

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
October 22, 2018**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

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

STAFF: Paul Eldredge, General Manager/District Engineer
Karen Murphy, District Counsel
Armando Lopez, Treatment and Disposal Services Manager
Sami Ghossain, Technical Services Manager
Robert Simonich, Fabrication, Maintenance, and Construction Manager
Laurie Brenner, Business Services Coach
Jose Rodrigues, Collection Services Coach
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITOR: Alice Johnson, League of Women Voters
Roelle Balan, Tri-City Voice Newspaper

APPROVE MINUTES OF THE REGULAR MEETING OF OCTOBER 8, 2018

It was moved by Director Handley, seconded by Director Kite, to Approve the Minutes of the Regular Meeting of October 8, 2018. Motion carried unanimously.

SEPTEMBER 2018 MONTHLY OPERATIONS REPORT

This item was reviewed by the Budget & Finance and Legal and Community Affairs Committees. General Manager Eldredge provided an overview of the Odor Report and work group reports included in the Board meeting packet. Business Services Coach Brenner reviewed the financial reports included in the Board meeting packet.

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

There were no oral communications.

CONSIDER RESOLUTIONS FOR THE APPLICATION FOR CLEAN WATER STATE REVOLVING FUND FINANCIAL ASSISTANCE FOR THE PRIMARY DIGESTER NO. 7 PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated staff will prepare an application package to submit to the State Water Resources Control Board (SWRCB) for financial assistance of up to \$25 million for design and construction of the Primary Digester No. 7 Project. The financial assistance application required three separate resolutions be adopted by the Board: Authorizing Resolution, Pledged Revenues and Fund(s) Resolution, and Reimbursement Resolution. Staff recommended the Board consider three resolutions required for the SWRCB application.

It was moved by Vice President Fernandez, seconded by Secretary Toy, to Adopt Resolution No. 2839 Authorizing Resolution, Resolution No. 2840 Pledged Revenues and Fund(s) Resolution, and Resolution No. 2841 Reimbursement Resolution for the SWRCB Financial Assistance Application for the Primary Digester No. 7 Project. Motion carried unanimously.

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RESOLUTION NO. 2839

AUTHORIZING RESOLUTION/ORDINANCE

BE IT RESOLVED, by the Board of Directors of the Union Sanitary District (the "Entity"), in Alameda County, California, as follows:

The Manager of Technical Services (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Primary Digester No. 7 Project (the "Project").

The Authorized Representative, or his/her designee, is designated to provide assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

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 22nd day of October 2018.

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None

ABSTAIN: None

ABSENT: None



ANJALI LATHI
President, Board of Directors
Union Sanitary District

Attest:



JENNIFER TOY
Secretary, Board of Directors
Union Sanitary District

RESOLUTION NO. 2840

PLEDGED REVENUES AND FUND(s) RESOLUTION

WHEREAS, the Union Sanitary District (the "Entity") has established the SRF Contingency Reserve fund for the repayment of the Clean Water State Revolving Fund financial assistance per the Entity's policy; and

WHEREAS, the Board of Directors of the Entity approved the Capital Improvement Program that identified the Primary Digester No. 7 Project.

THEREFORE, BE IT RESOLVED, the Entity hereby dedicates and pledges the Wastewater Enterprise Fund and Net Revenues thereof for the repayment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Primary Digester No. 7 Project (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 22nd day of October 2018.

AYES: Fernandez, Handley, Kite, Lathi, Toy


NOES: None

ABSTAIN: None

ABSENT: None


ANJALI LATHI
President, Board of Directors
Union Sanitary District

Attest:


JENNIFER TOY
Secretary, Board of Directors
Union Sanitary District

RESOLUTION NO. 2841

REIMBURSEMENT RESOLUTION

WHEREAS, the Union Sanitary District (the "Agency") desires to finance the costs of constructing the Primary Digester No. 7 Project (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER, AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$25,000,000.00.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

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 22nd day of October 2018.

AYES: Fernandez, Handley, Kite, Lathi, Toy


NOES: None

ABSTAIN: None

ABSENT: None


ANJALI LATHI
President, Board of Directors
Union Sanitary District

Attest:


JENNIFER TOY
Secretary, Board of Directors
Union Sanitary District

CONSIDER RESOLUTIONS FOR THE APPLICATION OF CLEAN WATER STATE REVOLVING FUND FINANCIAL ASSISTANCE FOR THE STANDBY POWER GENERATION SYSTEM UPGRADE PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated staff will prepare an application package to submit to the State Water Resources Control Board (SWRCB) for financial assistance of up to \$28 million for design and construction of the Standby Power Generation System Upgrade Project. The financial assistance application required three separate resolutions be adopted by the Board: Authorizing Resolution, Pledged Revenues and Fund(s) Resolution, and Reimbursement Resolution. Staff recommended the Board consider three resolutions required for the SWRCB application.

It was moved by Secretary Toy, seconded by Director Handley, to Adopt Resolution No. 2842 Authorizing Resolution, Resolution No. 2843 Pledged Revenues and Fund(s) Resolution, and Resolution No. 2844 Reimbursement Resolution for the SWRCB Financial Assistance Application for the Standby Power Generation System Upgrade Project. Motion carried unanimously.

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RESOLUTION NO. 2842

AUTHORIZING RESOLUTION/ORDINANCE

BE IT RESOLVED, by the Board of Directors of the Union Sanitary District (the "Entity"), in Alameda County, California, as follows:

The Manager of Technical Services (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Standby Power Generation System Upgrade Project (the "Project").

The Authorized Representative, or his/her designee, is designated to provide assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

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 22nd day of October 2018.

AYES: Fernandez, Handley, Kite, Lathi, Toy


NOES: None

ABSTAIN: None

ABSENT: None


ANJALI LATHI
President, Board of Directors
Union Sanitary District

Attest:


JENNIFER TOY
Secretary, Board of Directors
Union Sanitary District

RESOLUTION NO. 2843

PLEGGED REVENUES AND FUND(s) RESOLUTION

WHEREAS, the Union Sanitary District (the "Entity") has established the SRF Contingency Reserve fund for the repayment of the Clean Water State Revolving Fund financial assistance per the Entity's policy; and

WHEREAS, the Board of Directors of the Entity approved the Capital Improvement Program that identified the Standby Power Generation System Upgrade Project.

THEREFORE, BE IT RESOLVED, the Entity hereby dedicates and pledges the Wastewater Enterprise Fund and Net Revenues thereof for the repayment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Standby Power Generation System Upgrade Project (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 22nd day of October 2018.

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None

ABSTAIN: None

ABSENT: None



ANJALI LATHI
President, Board of Directors
Union Sanitary District

Attest:



JENNIFER TOY
Secretary, Board of Directors
Union Sanitary District

RESOLUTION NO. 2844

REIMBURSEMENT RESOLUTION

WHEREAS, the Union Sanitary District (the "Agency") desires to finance the costs of constructing the Standby Power Generation System Upgrade Project (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER, AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$28,000,000.00.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

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 22nd day of October 2018.

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None

ABSTAIN: None

ABSENT: None



ANJALI LATHI
President, Board of Directors
Union Sanitary District

Attest:



JENNIFER TOY
Secretary, Board of Directors
Union Sanitary District

AUTHORIZE THE GENERAL MANAGER TO EXECUTE CONTRACT CHANGE ORDER NO. 9 WITH MONTEREY MECHANICAL COMPANY FOR THE PRIMARY DIGESTER NO. 3 REHABILITATION PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the District has six primary and two secondary digesters at the Alvarado Wastewater Treatment Plant that require periodic cleaning and maintenance. The Board awarded the construction contract to Monterey Mechanical Company (MMC) to repair and rehabilitate Primary Digester No. 3 in November of 2017, and the Project was scheduled to be completed by August 1, 2018. As of the date of the meeting, District staff had executed eight contract orders with MMC. Contract Change Order No. 9 would extend substantial completion of the Project to March 28, 2018. Staff recommended the Board authorize the General Manager to execute Contract Change Order No. 9 with Monterey Mechanical Company (MMC) in the amount of \$457,371 for the Primary Digester No. 3 Rehabilitation Project.

It was moved by Vice President Fernandez, seconded by Director Kite, to Authorize the General Manager to Execute Contract Change Order No. 9 with Monterey Mechanical Company in the Amount of \$457,371 for the Primary Digester No. 3 Rehabilitation Project. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 TO 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 the purpose of Amendment No. 2 to Task Order No. 2 would be to authorize additional engineering services during construction, mainly due to upcoming sludge mixing pipelines replacement work. The scope of services for Amendment No. 2 will include additional project management, submittal review, requests for information, and site visits associated with the sludge mixing pipelines replacement and tasks that exceed the original assumptions during construction. Staff recommended the Board authorize the General Manager to execute Amendment No. 2 to Task Order No. 2 with Carollo Engineers in the amount of \$32,398 to provide additional design services during construction of the Primary Digester No. 3 Rehabilitation Project.

It was moved by Vice President Fernandez, seconded by Director Kite, to Authorize the General Manager to Execute Amendment No. 2 to Task Order No. 2 with Carollo Engineers in the Amount of \$32,398 to Provide Additional Design Services During Construction of the Primary Digester No. 3 Rehabilitation Project. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 6 WITH WEST YOST ASSOCIATES FOR THE FORCE MAIN CORROSION REPAIRS PROJECT, PHASE 3

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated all of the District's 78 manholes were corroded and in need of rehabilitation or replacement. Phases 1 and 2 of the Force Main Corrosion Repairs Project rehabilitated 34 manholes. Phase 3 of the Project will address corrosion repairs for manholes between Newark Pump Station and Irvington Pump Station. Task Order No. 6 will authorize design for Project Phase 3. Staff recommended the Board consider authorizing the General Manager to execute Task Order No. 6 with West Yost Associates in the amount of \$59,533 to provide design services for the Force Main Corrosion Repairs Project, Phase 3.

It was moved by Secretary Toy, seconded by Director Handley, to Authorize the General Manager to Execute Task Order No. 6 with West Yost Associates in the Amount of \$59,533 to Provide Design Services for the Force Main Corrosion Repairs Project, Phase 3. Motion carried unanimously.

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO TASK ORDER NO. 2 WITH WOODARD & CURRAN, INC. FOR THE HEADWORKS SCREEN NO. 3 PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the Headworks Screen No. 3 Project will include replacement of the manual bar rack of Screen No. 3 with a mechanical multi-rake bar screen. The Fiscal Year (FY) 2019 CIP budget included a replacement project for Mechanical Screens No. 1 and 2 starting in FY 2021. Due to the critical nature of the bar screens to the Plant's treatment processes, staff decided to move up the replacement timeline for both Mechanical Screens No. 1 and 2 to be included in this Project. Staff recommended the Board authorize the General Manager to execute Amendment No. 1 to Task Order No. 2 with Woodard & Curran, Inc. in the amount of \$56,490 to provide additional design services for the Headworks Screen No. 3 Project.

It was moved by Vice President Fernandez, seconded by Director Kite, to Authorize the General Manager to Execute Amendment No. 1 to Task Order No. 2 with Woodard & Curran, Inc. in the Amount of \$56,490 to Provide Additional Design Services for the Headworks Screen No. 3 Project. Motion carried unanimously.

CONSIDER APPROVAL OF PORTFOLIO MANGEMENT SERVICES CONTRACT

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge and Business Services Coach Brenner stated staff issued an RFP (request for proposals) for portfolio management services, including service options, costs, and estimated rates of return from professional investment firms specializing in the public sector. Staff conducted interviews with the top scoring investment management firms, and

unanimously selected PFM Asset Management LLC. Staff recommended the Board consider authorizing the General Manager to execute a Portfolio Management Services Contract with PFM Asset Management LLC.

It was moved by Director Kite, seconded by Vice President Fernandez, to Authorize the General Manager to Execute a Portfolio Management Services Contract with PFM Asset Management LLC. Motion carried unanimously.

INFORMATION ITEMS:

Cal-Card Quarterly Activity Report

This item was reviewed by the Budget & Finance Committee. Business Services Coach Brenner reviewed the Cal-Card activity report for the first quarter of Fiscal Year 2019 included in the Board meeting packet.

Report on the East Bay Dischargers Authority (EBDA) Meeting of September 20, 2018

Director Handley provided an overview of the September 20, 2018, EBDA meeting summary included in the Board meeting packet.

Board Member Expenses, First Quarter FY19

This item was reviewed by the Budget & Finance Committee. There were no questions regarding the report included in the Board meeting packet.

Check Register

Staff answered Board questions regarding the Check Register.

COMMITTEE MEETING REPORTS:

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

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- General Manager Eldredge stated he requested a copy of a report highlighting the status of nutrients in the greater Bay Area presented at a recent EBDA commission meeting, and will share with the Board via email upon receipt.
- General Manager Eldredge stated he recently met with the Oro Loma and Castro Valley Sanitary District General Managers, and will discuss the conversation with the EBDA JPA Ad Hoc at its next meeting.
- District staff will soon receive the results from Hazen regarding the secondary treatment process evaluation.

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 7:41 p.m. to a Special Meeting in the Alvarado Conference Room on Tuesday, October 23, 2018, at 6:00 p.m.


SUBMITTED:


REGINA McEVOY
BOARD CLERK

ATTEST:


JENNIFER TOY
SECRETARY

APPROVED:


ANJALI LATHI
PRESIDENT

Adopted this 12th day of November 2018