

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
OCTOBER 14, 2013**

1. CALL TO ORDER

President Lathi called the Board to Order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

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

ABSENT: None

STAFF: Rich Currie, General Manager
Raymond Chau, Principal Engineer
Rich Cortes, Manager, Business Services
Roslyn Fuller, Purchasing Agent
Sami Ghossain, Coach, CIP
Jesse Gill, Manager, Technical Support & Customer Service
Tim Grillo, Coach, Research & Support
Dave Livingston, Manager, Treatment & Disposal Services
Ed McCormick, Deputy General Manager
Andy Morrison, Manager, Collection Services
David O'Hara, Legal Counsel
Robert Simonich, Manager, Fabrication, Maintenance & Construction
Tom Graves, Assistant to the General Manager/Board Secretary

CONSULTANTS: None

VISITORS: None

4. **APPROVAL OF THE MINUTES OF SEPTEMBER 23, 2013**

Action

On a motion made by Director Kite and seconded by Director Handley, the Minutes of the Board of Directors Meeting of September 23, 2013 were approved. The motion carried unanimously.

5. **WRITTEN COMMUNICATIONS**

There were no official written communications.

6. **ORAL COMMUNICATIONS**

There were no oral communications.

Presentation 7.

AWARD FOR ACHIEVEMENT OF EXCELLENCE IN PROCUREMENT

Roz Fuller explained the significance of the award to the Board. The Board congratulated Roz and the Materials Management Team on receiving the award.

8. **THIS ITEM WAS PULLED BY STAFF.**

9. **AUTHORIZING THE GENERAL MANAGER TO APPROVE CONTRACT CHANGE ORDER NO. 10 WITH D. W. NICHOLSON CORPORATION FOR THE COGENERATION PROJECT**

Manager Jesse Gill gave a brief overview of the project to date, and the reason why Change Order 10 is being requested now. In order to comply with Public Utilities Commission Electric Rule 21, the District submitted an application in October, 2012 for a ruling and determination of possible modifications to the design. PG&E only recently responded, long after construction had started. Carollo did not know PG&E's requirements during the design phase, and therefore did not include protective devices for the main utility breaker in the electrical switchgear. The change order is for an amount not to exceed \$180,000, and includes markups by DWN and its subcontractor. The installation of the closure, conduits and wiring will be covered under a separate contract change order with DWN, as will the cost of providing temporary power while the equipment is installed.

GM Currie explained that even with this change order and others we anticipate, the payback on the project will be about 8 years. This is a quicker payback than originally predicted when the project was approved.

Action

On a motion made by Director Handley and seconded by Director Fernandez, the Board authorized the General Manager to approve Contract Change Order No. 10 with D.W. Nicholson Corporation for the Cogeneration Project. The motion carried unanimously.

10. **RESOLUTION NO. 2718, DEDICATING AND PLEDGING THE NET REVENUES FOR THE REPAYMENT OF ANY AND ALL STATE REVOLVING FUND FINANCIAL ASSISTANCE ON THE THICKENER CONTROL BUILDING IMPROVEMENTS PROJECT**

Jesse Gill presented the staff report. The Board had no questions.

Action

On a motion by Director Toy and seconded by Director Handley, the Board approved Resolution No. 2718, dedicating and pledging the net revenues for the repayment of any and all State Revolving Fund financial assistance on the Thickener Control Building Improvements Project. The motion carried unanimously.

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RESOLUTION NO.2718

DEDICATE AND PLEDGE THE NET REVENUES FOR THE REPAYMENT OF ANY AND ALL STATE REVOLVING FUND FINANCIAL ASSISTANCE ON THE THICKENER CONTROL BUILDING IMPROVEMENTS PROJECT

WHEREAS the Union Sanitary District has previously established a Wastewater Capital Reserve Fund for the repayment of the State Revolving Fund financial assistance on the Thickener Control Building Improvements Project;

THEREFORE BE IT RESOLVED, the Union Sanitary District (the "Entity") hereby dedicates and pledges the Net Revenues to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for The Thickener Control Building Improvements Project (5223-110) (the "Project"). The Entity commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution, duly and regularly adopted at a meeting of the Board of Directors of the Union Sanitary District, in Alameda County, California, held on the 14th day of October 2013.

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: --

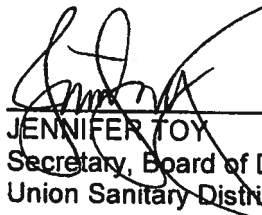
ABSENT: ----

ABSTAIN

Attest:



ANJALI LATHI
President, Board of Directors
Union Sanitary District



JENNIFER TOY
Secretary, Board of Directors
Union Sanitary District

Information 11. **ALTERNATE COMPENSATION PROGRAM, FY 2013**

CIP Coach Sami Ghossain presented an overview of the program, and elaborated on the staff report.

Directors Kite and Lathi expressed appreciation for the program.

Director Fernandez inquired on the screening process, and Sami replied that applications go first to the Coach, and then to the Committee. On another question by Director Fernandez about compensation, Sami explained that compensation is not necessarily based on the value of the idea, but on a number of things, e.g., the number of hours spent, the cost savings benefit, etc. Director Fernandez also expressed appreciation to all concerned.

Director Lathi offered her congratulations to Coach Ghossain as well for his promotion to Manager of Technical Services effective October 21, 2013.

12. **REVIEWING AND APPROVING BOARD POLICY 3030, BOARD MEMBER BUSINESS EXPENSE**

The Board, by consensus, asked the GM to take the policy back to Committee for clarification about when hotel rooms are booked at the last minute which may cost more than the approved convention hotel amount. Mr. Currie said the policy would be placed on the October 28, 2013 Board agenda for approval.

13. **REVIEWING AND APPROVING POLICY NO. 2075, REVISED SURPLUS PROPERTY DISPOSAL**

Purchasing Agent Fuller presented the staff report. She said the aim in revising this policy was for clarity, and to automate the process to make approvals easier. There were also grey areas about what was considered surplus, and what wasn't, and those grey areas have been defined now. There was also clarification about approval of donations to charities.

Action

On a motion by Director Handley and seconded by Director Toy, the Board approved Policy No. 2075, Revised Surplus Property Disposal. The motion carried unanimously.

14. **REVIEWING AND APPROVING BOARD POLICY 3070, BOARD OFFICERS AND COMMITTEE MEMBERSHIP**

GM Currie distributed a new version of the draft policy and pointed out the few changes to the policy, including the addition of the Audit Committee as a Standing Committee of the Board.

Action

On a motion by Director Kite and seconded by Director Toy, the Board approved Policy No. 3070, Board Officers and Committee Membership. The motion carried unanimously.

INFORMATION ITEMS

15. **ANNUAL REPORT TO THE CITY OF UNION CITY, FISCAL YEAR 2013**

Coach Tim Grillo updated the Board, saying that there were no significant changes to the report.

16. **LEGISLATIVE UPDATE FOR OCTOBER**

GM Currie presented the staff report, pointing out that NPDES permit fees will once again go up 4.1% this year.

17. **CHECK REGISTER**

Director Handley asked about biosolids on Page 1. Dave Livingston pointed out that was for two months of charges.

Director Fernandez asked about the reimbursement for the Golf Tournament on Page 9. It is an annual wellness event in which the District pays minor costs for limited refreshments and a few prizes.

Director Lathi inquired about the RMC Water and Environment charge on Page 8. Jesse Gill replied that these are fees associated with a proposed study of the midtown development slated for the City of Fremont. USD wanted to see what wastewater flows would be downstream of this site and the impacts on the pipe size. These charges represent costs for the mini-study we conducted.

18. **COMMITTEE MEETING REPORTS**

The General Manager's expense report was approved.

19. **GENERAL MANAGER'S REPORT**

Director Fernandez passed along a request from former Director Gacoscos about the Union City Chamber of Commerce, and how they have requested USD representation on their board. Communications Coordinator Michelle Powell will take on this responsibility.

A District vehicle was involved in a minor vehicle accident which caused minor damage to the vehicle, and no injuries.

There are no spills and no accidents to report.

The Newark Fire Department conducted an inspection of the Newark Pump Station.

The small leak at the Hayward Marsh reported earlier to the Board has now been repaired.

We have submitted our annual salary and benefits report to the State Controller's Office.

We are recruiting for a CIP Coach to replace Sami Ghossain, who has been promoted to Manager of Technical services.

We participated in the Newark Days Parade, with Director Kite. The after-parade event was well-attended, and our outreach component received 125 pledges not to pollute.

20. **OTHER BUSINESS**

Director Fernandez will cover the November EBDA meeting for Director Handley.

21. **ADJOURNMENT**

At 7:54 p.m., the Board adjourned to a Closed Litigation Session to Discuss Settlement of the Carter vs. EBDA Lawsuit (California Code Section 54956.9).

22. **RECONVENTION**

The Board reconvened at 8:09 p.m.

23. **AUTHORIZING USD'S EBDA REPRESENTATIVE TO PROPOSE A SETTLEMENT AGREEMENT ASSOCIATED WITH LEGAL ACTION IN CARTER VS. EBDA**

Action

On a motion by Director Kite and seconded by Director Fernandez, the Board authorized its EBDA representative, Director Handley, to settle the lawsuit. The motion carried unanimously.


24. **ADJOURNMENT**

The Board will adjourn to a Workshop on Monday, October 21, 2013 at 6:30 p.m. in the Alvarado Conference Room, to discuss Management and Unclassified Employee Benefits.

25. **ADJOURNMENT**


The Board will then adjourn to the next Regular Board Meeting on Monday, October 28, 2013 in the Boardroom at 7:00 p.m.

SUBMITTED:



TOM GRAVES
SECRETARY TO THE BOARD

ATTEST



JENNIFER TOY
SECRETARY

APPROVED:



ANJALI LATHI
PRESIDENT

Adopted this 28th day of October, 2013.