

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
September 22, 2014**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT: Manny Fernandez, President
Jennifer Toy, Vice President – arrived at 7:03 p.m.
Tom Handley, Secretary
Pat Kite, Director
Anjali Lathi, Director

STAFF: Paul Eldredge, General Manager/District Engineer
Richard Currie, Former General Manager/District Engineer
Andy Morrison, Collection Services Manager
Dave Livingston, Treatment & Disposal Services Manager
Sami Ghossain, Technical Services Manager
Rich Cortés, Business Services Manager
Robert Simonich, FMC Manager
Tim Grillo, Treatment & Disposal Services Coach
Maria Scott, Principal Financial Analyst
David O'Hara, Legal Counsel
Regina McEvoy, Assistant to the GM/Board Secretary
Carol Rice, Former Assistant to the GM/Board Secretary
Mohammad Ghoury, Engineer Technician II
Sol Cooper, Mechanic II

VISITOR: Helen Eldredge

APPROVAL OF THE MINUTES OF SEPTEMBER 8, 2014.

It was moved by Director Kite, seconded by Director Lathi, to Approve the Minutes of the Board of Directors' Meeting held September 8, 2014.

Ayes: Fernandez, Handley, Kite, Lathi
Noes: None
Absent: Toy
Abstain: None

MONTHLY OPERATIONS REPORT FOR AUGUST 2014.

The Budget and Finance Committee reviewed this item. Rich Currie reported the following:

- There were two odor complaints, both in the City of Fremont. One was investigated with no odor found. The second complaint was the result of a USD construction project bypass line that was subsequently adjusted to mitigate the odor.
- There were two employee accidents in August. One employee broke his hand and a second employee strained a muscle. Lost time was minimal, and both employees have returned to work on limited duty.
- District Auditor Vavrinek, Trine, Day, and Co. completed their field work, and is finalizing the Fiscal Year 2014 audit documents.
- The District received the final Sewer Service Charge payment for Fiscal Year 2014 from Alameda County for \$2.2 million.
- There were no spills for the month of August.
- Recruitment has begun for the Collection Services Manager and Treatment and Disposal Services Manager positions.
- The hours worked, 35.25, exceeded the target, and sick leave usage hours of 47.37 was close to the target of 47.

Maria Scott reported the following:

- The following capacity fees were received in August:
 - \$647,000 for Cherry Logistics Distribution Center
 - \$135,000 for Buffalo Wild Wings in South Fremont
 - \$295,000 for Lam Research
 - \$28,000 for Chick-fil-A in Fremont
- Operating income included inspection fees and East Bay Dischargers Authority (EBDA) payments.
- Miscellaneous income included two industry fines for Environmental Compliance violations.
- The District will receive \$600,000 from State Revolving Fund proceeds.
- Current expenses include work on the Cogeneration Project, Boyce Road Lift Station Phase 2, and Upper Hetch Hetchy Sewer System Rehabilitation.

WRITTEN COMMUNICATIONS.

There were no written communications.

ORAL COMMUNICATIONS.

There were no oral communications.

APPROVE REVISIONS TO POLICY 3300 – CONTRIBUTIONS AND ENDORSEMENTS.

The Personnel Committee reviewed this item. Rich Currie stated Human Resources staff reviewed the Policy following Board approval. The policy statement was revised to align with existing policies. Structural and language changes were made to the definitions of endorsement and contribution, and capitalization errors were corrected.

It was moved by Director Lathi, seconded by Director Kite, to Approve Revisions to Policy 3300 – Contributions and Endorsements. Motion carried unanimously.

RESOLUTION NO. 2739, APPROVE 2014 CONFLICT OF INTEREST CODE.

The Legal/Community Affairs Committee reviewed this item. Dave O'Hara stated the Deputy General Manager position was removed, and a previously missing digit was added to the government code section citation on page 6 of the Conflict of Interest Code.

It was moved by Director Toy, seconded by Director Lathi, to Adopt Resolution No. 2739, Confirming Revisions to the 2014 Conflict of Interest Code. Motion carried unanimously.

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**UNION SANITARY DISTRICT
RESOLUTION NO. 2739**

RESOLUTION CONFIRMING REVISIONS TO CONFLICT OF INTEREST CODE

RESOLVED, by the Board of Directors of Union Sanitary District, Alameda County, California, that:

WHEREAS, Government Code Section 87300 requires a biannual review of the District's Conflict of Interest Code; and

WHEREAS, the Conflict of Interest Code of Union Sanitary District approved on September 10, 2012, has been reviewed by legal counsel and found to require no modification except for the deletion of the Deputy General Manager as a designated position in Exhibit "A".

NOW, THEREFORE, IT IS ORDERED AS FOLLOWS:

Legal Counsel will inform the Alameda County Board of Supervisors, before October 1, 2014, that an amendment of the Conflict of Interest Code of Union Sanitary District is necessary by deleting the Deputy General Manager as a designated position.

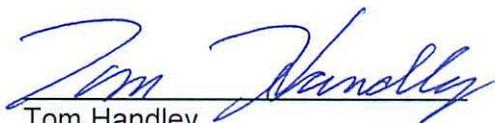
The foregoing Resolution was duly and regularly adopted and passed by the Board of Directors of Union Sanitary District, Alameda County, California, at a meeting held on the 22nd day of September, 2014.

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



Manny Fernandez
President, Board of Directors
UNION SANITARY DISTRICT

Attest:



Tom Handley
Secretary, Board of Directors
UNION SANITARY DISTRICT

ADOPT AN INVESTMENT POLICY FOR FY 2015.

The Budget and Finance Committee reviewed this item. Maria Scott stated the investment policy was revised to list the pension plan as an exclusion since the District does not manage the investments of said plan.

It was moved by Director Handley, seconded by Director Lathi, to Adopt an Investment Policy for FY 2015. Motion carried unanimously.

ADOPT A RESERVES POLICY #2090.

The Budget and Finance Committee reviewed this item. Maria Scott stated the Retiree Medical Fund language was clarified, and additional information was added to the Future Projects Reserve section. The Board approved staff's request to reduce the Liability Reserve to \$1 million from \$1.5 million, based on past experience.

It was moved by Director Lathi, seconded by Director Handley, to Adopt Reserves Policy #2090. Motion carried unanimously.

INFORMATION ITEMS:

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

Report on the East Bay Dischargers Authority Commission Meeting of September 18, 2014. Director Handley reported the following:

- The Financial Management Committee reviewed the annual California Retiree Benefit Trust (CERBT) statement for the fiscal year ending June 30, 2014.
- The Personnel Committee reviewed a proposal from the General Manager to reclassify the Operations and Maintenance Manager to Deputy General Manager, or look into a bonus program for exemplary work.
- The EBDA balanced scorecard noted a decrease in average flow, which resulted in reduced power and chemical costs.
- The debate continues over the San José-Santa Clara Regional Wastewater Facility's claim that its current discharge to the Lower South Bay fully meets beneficial uses.

Widening of Fremont Boulevard in Front of USD's Irvington Pump Station. The Legal/Community Affairs Committee reviewed this item. Rich Currie stated there are three sections of Fremont Boulevard that have not been widened, including 700 feet in front of USD's Fremont Pump Station. Fremont Boulevard has become an alternate commute route due to freeway congestion. The City of Fremont has imposed traffic impact fees on businesses to pay for the widening of Fremont Boulevard in other sections. Although USD is exempt from this requirement, City staff requested USD pay for the widening costs in front of the Fremont Pump Station. The current estimate for the project is \$840,000. Staff will research the matter and present the findings to the Board at a future meeting.

Agenda for Joint Board of Directors Meeting Between Union Sanitary District and Alameda County Water District. The Personnel Committee reviewed this item. The Board reviewed the proposed agenda for the meeting. There were no additions or changes. The joint meeting will begin at 6:00 p.m. in the Boardroom on Thursday, September 25, 2014.

Agenda for the Board Retreat to be held September 29, 2014. The Personnel Committee reviewed this item. Rich Currie stated staff identified potential topics for discussion. The Board stated they would like to conduct a free style discussion at the retreat. The Board Retreat will begin at 5:00 p.m. in the Boardroom on Monday, September 29, 2014.

Cogeneration Project Status. The Construction Committee reviewed this item. Sami Ghossain provided background information regarding the timeline for the Cogeneration Project. The Project consists of the construction of two new 850-kilowatt biogas-fueled engine generators housed within a new metal building, a new digester gas conditioning system, and modifications to the existing digester gas piping and hot water system. The original completion date was previously been set for September 11, 2014, and has since been extended to the end of December 2014. To date, staff has executed 49 change orders in the amount of \$801,584, which is 7.6% of the original contract amount. Rich Currie noted the engines have been running.

Final June, 2014 Internal Financial Report. The Budget and Finance Committee reviewed this item. Maria Scott stated revenues exceeded the budget in all categories. While CIP expenses exceeded the budget for fiscal year 2014, fewer reserves were used than had been budgeted. Operating and Special Project expenses met Balanced Scorecard targets.

COMMITTEE MEETING REPORTS:

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

GENERAL MANAGER'S REPORT:

Paul Eldredge reported the following:

- PERS will conduct a routine audit on October 13, 2014.
- September 15 – 21, 2014, is Pollution Prevention Week. The Bay Area Pollution Prevention Group will hold their annual Pollutant Priority meeting at USD on September 24, 2014.
- There have been several delays on the Hayward Marsh Project. The East Bay Regional Park District (EBRPD) and USD staff will meet to discuss the status of the Project.
- USD hired a temporary construction inspector from Harrison Consultants while the recruitment for a USD inspector is ongoing.
- The Environmental Compliance Team has been working diligently to determine the source of suspected illegal dumping. Additional samplers have been

- purchased, and contaminants have been found at the headworks and Boyce Pump Station.
- Staff will review seven vendor proposals they received for the new website project. A date in early October was set aside for consultant interviews to review the proposals. Staff anticipates a vendor will be selected and presented to the Board by the end of October.
 - Recruitment is ongoing for the Collection Services Manager and Treatment and Disposal Services Manager positions.
 - September 22, 2014, is the Autumnal Equinox, and the last day of summer ended 7:29 pm. on said date.
 - Paul Eldredge recognized Rich Currie in the audience, and expressed gratitude to Rich for the time he has spent transitioning the last few weeks. Paul extended a personal thank you to Rich for all his help.
 - Rich Currie's retirement party will be held at the Portuguese Hall at 3:30 p.m. on September 30, 2014.

OTHER BUSINESS:

Pat Kite stated she recently attended a California Special Districts Association meeting which included a report on health benefits.

ADJOURNMENT:

The meeting was adjourned at 7:38 p.m. to a Special Joint Meeting of the Union Sanitary District Board and the Alameda County Water District Board in the Boardroom on Thursday, September 25, 2014 at 6:00 p.m.

The Board will then adjourn to a Board Retreat in the Boardroom on Monday, September 29, 2014 at 5:00 p.m.

SUBMITTED:


REGINA McEVOY
SECRETARY TO THE BOARD

ATTEST:


TOM HANDLEY
SECRETARY

APPROVED:


MANNY FERNANDEZ
PRESIDENT

Adopted this 13th day of October, 2014