDEZ
Secretary, Board of Directors
Union Sanitary District

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN ON-CALL SUPPORT SERVICES AGREEMENT WITH VALLEJO FLOOD AND WASTEWATER DISTRICT FOR SUPPORT SERVICES ON A TEMPORARY BASIS IN THE EVENT OF POTENTIAL ISSUES WITH USD'S EMERGENCY POWER BACK-UP SYSTEM

This item was reviewed by the Legal and Community Affairs Committee. General Manager Eldredge stated the District has a legacy emergency power back up system on site, the newest being 20-25 years old. The District is in the process of designing a project to replace the legacy system. The District has developed a contingency plan and requested from Vallejo Flood and Wastewater District that an on-call agreement be entered, and that support would be provided should a system failure occur. Credit was given to Technical Services Manager Ghossain for this innovative solution. This agreement is in the not-to-exceed amount of \$15,000 with an anticipated completion date of 2021. Staff recommended the Board approve and authorize execution of an on-call support services agreement with Vallejo Flood and Wastewater District for support services on a temporary basis, with minor revisions as may be approved by the General Manager and General Counsel.

It was moved by Secretary Fernandez, seconded by Vice President Lathi, to Authorize the General Manager to Execute the Proposed Agreement with Vallejo Flood and Wastewater District for Support Services on a Temporary Basis in the Event of Potential Issues with Union Sanitary District's Emergency Power Back-up System. Motion carried with the following vote:

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

RECEIVE POTENTIAL CONTENT TOPICS FOR THE DISTRICT'S AUTUMN 2018 NEWSLETTER AND PROVIDE DIRECTION

This item was reviewed by the Legal/Community Affairs Committee. The Board provided feedback regarding potential newsletter content. Potential topics included: the District's relationship with other agencies, sea level rise, Plant Master Plan, the District's Lateral Program, FOG, employee bios, a "Did You Know" section with an emphasis on fun facts and environmental messaging. The Board expressed interest in possibly developing a contest to engage District customers to be included in a future newsletter. Staff requested the Board provide direction regarding content topics for the District's Autumn 2018 newsletter.

General Manager Eldredge stated staff would work to develop a draft outline and content to present to the Board at a workshop, time permitting. Alternatively, the item may be brought to a future Board meeting.

PROPOSED OPERATING AND CIP BUDGET FOR FISCAL YEAR 2019

This item was reviewed by the Budget and Finance Committee. General Manager Eldredge stated the proposed operating and CIP budget for Fiscal Year 2019 was presented at the Budget workshop held on May 8, 2018. A summary of changes made to the proposed budget since the workshop was included in the Board meeting packet. Staff will present the

Fiscal Year 2019 Operating and CIP Budget for Board consideration and adoption at the June 25, 2018 Board meeting.

Business Services Coach Brenner summarized changes made to the proposed budget since the May 8, 2018 workshop. Changes of note included the following:

- The Alvarado Pump Station Project funding allocations were adjusted but yielded no net change for FY19. Details were included in the special projects section.
- A tenured Collections Services Coach is retiring. Funds have been allocated for the staffing overlap during transition.
- The manufacturer of a replacement Vector truck was unable to deliver prior to the end of Fiscal Year 2018, estimated actuals and carryover for FY19 were adjusted accordingly.
- The District's contribution for the Board members' 457 plan was not carried over in the Board budget. An adjustment of \$3,000 has been made.

General Manager Eldredge stated reserves were correct in the draft budget, but the graphs will be corrected to show \$19,036,000, and Capital Improvements will be corrected to show \$9,200,000. The graphs will be updated prior to the presentation at the June 25, 2018, Board meeting.

At the May Budget Workshop, there was a discussion regarding replacement of pool vehicles. General Manager Eldredge suggested an alternate surplus and replacement schedule that would extend the replacement over a 6-year period but would conclude with the same result as the previous direction provided. It is estimated this option would reduce the proposed FY19 budget by approximately \$40,000. The Board agreed by consensus that the budget would be adjusted to reflect this proposal.

INFORMATION ITEMS:

Legislative Update on Regional Issues of Interest to the Board

This item was reviewed by the Legislative Committee. General Manager Eldredge stated the Board previously requested that local and state legislative items be reported separately. This item included local legislative updates. General Manager Eldredge provided an overview of the legislative update report included in the Board meeting packet.

Check Register

All questions were answered to the Board's satisfaction.

COMMITTEE MEETING REPORTS:

The Legal/Community Affairs, Budget and Finance, and Legislative Committees met.

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- The District's Centennial event held on May 19, 2018, was a big success. The District welcomed approximately 750 attendees, and staff determined many of those who came stayed nearly the entire duration of the event. Nothing but positive feedback

was received, and attendees acknowledged the hard work and knowledge of staff. Several General Managers from other agencies attended and gave positive feedback. General Manager Eldredge acknowledged Regina McEvoy and Michelle Powell for their wonderful job coordinating the event. Board members agreed that the event was a success and thanked staff for all their hard work. General Manager Eldredge stated staff will provide a breakdown of Open House expenses to the Board in July or early August.

- General Manager Eldredge provided a Workshop and Closed Session Summary to the Board. A closed session is currently scheduled for June 11, 2018 at 6 p.m. preceding the scheduled Board meeting. A District update workshop was previously discussed for June but will need to be postponed to July or August depending upon Board and staff availability.
- General Manager Eldredge stated a Commencement of the District's Leadership School will occur at the June 11, 2018, Board meeting. Graduates will be presented certificates acknowledging their completion of the program.

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 7:55 p.m. to the next Regular Meeting in the Boardroom on Monday, June 11, 2018, at 7:00 p.m.

SUBMITTED:

ATTEST:



DANIELLE LEMOS
ADMINISTRATIVE SPECIALIST



MANNY FERNANDEZ
SECRETARY

APPROVED:



PAT KITE
PRESIDENT

Adopted this 25th day of June 2018