

**MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF  
UNION SANITARY DISTRICT  
February 22, 2016**

**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  
Robert Simonich, Fabrication, Maintenance, and Construction (FMC) Manager  
Sami Ghossain, Technical Services Manager  
Armando Lopez, Treatment & Disposal Services Manager  
Pamela Arends-King, Business Services Manager/CFO  
Sean Nesgis, Collection Services Coach  
Laurie Brenner, Operational Performance Program Manager  
Michelle Powell, Communications and Intergovernmental Relations Coordinator  
Jason Yeates, Environmental Compliance Inspector  
Regina McEvoy, Assistant to the General Manager/Board Secretary

GUEST: Alice Johnson, League of Women Voters

**APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 8, 2016**

It was moved by Secretary Kite, seconded by Director Fernandez, to approve the Minutes of the Meeting of February 8, 2016. Motion carried unanimously.

**MONTHLY OPERATIONS REPORT**

This item was reviewed by the Budget & Finance Committee.

- a. Monthly Odor Report & Financial Reports: General Manager Eldredge presented the following:
  - Odor Complaints: There was one odor complaint received for the Treatment Plant during the month of January. Staff received several inquiries from the reporting party who resides on Mackinaw Street in Union City and followed up with multiple interactions. Staff will continue responding to inquiries as they are received.
  - Hours Worked and Leave Time by Work Group:

- At-work hours per employee for all groups exceeded the target of 34 hours per week.

Business Services Manager/CFO Arends-King reported the following:

- Revenues:
    - Capacity fees were at 88% of budget due to increased development
    - Received \$1 million in SRF loan proceeds
    - CIP was at 33% of budget
    - Information Systems were at 66% of budget due to recent installation of the Voice Over Internet Protocol (VoIP) phone system
  - Expenses:
    - All Work Groups were under budget at the end of January 2016
    - The pie charts included in the Board meeting packet were changed to include the total portfolio
- b. Second Quarter (Q2) Fiscal Year 2016 (FY16) District-wide Balanced Scorecard Measures: Operational Performance Program Manager Brenner stated the District performed well against published safety measures in Q2 of FY16. All customer service and financial perspective measures were within targeted values with the exception of the X-Mod, which was 1.01 against our goal of  $\leq 1.0$ . The absence of a Technical Training Program Manager continued to impact related activities, and there were no planned safety trainings during Q2. The Alvarado sinkhole negatively impacted customers in Q2 and remains the highest priority corrective action to date. Six of ten CIP project milestones were achieved as planned in Q2. Collection Services had not completed any of the 65 planned competency assessments at the end of Q2; however, the management team believes the annual goal will be achieved through a concerted effort in Q3 and Q4. General Manager Eldredge stated the Budget & Finance Committee asked what effect recent vacancies have had on the District's overtime budget. General Manager Eldredge stated there were three vacant positions at the time of the meeting and two more vacancies were anticipated in the near future. In addition to vacancies, several employees were out on extended FMLA leave. As of the date of the Board meeting, the District had used 48% of the overtime budget for FY16.
- c. Balanced Scorecard Report for the Treatment & Disposal and Fabrication, Maintenance, and Construction (FMC) Workgroups:
- Treatment & Disposal Services Manager Lopez stated:
    - The Plant fell short of the overall consumption of electricity metric titled Total Kwh/MG. The target was <2100, and the actual was 2,300. Decreased flows and increased concentration due to the drought contributed to the results.
    - Polymer consumption for GBT was slightly above the target of  $\leq 5.5$  average pounds/dry ton, at 5.9 average pounds/dry ton at the end of Q2. There was higher usage during Q1 due to a polymer blend unit not functioning correctly in conjunction with fouled belts. Staff corrected the issues with the polymer blend unit, replaced the belts, and instituted a new operational strategy and the target should be met by the end of FY16.
    - Director Handley asked what steps Plant staff have taken to monitor polymer consumption. Treatment & Disposal Services

Manager Lopez stated polymer usage is monitored daily to detect irregularities.

- Fabrication, Maintenance, and Construction (FMC) Manager Simonich stated:
  - There have been no critical asset failures in FY16.
  - The percent of time spent on planned vs. unplanned maintenance activities was 99.3%, exceeding the target of 75 – 90%.
  - Percentage of preventive maintenance work orders completed within the month scheduled was 92.5%, falling short of the target of 95%. This measure is expected to exceed the target in Q3 of FY16.
  - Priority A work orders issued are tracked as an indicator of the quality of the preventive and predictive maintenance program. The measure is meeting the target of 10 or less per month with an average of two per month at the end of Q2.
  - Overtime decreased from 6.9% in FY15 to 2.6% through Q2 of FY16 due to improvements made within the planning and scheduling process as well as the CIP team requiring fewer FMC labor hours in FY16.

### **WRITTEN COMMUNICATIONS**

There were no written communications.

### **ORAL COMMUNICATIONS**

There were no oral communications.

### **REVIEW AND APPROVE PROPOSED CHANGES TO POLICY NO. 3070.2, BOARD MEMBER OFFICERS AND COMMITTEE MEMBERSHIP**

This item was reviewed by the Personnel Committee. General Manager Eldredge stated Board Policy No. 3070.2 provides guidelines for the timing and selection of Board Officers, as well as internal and external committee members. The policy was last reviewed and approved by the Board in October of 2013. The proposed revisions included, but were not limited to:

- Provide direction on the selection of Board Officers and memorialize options for selection
- Provide clarity and direction on internal and external committee selections
- Add the JPA with ACWD as an external committee to the rotation list.

During the Personnel Committee meeting, there were some additional proposed changes to the policy. Staff prepared a Desk Item to reflect the additional proposed changes as submitted by the Personnel Committee. Hard copies of the Desk Item were provided at the meeting, and the Desk Item was added to the electronic meeting packet.

The Board requested a number of additional revisions and discussed options for Boardmembers to indicate their internal committee assignment preferences in compliance with the Brown Act.

By consensus, the Board directed District Counsel Murphy to revise the policy in accordance with the direction given at the meeting and to review options for Boardmembers to provide preferences for Internal Committee appointments.

**REVIEW AND APPROVE PROPOSED CHANGES TO POLICY NO. 3080, BOARD AGENDA SUBJECTS REQUESTED BY BOARD MEMBERS**

This item was reviewed by the Personnel Committee. General Manager Eldredge stated Board Policy 3080 provides guidelines for how agenda topics may be requested by the Board and placed on the agenda. The recommended changes to the policy clarified and provided additional flexibility to the Board when requesting future agenda items. The policy was last reviewed and approved by the Board in February of 2013. Staff recommended the Board adopt the proposed changes to Board Policy No. 3080 and set the date for the next review for February of 2019.

Vice President Handley proposed that Procedure #3 in the policy be changed to require a minimum of two Boardmembers vote in favor of agendizing an item for consideration and possible action at a future meeting. Director Fernandez and Director Lathi agreed with Vice President Handley's proposed change.

It was moved by Director Fernandez, seconded by Director Lathi, to Approve Proposed Changes to Policy No. 3080, Board Agenda Subjects Requested by Board Members, Incorporate the Change Discussed at the Meeting, and Set the Date for the Next Review for February of 2019. Motion carried unanimously.

**ADOPT THE INVESTMENT POLICY FOR 2016**

This item was reviewed by the Budget and Finance Committee. Business Services Manager/CFO Arends-King stated the District annually adopts an investment policy. Historically, the District has adopted an investment policy for each calendar year and presented the proposed policies to the Board of Directors for the 120 days after the close of the fiscal year. The typical timeline was delayed due to the retirement of the former Business Services Manager. Several changes were made to the Investment Policy for 2016 that eliminate redundancy, change format and length of the policy, and provide both flexibility and safety when investments are made. A detailed account of the proposed changes was included in the Board meeting packet. Staff responded to Board questions and recommended the Board Adopt the 2016 Investment Policy and Renew the Delegation of Authority of Treasurer to the Business Services Manager/Chief Financial Officer for a one-year period, per California Government Code Section 53607.

Director Lathi proposed edits to the text of the policy.

It was moved by Vice President Handley, seconded by Secretary Kite, to Adopt the Investment Policy for 2016, Incorporating the Changes Noted at the Meeting, and Renew the Delegation of Authority of Treasurer to the Business Services Manager/Chief Financial Officer for a one-year period, per CA Government Code Section 53607. Motion carried unanimously.

President Toy recessed the meeting at 8:29 p.m.

President Toy reconvened the meeting at 8:35 p.m.

**CONSIDER CONFIRMING AND DECLARING THE NEED TO CONTINUE THE EMERGENCY ACTION TO REPAIR THE 33 INCH SEWER ON ALVARADO BOULEVARD AND UPDATE ON THE REPAIRS**

This item was reviewed by the Construction Committee. Technical Services Manager Ghossain stated sheet piles were installed around the excavation area followed by jet grouting to seal up gaps and prevent water intrusion into the shaft, which was completed on January 29, 2016. Excavation of the shaft began on February 1, 2016. On February 2, 2016, excavation work was nearing completion when groundwater began to infiltrate from the bottom of the pit. A groundwater dewatering system, supplemental to the one originally installed in October 2015, was installed on February 11, 2016. The system was allowed to pump for several days before the pit was dewatered again and excavation work resumed. Rock was added to the bottom of the pit to form stable ground that will allow for the replacement pipe to be installed.

Pursuant to Public Contract Code section 22050, the Board is required to review the status of the emergency action at each subsequent meeting until the emergency action is terminated. Authorization to continue the emergency action must be approved by a four-fifths vote of the Board. Staff recommended the Board approve a motion to confirm and declare the need to continue the emergency action to repair the 33-inch sewer on Alvarado Boulevard.

It was moved by Secretary Kite, seconded by Vice President Handley, to Confirm and Declare the Need to Continue the Emergency Action to Repair the 33 Inch Sewer on Alvarado Boulevard. Motion carried unanimously.

**DISCUSS AND PROVIDE DIRECTION REGARDING CHANGES TO THE SEWER SERVICE CHARGES FY17-21 RATE FACT SHEET AS PROPOSED BY DIRECTOR LATHI**

General Manager Eldredge stated Director Lathi requested changes be made to the Rate Fact Sheet previously considered and approved at the regular Board meeting held November 23, 2015. The proposed changes and previously approved Rate Fact Sheet were included in the Board meeting packet.

Director Lathi reviewed the proposed edits to the Sewer Service Charges FY17-21 Rate Fact Sheet as included in the Board meeting packet.

It was moved by Vice President Handley, seconded by Director Lathi, to Approve Changes to the Sewer Service Charges FY 17-21 Rate Fact Sheet as Outlined Within the Board Meeting Packet. Motion carried unanimously.

**SCHEDULE SPECIAL MEETING FOR GENERAL MANAGER CHECK-IN**

District Counsel Murphy stated that at the January 11, 2016, Board meeting Director Lathi requested an item be placed on a future agenda to discuss General Manager mid-year check-ins. The item was included on the agenda and considered at the February 8, 2016, Board meeting. Directors Lathi, Handley, and Fernandez determined they would like to conduct a General Manager check-in, and the majority consensus was to schedule an initial check-in. The Board acknowledged the current contract with the General Manager provides for one annual performance evaluation and that the "check-in" would be distinct from the annual performance evaluation process. Staff recommended the check-in take

place as an informal performance evaluation at a special meeting of the Board in closed session.

The Board agreed by majority consensus to Schedule a Special Meeting Closed Session for a General Manager Check-in.

#### **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. All questions were answered to the Board's satisfaction.

#### **COMMITTEE MEETING REPORTS:**

The Budget & Finance, Construction, and Personnel Committees met.

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

General Manager Eldredge reported the following:

- SB 163 Hertzberg would require that all dischargers through an ocean outfall achieve at least 50% reuse of the facility's actual annual flow for beneficial purposes by 2026 and 100% by 2036. California Association of Sanitation Agencies (CASA) staff have begun working with Senator Hertzberg to revise language within the proposed bill.
- Alameda County Water District (ACWD) and Union Sanitary District (USD) entered into a joint reclaimed water study in 2015 and ACWD applied for a state grant to fund a portion of the study. The State requested additional language, which ACWD has begun working toward accomplishing. The results of the study have been delayed in part, due to the State's request.
- Recruitment for the TPO night coach recently opened and the District received 23 applications. Eight individuals participated in the test and six will be interviewed for the position.
- Staff anticipate the District's Comprehensive Annual Financial Report (CAFR) informational item will be presented at the March 14, 2016, Board meeting.
- General Manager Eldredge will participate in the Read Across America event at Delaine Eastin Elementary School in Union City on March 2, 2016.
- General Manager Eldredge will present at the Tri-Cities Marketing Council meeting on February 25, 2016.
- The Alameda County Science and Engineering Fair will be held at the Alameda County Fairgrounds on March 12 and 13, 2016. Communications and Intergovernmental Relations Coordinator Powell will send the Board an email with more information.

#### **OTHER BUSINESS:**

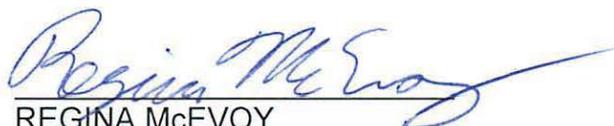
There was no other business.

**ADJOURNMENT:**

The meeting was adjourned at 9:02 p.m. to the Special Meeting Newsletter Layout / Mid-Year Budget Combined Board Workshop to be held in the Centerville Conference Room on Tuesday, February 23, 2016, at 11:30 a.m.

The Board will then adjourn to the next scheduled Regular Board Meeting to be held in the Boardroom on Monday, March 14, 2016, at 7:00 p.m.

SUBMITTED:



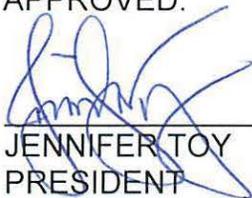
REGINA McEVOY  
SECRETARY TO THE BOARD

ATTEST:



PAT KITE  
SECRETARY

APPROVED:



JENNIFER TOY  
PRESIDENT

Adopted this 14<sup>th</sup> day of March, 2016