

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT/UNION SANITARY DISTRICT FINANCING
AUTHORITY
February 12, 2024**

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
Anjali Lathi, Director
Pat Kite, 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
Chris Pachmayer, Fabrication, Maintenance, and Construction Coach
Alisa Gordon, Human Resources Manager
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Curtis Bosick, Capital Improvement Projects Coach
Tim Grillo, Research and Support Services Coach
Shawn Nescis, Collection Services Coach
Richard Thow, Customer Service Coach
Trieu Nguyen, IT Administrator
Jose Rivas, Assistant Engineer
Lupita Leon, Junior Engineer
Andrew Majsce, Assistant Engineer
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITORS: Alice Johnson, League of Women Voters

**APPROVE MINUTES OF THE UNION SANITARY DISTRICT BOARD MEETING OF
JANUARY 22, 2024**

It was moved by Director Kite, seconded by Director Lathi, to Approve the Minutes of the Board Meeting of January 22, 2024. Motion carried unanimously.

WRITTEN COMMUNICATIONS

There were no written communications.

PUBLIC COMMENT

There was no public comment.

REVIEW AND CONSIDER APPROVAL OF POLICY NO. 2000, ACCOUNTING STANDARDS

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Carlson stated the Policy was last reviewed and approved by the Board in January 2021; staff recommended no changes to the Policy other than minor administrative updates and clarifications. Staff recommended the Board review and consider approval of Policy No. 2000, Accounting Standards.

It was moved by Vice President Toy, seconded by Director Kite, to Approve Policy No. 2000, Accounting Standards. Motion carried unanimously.

REVIEW AND CONSIDER APPROVAL OF POLICY NO. 2070, CAPITAL ASSETS

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Carlson stated the Policy was last reviewed and approved by the Board in January 2021; staff recommended no changes to the Policy other than minor administrative updates and clarifications. Staff recommended the Board review and consider approval of Policy No. 2070, Capital Assets.

It was moved by Director Kite, seconded by Vice President Toy, to Approve Policy No. 2070, Capital Assets. Motion carried unanimously.

CONSIDER APPROVAL OF A FOUR YEAR \$50 MILLION INTERFUND LOAN FROM CAPACITY FUND 90

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Carlson stated the Enhanced Treatment and Site Upgrade Program has a complex multifaceted funding strategy necessary to complete the estimated \$509 million program. Since the State Revolving Fund (SRF) and Water Infrastructure Finance and Innovation Act (WIFIA) loans will be accessible in 2025 and 2028 respectively, the District will need \$164 million in short term financing to bridge the funding gap. Staff estimate borrowing from the Capacity Fund would save the District \$6.4 million in interest expense that would have otherwise been paid to outside lenders. The funds would be borrowed for four years and then repaid to the Capacity Fund with interest once WIFIA funds become available in 2028. During the loan period, the District would pay the Capacity Fund interest based on the average District investment earning rate as determined on a monthly basis. Staff recommended the Board consider approval of a four-year \$50 million interfund loan from Capacity Fund 90.

It was moved by Secretary Handley, seconded by Director Lathi, to Approve a Four-Year \$50 Million Interfund Loan from Capacity Fund 90. Motion carried unanimously.

CONSIDER A RESOLUTION DECLARING AN EMERGENCY AND AUTHORIZING THE EMERGENCY EXPENDITURE OF FUNDS FOR REPAIRING A SINKHOLE ON CUSHING PARKWAY IN THE CITY OF FREMONT

This item was reviewed by the Engineering and Information Technology Committee. Capital Improvement Projects Coach Bosick stated the District has an existing trunk sewer main at the intersection of Cushing Parkway and Auto Mall Parkway in the City of Fremont. A depression in the asphalt adjacent to the pipeline due to ground subsidence progressed into a sinkhole. Staff have been working with the City of Fremont and USD's geotechnical consultant to determine the best approach for making necessary repairs. The consultant recommended excavation and replacement of impacted soils within the area. Due to the wet weather season and unknown extent of underground soil conditions, repair of the sinkhole must be done as soon as possible and will not allow time for competitive bidding. The proposed resolution would address the requirements of the Public Contract Code to declare an emergency and authorize additional expenditures without the need for competitive bidding. As required by the Public Contract Code, staff will bring an agenda item to the Board to continue the emergency until it has been terminated. Staff recommended the Board adopt a resolution declaring an emergency and authorizing the emergency expenditure of funds for repairing a sinkhole on Cushing Parkway in the City of Fremont.

It was moved by Director Lathi, seconded by Vice President Toy, to Adopt Resolution No. 3007, Declaring an Emergency and Authorizing the Emergency Expenditure of Funds for Repairing a Sinkhole on Cushing Parkway in the City of Fremont. Motion carried unanimously.

####

RESOLUTION NO. 3007

DECLARING AN EMERGENCY AND AUTHORIZING THE EMERGENCY EXPENDITURE OF FUNDS FOR REPAIRING A SINKHOLE ON CUSHING PARKWAY IN THE CITY OF FREMONT

WHEREAS, the road surface in the City of Fremont located at the intersection of Cushing Parkway and Auto Mall Parkway has been damaged by ground subsidence in the form of a sinkhole potentially due to a hole in the District's existing 36-inch RCP trunk sewer main; and

WHEREAS, given that wet weather season is under way and that the full extent of underground soil conditions is unknown, it is necessary for the District to expeditiously proceed with the repair; and

WHEREAS, compliance with competitive bidding procedures typically takes a number of months and would not allow prompt action to be taken to complete the repair, as required to safeguard the public and District facilities; and

WHEREAS, the District's Purchasing Policy and California Public Contract Code (PCC) Section 20806 allow for emergency contracting without competitive bidding in accordance with the requirements of PCC Section 22050; and

WHEREAS, California Environmental Quality Act (CEQA) Guidelines section 15269 establishes a statutory exemption for emergency repairs to public service facilities necessary to maintain service, and other specific actions necessary to prevent or mitigate an emergency and section 15301 establishes an exemption for repair of existing facilities; and

WHEREAS, the damage involves a clear and imminent threat, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, and essential public services.

NOW, THEREFORE, BE IT RESOLVED, BY THE UNION SANITARY DISTRICT BOARD OF DIRECTORS, BASED ON THE STAFF REPORT AND ORAL AND WRITTEN TESTIMONY, AS FOLLOWS:

1. The above recitals are true and correct and are material to this Resolution and are incorporated into this Resolution as findings of the District Board.
2. The Board finds that the repair is exempt under CEQA Guidelines sections 15269 and 15301 as the work is an emergency repair to an existing public facility necessary to maintain service.
3. The Board finds and declares, pursuant to Public Contract Code section 22050(a), that based on substantial evidence presented before the Board, the

emergency will not permit a delay resulting from competitive solicitation for bids for the repair of the road surface over the District's sewer main, and that this action is necessary to respond to the emergency.

4. The Board authorizes staff to proceed with the repair of the road surface located at the intersection of Cushing Parkway and Auto Mall Parkway, and procurement of the necessary equipment, services, and supplies for that purpose without giving notice for bids to contracts.

5. The Board will review the status of the emergency at each subsequent meeting of the Board of Directors and vote to authorize continuation of this resolution until the emergency action is completed.

PASSED, APPROVED, AND ADOPTED by at least a four-fifths vote, at a regular meeting of the Board of Directors on this 12th day of February, 2024.

AYES:	Fernandez, Handley, Kite, Lathi, Toy
NOES:	None
ABSENT:	None
ABSTAIN:	None

DocuSigned by:
Manny Fernandez
77BEF9EB02EB471...

MANNY FERNANDEZ
President, Board of Directors
Union Sanitary District

Attest:

DocuSigned by:
Tom Handley
C0CC5EF393E9442...

TOM HANDLEY
Secretary, Board of Directors
Union Sanitary District

Certificate Of Completion

Envelope Id: 40C889A1517A4565980AF4D315DE8B2E	Status: Completed
Subject: Complete with DocuSign: Reso No. 3007.pdf	
Source Envelope:	
Document Pages: 2	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelope 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
2/15/2024 3:26:03 PM	Reginam@unionsanitary.ca.gov	

Signer Events

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

Signature

DocuSigned by:

 77BEF9EB02EB471...
 Signature Adoption: Pre-selected Style
 Using IP Address: 174.249.151.252


Timestamp

Sent: 2/15/2024 3:26:53 PM
 Viewed: 2/16/2024 10:39:44 AM
 Signed: 2/16/2024 10:39:55 AM

Electronic Record and Signature Disclosure:

Accepted: 1/26/2022 9:26:24 AM
 ID: e4140941-90d6-45cc-8907-105cc2a7d5cd

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

DocuSigned by:

 C0CC5EF393E9442...
 Signature Adoption: Pre-selected Style
 Using IP Address: 107.3.183.199
 Signed using mobile

Sent: 2/15/2024 3:26:53 PM
 Viewed: 2/15/2024 3:47:32 PM
 Signed: 2/15/2024 3:47:43 PM

Electronic Record and Signature Disclosure:

Accepted: 10/13/2022 7:41:57 PM
 ID: 4ae6b5bb-38a4-455f-804c-3e3f6079cc08

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
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/15/2024 3:26:53 PM
Certified Delivered	Security Checked	2/15/2024 3:47:32 PM

Envelope Summary Events	Status	Timestamps
Signing Complete	Security Checked	2/15/2024 3:47:43 PM
Completed	Security Checked	2/16/2024 10:39:55 AM

Payment Events	Status	Timestamps
-----------------------	---------------	-------------------

Electronic Record and Signature Disclosure

AWARD THE CONSTRUCTION CONTRACT FOR THE ALVARADO INFLUENT VALVE BOX REHABILITATION PROJECT TO GATEWAY PACIFIC CONTRACTORS, INC.

This item was reviewed by the Engineering and Information Technology Committee. Capital Improvement Projects Coach Bosick stated the Board initially awarded the construction contract for the Project in January 2020. In March 2020, COVID-19 shelter in place orders halted the project and the construction contract was terminated by the Board in January 2021. The Project will require numerous nighttime plant shutdowns and confined space entries by both staff and the contractor to remove grit from Control Box No. 1 and construct the necessary modifications. The Project was re-advertised for bids and two bids were received. The Engineer's Estimate for the total Base Bid plus Bid Alternates A through C was \$873,040. Gateway Pacific Contractors was the apparent low bidder with a total price of \$1,297,000, which was 48% above the Engineer's Estimate. Staff does not anticipate the bidding environment or market conditions to improve significantly in the near future to warrant rebidding the project, a detailed description of the bidding environment and market conditions was included in the Board meeting packet. Staff reviewed Gateway's bid and no irregularities were found and no bid protests were received. Staff recommended the Board award the construction contract, including Bid Alternates A, B, and C, for the Alvarado Influent Valve Box Rehabilitation Project to Gateway Pacific Contractors, Inc. in the amount of \$1,297,000.

It was moved by Vice President Toy, seconded by Director Lathi, to Award the Construction Contract, Including Bid Alternates A, B, and C, for the Alvarado Influent Valve Box Rehabilitation Project to Gateway Pacific Contractors, Inc. in the Amount of \$1,297,000. Motion carried unanimously.

RECEIVE INFORMATION AND PROVIDE DIRECTION REGARDING PARS 115 PENSION TRUST INVESTMENT PORTFOLIO

Business Services Manager/CFO Carlson stated the Board adopted Policy No. 2095, Pension and OPEB Funding, in May 2021. The Policy provided direction to District staff in managing its Pension and Other Post Employment Benefit (OPEB) liabilities and recommended an annual budget consideration by the Board of an amount that may be set aside toward achieving that funding goal. The Board previously directed staff to budget \$3,000,000 per year in the PARS 115 Trust. Due to market conditions, the Investment and Portfolio ad-hoc committee recommended, and the Board concurred, not to transfer the funds each year to the Trust, but rather hold the funds in District investments until such time that market conditions improved. The Investment and Portfolio ad-hoc developed three options for the Board to consider, which were described in detail and included in the Board meeting packet. The Investment and Portfolio ad-hoc also evaluated several options for the 115 Trust investment strategy which were included in the Board meeting packet. Staff recommended the Board receive information and provide direction regarding PARS 115 Pension Trust Investments.

The Board directed staff to move the funds to the Trust over the coming five months in equal monthly instalments and change the investment strategy to 1/3 low yield and 2/3 medium yield investments.

INFORMATION ITEMS:

Consultant Shortlists for Capital Improvement Projects

This item was reviewed by the Engineering and Information Technology Committee. Capital Improvement Projects Coach Bosick stated the District utilizes shortlists to assist with selection of consultants for future Capital Improvement Projects. Consultants on the shortlists have been pre-qualified based on their firm's qualifications, experience, and project team personnel; the shortlists are reviewed and updated every three years. In October 2023, staff invited 17 consultant firms to submit their statements of qualifications (SOQs) in any category for which they would like to be considered. Staff received a total of 10 SOQ's from five different firms. After evaluating each firm's SOQ, staff finalized the 2024-2026 shortlists summarized in the Board meeting packet. Staff will utilize the new shortlists through 2026 and re-evaluate the lists prior to their expiration at the end of 2026.

Update on the Subsurface Investigation at the Alvarado Wastewater Treatment Plant

This item was reviewed by the Engineering and Information Technology Committee. Capital Improvement Projects Coach Bosick stated staff hired Brown and Caldwell to collect groundwater samples from the seven groundwater monitoring wells at the Plant, analyze the test results, and prepare a report. The conclusions from the 2023 groundwater monitoring event were outlined in the Board meeting packet. Overall, the 2023 sampling results were similar to the 2022 results. The sampling results from the 2023 groundwater monitoring event do not support the case for closure of the monitoring wells. Staff will continue the monthly purging of monitoring well 1 (MW-1) and will perform the next sampling during the 2024 groundwater monitoring event.

Check Register

There were no questions regarding the check register.

COMMITTEE MEETING REPORTS:

The Budget & Finance and Engineering and Information Technology Committees met.

GENERAL MANAGER'S REPORT:

- General Manager Eldredge provided a COVID update.
- Staff will be working on a concept to show some of the work performed by Collections Services crews and will share a draft with the Board.
- There will be a Special Board Meeting at 4:00 p.m. on February 13, 2024, in the Alvarado Conference Room.
- District offices will be closed in honor of President's Day, Monday, February 19, 2024.

OTHER BUSINESS:


There was no other business.

ADJOURNMENT:


The meeting was adjourned at 4:45 p.m. to a Special Board Meeting to be held Tuesday, February 13, 2024, at 4:00 p.m.

The Board will then adjourn to the next Regular Meeting to be held in the Boardroom on Monday, February 26, 2024, at 4:00 p.m.

SUBMITTED:

DocuSigned by:

E550CBRC143D4D7
REGINA McEVOY
BOARD CLERK

ATTEST:

DocuSigned by:

C0CC5FE393E9442
TOM HANDLEY
SECRETARY

APPROVED:

DocuSigned by:

77BEF9EB02EB471...
MANNY FERNANDEZ
PRESIDENT

Adopted this 26th day of February 2024

Certificate Of Completion

Envelope Id: 869A1C958240484982A52BADA52C1F56	Status: Completed
Subject: Complete with DocuSign: 02122024 Meeting Minutes.pdf	
Source Envelope:	
Document Pages: 10	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelope 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 2/27/2024 11:05:49 AM	Holder: Regina McEvoy Reginam@unionsanitary.ca.gov	Location: DocuSign
---	---	--------------------

Signer Events

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

Signature

DocuSigned by:
Manny Fernandez
77BEF9EB02EB471...

Signature Adoption: Pre-selected Style
Using IP Address: 174.249.155.151

Timestamp

Sent: 2/27/2024 11:06:45 AM
Viewed: 2/29/2024 11:05:33 AM
Signed: 2/29/2024 11:05:42 AM

Electronic Record and Signature Disclosure:

Accepted: 1/26/2022 9:26:24 AM
ID: e4140941-90d6-45cc-8907-105cc2a7d5cd

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

DocuSigned by:
Regina McEvoy
E550CBBC143D4D7...

Signature Adoption: Pre-selected Style
Using IP Address: 50.227.238.26

Sent: 2/27/2024 11:06:46 AM
Viewed: 2/27/2024 11:08:03 AM
Signed: 2/27/2024 11:08:07 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

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

DocuSigned by:
Tom Handley
C0CC5EF393E9442...

Signature Adoption: Pre-selected Style
Using IP Address: 166.198.34.49
Signed using mobile

Sent: 2/27/2024 11:06:46 AM
Resent: 3/1/2024 4:09:17 PM
Resent: 3/4/2024 8:21:50 AM
Resent: 3/6/2024 12:01:22 PM
Viewed: 3/7/2024 11:33:41 AM
Signed: 3/7/2024 11:34:17 AM

Electronic Record and Signature Disclosure:

Accepted: 10/13/2022 7:41:57 PM
ID: 4ae6b5bb-38a4-455f-804c-3e3f6079cc08

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
---------------------------	---------------	------------------

Witness Events	Signature	Timestamp
-----------------------	------------------	------------------

Notary Events	Signature	Timestamp
----------------------	------------------	------------------

Envelope Summary Events	Status	Timestamps
--------------------------------	---------------	-------------------

Envelope Sent	Hashed/Encrypted	2/27/2024 11:06:46 AM
Certified Delivered	Security Checked	3/7/2024 11:33:41 AM
Signing Complete	Security Checked	3/7/2024 11:34:17 AM
Completed	Security Checked	3/7/2024 11:34:17 AM

Payment Events	Status	Timestamps
-----------------------	---------------	-------------------

Electronic Record and Signature Disclosure
