

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
February 25, 2013**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**

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

ABSENT: None

STAFF: Richard Currie, General Manager/District Engineer
Judi Berzon, Human Resources Administrator
Richard Cortes, Business Services Manager
Jesse Gill, Technical Support & Customer Services Manager
Sami Ghossain, Capital Improvements Projects Coach
Dave Livingston, Treatment and Disposal Services Manager
Andy Morrison, Collection Services Manager
Mike Mosley, Instrument Technician/Electrician
David O'Hara, Legal Counsel
Robert Simonich, Fabrication, Maintenance & Construction Manager
Donna Wies, Quality Coordinator
Tom Graves, Assistant to the General Manager/Board Secretary

CONSULTANTS: Glenn Berkheimer, IEDA Professional Staff

VISITORS: Ellen Culver, League of Women Voters

4. APPROVAL OF THE MINUTES OF FEBRUARY 11, 2013

Action

On a motion made by Director Handley and seconded by Director Toy, the Minutes of the Board of Directors Meeting of February 11, 2013 were approved. The motion carried unanimously.

5. WRITTEN COMMUNICATIONS

There were no official written communications.

6. ORAL COMMUNICATIONS

There were no oral communications.

7. MONTHLY OPERATIONS REPORT.

a. Districtwide Balanced Scorecard Measures

Safety

Quality Coordinator Donna Wies reviewed the Balanced Scorecard. Performance on all safety measures is meeting targets, except the number of facility inspections performed. The goal is to complete one per quarter. In order to meet the annual target, two inspections will be performed by USD staff in the 3rd quarter.

There were two OSHA reportable accidents during the second quarter of FY 13, but no new lost time accidents. There was one minor vehicle accident involving a District employee.

In December, USD staff visited West Valley Sanitation District in order to learn about their safety program and identify best practices that could be implemented at USD. The Safety Committee is currently reviewing the findings from the site visit. A second site visit to the Monterey Regional Water Pollution Control Agency is planned for later this year.

Operational Excellence

The District is meeting targets for all operational excellence measures, except those related to training system development. While to date no FY 13 milestones have been completed, progress is being made developing and updating training modules in the operating groups. Individual assessments are scheduled to begin soon in the Collection Service Workgroup.

Residential Sewer Service fees are currently in the 12th percentile when compared to other sewer agencies in the SF Bay Area, down from 15th percentile in previous years.

b. Treatment & Disposal and FMC Process Scorecard

Operations Manager Dave Livingston reported that the "Plant Health Index" measure tracks twelve aspects of treatment plant process performance. The index includes the activated sludge and anaerobic digestion processes, electrical power generation, chemical and energy utilization, and NPDES Permit compliance. The index value averaged 85% overall in FY12 and is currently averaging 78% for the first half of FY13, falling below the target of 85% or greater. Lower energy production from the cogeneration unit and below target solids concentration in denatured biosolids account for this decrease. All other plant performance measures and laboratory measures are on track to meet target in FY13.

Overall consumption of electricity at the plant is averaging 2,126 kwh/MG (kilowatt-hours per million gallons treated), up from FY12 usage of 2,058 kwh/MG. The target value is 2,100 kwh/MG or less.

Planned Maintenance and Labor Utilization

Maintenance Manager Robert Simonich briefed the Board on this item. The Water Environment Federation (WEF) identifies planned maintenance at a level greater than 90% as a "best practice". Using the WEF definition for planned work, the FMC team is averaging greater than 95% of complete planned maintenance activities. The plant did not experience any critical asset failures in the first half of FY13.

A second benchmarking measure tracks the percentage of preventive maintenance work orders completed within the month scheduled. The FMC and TPO Teams continue to exceed the target of 95%. The FMC Team also tracks the number of priority one work orders issued. This measure is meeting the target of 10 or less per month at an average of 7 per month.

Overtime continues to be above target at 9% as the FMC team continues to support multiple CIP projects throughout the plant and pump stations.

c. General Manager's Monthly Operations & Investment Report

General Manager Rich Currie reported that there were three odor complaints during the month of January. There were no spills for the month of January, which brings us to 8 consecutive months. Hours Worked dropped significantly from the prior month, but that is because this includes a lot of vacation time and holidays, which is to be expected for this time of year. Sick Leave numbers are down fairly significantly.

Rich Cortes reported on the Business Services report. Revenues are at 52%, which is the same as last month. Expenses by Workgroup and Type are within normal limits, with the exception of Business Services. That number includes upfront costs paid for IT software and hardware agreements.

8. **REVIEW AND APPROVE POLICY #3020 BOARD AGENDA PACKET, AND POLICY #3080 BOARD AGENDA SUBJECTS REQUESTED BY BOARD MEMBERS.**

General Manager Rich Currie reviewed the policies, adding that Policy #3020 is amended to include electronic agendas and other materials. The District will also be converting from unionsanitary.com to unionsanitary.ca.gov to be consistent with other government agencies, and as noted by a member of the Board. There are no changes recommended by staff on Policy #3080.

Director Handley asked if electronic copies of the agendas are available on the USD website, and Mr. Currie assured him they are.

Action

On a motion made by Director Lathi and seconded by Director Fernandez, the Board approved Policy #3020 Board Agenda Packet, and Policy #3080 Board Agenda Subjects Requested by Board Members. The motion carried unanimously.

9. **APPROVING PAPERLESS BOARD AGENDA PACKET PROGRAM AND POLICY.**

Business Services Manager Rich Cortes presented this policy to the Board. This pilot project has been in place for several months, and cost savings are expected to be almost \$18,000/year.

Director Handley said he is very happy the pilot program has been a success.

Action

On a motion made by Director Handley and seconded by Director Lathi, the Board approved the Paperless Board Agenda Packet Program as presented. The motion carried unanimously

GM Currie said paperless board packets will begin on March 11, 2013. The District will purchase 2 more iPads to be used by staff, and the projector will no longer be used, unless an agenda item warrants it, or we are expecting guests. A second permanent projector was looked at, but the costs to install it were prohibitive.

10. **AUTHORIZING THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 2 WITH CAROLLO ENGINEERS FOR THE CONSTRUCTION PERIOD DESIGN SERVICES FOR THE THICKENER CONTROL BUILDING INTERIM IMPROVEMENTS PROJECT.**

TSCS Manager Jesse Gill presented this item. The Project is budgeted at \$53,800 in the Renewal and Replacement Fund of the Capital Improvement Program.

The Thickener Control Building and Thickener Tank Nos. 1 and 2 were originally constructed during the 1978 Plant Construction Project. Thickener Tank Nos. 3 and 4 were constructed during the 1985 Plant Expansion Project. Modifications to the control building were made during the 1985 and 1993 projects.

In 2012 Staff and Carollo developed two separate construction project scopes to improve the sludge thickening and digester feed processes. The first construction project has been designated the Thickener Control Building Interim Improvements Project. This project will address immediate issues with the existing obsolete sludge pumps while providing the temporary facilities that will be required during the course of the second project. On July 23, 2012 District staff executed an Agreement and Task Order No. 1 with Carollo Engineers in the amount of \$47,200 to provide final design services for the Interim Project. Carollo completed the design of Project in December 2012. On January 28, 2013, the Board awarded the construction contract to Anderson Pacific Engineering Construction Inc. in the amount of \$633,001.

Carollo's task order ceiling for the construction period services is \$53,800, or 8.5% of the Project's construction contract amount. Staff believes this fee to be reasonable given the number of submittals and RFIs projected for a project of this scope. Staff anticipates the Project will commence in February 2013. The Project is scheduled to be complete by October 2013.

Action

On a motion made by Director Lathi and seconded by Director Handley, the Board Authorized the General Manager to Execute Task Order No. 2 with Carollo Engineers for the Construction Period Design Services for the Thickener Control Building Interim Improvements Project. The motion carried unanimously.

11. **AWARDING THE CONSTRUCTION CONTRACT FOR THE CAST IRON LINING PROJECT PHASE IV TO NORCAL PIPELINE SERVICES.**

Jesse Gill presented this item, in the amount of \$436,448 for consideration by the Board. Funds for the project have been budgeted in the Renewal and Replacement Fund. Over 200 cast iron sewer pipes have been identified as having moderate to severe corrosion and are in need of repair. These sewers are scattered throughout the District and are at varying levels of corrosion. The list of sewers needing rehabilitation has been prioritized. The District has previously completed three (3) phases of rehabilitation projects. Twenty-three (23) of the most corroded remaining cast iron segments of pipe have been selected for rehabilitation as part of Phase IV. Project construction is scheduled to start in mid-March and completion is expected by the end of June.

Action On a motion made by Director Handley and seconded by Director Fernandez, the Board awarded the construction contract for the Cast Iron Lining Project Phase IV to Norcal Pipeline Services. The motion carried unanimously.

12. **RESOLUTION NO. 2696, ACCEPTING THE CONSTRUCTION OF THE PLC REPLACEMENT PROJECT FROM D.W. NICHOLSON CORPORATION AND AUTHORIZING THE ATTORNEY FOR THE DISTRICT TO RECORD A NOTICE OF COMPLETION.**

Mr. Gill presented this item as well, and asked the Board to accept the construction of the PLC Replacement Project and to record a Notice of Completion. Total change orders for the project were 1.1% of construction.

Action On a motion made by Director Handley and seconded by Director Lathi, the Board Accepted the Construction of the PLC Replacement Project from D.W. Nicholson Corporation and Authorized the Attorney for the District to Record a Notice of Completion. The motion carried unanimously.

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**RESOLUTION NO. 2696
ACCEPTING PROJECT FROM
D.W. NICHOLSON CORPORATION
FOR
PLC REPLACEMENT PROJECT
IN THE CITY OF UNION CITY, CALIFORNIA**

RESOLVED, by the Board of Directors of the UNION SANITARY DISTRICT that it hereby accepts the PLC Replacement Project from D.W. Nicholson Corporation effective February 25, 2013.

Legal Counsel is hereby authorized to record a "Notice of Completion" for the project.

On motion duly made and seconded, this Resolution was adopted by the following vote on February 25, 2013:

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: ----

ABSENT: ----

ABSTAIN: ----



PAT KITE
President, Board of Directors
Union Sanitary District

Attest:



MANNY FERNANDEZ
Secretary, Board of Directors
Union Sanitary District

13. **AUTHORIZING THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 3 WITH BROWN AND CALDWELL FOR PROVIDING ENGINEERING SERVICES DURING CONSTRUCTION FOR THE RAS PUMP STATION PIPING IMPROVEMENTS PROJECT.**

Mr. Gill reported that staff recommends the Board authorize the General Manager to execute Task Order No. 3 with Brown and Caldwell in the amount of \$55,053 for providing engineering services during construction for the RAS Pump Station Piping Improvements Project (Project). The Project has been budgeted in the Renewal and Replacement Fund.

Staff advertised the Project for bid on December 13, 2012, and received and opened six (6) bids on January 16, 2013. A low bid of \$506,200 was received from Anderson Pacific Engineering Construction (APEC). Notice of Award was given to APEC on January 29, 2013. Staff issued the Notice to Proceed the week of February 18th, 2013. Construction is anticipated to be completed by the end of 2013. Covello will be providing construction management services for the Project.

GM Currie said that the second T.O. should have come to the Board as the total contract exceeded \$100,000, but it was not identified. As it was, the actual expenditures of first two T.O's were less than \$100,000.

Director Fernandez commented on the fees for construction management. Mr. Gill stated that managing a project like this is very labor intensive, and involves many specialties.

Director Fernandez also inquired if the contractor was required to carry liability insurance, and Mr. Gill assured him that was the case.

Action

On a motion made by Director Fernandez and seconded by Director Toy, the Board Authorized the General Manager to Execute Task Order No. 3 with Brown and Caldwell for Providing Engineering Services During Construction for the RAS Pump Station Piping Improvements Project. The motion carried unanimously.

INFORMATION ITEMS

14. **CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD STAFF SUMMARY REPORT ON SANITARY SEWER OVERFLOW REDUCTION PROGRAM - STATUS REPORT.**

GM Currie explained that this report is a copy of the Regional Water Quality Control Board's staff report to the RWQCB, summarizing the SSO program to date.

Andy Morrison presented the USD data portion to the Board. USD out-performed most agencies in all areas, as detailed in the staff report.

15. **REPORT ON EBDA COMMISSION MEETING OF FEBRUARY 21, 2013.**

Director Lathi reported to the Board. The annual contribution by member agencies for the EBDA Renewal and Replacement Fund will be increasing.

16. **CHECK REGISTER.**

Director Handley inquired about charges for "pharmaceutical waste removal" on page 12 of the register. Mr. Gill explained that USD has seven locations, and as containers fill up, they are hauled away. It could be once a month or more (or less) depending on usage.

Director Handley inquired if we had a place on our website about the program. We track numbers of pounds removed. He said he would like to see a quarterly report out.

Director Toy also asked that signage at disposal stations is made clear. She said the last time she was at Washington Hospital, the sign was missing.

Director Kite inquired about the charge for Rescue Response Group Inc. on page 12. Mr. Currie explained that when crews are working in confined spaces and have to go off tether to do work, this group stands by at the site to ensure a rapid rescue, if one is necessary.

17. **COMMITTEE MEETING REPORTS**

The following Committees met before the Board Meeting: Budget & Finance, Legal/Community Affairs, Personnel and Construction.

18. GENERAL MANAGER'S REPORT.

Mr. Currie said members of the State Water Resources Control Board enforcement staff came to the District as a learning process, and to ask questions about USD's Sewer Management Program. It was an honor to have them come here in their search for best management practices. It ended with a tour of the SSO Estimating Training facility here.

On the hypochlorite spill at the plant, two test holes have been dug out on the Bay side of the property, but no trace of chlorine has been found. There is still chlorine in the hole closest to the leak, so we will continue to monitor that. All agencies that must be informed have been informed. We will monitor the situation and report back as necessary.

EBDA has a pipeline that goes to Sky West Golf Course that has been used to irrigate the golf course. That line was extended, but has never been used. The valve, which was brass, was stolen and water was leaking out. Once EBDA staff discovered it, they put a new permanent cap on the pipe, which is now chained.

Newark Career Fair has sent an acknowledgement of our participation. The District sent 4 employees to participate.

The ACSDA dinner meeting is March 28, 2013. Please let Tom know if you plan to go.

We're now training some mechanics on maintaining WEMCO-Hidrostal Screw Centrifugal Pumps. This will result in a significant savings to the District if routine maintenance can be done in-house.

There is a public information meeting on February 26th on the Newark Backyard Sewers program, at Graham Elementary School at 6:00 p.m.

There was an energy audit conducted by students from San Francisco State here recently. We will receive a report from them in a couple of months.

We received a claim for a sewer lateral cleanout that turned out to be a stoppage in the main. We will reimburse the homeowner for the plumber expense. There was no spill.

19. OTHER BUSINESS:

Director Kite reported that she attended the Baywork seminar here on February 21st. She was reminded that USD has been designated a Star Utility Agency not once, but twice.

20. ADJOURNMENT:

The Board adjourned to a Closed Session to discuss Contract Negotiations with SEIU Local 1021 (Calif. Govt. Code Section 54957.6). Negotiating Team Members Richard Currie, Judi Berzon, Andy Morrison and Glenn Berkheimer of IEDA may attend this session.

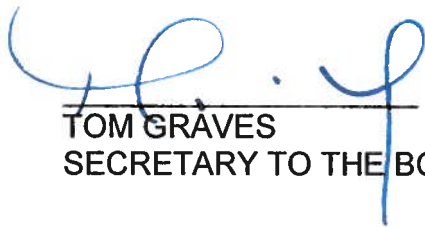
The Board then adjourned to a Closed Session to discuss the interview process for the Deputy General Manager Position (Calif. Govt. Code Section 94957(b)).

The Board then adjourned to a Closed Session to Interview and Discuss Selection of a Candidate for the Position of Deputy General Manager on February 27, 2013. (Calif. Govt. Code 94957(b)).

The Board will then adjourn to a Special Meeting on March 4, 2013 at 6:30 p.m. to consider the Contract with SEIU Local 1021 and Conduct a Board Retreat/Discussion Session.

The Board will then adjourn to the next Regular Board Meeting on March 11, 2013 at 7:00 p.m. in the Boardroom.

SUBMITTED:


TOM GRAVES
SECRETARY TO THE BOARD

ATTEST:


MANNY FERNANDEZ
SECRETARY

APPROVED:


PAT KITE
PRESIDENT

NOTICE OF CLOSED SESSION

The Board of Directors will then adjourn to a closed session to interview and discuss the selection of a candidate for the position of Deputy General Manager

It is my opinion as, District Legal Counsel, that a closed session to discuss this matter is allowed by Government Code Section 54957(b), authorizing closed sessions to privately consider these personnel matters.

Dated: February 25, 2013

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "David M. O'Hara". The signature is fluid and cursive, with a large initial "D" and "O".

David M. O'Hara

Attorney for Union Sanitary District

NOTICE OF CLOSED SESSION

The Board of Directors will then adjourn to a closed session to discuss the interview process for the selection of a Deputy General Manager

It is my opinion as, District Legal Counsel, that a closed session to discuss this matter is allowed by Government Code Section 54957(b), authorizing closed sessions to privately consider these personnel matters.

Dated: February 25, 2013

Respectfully submitted,



David M. O'Hara

Attorney for Union Sanitary District

NOTICE OF CLOSED SESSION

The Board of Directors will now adjourn to a closed session to discuss ongoing labor negotiations with the District's negotiators and agents for the represented employees with SEIU Local 1021.

Agency negotiators: Richard B Currie, Glenn Berkheimer, Andy Morrison and Judi Berzon

It is the opinion of legal counsel for the Union Sanitary District that a closed session is authorized by Government Code Section 54957.6, allowing Directors to meet privately to discuss these labor negotiation matters.

February 25, 2013

Respectfully submitted,



David M. O'Hara

Attorney for Union Sanitary District