

**MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF  
UNION SANITARY DISTRICT  
April 22, 2019**

**CALL TO ORDER**

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

**SALUTE TO THE FLAG**

**ROLL CALL**

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

STAFF: Paul Eldredge, General Manager/District Engineer  
Karen Murphy, District Counsel  
Armando Lopez, Treatment and Disposal Services Manager  
Sami Ghossain, Technical Services Manager  
Robert Simonich, Fabrication, Maintenance, and Construction Manager  
James Schofield, Collection Services Manager  
Laurie Brenner, Business Services Coach  
Michelle Powell, Communications and Intergovernmental Relations Coordinator  
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITORS: Roelle Balan, Tri-City Voice Newspaper

**APPROVE MINUTES OF THE REGULAR MEETING OF APRIL 8, 2019**

It was moved by Director Kite, seconded by Vice President Fernandez, to Approve the Minutes of the Regular Meeting of April 8, 2019. Motion carried with the following vote:

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

**MARCH 2019 MONTHLY OPERATIONS REPORT**

This item was reviewed by the Legal/Community Affairs and Budget and Finance Committees. General Manager Eldredge provided an overview of the Odor Report and Work Group reports. Business Services Coach Brenner reviewed the Financial Reports.

## **WRITTEN COMMUNICATIONS**

There were no written communications.

## **ORAL COMMUNICATIONS**

There were no oral communications.

### **AUTHORIZE STAFF TO APPROVE CSRMA INVOICE FOR SETTLEMENT AND EXPENSES ASSOCIATED WITH FERNANDO TRUJILLO AND MARIA DEL CARMEN BIBIANO V. USD, CASE NO 1781769683**

This item was reviewed by the Legal/Community Affairs Committee. Special Counsel Castella stated the police report for the incident indicated a contributing factor in the accident was a skewed manhole cover owned by the District. The California Sanitation Risk Management Authority (CSRMA) claims manager, Carl Warren, retained Keith Schirmer to represent the District. CSRMA approved the settlement and will invoice the District for the \$100,000 settlement costs. CSRMA will also invoice the District for all other costs associated with the dispute. Staff requested the Board grant the General Manager authority to approve invoices for settlement and expenses associated in an amount not to exceed \$175,000.

It was moved by Director Handley, seconded by Vice President Fernandez, to Authorize Staff to Approve CSRMA Invoice for Settlement and Expenses Associated with Fernando Trujillo and Maria Del Carmen Bibiano v. USD, Case No. 1781769683. Motion carried unanimously.

### **REJECT ALL BIDS RECEIVED FOR THE NEWARK PUMP STATION CATHODIC PROTECTION SYSTEM UPGRADE PROJECT AND AUTHORIZE STAFF TO RE-BID THE PROJECT**

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the District operates cathodic protection systems to protect its underground steel and iron pipelines and appurtenances from corrosion. Following data analysis performed by JDH Corrosion Consultants, the cathodic protection system at the Newark Pump Station was identified as the highest priority. The Project was advertised for bids on February 12, 2019, and two bids were received and opened on March 12, 2019. The District, in consultation with legal counsel, rejected the bid received from Corpro Companies Inc. as it was found to be nonresponsive. The bid submitted by Farwest Corrosion Control Company was the second-low bidder and was 75% above the Engineer's Estimate. Staff recommended the Board reject all bids received for the Newark Pump Station Cathodic Protection System Upgrade Project and authorize staff to re-bid the Project.

It was moved by Vice President Fernandez, seconded by Secretary Toy, to Reject All Bids Received for the Newark Pump Station Cathodic Protection System Upgrade Project and Authorize Staff to Re-Bid the Project. Motion carried unanimously.

## **REVIEW AND CONSIDER APPROVAL OF POLICY NO. 3210, BOARDMEMBER USE OF E-MAIL FOR DISTRICT BUSINESS**

This item was reviewed by the Legal/Community Affairs Committee. District Counsel Murphy stated Policy No. 3210 states Boardmembers shall use District assigned e-mail accounts for all electronic communication pertaining to District business. Proposed minor revisions to the policy were presented in a redline format included in the Board meeting packet.

The Legal/Community Affairs Committee requested addition of the following text at the end of the "Procedures" section of the Policy: *In addition, any posts or reposts by Boardmembers regarding District business on social media (for example: Facebook or Twitter) would be public records under the California Public Records Act.*

Staff recommended the Board consider approval of updated Policy No. 3210, Boardmember Use of E-mail for District Business.

It was moved by Director Kite, seconded by Vice President Fernandez, to Approve Policy No. 3210, Boardmember Use of E-mail for District Business, with inclusion of additional text outlined above. Motion carried unanimously.

## **RECEIVE INFORMATION AND PROVIDE DIRECTION REGARDING UNION SANITARY DISTRICT AD-HOC RECOMMENDATIONS FOR EAST BAY DISCHARGERS AUTHORITY JPA NEGOTIATIONS**

General Manager Eldredge stated East Bay Dischargers Authority (EBDA) is a Joint Powers Authority (JPA) of which the District is a member. The JPA was formed in 1974 by a "Joint Exercise of Powers Agreement" (the "JPA Agreement") entered into by the City of Hayward, City of San Leandro, Oro Loma Sanitary District, Union Sanitary District, and Castro Valley Sanitary District. The JPA Agreement was amended in 1978, 1986, and 2007. The current EBDA JPA is set to expire at the end of calendar year 2019; discussions and negotiations have been taking place over the last few years to develop deal points and a framework for a renewed agreement. A series of EBDA Commission workshops have been held to propose and evaluate concepts and terms; these workshops have resulted in a draft term sheet that was included in the Board meeting packet. Each agency representative was asked to share the term sheet with its respective governing body and provide input to the EBDA commission. Proposed revisions to the term sheet submitted by Castro Valley Sanitary District were included in the report that was part of the Board meeting packet. Following publication of the Board meeting packet, Oro Loma Sanitary District and Castro Valley Sanitary District requested its joint capacity be changed from 30 MGD to 25 MGD.

Director Handley stated representatives from EBDA's member agencies spent several months working together to produce the term sheet and agreed the term sheet as written would be shared with their respective governing bodies before moving forward. Director Handley recommended the Board consider the term sheet as written.

Secretary Toy also recommended the Board consider approval of the term sheet as written.

Both Director Handley and Secretary Toy recommended USD not revise our proposed capacity at this time and re-evaluate at a later date.

The Board directed staff to proceed with the term sheet as written and not proceed with any requested changes to the term sheet at this time.

**RECEIVE INFORMATION AND PROVIDE DIRECTION REGARDING POLICY NO. 2040, EXCEPTIONS TO ORDINANCE FEES**

This item was reviewed by the Legal/Community Affairs Committee. District Counsel Murphy stated the Policy has been in place since 1990 and is inconsistent with language included in the District's ordinances. While three of the District's applicable ordinances include language outlining their own appeal process, Ordinance 34 does not. The appeal processes included in District ordinances would supersede the language in Policy No. 2040. In order to simplify and ensure consistent procedures, staff recommended Policy No. 2040 be rescinded as unnecessary and duplicative. Staff recommended an item rescinding Policy No. 2040 be brought back when revisions to Ordinance No. 34 are considered.

The Board directed staff to proceed with staff's recommendation.

**INFORMATION ITEMS:**

**Union Sanitary District to Purchase Natural Gas from the California Department of General Services (DGS)**

This item was reviewed by the Budget & Finance Committee. Treatment and Disposal Services Manager Lopez stated the District has been purchasing natural gas from a third party (Tiger Inc.) since 2009, which has provided a modest cost savings over the alternative of purchasing bundled natural gas from Pacific Gas and Electric (PG&E). Staff identified an opportunity for additional cost savings by transitioning to gas for electrical generation (GEG) which is an alternative PG&E tariff that specifically provides for reduced cost transportation of natural gas for power generation. Staff became aware that the District could purchase natural gas from the State of California Department of General Services (DGS) by "piggybacking" onto existing agreements with other public agencies. The District executed a short-term agreement with DGS in October 2018 and switched to the PG&E GEG tariff to demonstrate the economics of this alternative. Staff included a table in the Board meeting packet to show the cost comparison between PG&E Bundled Gas, Tiger Inc., and DGS. Based upon the analysis, the District saved \$21,215.38 in FY18 by purchasing natural gas from Tiger Inc. instead of purchasing bundled gas from PG&E. However, the District would have saved an additional \$83,307.45, or 35.8% of the actual FY 18 natural gas cost, had we purchased natural gas from DGS under the GEG tariff.

### **Legislative Update on Regional Issues of Interest to the Board**

This item was reviewed by the Legislative Committee. General Manager Eldredge provided an overview of the legislative update included in the Board meeting packet.

### **Cal-Card Quarterly Activity Report**

This item was reviewed by the Budget & Finance Committee. Staff prepared a desk item to show the Cal-Card report sorted by expenditure from highest to lowest. Business Services Coach Brenner reviewed the Cal-Card activity report included in the Board meeting packet.

### **Boardmember Expenses, Third Quarter Fiscal Year 2019**

There were no questions regarding the Boardmember expenses report.

### **National Association of Clean Water Agencies (NACWA) 2019 Winter Conference**

Treatment and Disposal Services Manager Lopez provided an overview of the NACWA 2019 Winter Conference.

### **Check Register**

Staff responded to Boardmember questions regarding the Check Register.

### **COMMITTEE MEETING REPORTS:**

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

### **GENERAL MANAGER'S REPORT:**

General Manager Eldredge reported the following:

- General Manager Eldredge welcomed back Vice President Fernandez.
- General Manager Eldredge asked the Board to please let staff know if they have any feedback on the new staff report template.

### **OTHER BUSINESS:**

There was no other business

### **ADJOURNMENT:**

The meeting was adjourned at 8:00 p.m. to a Combined Board Workshop in the Alvarado Conference Room on Tuesday, April 23, 2019, at 6:00 p.m.

The Board will then adjourn to the Plant Master Plan #3 Board Workshop in the Boardroom on Wednesday, May 8, 2019, at 5:30 p.m.

The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, May 13, 2019, at 7:00 p.m.

SUBMITTED:

  
REGINA McEVOY  
BOARD CLERK

ATTEST:

  
JENNIFER TOY  
SECRETARY

APPROVED:

  
ANJALI LATHI  
PRESIDENT

Adopted this 13<sup>th</sup> day of May 2019