

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
December 4, 2017**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

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

STAFF: Paul Eldredge, General Manager
Karen Murphy, District Counsel
James Schofield, Collection Services Manager
Armando Lopez, Treatment and Disposal Services Manager
Sami Ghossain, Technical Services Manager
Laurie Brenner, Business Services Team Coach
Lily Moreno, Accounting and Financial Analyst
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITORS: Alice Johnson, League of Women Voters
Roelle Balan, Tri-City Voice Newspaper
Brian Gruber, Lance, Soll, & Lunghard, LLP

APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 13, 2017

It was moved by Director Handley, seconded by Secretary Fernandez, to approve the Minutes of the Meeting of November 13, 2017. Motion carried unanimously.

OCTOBER 2017 MONTHLY OPERATIONS REPORT

This item was reviewed by the Budget & Finance and Legal/Community Affairs Committees. General Manager Eldredge provided an overview of the odor report, and Business Services Coach Brenner summarized the financial reports included in the Board meeting packet.

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

There were no oral communications.

CERTIFIED ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR (FY) ENDING JUNE 30, 2017

This item was reviewed by the Audit Committee. Business Services Coach Brenner stated the District engages an independent accounting firm to audit the financial statements and records each fiscal year. There were no significant audit findings for FY 2017 as stated in the Government Auditing Standards letter from auditors Lance, Soll, & Lunghard, LLP, Certified Public Accountants. Staff recommended the Board receive and direct staff to file the Certified Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2017.

It was moved by Vice President Lathi, seconded by Director Toy, to Receive and Direct Staff to File the Certified Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2017. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 2 WITH CAROLLO ENGINEERS FOR THE PRIMARY DIGESTER NO. 3 REHABILITATION PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated Primary Digester No. 3, originally constructed in 1962, was last taken out of service for cleaning and assessment in 2010. Staff removed Primary Digester No. 3 from service in Spring 2017, and plan to clean and rehabilitate the Digester before placing it back in service. At its regular meeting held November 13, 2017, the Board awarded the construction contract for the Project to Monterey Mechanical Company. Staff recommended the Board authorize the General Manager to execute Task Order No. 2 with Carollo Engineers in the amount of \$94,517 for providing engineering services during construction of the Primary Digester No. 3 rehabilitation Project.

It was moved by Director Fernandez, seconded by Vice President Lathi, to Authorize the General Manager to Execute Task Order No. 2 with Carollo Engineers in the Amount of \$94,517 for Providing Engineering Services During Construction of the Primary Digester No. 3 Rehabilitation Project. Motion carried unanimously.

CONSIDER A RESOLUTION TO ACCEPT THE CONSTRUCTION OF THE FORCE MAIN CORROSION REPAIRS PROJECT PHASE 1 FROM CRATUS, INC. AND AUTHORIZE RECORDATION OF A NOTICE OF COMPLETION

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the District operates and maintains the transport system that consists of three pump stations, three lift stations, and approximately 12 ½ miles of twin force main pipelines to convey wastewater to the Alvarado Wastewater Treatment Plant. Following a visual inspection inside all 78 force main manholes, Carollo Engineers reviewed the data and recommended all corroded elements within the 78 manholes be rehabilitated or replaced. The Board awarded the Phase 1 construction contract to Cratus, Inc. on June 12, 2017, and the project was substantially completed on October 6, 2017. The construction contract included five change orders, the change orders have been executed, and the District has assumed beneficial use of the Project. Staff recommended the Board consider a resolution to accept the construction of the Force Main Corrosion Repairs Project Phase 1 from Cratus Inc., and authorize recordation of a Notice of Completion.

It was moved by Director Fernandez, seconded by Director Handley, to Adopt Resolution No. 2821 Accepting Construction of the Force Main Corrosion Repairs Project Phase 1 Located in the Cities of Fremont, Newark, and Union City, California, from Cratus, Inc. Motion carried unanimously.

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RESOLUTION NO. 2821

**ACCEPT CONSTRUCTION OF THE
FORCE MAIN CORROSION REPAIRS PROJECT PHASE 1
LOCATED IN THE CITIES OF FREMONT, NEWARK, AND UNION CITY,
CALIFORNIA
FROM CRATUS, INC.**

BE IT RESOLVED, by the Board of Directors of the UNION SANITARY DISTRICT that it hereby accepts the Force Main Corrosion Repairs Project Phase 1 from Cratus, Inc., effective December 4, 2017; and

BE IT FURTHER RESOLVED that the Board of Directors of the UNION SANITARY DISTRICT hereby authorizes the General Manager/District Engineer, or his designee, to execute and record a "Notice of Completion" for the Project.

On motion duly made and seconded, this resolution was adopted by the following vote on December 4, 2017:

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None

ABSENT: None

ABSTAIN: None



PAT KITE
PAT KITE
President, Board of Directors
Union Sanitary District

Attest:



MANNY FERNANDEZ
MANNY FERNANDEZ
Secretary, Board of Directors
Union Sanitary District

INFORMATION ITEMS:

Status of Priority 1 Capital Improvement Program Projects

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the Board approved the Capital Improvement Program (CIP) Budget for Fiscal Year 2018 (FY18) in the amount of \$10.08 million for design and construction of 30 CIP projects. The 30 projects were ranked as Priority 1, 2, or 3 based upon criteria prepared by staff and approved by the Executive Team. The status of Priority 1 projects is 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 for review. For FY18, 10 projects were ranked as Priority 1, and the remaining 20 are ranked as Priority 2 or 3.

First Quarterly Report on the Capital Improvement Program for FY 18

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated first quarter expenditures for FY18 were presented on budget projection graphs included in the Board meeting packet. The graphs depict actual expenditures versus approved budget for Capacity Fund 900, Renewal and Replacement Fund 800, as well as for both funds combined. Total CIP expenditures up to September 30, 2017, were under projections by approximately \$40,000.

Check Register

All questions were answered to the Board's satisfaction.

Report on the East Bay Dischargers Authority (EBDA) Meeting of November 16, 2017

Director Toy provided an overview of the EBDA meeting minutes included in the Board meeting packet.

COMMITTEE MEETING REPORTS:

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

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- Introduced Lily Moreno, recently hired as an Accounting and Financial Analyst.
- The Union City Council will review a proposal for the property adjacent to the District's Plant at its regular meeting to be held December 12, 2017.
- A Board Special Meeting Closed Session will be held at 5:30 p.m. on December 12, 2017.
- The Board was invited to attend the annual District Staff Holiday Potluck on December 7, 2017.
- EBDA General Manager interviews will be held soon, and USD will be assisting with the interview process.
- The California Association of Sanitation Agencies (CASA) Winter Conference will be held January 24 – 26, 2018, in Palm Springs. Registration will end January 9, 2018,

and the Conference will include a session titled "Pensions and Politics" which will focus on pensions and PERS.

- The CASA Washington DC Policy Forum will be held February 26-28, 2018, and registration will end February 2, 2018.

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 7:44 p.m. to the next Special Board Meeting in the Boardroom on Monday, December 18, 2017, at 7:00 p.m.

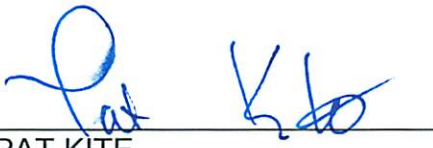
SUBMITTED:

ATTEST:


REGINA McEVOY
BOARD CLERK


MANNY FERNANDEZ
SECRETARY

APPROVED:


PAT KITE
PRESIDENT

Adopted this 18th day of December 2017