

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
January 27, 2014**

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

PRESENT: Anjali Lathi, President
Manny Fernandez, Vice President
Jenifer Toy, Secretary
Tom Handley, Director

ABSENT: Pat Kite, Director
Ed McCormick, Deputy General Manager
David O'Hara, Legal Counsel

STAFF: Richard Currie, General Manager/District Engineer
Rich Cortes, Business Services Manager
Sami Ghossain, Technical Support & Customer Services Manager
David Livingston, Treatment & Disposal Services Manager
Shawn Nsgis, Collection Services Coach
Robert Simonich, Fabrication, Maintenance & Construction Manager
Maria Scott, Principal Financial Analyst
Sol Cooper, Mechanic II
Judi Berzon, Human Resources Administrator
Carol Rice, Acting Assistant to the GM/Board Secretary

VISITORS: None

4. APPROVAL OF THE MINUTES OF JANUARY 13, 2014.

On a motion made by Director Handley and seconded by Director Toy, the Minutes of the Board of Directors' Meeting of January 13, 2014 were unanimously approved (Director Kite was absent).

5. WRITTEN COMMUNICATIONS.

The Board received a newsletter from the League of Volunteers; Director Lathi received a renewal notice from CWEA.

6. ORAL COMMUNICATIONS.

There were no oral communications.

7. MONTHLY OPERATIONS REPORT FOR DECEMBER 2013.

General Manager Rich Currie reported the following: there were three odor complaints in December; two were not related to USD operations. One was related to a chlorine bleach odor; staff investigated and detected a slight odor, probably due to maintenance being done that day. They followed up the next day and could detect no residual chlorine odor. There were no safety accidents or injuries in December and no spills. Dave Livingston attended the Solano County Biosolids Stakeholders meeting in December. Rich noted a mistake made on the GM's summary under Staffing and Personnel. The report stated that Jeff Barton had resigned; however, it was Jacob Donelan-Hall, plant operator who resigned. Jim McPherson, Technical Training Coach recently retired and Steve Brown is his replacement. Mary Pedro, long time CIP Administrative Assistant retired in December and her replacement is Kristina Silva. The hours worked per employee was 35.2, which is above target and sick leave usage is at 44.

Maria Scott reported that capacity fees are above budget; however, there will be an adjustment of about \$500K to the Old Castle billing; we received our first installment of sewer service charges, about \$22M; SRF proceeds are caught up until the Thickener agreement is approved, at which time staff will submit reimbursements; there has been about \$4M spent on the Cogen Project; Work Groups are under budget except the GM, due to EBDA/CSRMA legal fees. Under Investments, she reported that LAIF is now .264%; we purchased three CD's; and one agency, one treasure, and one FNMA was called. Under retiree medical, two ARC payments were made and the Trust earned \$120K for the quarter.

8. RESOLUTION NO. 2727, ACCEPTING THE CONSTRUCTION OF THE RAS PUMP STATION PIPING IMPROVEMENTS PROJECT FROM ANDERSON PACIFIC ENGINEERING CONSTRUCTION, INC., AND AUTHORIZING THE ATTORNEY FOR THE DISTRICT TO RECORD A NOTICE OF COMPLETION.

The Construction Committee reviewed this item. Sami Ghossain stated that in January 2013, the Board awarded the construction contract to APEC for \$506,200 to address immediate concerns that arose after a condition assessment of the RAS Pump Station. The Return Activated Sludge (RAS) Pump Station was originally constructed in 1985 and was later rehabilitated as part of the 1993 Plant Upgrade Project. During preliminary design, the rehabilitation of the RAS Pump Station was narrowed down to two alternatives: partial rehabilitation and full rehabilitation of the Pump Station. The partial

rehabilitation alternative was selected to address the immediate concerns, while the full rehabilitation will occur later with the future rehabilitation of Secondary Clarifiers 5 & 6. Brown and Caldwell completed the design in December 2012. The project includes seven change orders at a total credit of -\$55,047.00.

On a motion made by Director Fernandez, and seconded by Director Handley, it was unanimously approved to adopt Resolution No. 2727, to accept the construction of the RAS Pump Station Piping Improvements Project from Anderson Pacific Engineering Construction, Inc., and authorize the Attorney for the District to record a Notice of Completion (Director Kite was absent).

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RESOLUTION NO. 2727

ACCEPTING CONSTRUCTION OF THE
RAS PUMP STATION PIPING IMPROVEMENTS PROJECT FROM
ANDERSON PACIFIC ENGINEERING CONSTRUCTION, INC.
LOCATED IN UNION CITY, CALIFORNIA

RESOLVED: That the Board of Directors of the UNION SANITARY DISTRICT hereby accepts the RAS Pump Station Piping Improvements Project from Anderson Pacific Engineering Construction, Inc., effective January 27, 2014; and be it

FURTHER RESOLVED: That the Attorney for the District is authorized to file a "Notice of Completion" for the project.

On motion duly made and seconded, this resolution was adopted by the following vote on January 27, 2014:

AYES: Fernandez, Handley, Lathi, Toy

NOES: ----

ABSENT: Kite

ABSTAIN: ----



ANJALI LATHI
President, Board of Directors
Union Sanitary District

Attest:



JENNIFER TOY
Secretary, Board of Directors
Union Sanitary District

AUTHORIZE THE GENERAL MANAGER TO APPROVE CONTRACT CHANGE ORDER NO. 28 WITH D. W. NICHOLSON CORPORATION FOR THE COGENERATION PROJECT.

The Construction Committee reviewed this item. Sami Ghossain explained that this change order is for installing oxidation catalysts on the exhaust piping of the two engine generators to control the CO emission. The Board awarded the contract in March 2013 to D. W. Nicholson.

The project consists of constructing two new 850-Kilowatt 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. Sami informed the Board of a contract change order that will be executed by the General Manager soon to account for the installation of additional equipment for each engine generator.

On a motion made by Director Toy and seconded by Director Handley, the Board unanimously moved to authorize the General Manager to approve contract Change Order No. 28 for an amount not to exceed \$300,000 with D. W. Nicholson Corporation for the Cogeneration Project (Director Kite was absent).

9. STATUS REPORT ON COMPUTER PURCHASE AND STUDENT LOAN PROGRAM.

The Budget & Finance Committee reviewed this item. As of July 1, 2013, Rich Cortes reported the outstanding loan amount was \$38,222. New loan amounts for \$5,645 were added. Employee payroll deductions amounted to \$13,182, reducing the outstanding loan amount to \$30,684 (as of December 31, 2013).

10. CAL-CARD QUARTERLY ACTIVITY REPORT.

Rich Cortes reported that during the period of September 24, 2013 through December 23, 2013, there were 155 transactions. There were no questions from the Board.

11. DETERMINING POLICIES TO BE REVIEWED BY THE AUDIT COMMITTEE.

The Budget and Finance Committee reviewed this item. Maria Scott reported that the Audit Committee met in December; at the next meeting four policies will be reviewed and named in their Charter.

12. APPROVE THE PUBLICLY AVAILABLE PAY SCHEDULE.

The Budget and Finance Committee reviewed this item. Judi Berzon noted the schedule is being brought before the Board and reflects the pay adjustment for the Junior Engineer because the educational requirement was modified. The salary has been established to be 10% below the Assistant Engineer.

It was moved by Director Handley, seconded by Director Fernandez, and the Board unanimously approved the Publicly Available Pay Schedule (Director Kite was absent).

13. INFORMATION ITEMS:

a. **Check Register.** The Board had no questions.

14. ANALYSIS OF POTENTIAL CAPACITY FEE MODIFICATION FOR RESTAURANTS:

The Legal/Community Affairs Committee reviewed this item. Rich Currie stated this item is in response to a request from the Board to gather information regarding capacity fees charged to restaurant owners in the service area. Staff surveyed Milpitas, Hayward, and San Jose and found that USD's fees are below Hayward but higher than Milpitas and San Jose. Reducing our rate to 50% of the current rate would put us below Milpitas and Hayward. Staff is preparing information on capacity fees paid over the last 12 years and waiting to receive comments from business development staff at the three cities. Once the information is collected we will meet with the committee.

15. UPDATING POLICY 3040 – BOARD MEMBER COMPENSATION LIMITS:

The Personnel Committee reviewed this item. Rich Currie stated this policy comes up for review every three years. It outlines the procedure for the Board to increase Board meeting fees and ties into Ordinance 44. The Board voted not to increase their fee for the 11th straight year; however, he is recommending that the Board review Ordinance 44 annually during open session at a regular Board meeting.

16. ESTABLISHING THE GENERAL MANAGER'S COMPENSATION PACKAGE FOR 2014:

Each January the Board conducts an evaluation of the General Manager's performance from the prior calendar year. Feedback is then provided to the General Manager in a closed session meeting. In an open session meeting, the

Board reviews information prepared by HR giving the salary and benefits of eleven agencies previously selected for comparison.

The Board discussed the information presented and voiced their recommendations. After discussion, it was moved by Director Handley, seconded by Director Fernandez, and unanimously agreed to increase the General Manager's base pay by 4 ½% (Director Kite was absent).

17. COMMITTEE MEETING REPORTS: The Construction, Legal/Community Affairs, Personnel, and Budget & Finance Committees met the week of January 23, 2014.

17.1 REPORT ON THE EBDA COMMISSION MEETING OF JANUARY 23, 2014.
Director Handley reported on the EBDA Commission Meeting of January 23rd.

18. GENERAL MANAGER'S REPORT:

Rich Currie reported the following:

- The recruitment to hire an engineer opened last week. Staff is looking to fill one or two positions as a result of Ric Pipkin and Raymond Chau's promotions.
- Dave Livingston is working on filling vacancies in the T&D Workgroup.
- Tom Graves recently resigned and Carol Rice is filling in temporarily until a new Assistant to the GM/Board Secretary is hired.
- Due to construction at the District, there was a hold on plant tours; however, three have now been scheduled for February.
- A Local Limits Workshop is scheduled for January 29 and a Budget Workshop is scheduled for February 3, 2014.
- Ed McCormick is attending WEF meetings for the next two weeks and will conference in for the Budget workshop.

19. OTHER BUSINESS:

Director Handley asked the Board to consider using the USD email for all correspondence instead of their personal email to avoid any problems that could occur because of the Brown Act. Director Lathi agreed and suggested possibly making this a formal policy.

Director Fernandez asked about the procedure for scheduling a tour of the plant. Rich Currie stated that anyone wanting a tour may call the receptionist who will direct them to the appropriate person.

20. ADJOURNMENT:

The Board adjourned the meeting at 7:56 p.m. to a Closed Session in the Boardroom to discuss the performance of the General Manager for 2013 (Government Code Section 54957). Rich Currie read the disclosure statement.

At 8:28 p.m., the Board adjourned and will hold a Workshop in the Boardroom on Wednesday, January 29, 2014 at 6:30 p.m., to discuss Local Limits on Ammonia.

The Board will then adjourn to a Mid-Year Budget Workshop in the Boardroom on Monday, February 3, 2014 at 6:30 p.m.

The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, February 10, 2014 at 7:00 p.m.

SUBMITTED:



CAROL RICE
SECRETARY TO THE BOARD

ATTEST:



JENNIFER TOY
SECRETARY

APPROVED:



ANJALI LATHI
PRESIDENT

Adopted this 10th day of February 2014