

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT/UNION SANITARY DISTRICT FINANCING
AUTHORITY
May 24, 2021**

Consistent with Executive Orders No. N-25-20 and No. N-29-20 from the Executive Department of the State of California, the Alameda County March 16, 2020 Shelter in Place Order, and Executive Order No. N-33-20, Stay-at-Home Order, the Monday, May 24, 2021, Regular Board Meeting was not physically open to the public and all Board Members teleconferenced into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public were able to listen to the Board Meeting, and provide public comment by sending comments to the Board Clerk.

CALL TO ORDER

President Handley called the meeting to order at 4:00 p.m. The regular meeting time was modified due to the COVID-19 emergency.

SALUTE TO THE FLAG

ROLL CALL

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

STAFF: Paul Eldredge, General Manager/District Engineer
Karen Murphy, District Counsel
Mark Carlson, Business Services Manager/CFO
Sami Ghossain, Technical Services Manager
James Schofield, Collection Services Manager
Robert Simonich, Fabrication Construction and Maintenance Manager
Armando Lopez, Treatment and Disposal Services Manager
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Shawn Nsgis, Collection Services Coach
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

GUEST: Monique Spyke, PFM Asset Management LLC, Managing Director

**APPROVE MINUTES OF THE UNION SANITARY DISTRICT BOARD MEETING OF
MAY 10, 2021**

It was moved by Vice President Kite, seconded by Director Fernandez, to Approve the Minutes of the Board Meeting of May 10, 2021. Motion carried with the following vote:

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

APPROVE MINUTES OF THE UNION SANITARY DISTRICT SPECIAL BOARD MEETING OF MAY 11, 2021

It was moved by Secretary Lathi, seconded by Director Toy, to Approve the Minutes of the Special Board Meeting of May 11, 2021. Motion carried with the following vote:

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

APRIL 2021 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 Work Group Reports, and Business Services Manager Carlson reviewed the financial reports included in the Board meeting packet.

FISCAL YEAR 2021 3RD QUARTER MANAGED INVESTMENT PORTFOLIO REPORT

This item was reviewed by the Budget & Finance Committee. Business Services Manager Carlson introduced PFM Asset Management Managing Director Spyke who summarized the Investment Portfolio Report included in the Board meeting packet and responded to Boardmember questions.

WRITTEN COMMUNICATIONS

There were no written communications.

PUBLIC COMMENT

There was no public comment.

CONDUCT A PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 35.23 UPDATING CAPACITY CHARGES FOR CONNECTION TO THE MAIN SEWERS OF UNION SANITARY DISTRICT

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge stated staff prepared a desk item that contained clarifying information for the attachments included with this item; the desk item was added to the Board meeting packet. Capacity charges for connection to the main sewers of Union Sanitary District were last evaluated in 2016. The calculations supporting the currently proposed capacity charges were presented in the "Union Sanitary District Capacity Fee Update" included in the Board

meeting packet. Under California law, capacity fees cannot exceed the reasonable cost of providing capacity to new development in the District's sanitary sewer system. The costs to preserve or increase the capacity for new development continue to increase thereby necessitating adjustment of these fees. The proposed fees would be phased in over a 5-year period and would include construction cost escalations. The public hearing notice was published in the Tri-City Voice and The Argus newspapers. Staff outreach activities for this item were outlined in the Board meeting packet, no comments were received. Staff recommended the Board conduct a public hearing and adopt Ordinance No. 35.23 updating capacity charges for connection to the main sewers of Union Sanitary District.

President Handley opened the public hearing at 4:16 p.m. and directed staff to allow five minutes for comments to be received from the public through email and voicemail.

At 4:21 p.m., Board Clerk McEvoy stated no comments had been received. President Handley closed the public hearing.

It was moved by Vice President Kite, seconded by Director Fernandez, to Adopt Ordinance No. 35.23 Providing for the Collection of Capacity Charges for Connection to the Main Sewers of Union Sanitary District. Motion carried with the following vote:

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

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ORDINANCE NO. 35.23

**AN ORDINANCE PROVIDING FOR THE COLLECTION
OF CAPACITY CHARGES FOR CONNECTION TO
THE MAIN SEWERS OF UNION SANITARY DISTRICT**

The District Board of UNION SANITARY DISTRICT does order and ordain as follows:

ARTICLE I

REPEAL OF PREVIOUS ORDINANCE

Ordinance No. 35.22 is hereby repealed.

ARTICLE II

GENERAL

SECTION 1 SHORT TITLE

This Ordinance shall be known as the "CAPACITY CHARGE ORDINANCE."

SECTION 2 PURPOSE OF THE CAPACITY CHARGE

The purpose of the Capacity Charge is to provide revenue to recover costs for existing facilities and facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.

SECTION 3 USE OF THE CAPACITY CHARGE

Current Capacity Fund Reserves and revenues collected in the future, through the payment of the Capacity Charge, will be deposited in a separate Capacity Charge account and will be used for the purposes for which the charges were collected.

SECTION 4 ADOPTION OF A CAPITAL IMPROVEMENT PLAN

The District has prepared a Capital Improvement Plan (CIP) which contains projects and facility upgrades that are required in order to increase or preserve the existing capacity of the system. The Capital Improvement Plan, which has been reviewed and formally adopted by the Board of Directors, will be revised each year and an updated Capital Improvement Plan will be adopted by the Board annually.

SECTION 5 REASONABLENESS OF THE CAPACITY CHARGE

In order to demonstrate the reasonableness of the District's Capacity Charge, the calculation method and the basis for determining the Capacity Charge for an equivalent dwelling unit (EDU) are presented in a separate report entitled "Union Sanitary District, Sewer Capacity Charge Update," and may be referenced by contacting the District. The Capacity Charges set forth in this Ordinance do not exceed the District's costs to provide capacity for new connections.

SECTION 6 DEFINITIONS

Unless the context indicates otherwise, the following words and terms shall have the meaning as follows:

- a. **Accessory Dwelling Unit (ADU).** An additional residential dwelling unit located on a residential property which provides complete independent living facilities for one or more persons and complies with the criteria established by California Government Code Section 65852.2 and any subsequent legislation governing accessory dwelling units. An accessory dwelling unit may be either a) a second unit within or attached to the living area of an existing primary residence, or b) a detached residential dwelling unit located on the same property as a primary residence. Consistent with California Government Code:
 - ADUs that are constructed within the living area of a primary residence, or do not expand the existing residential structure by more than 150 square feet, shall not be required to pay a capacity charge.
 - Detached ADUs, or ADUs that expand a primary residence in excess of 150 square feet shall be subject to a capacity charge based upon the square footage of the ADU.
- b. **Boarding Establishment Unit.** One or more rooms with centralized kitchen facilities designed for use by transients, students, retirees, or other occupants for living and/or sleeping purposes. Each separate room which is designed for occupancy by one or more persons, or which serves as one housekeeping unit, shall be deemed to be one living unit. For facilities with only communal living space, the design occupancy shall be deemed as the determining factor for the Capacity Charge.
- c. **Building Sewer.** A sewer conveying wastewater from the property of the user to a main sewer. Also referred to as a private sewer or lateral.
- d. **Building Sewer Construction Permit.** A permit issued by UNION SANITARY DISTRICT allowing the construction and connection of a building sewer line to the main sewer.
- e. **Capacity Charge.** The charge to be made by the UNION SANITARY DISTRICT for a sewer connection either directly or indirectly to a main sewer; or, for a change, alteration, or expansion of the use of an existing building, as listed in and in accordance with all the provisions of Article III herein.
- f. **Chemical Oxygen Demand (COD).** The equivalent quantity of oxygen utilized during oxidation of organic and inorganic matter in wastewater under the conditions of the COD test as described in the latest edition of "Standard Methods for the Examination of Water and Wastewater", expressed in milligrams per liter.
- g. **Chemical Oxygen Demand (COD) Loading.** The annual average mg/L COD multiplied by the total annual industrial wastewater discharge volume in million gallons multiplied by the conversion factor 8.34.

- h. **Commercial/Industrial/Office Use (C/I/O) (Domestic Use Only).** A parcel of real property designed for use by a single tenant for a single commercial or industrial use whose discharge is limited to domestic waste only. Examples include retail sales, office space, showrooms, and other uses producing domestic waste only, which do not fall into one of the other specifically designated categories. Also included in this category are individual tenant units in the C/I/O category whose floor space exceeds 10,000 square feet and are located within a building or parcel within the Mixed-Use category.
- i. **District.** Union Sanitary District of Alameda County, California.
- j. **District Engineer.** The General Manager of the District or their designees, including, but not limited to, duly authorized personnel.
- k. **Domestic Loading.** The Domestic Premise in terms of pounds/yr. allocating 20 gallons/day/employee to be used in the absence of a separate approved industrial wastewater or industrial process water flow meter.
- l. **Domestic Premise.** Domestic loading equal to 500 mg/L COD and 200 mg/L SS.
- m. **Domestic Wastewater.** Any wastewater which will enter into the main sewers from the non-industrial operation, preparation, cooking, and handling of food; or containing human wastes and similar matter from the sanitary conveniences of dwellings, commercial buildings, industrial facilities, and installations.
- n. **Dwelling Unit.** The following living establishments shall be deemed to be one dwelling unit:
 - (i) Single family residential dwelling or mobile home designed for occupancy by one family and up to 4,500 square feet of building area. Single family residential dwelling units above 4,500 square feet will be charged an additional proportionate charge above 4,500 square feet.
 - (ii) Multi-family dwelling is each housekeeping unit of a: duplex, triplex, fourplex, townhouse or condominium, apartment house, mobile home park, or other multi-residential establishment designed for occupancy for living purposes by more than one family, and which is divided into separate housekeeping units, each of which is designed for occupancy by one family only.
- o. **Groundwater.** Any water found below the land surface or from saturated soil including potable or irrigation water source wells, injected subsurface water, rising subsurface water, underground infiltration to manmade structures, pumped subsurface waters, foundation and footing drainage, water from crawl space pumps, natural springs, and subsurface flows from riparian habitats, streams, and wetlands.
- p. **Industrial User.** Any establishment engaged in producing, manufacturing, or processing operations, and all other establishments engaged in any activity resulting in the

production of industrial wastewater which will enter into the sewer system.

- q. **Industrial Wastewater.** Any non-domestic wastewater which will enter into the main sewers by being discharged, permitted to flow, or escape from any industrial, manufacturing, commercial, or business establishment or process, or from the development, recovery, or processing of any natural resource. Industrial wastewater is directly reported from a separate approved industrial wastewater flow meter or industrial process water flow meter; otherwise, industrial wastewater is calculated from potable water meter sources excluding a calculated percentage of non-industrial use.
- r. **Loadings.** The equivalent weight of Chemical Oxygen Demand and/or Suspended Solids discharged to the main sewer system during a given time interval. Unless otherwise specified, the loadings shall mean pounds per day or per year of a particular constituent or combination of constituents.
- s. **Main Sewer.** An existing sanitary sewer dedicated to public use, within the public right of way or dedicated easement.
- t. **Mixed Use Commercial Property.** A parcel of real property designed for the occupancy of multiple tenants, such as a shopping center. Examples of acceptable uses on mixed use commercial properties include retail sales outlets, restaurants, offices, service companies, health clubs, laundromats, theaters, and similar commercial uses. Individual tenant units whose floor area exceeds 10,000 square feet and whose use is consistent with the C/I/O category may be included in the Commercial/Industrial/Office Use (C/I/O)category.
- u. **Person.** Any individual, firm, company, partnership, or association; private, public, and municipal corporations; responsible corporate officer; the United States of America; the State of California; districts and all political subdivisions; governmental agencies and mandatories thereof.
- v. **Private Cafeteria.** A food service facility within a school, commercial or industrial building which is used exclusively by the students or employees of the company or school. Cafeterias which are open to the public or provide catering or off-site food service to other companies will be considered a restaurant. Capacity Charges for private cafeterias will be based on the area of food preparation, cooking, food storage, and food serving areas but shall exclude seating areas.
- w. **Property.** A parcel of real estate or portion thereof, including any improvements thereon, which is determined by the District to be a single user for purposes of receiving, using, and paying for service.
- x. **Public Assembly Facilities.** Any facility where the public may assemble for social, business, educational, or entertainment purposes, including, but not limited to, movie theaters, auditoriums, theaters, and music halls.

- y. **Suspended Solids (SS).** The solids that either float on the surface of, or are in suspension in, wastewater and which are largely removable by standard laboratory filtration procedures, expressed in milligrams per liter.
- z. **Suspended Solids (SS) Loading.** The annual average mg/L SS multiplied by the total annual industrial wastewater discharge volume in million gallons multiplied by the conversion factor 8.34.
- aa. **User.** Any person that discharges, causes, or permits the discharge of wastewater into a main sewer.
- aa. **Volume.** The quantity of wastewater discharged during a specified period of time, expressed in gallons.
- bb. **Warehouse.** A building or portion of a building used exclusively for the storage of goods. The following uses are NOT considered warehouse use:
 - 1. Storage areas for goods or finished products within a manufacturing plant or commercial building that are not separated by a permanent partition wall, and or
 - 2. Storage areas that do not exceed 5,000 square feet in area.

Warehouse buildings that contain office, industrial, or other non-warehouse areas, totaling more than ten percent of the gross area of the entire building, will be segregated into separate uses and charged the appropriate rate for each different use. Otherwise, the warehouse rate shall apply to the gross area of the entire building. Shipping, receiving, and packing areas serving warehouses more than 50,000 square feet in area will be charged under the Warehouse category.

Whenever the use of a proposed building or part of a building is not clear or not determined prior to connecting to the sanitary sewer, the Commercial/Industrial/Office Use rate will be used to calculate the Capacity Charge. If, after the building is first occupied, it becomes evident that it, or part of it, is being used exclusively for warehouse purposes, as described herein, a refund may be issued.

- cc. **Wastewater Discharge Permit.** A permit issued by UNION SANITARY DISTRICT authorizing the discharge of groundwater or industrial wastewater by an industrial user, either directly or indirectly into a main sewer.

SECTION 7 TERMINOLOGY

Words, phrases, or terms not specifically defined herein and having a technical or specialized meaning shall be defined as set forth in the latest edition of "Standard Methods for the Examination of Water and Wastewater," published by the American Public Health Association, the American Water Works Association and the Water Environment Federation. Reference to

waste constituents and characteristics shall have the meanings ascribed to them in the aforesaid “Standard Methods for the Examination of Water and Wastewater” and measurements thereof shall be as set forth in said publication, or as established by Federal or State regulatory agencies.

ARTICLE III

BASIS FOR CAPACITY CHARGES

SECTION 1 CAPACITY CHARGES

The Capacity Charges set forth in “**Exhibit A**” are hereby adopted as the District’s Capacity Charges beginning in Fiscal Year 2022 starting July 1, 2021 and continuing thereafter. The Capacity Charges will increase to the amounts specified in **Exhibit A** for each Fiscal Year annually on August 1st of each year. The Board hereby finds that the Capacity Charges set forth in **Exhibit A** do not exceed the District’s costs for providing capacity for new sewer connections in its wastewater system. **Exhibit A** to this Ordinance is hereby incorporated herein by reference to this Ordinance.

SECTION 2 DOMESTIC WASTEWATER

The Capacity Charge to be paid for connecting either directly or indirectly to a main sewer shall be determined by the District based upon the existing or proposed use of the property to be served, in accordance with the amounts and formulas set forth in **Exhibit A**.

SECTION 3 INDUSTRIAL WASTEWATER

Properties with industrial wastewater discharges will be charged a Domestic Wastewater Capacity Charge and an Industrial Capacity Charge in accordance with the amounts and formulas set forth in **Exhibit A**, which will be divided into four annual installments.

- a. **Initial Charge.** The initial charge shall be the sum of the Volume Component, COD Component, and Suspended Solids Component for the Initial Charges for Industrial connections in the amounts set forth in **Exhibit A** and shall be based upon the unit rates in effect at the time the prospective user enters into an agreement with UNION SANITARY DISTRICT. The total Capacity Charge shall be charged over a four-year period with the initial charge based upon estimates and subsequent charges based upon actual flows as further described in section b. below.
- b. **Succeeding Three Annual Charges.** At the time a Building Sewer Construction Permit is issued, or prior to the issuance of a Wastewater Discharge Permit, the prospective user shall enter into an agreement with UNION SANITARY DISTRICT which shall provide that there be three additional charges due and payable upon billing at the end of the first, second, and third year from the date of acceptance of the building sewer or issuance of a Wastewater Discharge Permit. Each of these annual charges shall be based upon the unit rates in effect at the time the prospective user enters into an agreement with the District and shall be equal to the sum of Volume Component, COD Component, and Suspended Solids Component for Industrial connections in the amounts set forth in **Exhibit A**.

Final paid capacity is the average of 4 payments which creates a baseline represented by the combination of the three parameters; flow, COD, and SS, provided that any increase in the combined industrial flow and loadings does not exceed the initial estimate by more than 25%.

- c. **Excess Capacity.** In the event that the combined industrial flow and loadings exceed the initial estimate by more than 25%, an additional Capacity Charge shall be paid over 4 years, concurrently with the initial payment and succeeding annual payments, for the entire increase at the present-day rate.
- d. **Single Installment Amount.** If the calculated charges for an industrial use total less than the Minimum Capacity Charge per Article III Section 5, the initial charge and the succeeding annual charges shall be paid in a single installment prior to the issuance of any permit.

SECTION 4 GROUNDWATER DISCHARGE

If a discharge permit is granted for groundwater, from the cleanup of spills, leaking underground storage tanks, monitoring wells or other similar sources, the duration of discharge will govern Capacity Charges. If discharge is for less than one year, ten percent of the minimum Capacity Charge will be assessed. For discharge durations of one year or greater, the Capacity Charge will be calculated by multiplying the actual volume of groundwater discharged by ten percent of the industrial wastewater volume component in effect that year, up to a maximum of ten years. Completion of discharge will terminate any ongoing capacity rights.

SECTION 5 MINIMUM CAPACITY CHARGE

In no case shall the minimum Capacity Charge for any initial connection to the District's system be less than the domestic wastewater Capacity Charge for a multi-family dwelling unit.

ARTICLE IV

ALLOWANCE FOR INDUSTRIAL CREDITS, REVIEW OF CHARGES AND CHANGES IN PROPERTY USE

SECTION 1 QUALIFICATION FOR INDUSTRIAL RELOCATION CREDIT

This section shall apply to industrial wastewater only, not to domestic wastewater. If the transfer of an industry discharging industrial wastewater to a different parcel of land does not impose any additional burden on the District's facilities, a credit, which shall be referred to as a relocation credit, may be allowed, provided that:

- (i) the owner of the real property, from which the industry is moving, is willing to relinquish the industrial wastewater capacity for the purpose of a relocating tenant or relocating industrial process; and
- (ii) essentially the same industrial operation has been transferred from one parcel to

another and such operation was previously connected to the District's system; and

- (iii) the industrial operation was owned prior to the transfer by the person now making claim to the relocation credit; and
- (iv) the discharger has demonstrated to the satisfaction of the District that the industrial operation has been abandoned from the parcel from which the transfer has occurred or presented a certification in writing and a performance bond of equal or greater value than the relocation credit that such industrial operation will be abandoned within six (6) months of the District approving an application for connection. Should the facility not be abandoned within the prescribed period, the relocation credit shall be revoked and a Capacity Charge, with respect to the parcel to which the industrial operation transferred, shall be due and payable as of the date said parcel was connected to the District's system; and
- (v) there is adequate capacity in the District's system at the new location to accommodate connection of the industrial operation to be transferred.

SECTION 2 BASIS FOR RELOCATION CREDIT

The relocation credit shall be based upon the amount of capacity purchased. If a record of the amount of capacity purchased does not exist the average of the total annual discharge of the number of gallons of industrial wastewater, number of pounds of Chemical Oxygen Demand (exclusive of COD domestic loading), and number of pounds of Suspended Solids (exclusive of SS domestic loading) for the preceding four (4) years, or years of operation if less than four (4) years, prior to the transfer. In no case shall there be a refund or a credit applied to any other type of fee or charge if the fee for the industrial wastewater discharge for the relocated industrial operation is less than the relocation credit allowed.

SECTION 3 REVIEW OF CAPACITY CHARGE

Capacity Charges or relocation credit determined under Article III and Article IV may be reviewed at the applicant's request. The review will be based on the use data provided by the applicant and other criteria to be established by the District for an initial review fee of \$360.00. Any requested adjustments to the Capacity Charge using this method are subject to verification by the District using District sampling, monitoring, and analysis procedures. All verification costs must be paid by the applicant. After completion of the District's review, the questioned Capacity Charge may be adjusted up or down in accordance with the results of the verification study.

SECTION 4 CHANGE OF PROPERTY USE

- a. **Industrial Wastewater.** If the existing use of a building or property is changed, an industrial process is altered, production is increased or any other change, or alteration will increase the existing combined industrial wastewater flow and loadings by more than 25%, an additional Capacity Charge shall be paid over 4 years for the entire increase at the present-day rate.
- b. **Change in Building Size.** If the existing size of a building or property is expanded, added onto, increased, or otherwise physically modified, an additional Capacity Charge

applicable to the expansion, addition, or increase shall be paid. In no instance shall a refund be granted if the size of a building or property is decreased.

- c. **Domestic Wastewater Changes in Use.** When the use of a building or property is modified or changed, such as a change in the type of business occupying the property, the District will consider this a change in use. Each change in use shall be reviewed by the District to determine if an additional Capacity Charge will apply. An additional Capacity Charge shall apply whenever the Capacity Charge calculated for the new use is greater than the value of Capacity Charges associated with the existing approved use. For the purpose of this comparison, the current Capacity Charges as listed in Article III of this Ordinance, shall apply to both the new and existing use. Whenever the Capacity Charge calculated for the new use exceeds the value of the Capacity Charges associated with the existing approved use, the difference shall be paid to the District as an additional Capacity Charge for the change of use. In no instance shall a refund be granted if the change in the use of a building or property results in the value of Capacity Charges associated with the existing approved use being greater than the cost of the Capacity Charge calculated for the new use.
- d. **Credit for Previously Purchased Capacity.** If the existing size or use of a building or property is expanded, added onto, or increased, a credit will be provided in the amount of the Capacity Charge associated with the existing, approved building or property size and use. The credit will be based on the current Capacity Charges as listed in Article III of this Ordinance. In no instance shall a refund be granted if the demolition or decreased use of a building or property results in a lower discharge volume and/or loading level than that for which Capacity Charges have previously been paid.
- e. **Payment Due Date.** If a Building Sewer Construction Permit or a new or revised Wastewater Discharge Permit is required as a result of an expansion of a building or property and/or the increase in flow or loadings from the property, additional Capacity Charges shall be paid prior to the issuance of the permit. If neither permit is required, additional Capacity Charges shall be paid upon billing by the UNION SANITARY DISTRICT and be delinquent thirty (30) days thereafter.

ARTICLE V

PAYMENT AND DEPOSITION OF CHARGES

SECTION 1 PAYMENT OF INITIAL CHARGES

No building sewer or building drain shall be constructed and connected to any main sewer until the UNION SANITARY DISTRICT has issued a Building Sewer Construction Permit in accordance with District specifications and a Capacity Charge has been paid to the District. The Capacity Charge shall be in addition to the annual sewer service charge, charges for annexation, inspection, permits, reimbursements, and the requirements of any other rule, regulation, or ordinance of the UNION SANITARY DISTRICT.

SECTION 2 PAYMENT OF SUCCEEDING CHARGES

All charges prescribed under this Ordinance are payable upon billing and delinquent at the expiration of thirty (30) days thereafter. If it is necessary to initiate legal action to collect the delinquent obligation, all penalties allowed by the law will be applied. In addition to all other means of legal process available for the collection of the delinquent charges, the UNION SANITARY DISTRICT may elect to have the delinquent charges collected on the property tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from general taxes in accordance with the provisions of 5473 and 5474 et seq. of the California Health and Safety Code. Delinquent tenant Capacity Charges will be charged against the property of the owner of the premises occupied by the tenant.

SECTION 3 DEPOSITION OF FUNDS

The collected Capacity Charges shall be deposited in the Capacity Charge Fund.

ARTICLE VI **ADMINISTRATION**

SECTION 1 APPEALS

Any user, permit applicant, or permit holder affected by any decision, action, or determination made by the District interpreting or implementing the provisions of this Ordinance may file a written request for reconsideration with the District Engineer, setting forth in detail the facts supporting the user's request.

If the ruling made by the District Engineer is unsatisfactory to the person requesting reconsideration, he may file a written appeal to the District's governing body within ten (10) days after notification of the District's action. The written appeal shall be heard by the governing body within thirty (30) days from the date of filing or as soon thereafter as reasonably possible. The District's governing body shall make a final ruling on the appeal within thirty (30) days of the meeting. The District Engineer's decision, action, or determination shall remain in effect during the period of reconsideration.

SECTION 2 FALSIFYING OF INFORMATION

Any person who knowingly makes any false statements, representation, record, report, plan, or other document filed with the District; or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under this Ordinance, is hereby declared to be in violation of this Ordinance, and subject to the Civil Penalties imposed under Section 7.05 of UNION SANITARY DISTRICT'S Ordinance No. 36.

SECTION 3 SEVERABILITY

If any provision of this Ordinance or the application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of such provisions to other persons or other circumstances shall not be affected.

SECTION 4 EFFECTIVE DATE

A summary of the changes to this Ordinance shall be published once in the Tri-City Voice and Bay Area News Group, both publications of general circulation published in the UNION SANITARY DISTRICT, and shall take effect sixty days thereafter.

On Motion duly made and seconded, this Ordinance was adopted by the following vote on May 24, 2021.

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None

ABSENT: None

ABSTAIN: None

DocuSigned by:

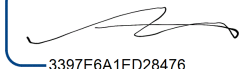
Tom Handley

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TOM HANDLEY
President, Board of Directors
UNION SANITARY DISTRICT

ATTEST:

DocuSigned by:



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ANJALI LATHI
Secretary, Board of Directors
UNION SANITARY DISTRICT

ORDINANCE 35.23

EXHIBIT A

| CONNECTION CATEGORY | UNIT DEFINITION | CAPACITY CHARGE PER UNIT | | | | |
|---|---|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | | Effective August 1 of Each Year | | | | |
| | | 2021 | 2022 | 2023 | 2024 | 2025 |
| RESIDENTIAL & COMMERCIAL | | | | | | |
| Single Family Dwelling Unit (less than or equal to 4,500 square feet) | per unit (<i>new construction only; not additions or repairs</i>) | \$9,331 | \$10,027 | \$10,755 | \$11,514 | \$12,307 |
| Single Family Dwelling Unit (greater than 4,500 square feet) | per unit plus proportionate charge above 4,500 square feet (i.e. charge for 4,600 square feet = $4600/4500 \times$ unit charge) | \$9,331 | \$10,027 | \$10,755 | \$11,514 | \$12,307 |
| Multi-Family Dwelling Unit | per unit (<i>new construction only; not additions or repairs</i>) | \$8,030 | \$8,661 | \$9,321 | \$10,009 | \$10,728 |
| Accessory Dwelling Unit (ADU) Applies to detached ADUs or ADUs that expand a primary residence in excess of 150 square feet. (<i>No capacity charges shall be levied on ADUs within the living area of an existing single family home or ADUs that do not expand the existing residential structure by more than 150 square feet.</i>) | per square foot | \$4.72 | \$5.09 | \$5.48 | \$5.88 | \$6.31 |
| Commercial/Industrial/Office use (C/I/O) (Domestic Use Only) and Mixed Use Commercial Property with individual tenant units exceeding 10,000 square feet | per square foot of building floor area | \$4.29 | \$4.68 | \$5.09 | \$5.52 | \$5.96 |
| Mixed-use Commercial property with individual tenant units less than 10,000 square feet | per square foot of building floor area | \$11.25 | \$12.34 | \$13.48 | \$14.67 | \$15.92 |
| Boarding Establishments Including Hotels and Motels | per unit, or per capita design tenant | \$5,675 \$3,167 | \$6,119 \$3,459 | \$6,583 \$3,764 | \$7,068 \$4,084 | \$7,574 \$4,418 |
| Schools and Day Care Centers (Boarding Facilities Excluded) | per square foot of building floor area | \$5.95 | \$6.49 | \$7.05 | \$7.64 | \$8.25 |

ORDINANCE 35.23

EXHIBIT A

| CONNECTION CATEGORY | UNIT DEFINITION | CAPACITY CHARGE PER UNIT | | | | |
|---|--|---------------------------------|----------|----------|----------|----------|
| | | Effective August 1 of Each Year | | | | |
| | | 2021 | 2022 | 2023 | 2024 | 2025 |
| Churches (School & Day Care facilities excluded) | per square foot of building floor area | \$4.24 | \$4.63 | \$5.03 | \$5.46 | \$5.90 |
| Public Assembly Facilities | per seat | \$226.21 | \$247.07 | \$268.89 | \$291.71 | \$315.56 |
| Health Clubs | per square foot of building floor | \$17.84 | \$19.46 | \$21.15 | \$22.92 | \$24.77 |
| Park or Recreation Site Restrooms | per water closet | \$9,331 | \$10,027 | \$10,755 | \$11,514 | \$12,307 |
| Coin-operated Laundromats | per washing machine | \$6,876 | \$7,503 | \$8,159 | \$8,845 | \$9,563 |
| Restaurants - All | per square foot of building floor | \$32.46 | \$35.84 | \$39.37 | \$43.07 | \$46.93 |
| Eating/Drinking facilities without cooking | per square foot of building floor | \$11.31 | \$12.35 | \$13.44 | \$14.58 | \$15.77 |
| Car Wash with water recycling | lump sum | \$9,331 | \$10,027 | \$10,755 | \$11,514 | \$12,307 |
| Warehouses | per square foot of building floor area up to 50,000 square feet | \$1.81 | \$1.97 | \$2.15 | \$2.33 | \$2.53 |
| | per square foot of building floor area for that portion of each building above 50,000 square feet | \$0.45 | \$0.49 | \$0.54 | \$0.58 | \$0.63 |
| Private cafeterias | per square foot of floor area for food preparation, cooking, food storage, and food service areas (excluding seating areas) | \$32.46 | \$35.84 | \$39.37 | \$43.06 | \$46.93 |
| Equipment Wash Pad with Interceptor | lump sum, plus | \$9,331 | \$10,027 | \$10,755 | \$11,514 | \$12,307 |
| | per square foot for any additional pad area above 600 square feet | \$31.67 | \$34.59 | \$37.64 | \$40.84 | \$44.18 |
| Mobile Home/RV Holding Tank disposal station | lump sum | \$18,662 | \$20,055 | \$21,510 | \$23,029 | \$24,614 |
| Non-Standard Connections | Capacity charges for users not listed in this table shall be determined by the District Engineer based upon a reasonable estimate of the volume and pollutant loadings of the wastewater to be discharged, subject to the minimum capacity charge. | | | | | |

ORDINANCE 35.23

EXHIBIT A

| CONNECTION CATEGORY | UNIT DEFINITION | CAPACITY CHARGE PER UNIT | | | | |
|---|---|---------------------------------|------------|------------|------------|------------|
| | | Effective August 1 of Each Year | | | | |
| | | 2021 | 2022 | 2023 | 2024 | 2025 |
| INDUSTRIAL | | | | | | |
| Volume Component | per 1,000 gallons of average annual discharge volume* (exclusive of domestic wastewater) | \$26.52 | \$28.84 | \$31.27 | \$33.81 | \$36.46 |
| COD Component | per 1,000 gallons of average annual discharge volume* (exclusive of domestic wastewater) | \$610.05 | \$676.15 | \$745.38 | \$817.85 | \$893.69 |
| SS Component | per 1,000 gallons of average annual discharge volume* (exclusive of domestic wastewater) | \$1,315.58 | \$1,428.83 | \$1,547.24 | \$1,671.00 | \$1,800.32 |
| <p><i>* Industrial capacity charges are paid in 4 installments with the first payment due prior to permit issuance and subsequent payments due at end of each year for 3 additional years. The initial capacity charge payment is based on estimated flow and loadings with subsequent charges based on actual flows and loading as described in Ordinance 35.22.</i></p> | | | | | | |
| MINIMUM CAPACITY CHARGE | | | | | | |
| The minimum capacity charge per any initial connection shall equal the charge for a Multi-Family Residential Dwelling Unit. | | \$8,030 | \$8,661 | \$9,321 | \$10,009 | \$10,728 |

Certificate Of Completion

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| | Union City, CA 94587 |
| | Reginam@unionsanitary.ca.gov |
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Signer Events

Tom Handley
thandley@unionsanitary.ca.gov
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Signature

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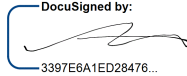
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Anjali Lathi
alathi@unionsanitary.ca.gov
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Rollie Arbolante
rolliea@unionsanitary.ca.gov
Security Level: Email, Account Authentication (None)

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SCHEDULING PUBLIC HEARING TO CONSIDER COLLECTION OF SEWER SERVICE CHARGES ON THE TAX ROLL FOR FISCAL YEAR 2022

This item was reviewed by the Legal/Community Affairs Committee. Business Services Manager/CFO Carlson stated the Board should set the date for the public hearing to consider authorizing the collection of sewer service charges for Fiscal Year 2022 on the tax rolls, and further stated the public hearing will be held during a virtual Board meeting and the Boardroom will not be used for said meeting. After the Board sets the hearing date, staff will prepare the report to be considered at the public hearing and will publish the required Notice included in the Board meeting packet in the Tri-City Voice and The Argus newspapers. Staff recommended the Board set the time for holding the public hearing to consider collection of sewer services charges on the tax roll for fiscal year 2022, at 4:00 p.m. or as soon thereafter as the matter may be heard, during the virtual Board meeting to be held June 28, 2021.

It was moved by Secretary Lathi, seconded by Director Fernandez, to Set the Time for Holding the Public Hearing to Consider Collection of Sewer Service Charges on the Tax Roll for Fiscal Year 2022, at 4:00 p.m. or as soon thereafter as the matter may be heard, on June 28, 2021, during the Union Sanitary District Virtual Board Meeting. Motion carried with the following vote:

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

CONSIDER AUTHORIZING THE PURCHASE OF A SECOND ROBOTIC CUTTER FOR COLLECTION SYSTEM REPAIRS

This item was reviewed by the Budget & Finance Committee. Collection Services Coach Nesgis stated the Board approved the purchase of the Collections Workgroup's first robotic cutter in January 2020. The robotic cutter allowed staff to complete trenchless spot repairs and reinstate laterals within the repairs. Purchasing a second robotic cutter will further expand repair capabilities for Collections staff and provide redundancy for critical repairs. The Schwalm Talpa 2060 Cutter Robotic unit will enable staff to reinstate laterals in sewer lines up to 24 inches in diameter and will also allow staff to use multiple heads and attachments for a variety of uses. Staff recommended the Board authorize purchase of a second robotic cutter, a Schwalm Talpa 2060 Cutter Robotic unit, to support and expand the District's Inversion Lining Process for Collection System repairs at an estimated purchase price of \$106,900.

It was moved by Vice President Kite, seconded by Director Toy, to Authorize Purchase of a Schwalm Talpa 2060 Cutter Robotic Unit for Collection System Repairs. Motion carried with the following vote:

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

AUTHORIZE THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 3 WITH BROWN AND CALDWELL FOR THE EMERGENCY OUTFALL IMPROVEMENTS PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the proposed Task Order will authorize engineering services during construction including submittal review, response to requests for information, preparation of design clarification memoranda, and geotechnical testing. The scope of services and fee for Task Order No. 3 were outlined in the Board meeting packet. The Board awarded the construction contract for the Project to Garney Pacific, Inc. in May 2020, staff expect to issue the Notice to Proceed in May 2021, and construction completion is anticipated by December 2021. The purpose of the Project is to make improvements to the District's Emergency Outfall to reduce maintenance activities associated with the flap gate and increase reliability of operation during wet weather events. Staff recommended the Board authorize the General Manager to execute Task Order No. 3 with Brown and Caldwell in the amount of \$69,440 to provide engineering services during construction of the Emergency Outfall Improvements Project.

It was moved by Director Fernandez, seconded by Secretary Lathi, to Authorize the General Manager to Execute Task Order No. 3 with Brown and Caldwell in the Amount of \$69,440 to Provide Engineering Services During Construction of the Emergency Outfall Improvements Project. Motion carried with the following vote:

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

ELECTION OF OFFICERS FOR THE BOARD OF DIRECTORS

General Manager Eldredge stated Policy No. 3070, Boardmember Officers and Committee Membership, states the Board shall annually elect by majority vote the President, Vice President, and Secretary. Staff recommended the Board appoint and elect by motion the officers to serve as President, Vice President, and Secretary, in accordance with District Policy No. 3070.

It was moved by President Handley, seconded by Secretary Lathi, to Elect Director Kite to serve as President, Director Lathi to serve as Vice President, and Director Fernandez to serve as Secretary for approximately one-year terms. Motion carried with the following vote:

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

PROPOSED OPERATING AND CIP BUDGET FOR FISCAL YEAR 2022

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge and Business Services Manager Carlson presented an overview of the Proposed

Operating and Capital Improvement Program (CIP) Budget for Fiscal Year 2022. The Board directed staff to present the final Operating and CIP Budget for Fiscal Year 2022 at the June 28, 2021, Board meeting.

INFORMATION ITEMS:

Status of Priority 1 Capital Improvements 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 of \$42.68 million for design and construction of 27 CIP projects in June 2020. The Projects were ranked Priority 1, 2, or 3 based upon criteria prepared by staff and approved by the Executive Team. There were 17 projects ranked as Priority 1 for Fiscal Year 2021. The status of Priority 1 CIP 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.

Third Quarterly Report on the Capital Improvement Program for Fiscal Year 2021

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated third quarter expenditures for Fiscal Year 2021 were presented in graphs included in the Board meeting packet. The graphs depicted actual expenditures versus approved budget for Capacity Fund 900, the Renewal and Replacement Fund 800, and for both funds combined. Total CIP expenditures up to March 31, 2021, were under projections for the third quarter by approximately \$4,348,000. Projects that had significant variances from projected expenditures were presented in a table included in the Board meeting packet.

Report on the East Bay Dischargers Authority (EBDA) Meeting of April 15, 2021

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

COVID-19 Update

General Manager Eldredge provided an update regarding COVID-19 impacts on District operations and coordination efforts.

Check Register

Staff responded to Boardmember 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 stated he will be out of the office beginning May 26 and will return June 7, 2021.

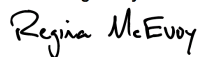
OTHER BUSINESS:

There was no other business


ADJOURNMENT:

The meeting was adjourned at 4:50 p.m. to the next Regular Board Meeting to be held virtually at 4:00 p.m. on Monday, June 14, 2021.

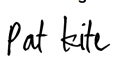
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REGINA McEVOY
BOARD CLERK

ATTEST:

DocuSigned by:

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MANNY FERNANDEZ
SECRETARY

APPROVED:

DocuSigned by:

7EFE0DB9E7E0480...
PAT KITE
PRESIDENT

Adopted this 14th day of June 2021

Certificate Of Completion

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| | Union City, CA 94587 |
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Signer Events

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

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Regina McEvoy
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