

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT/UNION SANITARY DISTRICT FINANCING
AUTHORITY
November 13, 2023**

CALL TO ORDER

President Fernandez called the meeting to order at 4:00 p.m.

SALUTE TO THE FLAG

President Fernandez led the salute to the flag.

ROLL CALL

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

STAFF: Paul Eldredge, General Manager/District Engineer
Karen Murphy, District Counsel
Mark Carlson, Business Services Manager/CFO
Armando Lopez, Treatment and Disposal Services Manager
Jose Rodrigues, Collection Services Manager
Raymond Chau, Technical Services Manager
Robert Simonich, Fabrication, Maintenance, and Construction Manager
Alisa Gordon, Human Resources Manager
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Chris Pachmayer, Fabrication Maintenance and Construction Coach
Shawn Negis, Collection Services Coach
Richard Thow, Customer Service Coach
Mitchell Costello, Treatment and Disposal Services Coach
Trieu Nguyen, IT Administrator
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITORS: Ahmed Badawi, Badawi and Associates, Certified Public Accountants
Jack Alcom, Tri-City Voice
Alice Johnson, League of Women Voters

**APPROVE MINUTES OF THE UNION SANITARY DISTRICT BOARD MEETING OF
OCTOBER 23, 2023**

It was moved by Director Kite, seconded by Vice President Toy, to Approve the Minutes of the Board Meeting of October 23, 2023. Motion carried unanimously.

APPROVE MINUTES OF THE UNION SANITARY DISTRICT SPECIAL BOARD MEETING OF OCTOBER 26, 2023

It was moved by Director Lathi, seconded by Secretary Handley, to Approve the Minutes of the Special Board Meeting of October 26, 2023. Motion carried unanimously.

WRITTEN COMMUNICATIONS

There were no written communications.

PUBLIC COMMENT

There was no public comment.

RECEIVE PRESENTATION OF THE FISCAL YEAR 2022/23 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND DIRECT STAFF TO FILE THE ACFR

This item was reviewed by the Audit Committee. Business Services Manager/CFO Carlson introduced Ahmed Badawi with Badawi and Associates, Certified Public Accountants, who presented an overview of the report and responded to Board questions. Staff recommended the Board direct staff to file the Fiscal Year 2022/23 Annual Comprehensive Financial Report.

General Manager Eldredge stated the Audit Committee requested the auditors provide more detailed information regarding the various tests performed throughout the audit process in the future.

It was moved by Director Kite, seconded by Vice President Toy, to Receive and File the Fiscal Year 2022/23 Annual Comprehensive Financial Report. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONTRACT CHANGE ORDER WITH ZOVICH CONSTRUCTION REGARDING OFFHAUL OF SOIL FOR THE ENHANCED TREATMENT AND SITE UPGRADE PROGRAM PHASE 1A CAMPUS BUILDING PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Enhanced Treatment and Site Upgrade Program Manager Pipkin stated the Board awarded the construction contract for the Project to Zovich Construction on June 13, 2022. The Project will include significant grading and excavations for the new Campus Site which will generate an estimated 20,700 cubic yards of excess soil to be hauled offsite and disposed. Due to space constraints of the site, as excavations are performed the soil will need to be stockpiled, tested, and analyzed to confirm proper disposal methods prior to off haul and disposal. Prior to District ownership, the site was formerly used for a combination of industrial and residential uses. Pursuant to contract documents, Zovich is entitled to additional compensation for the cost of removing soil requiring disposal at a Class I landfill over the cost to dispose of soil at a Class II landfill. While staff continue to negotiate with Zovich for the reimbursement amount, the contract allows for the District to execute a unilateral change order to keep the Project progressing

and require Zovich to commence required work. Staff recommended the Board authorize the General Manager to execute contract change order No. 08 with Zovich Construction in the amount of \$211,685 for additional costs associated with off haul of soil for the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project.

It was moved by Vice President Toy, seconded by Secretary Handley, to Authorize the General Manager to Execute Contract Change Order No. 08 with Zovich Construction in the Amount of \$211,685 for Additional Costs Associated with Off Haul of Soil for the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A RENEWABLE ENERGY PRODUCT PURCHASE AND SALE AGREEMENT WITH ANEW ENVIRONMENTAL, LLC.

This item was reviewed by the Legal/Community Affairs Committee. Business Services Manager/CFO Carlson stated the District, as a producer of renewable energy through its methane powered cogeneration engines, would be eligible to participate in the sale of Renewable Energy Credits (REC's) on the open compliance markets. Anew is an aggregator of REC's and serves to bring together sellers and buyers of REC's in the compliance market. The District's cogeneration engines produce REC's with an estimated market value of between \$30,000 and \$40,000 annually. The key components of the proposed contract with Anew were outlined in the Board meeting packet. Staff recommended the Board authorize the General Manager to enter into a renewable energy product purchase and sale agreement with Anew Environmental, LLC and execute other documents necessary to effectuate the purchase and sale.

It was moved by Director Lathi, seconded by Secretary Handley, to Authorize the General Manager to Enter into a Renewable Energy Product Purchase and Sale Agreement with Anew Environmental, LLC and Execute Other Documents Necessary to Effectuate the Purchase and Sale. Motion carried unanimously.

INFORMATION ITEMS:

Status Report on Computer Purchase and Student Loan Program

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Carlson stated the Computer Purchase Loan Program has been utilized by District staff 405 times and there were 10 outstanding loans at the time the packet was published. The Student Loan Program has not been utilized since its inception.

Status of Priority 1 Capital Improvement Program Projects

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Chau stated the Board approved the Capital Improvement Program (CIP) budget of \$84,554,100 for planning, design, and construction of 34 CIP projects in June 2023. The Projects were ranked Priority 1, 2, or 3 based upon criteria prepared by staff and approved by the Executive Team. There were 20 projects ranked as Priority 1 for Fiscal Year 2024. The status of Priority 1 CIP Projects are reviewed by

the Executive Team at the end of each quarter and a copy of the status report was included in the Board meeting packet.

First Quarterly Report on the Capital Improvement Program for Fiscal Year 2024

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Chau stated first quarter expenditures for Fiscal Year 2024 were presented in graphs included in the Board meeting packet. The graphs depicted actual expenditures versus approved budget for Capacity Fund 90, Renewal and Replacement Fund 80, and for both funds combined. Total CIP expenditures for the first quarter were above cash flow estimates for the first quarter by approximately 1.8%.

First Quarterly Report on the Enhanced Treatment and Site Upgrade Program for Fiscal Year 2024

This item was reviewed by the Engineering and Information Technology Committee. Enhanced Treatment and Site Upgrade (ETSU) Program Manager Pipkin stated the ETSU Program Management Report for the first quarter of Fiscal Year 2024 was included in the Board meeting packet. The report provides an executive summary of the ETSU Program Status, and the Program Dashboard as shown on the District website at the time of publication.

Check Register

There were no questions regarding the check register.

COMMITTEE MEETING REPORTS:

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

GENERAL MANAGER'S REPORT:

- General Manager Eldredge provided a COVID update.
- Assemblymember Ortega will visit the District and tour the Plant on Monday, November 27, 2023. The Board was invited to attend.
- General Manager Eldredge will present to the Newark Rotary Club on November 28, 2023. The Board was invited to attend.
- The District's new FOG (Fats, Oils, and Grease) ad will be published in the Tri-City Voice November 14 and in the Argus November 17, 2023.
- The District will install new cameras in the parking lot to deter dumping and unwanted individuals from entering the parking lot after hours.
- General Manager Eldredge shared information regarding First Amendment Audits and stated staff will schedule a Board workshop for the Board to receive training on the topic.

OTHER BUSINESS:


There was no other business.

ADJOURNMENT:


The meeting was adjourned at 4:46 p.m. to a Special Board Meeting to be held in the Boardroom on Wednesday, November 15, 2023, at 4:00 p.m.

The Board will then adjourn to the next Regular Meeting to be held in the Boardroom on Monday, December 11, 2023, at 4:00 p.m.


SUBMITTED:

DocuSigned by:

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REGINA McEVOY
BOARD CLERK

ATTEST:

DocuSigned by:

C0CC5EF393E9442...
TOM HANDLEY
SECRETARY

APPROVED:

DocuSigned by:

77BEF9EB02EB471...
MANNY FERNANDEZ
PRESIDENT

Adopted this 11th day of December 2023

Certificate Of Completion

Envelope Id: 13B89F3E8E0146D9977F13BA64DB6D3A	Status: Completed
Subject: Complete with DocuSign: 11132023 Meeting Minutes.pdf	
Source Envelope:	
Document Pages: 5	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Regina McEvoy
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	5072 Benson Road
	Union City, CA 94587
	Reginam@unionsanitary.ca.gov
	IP Address: 50.227.238.26


Record Tracking

Status: Original	Holder: Regina McEvoy	Location: DocuSign
12/13/2023 10:08:46 AM	Reginam@unionsanitary.ca.gov	

Signer Events

Manny Fernandez
 mfernandez@unionsanitary.ca.gov
 Security Level: Email, Account Authentication (None)

Signature

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 Signature Adoption: Pre-selected Style
 Using IP Address: 174.195.85.130

Timestamp

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Electronic Record and Signature Disclosure:

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Regina McEvoy
 reginam@unionsanitary.ca.gov
 Assistant to GM
 Union Sanitary District
 Security Level: Email, Account Authentication (None)

DocuSigned by:


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 Using IP Address: 50.227.238.26

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Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Tom Handley
 thandley@unionsanitary.ca.gov
 Security Level: Email, Account Authentication (None)

DocuSigned by:

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Electronic Record and Signature Disclosure:

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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	12/13/2023 5:07:46 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
