

RESOLUTION NO. 2736

ORDINANCE NO. 35.21

**AN ORDINANCE PROVIDING FOR THE COLLECTION
OF CAPACITY CHARGES FOR CONNECTION TO
THE MAIN SEWERS OF UNION SANITARY DISTRICT**

The District Board of UNION SANITARY DISTRICT does order and ordain as follows:

ARTICLE I

REPEAL OF PREVIOUS ORDINANCE

Ordinance No. 35.20 is hereby repealed.

ARTICLE II

GENERAL

SECTION 1 SHORT TITLE

This Ordinance shall be known as the "CAPACITY CHARGE ORDINANCE."

SECTION 2 PURPOSE OF THE CAPACITY CHARGE

The District allows new and existing users to buy a share of the District's system's capacity for the discharge of their wastewater. The Capacity Charge exists to fund facilities and assets that increase or maintain system capacity. The purpose of the Capacity Charge is to provide revenue to recover costs for: the acquisition of future facilities and assets that benefit new or expanded connections; the replacement or rehabilitation of existing facilities and assets that benefit new or expanded connections; a share of any debt service and financing costs related to new or existing facilities and assets benefiting new or expanded connections; other costs that the District has incurred or anticipates incurring in acquiring facilities or assets that benefit new or expanded connections.

SECTION 3 USE OF THE CAPACITY CHARGE

Current Capacity Fund Reserves and revenues collected in the future, through the payment of the capacity charge will be used to fund capital projects, upgrades and replacements that increase capacity or maintain existing capacity. The capacity charges can be used to fund a proportionate share of capital outlays, including debt service, for any capital projects. The collected revenue will not be used to fund operating or maintenance costs.

SECTION 4 ADOPTION OF A CAPITAL IMPROVEMENT PLAN

The District has prepared a Capital Improvement Plan (CIP) which contains projects and facility upgrades that are required in order to increase or maintain the capacity of the system. The Capital Improvement Plan, which has been reviewed and formally adopted by the Board of Directors, will be revised each year, and an updated Capital Improvement Plan will be adopted by the Board annually.

SECTION 5 REASONABLENESS OF THE CAPACITY CHARGE

In order to demonstrate the reasonableness of the District's Capacity Charge, the calculation method and the basis for determining the capacity charge for an equivalent dwelling unit (EDU) are presented in a separate report entitled "USD Capacity Fee Study, October 2010", and may be referenced by contacting the District. The District will establish capacity charges that consider the approximate average capacity charge of other agencies in the San Francisco Bay Area and construction cost inflation.

SECTION 6 DEFINITIONS

Unless the context indicates otherwise, the following words and terms shall have the meaning as follows:

- a. **Boarding Establishment Unit.** One or more rooms with centralized kitchen facilities designed for use by transients, students, retirees, or other occupants for living and/or sleeping purposes. Each separate room which is designed for occupancy by one or more persons or which serves as one housekeeping unit shall be deemed to be one living unit. For facilities with only communal living space, the design occupancy shall be deemed as the determining factor for the capacity charge.
- b. **Building Sewer.** A sewer conveying wastewater from the property of the user to a main sewer. Also referred to as a private sewer or lateral.
- c. **Building Sewer Construction Permit.** A permit issued by UNION SANITARY DISTRICT allowing the construction and connection of a building sewer line to the main sewer.
- d. **Capacity Charge.** The charge to be made by the UNION SANITARY DISTRICT for a sewer connection either directly or indirectly to a main sewer; or, for a change, alteration, or expansion of the use of an existing building, as listed in and in accordance with all the provisions of Article III herein.
- e. **Chemical Oxygen Demand (COD).** The equivalent quantity of oxygen utilized during oxidation of organic and inorganic matter in wastewater under the conditions of the COD test as described in the latest edition of "Standard Methods for the Examination of Water and Wastewater", expressed in milligrams per liter.

- f. **Chemical Oxygen Demand (COD) loading.** The annual average mg/L COD multiplied by the total annual industrial wastewater discharge volume in million gallons multiplied by the conversion factor 8.34.
- g. **Commercial/Industrial/Office Use (C/I/O) (Domestic Use Only).** A parcel of real property designed for use by a single tenant for a single commercial or industrial use whose discharge is limited to domestic waste only. Examples include retail sales, office space, showrooms, and other uses producing domestic waste only, which do not fall into one of the other specifically designated categories. Also included in this category are individual tenant units in the C/I/O category whose floor space exceeds 10,000 square feet and are located within a building or parcel within the Mixed-Use category.
- h. **District.** Union Sanitary District of Alameda County, California.
- i. **District Engineer.** The General Manager of the District or his designees, including, but not limited to, duly authorized personnel.
- j. **Domestic Loading.** The Domestic Premise in terms of pounds/yr. allocating 20 gallons/day/employee to be used in the absence of a separate approved industrial wastewater or industrial process water flow meter.
- k. **Domestic Premise.** Domestic loading equal to 500 mg/L COD and 200 mg/L SS.
- l. **Domestic Wastewater.** Any wastewater which will enter into the main sewers from the non-industrial operation, preparation, cooking and handling of food; or, containing human wastes and similar matter from the sanitary conveniences of dwellings, commercial buildings, industrial facilities and installations.
- m. **Dwelling Unit.** The following living establishments shall be deemed to be one dwelling unit:
 - (i) Single family residential dwelling or mobile home designed for occupancy by one family and up to 4,500 square feet of building area. Single family residential dwelling units above 4,500 square feet will be charged an additional proportionate charge above 4,500 square feet.
 - (ii) Multi-family dwelling is each housekeeping unit of a: duplex, triplex, fourplex, townhouse or condominium, apartment house, mobile home park, or other multi-residential establishment designed for occupancy for living purposes by more than one family, and which is divided into separate housekeeping units, each of which is designed for occupancy by one family only.
- n. **Groundwater.** Any water found below the land surface or from saturated soil including: potable or irrigation water source wells, injected subsurface water, rising subsurface water, underground infiltration to manmade structures, pumped subsurface waters, foundation and footing drainage, water from crawl space

- pumps, natural springs, and subsurface flows from riparian habitats, streams, and wetlands.
- o. **Industrial User.** Any establishment engaged in producing, manufacturing, or processing operations, and all other establishments engaged in any activity resulting in the production of industrial wastewater which will enter into the sewer system.
 - p. **Industrial Wastewater.** Any non-domestic wastewater which will enter into the main sewers by being discharged, permitted to flow or escape from any industrial, manufacturing, commercial, or business establishment or process; or from the development, recovery, or processing of any natural resource. Industrial wastewater is directly reported from a separate approved industrial wastewater flow meter or industrial process water flow meter; otherwise, industrial wastewater is calculated from potable water meter sources excluding a calculated percentage of non-industrial use.
 - q. **Loadings.** The equivalent weight of Chemical Oxygen Demand and Suspended Solids discharged to the main sewer system during a given time interval. Unless otherwise specified, the loadings shall mean pounds per day or per year of a particular constituent or combination of constituents.
 - r. **Main Sewer.** An existing sanitary sewer dedicated to public use, within the public right of way or dedicated easement.
 - s. **Mixed Use Commercial Property.** A parcel of real property designed for the occupancy of multiple tenants, such as a shopping center. Examples of acceptable uses on mixed use commercial properties include; retail sales outlets, restaurants, offices, service companies, health clubs, laundromats, theaters, and similar commercial uses. Individual tenant units whose floor area exceeds 10,000 square feet and whose use is consistent with the C//O category may be included in the Commercial/Industrial/Office Use (C//O) category.
 - t. **Person.** Any individual, firm, company, partnership or association; private, public, and municipal corporations; responsible corporate officer; the United States of America; the State of California; districts and all political subdivisions; governmental agencies and mandatories thereof.
 - u. **Private Cafeteria.** A food service facility within a school, commercial or industrial building which is used exclusively by the students or employees of the company or school. Cafeterias which are open to the public, or provide catering or off-site food service to other companies will be considered a restaurant. Capacity fees for private cafeterias will be based on the area of food preparation, cooking, food storage, and food serving areas but shall exclude seating areas.
 - v. **Property.** A parcel of real estate or portion thereof, including any improvements thereon, which is determined by the District to be a single user for purposes of receiving, using, and paying for service.

- w. **Public Assembly Facilities.** Any facility where the public may assemble for social, business, educational or entertainment purposes, including, but not limited to, movie theaters, auditoriums, theaters and music halls.
- x. **Suspended Solids (SS).** The solids that either float on the surface of, or are in suspension in, wastewater and which are largely removable by standard laboratory filtration procedures, expressed in milligrams per liter.
- y. **Suspended Solids (SS) loading.** The annual average mg/L SS multiplied by the total annual industrial wastewater discharge volume in million gallons multiplied by the conversion factor 8.34.
- z. **User.** Any person that discharges, causes, or permits the discharge of wastewater into a main sewer.
- aa. **Volume.** The quantity of wastewater discharged during a specified period of time, expressed in gallons.
- bb. **Warehouse.** A building or portion of a building used exclusively for the storage of goods. The following uses are NOT considered warehouse use:
 1. Storage areas for goods or finished products within a manufacturing plant or commercial building that are not separated by a permanent partition wall, and or
 2. Storage areas that do not exceed 5,000 square feet in area.

Warehouse buildings that contain office, industrial, or other non-warehouse areas, totaling more than ten percent of the gross area of the entire building, will be segregated into separate uses and charged the appropriate rate for each different use. Otherwise, the warehouse rate shall apply to the gross area of the entire building. Shipping, receiving, and packing areas serving warehouses more than 50,000 square feet in area will be charged under the Warehouse category.

Whenever the use of a proposed building or part of a building is not clear or not determined prior to connecting to the sanitary sewer, the Commercial/Industrial/Office Use rate will be used to calculate the capacity fee. If, after the building is first occupied, it becomes evident that it, or part of it, is being used exclusively for warehouse purposes, as described herein, a refund may be issued.

- cc. **Wastewater Discharge Permit.** A permit issued by UNION SANITARY DISTRICT authorizing the discharge of groundwater or industrial wastewater by an industrial user, either directly or indirectly into a main sewer.

SECTION 7 TERMINOLOGY

Words, phrases, or terms not specifically defined herein and having a technical or specialized meaning shall be defined as set forth in the latest edition of "Standard Methods for the Examination of Water and Wastewater," published by the American Public Health Association, the American Water Works Association and the Water Environment Federation. Reference to waste constituents and characteristics shall have the meanings ascribed to them in the aforesaid "Standard Methods for the Examination of Water and Wastewater" and measurements thereof shall be as set forth in said publication, or as established by Federal or State regulatory agencies.

ARTICLE III

BASIS FOR CAPACITY CHARGES

SECTION 1 DOMESTIC WASTEWATER

The capacity charge to be paid for connecting either directly or indirectly to a main sewer shall be determined by the District based upon the existing or proposed use of the property to be served, the number of existing or proposed units thereon, and the volume of wastewater generated, in accordance with the following:

Connection Category	Charge per Unit
1. Single Family Dwelling Unit (less than or equal to 4500 square feet)	\$5,595.66 per unit
Single Family Dwelling Unit (greater than 4500 square feet)	\$5,595.66 per unit, plus proportionate charge above 4500 square feet (i.e. charge for 4600 square feet = $4600/4500 \times$ Charge per Unit)
Multi Family Dwelling Unit	\$4,796.28 per unit
2. Mixed Use Commercial Property with individual tenant units less than 10,000 square feet.	\$6.36 per square foot of building floor area
Commercial/Industrial/Office Use (C/I/O) (Domestic Use Only).	\$2.64 per square foot of building floor area

3.	Boarding Establishments	\$3,733.21	per living unit; or
	Including Hotels and Motels	\$1,866.58	per capita design tenant
4.	Schools and Day Care Centers (Boarding Facilities Excluded)	\$2.99	per square foot of building floor area
5.	Churches (School and Day Care Facilities Excluded)	\$2.12	per square foot of building floor area
6.	Public Assembly Facilities	\$133.30	per seat
7.	Health Clubs	\$8.97	per square foot of building floor area
8.	Park or Recreation Site Restrooms	\$5,595.66	per water closet
9.	¹ Coin-Operated Laundromats	\$4,263.81	per washing machine
10.	Restaurants - All	\$22.06	per square foot of building floor area
11.	Eating/Drinking Facilities without Cooking Facilities	\$11.09	per square foot of building floor area
12.	Car Wash with Water Recycling	\$5,595.66	lump sum
13.	Warehouses	\$1.02	per square foot of building floor area up to 50,000 square feet
		\$0.32	per square foot of building floor area for that portion in each building above 50,000 square feet
14.	Private Cafeterias	\$22.06	Per square foot of floor area for food preparation, cooking, food storage, and food serving areas but excluding seating areas
15.	Equipment Wash Pad with Interceptor	\$5,595.66	lump sum,
		\$17.88	plus per square foot for any additional pad area above 600 sq. ft.

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|---|--|
| 16. Mobile Home Holding Tank Disposal Station | \$11,170.70 lump sum |
| 17. Non-Standard Connections | Capacity charges for users not listed in the above table shall be determined by the District Engineer based upon a reasonable estimate of the volume and pollutant loadings of the wastewater to be discharged (subject to the minimum capacity charge). |

¹ Note: The charge listed is in addition to other capacity charges that may apply (example: Mixed-Use Commercial).

SECTION 2 INDUSTRIAL WASTEWATER

Properties with industrial wastewater discharges will be charged a Capacity Charge that will be divided into four annual installments, in addition to the Domestic Wastewater Capacity Charge in accordance with the following formula:

- a. **Initial Charge.** The initial charge shall be the sum of the following:
 - (i) Volume Component. Estimated total annual industrial wastewater discharge volume (exclusive of domestic wastewater) times \$10.24 per 1,000 gallons.
 - (ii) COD Component. Estimated annual Chemical Oxygen Demand loading (exclusive of COD domestic loading) times \$659.95 per 1,000 pounds.
 - (iii) Suspended Solids Component. Estimated annual Suspended Solids loading (exclusive of SS domestic loading) times \$1,421.64 per 1,000 pounds.

- b. **Succeeding Three Annual Charges.** At the time a Building Sewer Construction Permit is issued, or prior to the issuance of a Wastewater Discharge Permit, the prospective user shall enter into an agreement with UNION SANITARY DISTRICT which shall provide that there be three additional charges due and payable upon billing at the end of the first, second, and third year from the date of acceptance of the building sewer or issuance of a Wastewater Discharge Permit. Each of these annual charges shall be the sum of the following:
 - (i) Volume Component. \$10.24 per 1,000 gallons times the previous year's industrial wastewater discharge volume (exclusive of domestic wastewater).
 - (ii) COD Component. \$658.95 per 1,000 pounds times the previous year's discharge of Chemical Oxygen Demand loading (exclusive of COD domestic loading).

- (iii) Suspended Solids. \$1,421.64 per 1,000 pounds times the previous year's discharge of Suspended Solids loading (exclusive of SS domestic loading).

Final paid capacity is the average of 4 payments which creates a baseline represented by the combination of the three parameters; flow, COD, and SS, provided that any increase in the combined industrial flow and loadings does not exceed the initial estimate by more than 25%.

- c. **Excess Capacity.** In the event that the combined industrial flow and loadings exceed the initial estimate by more than 25%, an additional capacity charge shall be paid over 4 years, concurrently with the initial payment and succeeding annual payments, for the entire increase at the present-day rate.
- d. **Single Installment Amount.** If the calculated charges for an industrial use total less than \$500, the initial charge and the succeeding annual charges shall be paid in a single installment prior to the issuance of any permit.

SECTION 3 GROUNDWATER DISCHARGE

If a discharge permit is granted for groundwater, from the cleanup of spills, leaking underground storage tanks, monitoring wells or other similar sources, the duration of discharge will govern capacity fees. If discharge is for less than one year, ten percent of the minimum capacity charge will be assessed. For discharge durations of one year or greater, the capacity fee will be calculated by multiplying the actual volume of groundwater discharged by ten percent of the industrial wastewater volume component in effect that year, up to a maximum of ten years. Completion of discharge will terminate any ongoing capacity rights.

SECTION 4 MINIMUM CAPACITY CHARGE

In no case shall the minimum capacity charge for any initial connection to the District's system be less than the domestic wastewater capacity charge for a multi-family dwelling unit.

ARTICLE IV

ALLOWANCE FOR INDUSTRIAL CREDITS, REVIEW OF CHARGES AND CHANGES IN PROPERTY USE

SECTION 1 QUALIFICATION FOR INDUSTRIAL RELOCATION CREDIT

This section shall apply to industrial wastewater only, not to domestic wastewater. If the transfer of an industry discharging industrial wastewater to a different parcel of land does not impose any additional burden on the District's facilities, a credit, which shall be referred to as a relocation credit, may be allowed, provided that:

- (i) The owner of the real property, from which the industry is moving, is willing to relinquish the industrial wastewater capacity for the purpose of a relocating tenant or relocating industrial process.
- (ii) essentially the same industrial operation has been transferred from one parcel to another and such operation was previously connected to the District's system;
- (iii) the industrial operation was owned prior to the transfer by the person now making claim to the relocation credit;
- (iv) the discharger has demonstrated to the satisfaction of the District that the industrial operation has been abandoned from the parcel from which the transfer has occurred, or presented a certification in writing and a performance bond of equal or greater value than the relocation credit that such industrial operation will be abandoned within six (6) months of the District approving an application for connection. Should the facility not be abandoned within the prescribed period, the relocation credit shall be revoked and a capacity charge, with respect to the parcel to which the industrial operation transferred, shall be due and payable as of the date said parcel was connected to the District's system;
- (v) there is adequate capacity in the District's system at the new location to accommodate connection of the industrial operation to be transferred.

SECTION 2 BASIS FOR RELOCATION CREDIT

The relocation credit shall be based upon the amount of capacity purchased. If a record of the amount of capacity purchased does not exist the average of the total annual discharge of: the number of gallons of industrial wastewater, number of pounds of Chemical Oxygen Demand (exclusive of COD domestic loading), and number of pounds of Suspended Solids (exclusive of SS domestic loading) for the preceding four (4) years, or years of operation if less than four (4) years, prior to the transfer. In no case shall there be a refund or a credit applied to any other type of fee or charge if the fee for the industrial wastewater discharge for the relocated industrial operation is less than the relocation credit allowed.

SECTION 3 REVIEW OF CAPACITY CHARGE

Capacity charges or relocation credit determined under Article III and Article IV may be reviewed at the applicant's request. The review will be based on the use data provided by the applicant and other criteria to be established by the District for a review fee of \$25.00. Any requested adjustments to the capacity charge using this method are subject to verification by the District using District sampling, monitoring, and analysis procedures. All verification costs must be paid by the applicant. After completion of the District's review, the questioned capacity charge may be adjusted up or down in accordance with the results of the verification study.

SECTION 4 CHANGE OF PROPERTY USE

- a. **Industrial Wastewater.** If the existing use of a building or property is changed, an industrial process is altered, production is increased or any other change, or alteration will increase the existing combined industrial wastewater flow and loadings by more than 25%, an additional capacity charge shall be paid over 4 years for the entire increase at the present-day rate.
- b. **Change in Building Size.** If the existing size of a building or property is expanded, added onto, increased, or otherwise physically modified, an additional capacity charge applicable to the expansion, addition, or increase shall be paid. In no instance shall a refund be granted if the size of a building or property is decreased.
- c. **Domestic Wastewater Changes in Use.** When the use of a building or property is modified or changed, such as a change in tenants, or a change in the type of business occupying the property, the District will consider this a change in use. Each change in use shall be reviewed by the District to determine if an additional capacity fee will apply. An additional capacity fee shall apply whenever the capacity fee calculated for the new use is greater than the value of capacity fees already paid for the former use. For the purpose of this comparison, the current capacity fee rates as listed in Article III of this Ordinance, shall apply to both the new and former use. Whenever the capacity fee calculated for the new use exceeds the value of the capacity fees already paid for the former use, the difference shall be paid to the District as an additional capacity fee for the change of use. In no instance shall a refund be granted if the change in the use of a building or property results in the value of capacity fees paid for the former use being greater than the cost of the capacity fee calculated for the new use.
- d. **Credit for Previously Purchased Capacity.** If the existing size or use of a building or property is expanded, added onto, or increased, a credit may be allowed based on verified previously purchased capacity that is retained on the property site. This verification will include review of District records and any records supplied to the District. If no credible records exist then no credit will be allowed. In no instance shall a refund be granted if the decreased use of a building or property results in a lower discharge volume and/or loading level than that for which capacity charges have previously been paid.
- e. **Payment Due Date.** If a Building Sewer Construction Permit or a new or revised Wastewater Discharge Permit is required as a result of an expansion of a building or property and/or the increase in flow or loadings from the property, additional capacity charges shall be paid prior to the issuance of the permit. If neither permit is required, additional capacity charges shall be paid upon billing by the UNION SANITARY DISTRICT and be delinquent thirty (30) days thereafter.

ARTICLE V

PAYMENT AND DEPOSITION OF CHARGES

SECTION 1 PAYMENT OF INITIAL CHARGES

No building sewer or building drain shall be constructed and connected to any main sewer until the UNION SANITARY DISTRICT has issued a Building Sewer Construction Permit in accordance with District specifications and a capacity charge has been paid to the District. The capacity charge shall be in addition to the annual sewer service charge, charges for annexation, inspection, permits, reimbursements, and the requirements of any other rule, regulation, or ordinance of the UNION SANITARY DISTRICT.

SECTION 2 PAYMENT OF SUCCEEDING CHARGES

All charges prescribed under this Ordinance are payable upon billing and delinquent at the expiration of thirty (30) days thereafter. If it is necessary to initiate legal action to collect the delinquent obligation, all penalties allowed by the law will be applied. In addition to all other means of legal process available for the collection of the delinquent charges, the UNION SANITARY DISTRICT may elect to have the delinquent charges collected annually on the property tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from general taxes in accordance with the provisions of 5473 and 5473a et seq. of the California Health and Safety Code and UNION SANITARY DISTRICT Ordinance No. 31 as amended. Delinquent tenant capacity charges will be charged against the property of the owner of the premises occupied by the tenant.

SECTION 3 DEPOSITION OF FUNDS

The collected capacity charges shall be deposited in the Capacity Fund.

ARTICLE VI ADMINISTRATION

SECTION 1 APPEALS

Any user, permit applicant, or permit holder affected by any decision, action, or determination made by the District interpreting or implementing the provisions of this Ordinance may file a written request for reconsideration with the District Engineer, setting forth in detail the facts supporting the user's request.

If the ruling made by the District Engineer is unsatisfactory to the person requesting reconsideration, he may file a written appeal to the District's governing body within ten (10) days after notification of the District's action. The written appeal shall be heard by the governing body within thirty (30) days from the date of filing or as soon thereafter as reasonably possible. The District's governing body shall make a final ruling on the appeal within thirty (30) days of the meeting. The District Engineer's decision, action, or determination shall remain in effect during the period of reconsideration.

SECTION 2 FALSIFYING OF INFORMATION

Any person who knowingly makes any false statements, representation, record, report, plan or other document filed with the District; or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under this Ordinance, is hereby declared to be in violation of this Ordinance, and subject to the Civil Penalties imposed under Section 7.05 of UNION SANITARY DISTRICT'S Ordinance No. 36.

SECTION 3 SEVERABILITY

If any provision of this Ordinance or the application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of such provisions to other persons or other circumstances shall not be affected.

SECTION 4 EFFECTIVE DATE

A summary of the changes to this Ordinance shall be published once in the Argus, a newspaper of general circulation published in the UNION SANITARY DISTRICT, and shall take effect sixty days thereafter.

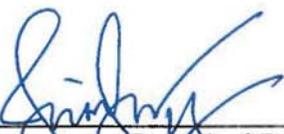
On Motion duly made and seconded, this Ordinance was adopted by the following vote on June 23, 2014.

- AYES: Fernandez, Kite, Lathi, Handley
- NOES: ---
- ABSENT: ---
- ABSTAIN: Toy



 President, Board of Directors
 UNION SANITARY DISTRICT

ATTEST:



 Secretary, Board of Directors
 UNION SANITARY DISTRICT

Adopted June 23, 2014

ADOPTING FINAL OPERATING AND CAPACITY FUND BUDGETS FOR FISCAL YEAR 2015.

The Budget & Finance Committee reviewed this item. Maria Scott reported the following changes since the preliminary budget: an increase in the electricity expense of \$274,000, as well as CIP projections that were updated in the amount of \$400,000. Staff will review rates each year and evaluate the need for increases. The sewer service rates are going up 5.7% and there is an increase to the net operating budget of 1.52%. A revision to two pages in the budget was given to the Board that reflect increased cost for the purchase of a new 10-cubic yard dump truck. The low bid was approximately \$40,000 more than budgeted.

On a motion made by Director Fernandez and seconded by Director Kite, the Board unanimously adopted the Final Operating and Capacity Fund Budgets for Fiscal Year 2015 (Director Toy was absent).

APPROVING THE NEW POSITIONS OF UTILITY WORKER (MECHANIC) AND PAINTER IN THE FMC WORKGROUP.

The Personnel Committee reviewed this item. Rich Currie stated that during strategic planning in the spring of 2013, one of the issues raised was workload. The General Manager asked the Board to consider adding six positions to address workload, backlog, and overtime issues. The Board approved a construction inspector position and a senior engineer position. The Board is now being asked to approve two new positions: Mechanic and Painter.

Robert Simonich explained that USD currently employs 11 mechanics that are responsible for maintaining the treatment plant, 6 pump stations and the force main pipelines. In 2011, benchmarking analysis revealed that USD is average in staffing levels. This data was only for maintenance of treatment plant facilities and did not include the fact that FMC employees operate several pump stations and also support CIP projects. Over the last several years, the workload has increased due to aging mechanical equipment and facilities at the plant and pump stations, and increased involvement supporting Capital Improvement Projects. Recently, the FMC Workgroup initiated the PM Proficiency Project which involves several mechanics who are assigned to examine District assets and identify correct preventative and predictive maintenance and repair activities. This program may allow return to previous staffing levels in later years.

Robert then explained that USD has had a single painter for twenty-three years to maintain the integrity of coating systems on equipment and other District assets. The backlog of work has continued to grow over the years forcing the delay of a substantial amount of maintenance work and/or requiring contracting

out for painting services. There is a substantial paint work backlog and 25 work orders, on average, are generated per month. As the facilities age and are continuously exposed to chemicals and moisture, the need for coating and painting to protect against deterioration and corrosion is increasing.

The addition of these two positions will help reduce the backlog, overtime, and the amount of work contracted out in order to keep up with the increasing workload.

On a motion made by Director Kite and seconded by Director Fernandez, the Board unanimously approved the new positions of Utility Worker (Mechanic) and Painter in the FMC Workgroup (Director Toy was absent).

AWARDING THE CONSTRUCTION CONTRACT FOR THE JARVIS AVENUE SANITARY SEWER REPLACEMENT PROJECT TO D'ARCY & HARTY CONSTRUCTION, INC.

The Construction Committee reviewed this item. Sami Ghossain stated the Newark Basin Masterplan update, completed in December 2012, identified the 10-inch sanitary sewer on Jarvis Avenue as having high critical ratings due to cracking and sags. This project will replace 2,456 feet of existing 10-inch diameter gravity sewer in Newark. The project was advertised for bids in April 2014 and staff received three bids. D'Arcy & Harty Construction was the lowest bidder with a base bid of \$1,034,736.80. There were a few minor irregularities with their bid, including clerical errors on some bid forms. After consultation with legal counsel and clarification from D'Arcy & Harty, staff recommends waiving them. The bid schedule included one bid alternate which provides for early trench excavation of 416 feet of the proposed alignment prior to commencement of the sewer pipeline installation. This will allow for assessment of interference with other utilities in the immediate vicinity. Staff's recommendation includes awarding Bid Alternate A.

On a motion made by Director Fernandez and seconded by Director Kite, the Board unanimously awarded the construction contract for the Jarvis Avenue Sanitary Sewer Replacement Project to D'Arcy & Harty Construction, Inc. (Director Toy was absent).

AUTHORIZING THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 2 WITH WEST YOST ASSOCIATES FOR PROVIDING DESIGN SUPPORT SERVICES DURING CONSTRUCTION OF THE JARVIS AVENUE SANITARY SEWER REPLACEMENT PROJECT.

The Construction Committee reviewed this item. Sami Ghossain stated the Newark Basin Masterplan update, completed in December 2012, identified the

10-inch sanitary sewer on Jarvis Avenue as having high critical ratings due to cracking and sags. On August 27, 2013, the GM executed an Agreement and Task Order No. 1 with West Yost Associates for the project design, and on May 28, 2014 the GM executed Amendment No. 1 to Task Order No. 1 to provide for additional work including utilities coordination with PG&E and ACWD.

Task Order No. 2 with West Yost Associates includes meetings and project management, change order assistance and monitoring storm water pollution prevention plan permit compliance. Work under Task Order No. 2 will begin in early July and is expected to be completed by mid-November.

On a motion made by Director Fernandez and seconded by Director Handley, the Board unanimously authorized the General Manager to execute Task Order No. 2 with West Yost Associates for providing design support services during construction of the Jarvis Avenue Sanitary Sewer Replacement Project (Director Toy was absent).

INFORMATION ITEMS:

Check Register. All questions were answered to the Board's satisfaction.

Report on the EBDA Commission Meeting of June 19, 2014. Director Handley reported the following: there was a presentation on options available for evaluation of the condition and useful remaining life of the submerged portion of the outfall; the proposed amendment to the Meyers-Nave legal services contract was discussed; and the sea level rise report from the Adapting to Rising Tides group on potential impacts to northern Alameda County, including the Hayward shoreline was discussed and will be presented at a future Commission meeting.

Pension Actuary Scope of Work. The Budget & Finance Committee reviewed this item. Rich Cortes stated that at the Board Workshop on March 19, 2014 there was a question about what it would cost to pay off the unfunded liability. Staff approached Bartel Associates, an actuarial firm, and asked for assistance in analyzing options for funding the Plan. They responded with a proposal which stated that to fully understand the effects of accelerating the Plan's funding, and consider the risks related to investment return, a detailed contribution rate projection is required. Their base fee for the project is estimated to be \$7,500. If the District would like an executive summary the additional fee would be between \$1,500 and \$2,000, and a presentation at a Board of Directors' meeting would be approximately \$1,500 to \$2,000.

Rich Cortes suggested asking the Purchasing Department to send a proposal request to a wider audience in hopes of receiving bids from more firms. The

Board agreed to this alternative. Results will be presented at a future Board meeting.

COMMITTEE MEETING REPORTS:

The Budget & Finance Committee, Construction Committee, Personnel Committee, and Legal/Community Affairs Committee met.

The Legal/Community Affairs Committee also discussed clarification of Board Member Communication and E-mails. Rich Currie stated that Dave O'Hara prepared a draft policy to address the issue of responding to individual e-mails. He distributed a copy to each Board member.

Director Lathi suggested the Board cancel the workshop (which was scheduled after this Board meeting) to discuss Board Communications and E-Mail to give the Directors an opportunity to review the draft policy and reschedule the workshop when Director Toy can attend.

GENERAL MANAGER'S REPORT:

Rich Currie reported the following:

- There are nine candidates who have been identified for testing for the Assistant to the General Manager/Board Secretary position. Candidates will be tested but will not be interviewed until the new General Manager is available.
- Our grant for the Cogeneration Project has been extended to January 2015.
- The GM will be on vacation from June 30 until July 21, 2014. Rich Cortes will be the Acting General Manager, except for June 30, 2014 when Dave Livingston will be the Acting General Manager.

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 7:45 p.m. to a Special Meeting/Closed Session to be held on Wednesday, June 25, 2014 at 4:00 p.m. for the purpose of approving the employment contract for the new General Manager. This Closed Session meeting is authorized by California Government Code Section 54957(b).

The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, July 14, 2014 at 7:00 p.m.

SUBMITTED:



CAROL RICE
SECRETARY TO THE BOARD

ATTEST:



JENNIFER TOY
SECRETARY

APPROVED:



ANJALI LATHI
PRESIDENT

Adopted this 14th day of July, 2014

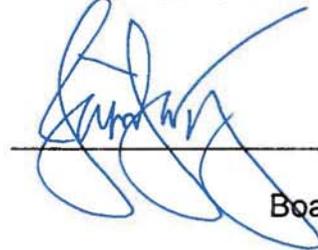
**UNION SANITARY DISTRICT
NOTICE OF PUBLIC HEARING ON
SEWER SERVICE CHARGES**

NOTICE IS HEREBY GIVEN that pursuant to Sections 5471 and 5473, et seq. of the Health and Safety Code of the State of California and Union Sanitary District Ordinance No. 31, the Board of Directors of Union Sanitary District will consider adoption of Ordinance No. 31.37 which establishes Sewer Service Charges for the Fiscal Year ending June 30, 2015. The new sewer service charge is proposed to increase by \$19.26 per year. The new rate would be \$357.02 per year for a single family residence. All other categories of use are proposed to increase approximately 5.7%. This is the second year of the three-year rate change as identified in the notice of rate change sent to all property owners in the USD service area in April of 2013. Additional information can be found at www.unionsanitary.ca.gov. The District has elected to collect its charges for sewer services on the tax roll, in the same manner as general taxes.

NOTICE IS FURTHER GIVEN that on Monday, the 23rd day of June 2014, at the hour of 7:00 p.m., at the Union Sanitary District Boardroom, 5072 Benson Road, Union City, California, in said District, said Board will hear and consider all protests and objections to said proposed rates and to collect charges for sewer services on the tax roll, in the same manner as general taxes.

By order of the Board of Directors of Union Sanitary District.

UNION SANITARY DISTRICT



Secretary
Board of Directors

UNION SANITARY DISTRICT

NOTICE OF PUBLIC HEARING ON

CAPACITY FEES

NOTICE IS HEREBY GIVEN that pursuant to Sections 5471 and 5473, et seq. of the Health and safety Code of the State of California and Union Sanitary District Ordinance No. 35, the Board of Directors of Union Sanitary District will consider adopting and establishing the Capacity Fee Ordinance No. 35.21. Ordinance 35.21 would set the Capacity Fees for the Fiscal Year ending June 30, 2015. The Capacity Fee for a new single family dwelling connecting to the sewer is proposed at \$5,595.66. All other categories of capacity fees for connection to the sewer are proposed to increase by approximately 5%. Copies of the proposed Ordinance 35.21 are available for review at the office of the Union Sanitary District, 5072 Benson Road, Union City, California.

NOTICE IS FURTHER GIVEN that on Monday, the 23rd day of June 2014, at the hour of 7:00 p.m., at the Union Sanitary District Boardroom, 5072 Benson Road, Union City, California, in said District, said Board will hear and consider all protests and objections to said proposed Ordinance 35.21.

By order of the Board of Directors of Union Sanitary District.

UNION SANITARY DISTRICT

A handwritten signature in blue ink, appearing to be 'Sammy', is written over a horizontal line.

Secretary