



**DUBLIN SAN RAMON SERVICES DISTRICT  
Board of Directors**

**NOTICE OF REGULAR MEETING**

**TIME:** 6:00 p.m.  
**PLACE:** Regular Meeting Place  
7051 Dublin Boulevard, Dublin, CA

**DATE:** Tuesday, February 4, 2014

**AGENDA**

(NEXT RESOLUTION NO. 3-14)

(NEXT ORDINANCE NO. 332)

**Our mission is to provide reliable water and wastewater services to the communities we serve in a safe, efficient and environmentally responsible manner.**

**BUSINESS:**

**REFERENCE**

	<u>Recommended Action</u>	<u>Anticipated Time</u>
1. <u>CALL TO ORDER</u>		
2. <u>PLEDGE TO THE FLAG</u>		
3. <u>ROLL CALL</u> – Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold		
4. <u>SPECIAL ANNOUNCEMENTS/ACTIVITIES</u>		
5. <u>PUBLIC COMMENT</u> (MEETING OPEN TO THE PUBLIC)		
<p>At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight’s agenda. Comments should not exceed five minutes. Speakers’ cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment.</p>		
6. <u>REPORTS</u>		
A. <u>Reports by General Manager and Staff</u>		
• Event Calendar		
• Correspondence to and from the Board		
B. <u>Committee Reports</u>		
Water		January 23, 2014
C. <u>Agenda Management</u> (consider order of items)		
7. <u>APPROVAL OF MINUTES</u> - Regular Meeting of <i>January 21, 2014</i>	District Secretary	Approve by Motion
Special Meeting of <i>January 30, 2014</i>	District Secretary	Approve by Motion

**BUSINESS:**

**REFERENCE**

		<b><u>Recommended Action</u></b>		<b><u>Anticipated Time</u></b>
8.	<b><u>CONSENT CALENDAR</u></b>			
Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board of Directors or the public prior to the time the Board votes on the Motion to adopt.				
A.	Approve Board Committee Charters for 2014	General Manager	Approve by Motion	
B.	Approve Amendment to Personal Services Agreements between Senior Managers R. Biagtan, D. Gallagher, J. Archer and M. Gallardo and Dublin San Ramon Services District	General Manager	Approve by Resolutions (4)	
C.	Authorize Execution of Amendment No. 12 to the Agreement for Personal Services between Bert L. Michalczyk and the Dublin San Ramon Services District	General Counsel	Approve by Resolution	
D.	Upcoming Board Calendar	General Manager	Accept by Motion	
E.	Report of Checks and Electronic Disbursements Made	Treasurer	Accept by Motion	
9.	<b><u>BOARD BUSINESS</u></b>			
A.	Receive Presentation on Status of District Water Supply - 2014	General Manager	Receive Presentation & Provide Direction	20 min
B.	Receive Water Quality Briefing - Actions Taken and Future Actions	Engineering Services Manager	Receive Presentation & Provide Direction	15 min
C.	Discuss Water Expansion Fund Management Policy, Priority for Addressing Emerging Issues and Action Plan	General Manager	Receive Presentation & Provide Direction by Motion	20 min
D.	First Reading: Introduction of Ordinance Repealing and Replacing Chapter 6.10 (Personnel Merit System) of the District Code	Organizational Services Manager	Introduction of Ordinance & Waive Reading by Motion	5 min

10. BOARDMEMBER ITEMS

- Submittal of Written Reports from Travel and Training Attended by Directors

11. ADJOURNMENT

BOARD CALENDAR\*

<u>Committee &amp; Board Meetings</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
Special LAVWMA	February 5, 2014	6:00 p.m.	District Office
Finance	February 10, 2014	8:30 a.m.	District Office
External Affairs	February 11, 2014	5:30 p.m.	District Office
Personnel	February 11, 2014	5:45 p.m.	District Office
Wastewater	February 12, 2014	8:30 a.m.	District Office
Regular Board Meeting	February 18, 2014	6:00 p.m.	District Office

\*Note: Agendas for regular meetings of District Committees are posted not less than 72 hours prior to each Committee meeting at the District Administrative Offices, 7051 Dublin Boulevard, Dublin, California

**All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection at the front desk of the District Office at 7051 Dublin Blvd., Dublin, during business hours, or by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.**

**DUBLIN SAN RAMON SERVICES DISTRICT  
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS**

**January 21, 2014**

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by President Georgan M. Vonheeder-Leopold. Boardmembers present: President Georgan M. Vonheeder-Leopold, Vice President Edward R. Duarte, Director D.L. (Pat) Howard, Director Richard M. Halket, and Director Dawn L. Benson. District staff present: Bert Michalczyk, General Manager; Rhodora Biagtan, Interim Engineering Services Manager; John Archer, Interim Financial Services Manager/Treasurer; Dan Gallagher, Operations Manager; Michelle Gallardo, Interim Organizational Services Manager; Carl P.A. Nelson, General Counsel; and Nancy Gamble Hatfield, District Secretary.

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

General Manager Michalczyk announced that Attorney Alison Kosinski was present to attend the Closed Session. She is associated with the law firm of Liebert Cassidy Whitmore.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m.
6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager Michalczyk reported on the following:
  - o On January 1, 2014 and in accordance with prior Board decisions, the District adjusted water rates by the CPI change from 2013 and 2014. The Board required three things be done when the rates are adjusted: post those changes on the District website (completed), notify customers (completed), and notify the Board of Directors. The District adjustment is 2.56% and the Zone 7 adjustment is 2.65%. Mr. Michalczyk stated this information was distributed to the Board this evening and that with this report he was notifying the Board of the change.
  - o Before the Board is the “Proclamation of a State of Emergency” issued last Friday, January 17, 2014 by Governor Jerry Brown who declared an emergency related to the water shortage in the State of California. Mr. Michalczyk noted that the Water Committee will initiate a discussion on the topic Thursday at their meeting. On Wednesday, January 29, 2014 the Zone 7

**DRAFT**

board will hold a special meeting to discuss the drought emergency. On February 4, 2014 the District Board will be also discussing the topic.

- o Operations Manager Gallagher will lead the District's Shortage Implementation Plan (SIP) team charged with coordinating the many activities that will need to be done in response to the drought situation including outreach, operational, engineering, financial, etc.
  - o On Thursday, January 30, 2014 at 6:00 p.m., California Natural Resources Secretary John Laird will be addressing citizens and elected officials at the Dublin City Council Chambers and speak on the California Water Action Plan. The District will agendize this meeting as a special meeting of its Board of Directors to begin at 5:45 p.m. when roll will be called and public comment solicited. As of tonight, Directors Benson, Howard, and Vonheeder-Leopold will attend.
  - o A revised agenda was released for tonight's Board meeting to correct a clerical error under Item 11 – Closed Session. Also, the Special Board meeting on January 30, 2014 was added to the Board calendar.
- Correspondence to and from the Board – None.

B. Committee Reports

External Affairs	January 8, 2014
Finance	January 13, 2014
Personnel	January 14, 2014
Wastewater	January 15, 2014

President Vonheeder-Leopold invited comments on recent committee activities. Directors felt the available staff reports adequately covered the many matters considered at committee meetings and made a few comments about some of the committee activities.

C. Agenda Management (consider order of items) – No changes were made.

7. APPROVAL OF MINUTES – Regular Meeting of *January 7, 2014*

Director Howard MOVED for the approval of the January 7, 2014 minutes. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

V.P. Duarte requested to REMOVE Items 8.A & 8.B from the Consent Calendar for discussion.

Director Howard MOVED for approval of Item 8.C on the Consent Calendar. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

President Vonheeder-Leopold took Item 8.B before Item 8.A for discussion.

- A. REMOVED - Water and Recycled Water SCADA Improvements (CIP 09-6101): Authorize Amendment No. 1 to Task Order No. 1 with ArcSine Engineering

V.P. Duarte told Engineering Services Manager Biagtan that he had some specific questions about the change of scope for the subject project. Ms. Biagtan referred his questions to Principal Engineer – Supervisory Judy Zavadil.

V.P. Duarte asked Ms. Zavadil for an explanation about the proposed 13% increase to Task Order No. 1 for the Water and Recycled Water SCADA Improvements project, which adjusts the amount from \$798,000 to \$913,000, an increase of \$115,000. V.P. Duarte also asked about the reasons for the number of drawings to be generated within this change of scope, as well as the cost for the work. He was interested to know why the number of hours to be spent on work by the SCADA Engineer and Drafting/Technician were identical. He was not comfortable with those identical hours because he stated that he thought it was unusual, referring to his number of years of experience in the construction field. However, V.P. Duarte did mention that having an expanded scope on bid documents is the best money spent and makes sense.

Principal Engineer Zavadil responded to V.P. Duarte's questions expanding on the multiple reasons for the proposed \$115,000 increase in Task Order No. 1, which were also discussed in the Summary and Recommendation contained in the agenda packet. She noted some of the key reasons for the proposed increase included: an extra week of a crew with a boom truck to evaluate different radio frequencies and radio paths for the communications system design, additional drawings to address the wide variation in the piping and instrumentation at the facilities, additional drawings to install power at Reservoir 3A, and to reconfigure server rooms at the WWTP. Ms. Zavadil explained that it makes sense to spend the money now to reduce the number of issues during construction. She noted that she shares V.P. Duarte's concerns about the large increase and will be watching expenditures closely; however, she commented that this consultant does have reasonable rates and seems to be well organized in performing the work.

Director Halket asked what the total budget was for the Project. Ms. Zavadil replied close to \$3 million. Director Halket agreed that the project costs should be watched closely. He also felt that in view of the overall cost, the amendment to Task Order No. 1 to assure the contract drawings were of sufficient detail for the contractor was reasonable.

Director Howard MOVED to authorize the General Manager to execute Amendment No. 1 to Task Order No. 1 with ArcSine Engineering for the Water and Recycled Water SCADA Improvements Project (CIP 09-6101) in an amount of \$115,000, increasing the total amount from \$798,000 to \$913,000. V.P. Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

- B. REMOVED - Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 54-13

V.P. Duarte asked if the pay increases for 2014 reflected in the agenda materials were for all or some District staff positions.

Organizational Services Manager Gallardo explained that employees covered under the MOUs and Personal Services Agreements have a negotiated CPI adjustment of 1.18%. Some of the MOUs provided for the adjustment starting December 23, 2013 and others had a January 1, 2014 adjustment date.

General Manager Michalczyk stated that all the positions mentioned by Ms. Gallardo were subject to the adjustment, with the exception of the General Manager, who did not receive an adjustment at this time. Adjustments, if any, are made on a fiscal year basis in July.

Director Benson noted a typographical error on the heading on page 3 of "Exhibit A" "DSRSD Pay Schedule."

Mr. Michalczyk acknowledged that the heading should cite "Bi-Weekly Pay Rate" instead of "Hourly Pay Rate."

V.P. Duarte MOVED to adopt Resolution No. 2-14 adopting a pay schedule with a revised page 3 to Exhibit A in accordance with California Code of Regulations, Title 2, Section 570.5, and Rescinding Resolution No. 54-13. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

- C. Upcoming Board Calendar – Approved

9. BOARD BUSINESS – None.
10. BOARDMEMBER ITEMS

President Vonheeder-Leopold gave a report on her attendance at the January 8, 2014 Alameda County Special Districts Association (ACSDA) meeting at the Alameda County Resource Conservation District. She noted the minutes from the November 2013 meeting were updated to reflect V.P. Duarte's attendance as well as others who were omitted.

President Vonheeder-Leopold reported on the winter CASA Conference and program she attended January 15 - 17, 2014 in Indian Wells, commenting on the many good speakers and the emphasis on looking to the future. She noted that at one time wastewater agencies referred to their product as sludge, then biosolids, and now it is known as a recoverable resource.

President Vonheeder-Leopold also noted that a Bay Area Biosolids to Energy meeting was also held concurrently with the conference. The agencies who participate in that project recently hired Paul Kelley as its Executive Director.

11. CLOSED SESSION

At 6:37 p.m. the Board went into Closed Session.

A. Conference with Labor Negotiators—Pursuant to Government Code Section 54957.6

Agency Negotiators: Bert Michalczyk, General Manager  
Michelle Gallardo, Organizational Services Manager  
Alison Kosinski, Attorney, Liebert Cassidy Whitmore

Employee Organizations: 1. Stationary Engineers, Local 39  
2. Mid-Management Employees Bargaining Unit  
3. Professional Employees Bargaining Unit  
4. Confidential Employees Bargaining Unit

Additional attendees: General Counsel Carl P. A. Nelson

12. REPORT FROM CLOSED SESSION

At 6:59 p.m. the Board came out of Closed Session. President Vonheeder-Leopold announced that there was no reportable action.

13. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 7:00 p.m.

Submitted by,

Nancy Gamble Hatfield  
District Secretary



**DUBLIN SAN RAMON SERVICES DISTRICT  
MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**January 30, 2014**

A special meeting of the Board of Directors was called to order at 5:45 p.m. by President Georgan M. Vonheeder-Leopold. Boardmembers present: President Georgan M. Vonheeder-Leopold, Vice President Edward R. Duarte, Director D.L. (Pat) Howard, and Director Dawn L. Benson. District staff present: Bert Michalczyk, General Manager; Rhodora Biagtan, Interim Engineering Services Manager; Dan Gallagher, Operations Manager; Carl P.A. Nelson, General Counsel; and Nicole Genzale, Administrative Analyst I

1. CALL TO ORDER

2. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

No member of the public commented on any item not on the agenda.

3. BUSINESS -

A. Receive Presentation from State Natural Resources Secretary John Laird on the California Water Action Plan

Mr. Daniel Smith, Director of Operations for City of Pleasanton, welcomed the Elected Officials and meeting attendees. Mr. Don Biddle, Vice Mayor City of Dublin, Ms. Georgan Vonheeder-Leopold, Board President Dublin San Ramon Services District, and Ms. Angela Ramirez Holmes, Zone 7 Water Agency Boardmember, also made welcoming remarks.

Mr. John Laird, Secretary of the California Natural Resources Agency, gave a presentation on the California Water Action Plan and the current drought conditions in California.

Ms. Jill Duerig, General Manager Zone 7 Water Agency, and Mr. Bert Michalczyk, General Manager Dublin San Ramon Services District, made presentations regarding the water wholesaler and water retailer perspectives, respectively.

The audience engaged in a question and answer period with Secretary Laird following the presentation. No questions were asked by or asked of the District Board of Directors.

4. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 7:34 p.m.

Submitted by,

Nicole Genzale  
Administrative Analyst I

For: Nancy Gamble Hatfield  
District Secretary



**Dublin San Ramon Services District  
Summary & Recommendation**

Reference General Manager	Type of Action Approve Committee Charters	Board Meeting of February 4, 2014
Subject Approve Board Committee Charters for 2014		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
<input checked="" type="checkbox"/> Staff	B. Michalczyk	<input type="checkbox"/> Board Member

**Recommendation:**

The General Manager recommends the Board of Directors approve, by Motion, the 2014 Charters of each Board Committee.

**Summary:**

Since President Vonheeder-Leopold proposed the Board’s Committees in December, each Committee has been working on a Charter that includes its Mission Statement and identifies key focus areas for the year; those Charters are attached.

In approximately the months of May, September and again at year-end the Committees will discuss the progress made on the goals they set for themselves.

Committee Review			Legal Review	Staff Review		
COMMITTEE All	DATE Jan. 2014	RECOMMENDATION Yes	Not Required	ORIGINATOR BLM	DEPARTMENT Executive	REVIEWED BY
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. Charters for External Affairs, Finance, Personnel, Wastewater, Water 2. 3.			
<small>H:\Board\2014\02-04-14\Committee Charters\Comm-charters - 2014 S&amp;R.docx</small>						

# CHARTER

## EXTERNAL AFFAIRS COMMITTEE 2014

<b>Committee Members:</b>	Vice President Duarte Director Benson Alternate: Director Howard
<b>Meeting Date and Time:</b>	First Tuesday after First Board Meeting at 5:30 p.m.
<b>Staff Liaison:</b>	Bert Michalczyk General Manager
<b>Committee Mission:</b>	The Mission of the External Affairs Committee is to provide policy level guidance to programs that focus on the District's service to, relationship with, and communication with all of our customers including residents, businesses, schools, and major institutional customers. The Committee will recommend new policies, or changes to policies, that are related to its mission. The Committee's mission also includes matters that require a focused District involvement on external matters such as State and Federal Legislation, the subject of which is not specifically covered by the Charter of another Committee. The Committee will be the primary deliberative Committee for matters related to the Tri-Valley Utility Coordination and Integration study unless the Board establishes another or an ad-hoc Committee. Finally, the Committee will provide policy level guidance on all openness and transparency matters. The Committee shall review and guide other matters that, from time to time, may be referred to it by the Board of Directors.
<b>Type of Committee:</b>	Deliberative as to External Affairs Liaison as to the City of Dublin Liaison as to the City of San Ramon Liaison as to the City of Livermore Liaison to all school districts
<b>Adopted by Committee:</b>	January 8, 2014
<b>Accepted by Board</b>	February 4, 2014

### COMMITTEE GOALS

The goal of the Committee is to ensure that the District makes steady and reasonable progress on the goals the Board established in the Strategic Plan that are related to the Mission of the Committee with a special focus on the following for 2014:

- Review any Strategic Work Plan changes that require budgetary support and that are within the Charter of the Committee;
- Review any mid-cycle budget proposal items that are within the Charter of the Committee;

- Provide policy level guidance related to Tri-Valley Utility Coordination and Integration discussions;
- Provide policy level guidance related to the development of the Intergovernmental Reciprocal Services Master Agreement (IRSMA) for eventual Board consideration;
- Provide policy level guidance regarding District communications related to the developing water supply situation; and
- Provide policy level support to ensure positive, cooperative and timely responses to requests from news organizations for information;
- Provide policy level guidance related to finalizing the Guidelines for Conducting Board Business;
- Provide policy level guidance for the eventual adoption of a District-wide electronic record management system;
- Provide policy level support for the launch of the District's new web platform; and
- Guide the award of the annual James B. Kohnen scholarship program.

# CHARTER

## FINANCE COMMITTEE 2014

<b>Committee Members:</b>	President Vonheeder-Leopold Director Halket Alternate: Director Benson
<b>Meeting Date and Time:</b>	First Monday after First Board Meeting at 8:30 a.m.
<b>Staff Liaison:</b>	John Archer Interim Financial Services Manager
<b>Committee Mission:</b>	The Mission of the Finance Committee is to provide policy level guidance to programs that focus on the District's financial affairs. The Committee will recommend new policies, or changes to policies that are related to its mission. The Committee's mission also includes policy level review of budgeting, rate setting, risk management, financial acquisitions and strategies as well as debt management. In addition, the Committee shall review and guide other matters that from time to time may be referred to it by the Board of Directors.
<b>Type of Committee:</b>	Deliberative as to Finance
<b>Adopted by Committee:</b>	January 13, 2014
<b>Accepted by Board</b>	February 4, 2014

### COMMITTEE GOALS

The goal of the Committee is to ensure that the District makes steady and reasonable progress on the goals the Board established in the Strategic Plan that are related to the Mission of the Committee with a special focus on the following for 2014:

- Review any Strategic Work Plan changes that require budgetary support and that are within the Charter of the Committee;
- Review any mid-cycle budget proposal items that are within the Charter of the Committee;
- Provide policy level guidance for the water capacity fee decision;
- Provide policy level guidance for miscellaneous fee decision;
- Provide policy level guidance for the work with Pleasanton to review wastewater account classifications and the regional rate decision; and
- Monitor fund balances and development revenue and provide policy level guidance for matters related to the Water Expansion Fund.

# CHARTER

## PERSONNEL COMMITTEE 2014

<b>Committee Members:</b>	Vice President Duarte Director Benson Alternate: Director Halket
<b>Meeting Date and Time:</b>	First Tuesday after First Board Meeting at 5:30 p.m. (5:45 p.m. on dates when there is also an External Affairs Committee meeting)
<b>Staff Liaison:</b>	Michelle Gallardo Interim Organizational Services Manager
<b>Committee Mission:</b>	The Mission of the Personnel Committee is to provide policy level guidance to programs that focus on the District's personnel including labor relations and performance management. The Committee will recommend new policies, or changes to policies that are related to its mission. In addition, the Committee shall review and guide other matters that from time to time may be referred to it by the Board of Directors.
<b>Type of Committee:</b>	Deliberative as to Personnel
<b>Adopted by Committee:</b>	January 14, 2014
<b>Accepted by Board</b>	February 4, 2014

### COMMITTEE GOALS

The goal of the Committee is to ensure that the District makes steady and reasonable progress on the goals the Board established in the Strategic Plan that are related to the Mission of the Committee with a special focus on the following for 2014:

- Review any Strategic Work Plan changes that require budgetary support and that are within the Charter of the Committee;
- Review any mid-cycle budget proposal items that are within the Charter of the Committee;
- Complete performance assessments for General Manager, General Counsel, Treasurer and District Secretary;
- Explore reasonable means to ensure management level succession planning in a difficult economy;
- Guide the update to the District's Emergency Response Plan and ensure a reasonable degree of staffing readiness;
- Ensure that the District has sufficient manpower to enable it to meet its Mission;
- Assist the Board to develop a compensation and benefits philosophy that will allow the District to remain competitive and attract highly qualified, motivated and innovative staff to ensure a high performing organization;
- Guide the updating of the Employer-Employee Organization Relations Resolution; and
- Ensure Board and staff complete mandated Ethics Training and Harassment Prevention training in accordance with District Policies and industry best management practices.

# CHARTER

## WATER COMMITTEE 2014

<b>Committee Members:</b>	President Vonheeder-Leopold Director Howard Alternate: Vice President Duarte
<b>Meeting Day and Time:</b>	First Thursday after Second Board Meeting at 8:30 a.m.
<b>Staff Liaison:</b>	Rhodora Biagtan Interim Engineering Services Manager
<b>Committee Mission:</b>	The mission of the Water Committee is to provide policy level guidance related to programs and policies associated with potable and recycled water supply, facilities and services including reliability and water quality. The Committee will recommend new policies or changes to policies that are related to its mission. The Committee's mission also includes representation of the District's interests with DERWA. The Committee shall also serve as the District's Liaison to Zone 7. In addition, the Committee shall review and guide other matters that from time to time may be referred to it by the Board of Directors.
<b>Type of Committee:</b>	Deliberative as to Water JPA Representative to DERWA Liaison to Zone 7
<b>Adopted by Committee:</b>	January 23, 2014
<b>Accepted by Board</b>	February 4, 2014

### COMMITTEE GOALS

The goal of the Committee is to ensure that the District makes steady and reasonable progress on the goals the Board established in the Strategic Plan that are related to the mission of the Committee with a special focus on the following for 2014:

- Review any Strategic Work Plan changes that require budgetary support and that are within the Charter of the Committee;
- Review any mid-cycle budget proposal items that are within the Charter of the Committee;
- Guide and develop consensus for the Summer 2014 Water Shortage Contingency plan based upon the State allocation and consistent for all retailers and Zone 7;
- Provide policy guidance in the implementation of the Zone 7 "2011 Water Supply Evaluation" study including but not limited to: policy review and support of proposal to Zone 7 by the Water Retailers for financial support of recycled water projects; revisions to the Zone 7 water conservation program to better target the need of retailers to achieve 20% by 2020 demand reduction; and providing seasonal storage for recycled water;
- Provide policy level guidance for renewing the District's long term planning efforts to diversify its sources of potable water and for developing a plan for leading edge water management efforts including gray water, rainwater capture and more aggressive use of

Water Committee  
2014 Charter

recycled water in non-traditional locations such as front yards so as to lessen the District's dependence on the fragile Delta supply;

- Provide information to the District's customers related to big picture water issues in the State that affect the District's present and future water supply reliability; and
- Provide policy guidance for the Water Master Plan.



# CHARTER

## WASTEWATER COMMITTEE 2014

<b>Committee Members:</b>	Director Halket Director Howard Alternate: President Vonheeder-Leopold
<b>Meeting Date and Time:</b>	Second Wednesday after First Board Meeting at 8:30 a.m.
<b>Staff Liaison:</b>	Dan Gallagher Operations Manager
<b>Committee Mission:</b>	The Mission of the Wastewater Committee is to review and guide programs and policies that focus on delivery of safe, secure, economical and reliable wastewater collection, treatment and disposal services including liquids, biosolids, and air emissions such as odors, regulated air emissions and greenhouse gas emissions from wastewater operations. The Committee will recommend new policies, or changes to policies that are related to its mission. The Committee’s Mission also includes representing the District’s interest on LAVWMA and as Liaison to the City of Pleasanton. The Committee shall also represent the District’s interest with residents in the neighborhoods adjacent to the Wastewater Treatment Plant as may be required. In addition, the Committee shall review and guide other matters that, from time to time, may be referred to it by the Board of Directors.
<b>Type of Committee:</b>	Deliberative as to Wastewater JPA Representative to LAVWMA Liaison as to the City of Pleasanton
<b>Adopted by Committee:</b>	January 15, 2014
<b>Accepted by Board</b>	February 4, 2014

### COMMITTEE GOALS

The goal of the Committee is to ensure that the District makes steady and reasonable progress on the goals the Board established in the Strategic Plan that are related to the Mission of the Committee with a special focus on the following for 2014:

- Review any Strategic Work Plan changes that require budgetary support and that are within the Charter of the Committee;
- Review any mid-cycle budget proposal items that are within the Charter of the Committee;
- Guide updating the Strategic Plan in those areas that are within the Charter of the Committee;
- Provide policy level guidance to updating the District’s Biosolids Master Plan;
- Provide policy level guidance to updating the District’s Wastewater Treatment Master Plan;
- Provide policy level guidance related to Pleasanton’s desire to connect the proposed East Amador Relief Sewer and Lift Station to the Regional Treatment Plant;
- Provide policy level guidance to implementing aesthetic improvements, security enhancements, and odor control corrective measures and improvements;

Wastewater Committee  
2014 Goals & Objectives

- Provide policy level guidance leading towards a Board decision as to what constitutes the accomplishment of the District's odor control commitment made as part of the Stage IV WWTP Expansion;
- Provide policy level guidance related to Pleasanton's desire to implement a recycled water program;
- Provide policy level guidance to the adoption of the annual budget for LAVWMA, including the potential continued development of an asset management program for LAVWMA's Facilities; and
- Provide policy level guidance for the implementation of efficiency improvements related to energy consumption and chemical use.



**Dublin San Ramon Services District  
Summary & Recommendation**

Reference General Manager	Type of Action Approve Amendments	Board Meeting of February 4, 2014
Subject Approve Amendment to Personal Services Agreements between Senior Managers R. Biagtan, D. Gallagher, J. Archer and M. Gallardo and Dublin San Ramon Services District		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

**Recommendation:**

The General Manager recommends the Board of Directors approve, by separate Resolutions, Amendment No. 1 to the Personal Services Agreement (PSA) with Rhodora N. Biagtan, Amendment No. 1 to the PSA with Daniel P. Gallagher, Amendment No. 2 to the PSA with John J. Archer, and Amendment No. 2 to the PSA with Michelle Gallardo.

**Summary:**

With the recent execution of Personal Services Agreements for interim senior management staff, District’s special labor counsel advised that since the Legislature enacted AB1344 in 2012, any contract of employment between an employee and a local agency employer shall contain certain provisions as specified in Government Code section 53243.2 and 53260.

Government Code Section 53243.2 states that on or after January 1, 2012 any contract of employment between an employee and a local agency employer shall include a provision which provides that, regardless of the term of the contract, if the contract is terminated, any cash settlement related to the termination that an employee may receive from the local agency shall be fully reimbursed to the local agency if the employee is convicted of a crime involving an abuse of his or her office or position.

Government Code Section 53260 states that all contracts of employment between an employee and a local agency employer shall include a provision which provides that regardless of the term of the contract, if the contract is terminated, the maximum cash settlement that an employee may receive shall be an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired term of the contract. However, if the unexpired term of the contract is greater than 18 months, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 18.

These Amendments contain both provisions as noted above, and neither add to nor reduce compensation or benefits. The addition of these provisions also promotes consistency between the PSAs and state regulations for such employment contracts.

Ms. Biagtan, Mr. Gallagher, Mr. Archer and Ms. Gallardo are in concurrence with the Amendments as proposed.

Committee Review			Legal Review	Staff Review		
COMMITTEE	DATE	RECOMMENDATION	Yes	ORIGINATOR	DEPARTMENT	REVIEWED BY
---	---	---		BLM	Executive	
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. 2. 3.			

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT NO. 1 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN RHODORA N. BIAGTAN AND DUBLIN SAN RAMON SERVICES DISTRICT

---

WHEREAS, pursuant to Resolution No. 53-13 adopted November 19, 2013 this Board approved and authorized execution of an agreement for personal services with Rhodora N. Biagtan as Interim Engineering Services Manager (“The Agreement”); and

WHEREAS, Government Code Section 53243.2 requires all contracts existing on or after January 1, 2012 between a public agency and an employee to include a provision requiring the employee to repay to the agency any cash settlement related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

WHEREAS, Government Code Section 53260 requires all contracts executed on or after January 1, 2012 between a public agency and an employee to include a provision limiting any severance payment to the lesser of either the employee’s monthly salary multiplied by the number of months remaining on the unexpired term of the employment contract or the employee’s monthly salary multiplied by eighteen (18); and

WHEREAS, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to further modify the Agreement, as amended, to comply with Government Code Sections 53243.2 and 53260 with this Amendment No. 1.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency in the counties of Alameda and Contra Costa, California, as follows:

That certain Agreement titled, “Amendment No. 1 to the Agreement for Personal Services between Rhodora N. Biagtan and Dublin San Ramon Services District,” a copy of which is attached hereto, marked Exhibit “A,” and by this reference incorporated herein, is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said amendment for and on behalf of the District.

Res. No. \_\_\_\_\_

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 4th day of February 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Georgan M. Vonheeder-Leopold, President

Attest:

\_\_\_\_\_  
Nancy Gamble Hatfield, District Secretary

**AMENDMENT NO. 1 TO THE AGREEMENT FOR PERSONAL SERVICES  
BETWEEN RHODORA N. BIAGTAN AND DUBLIN SAN RAMON  
SERVICES DISTRICT**

**THIS AMENDMENT** to the Agreement for Personal Services between Rhodora N. Biagtan (“Manager”) and Dublin San Ramon Services District, a public agency of the State of California in the Counties of Alameda and Contra Costa (“District”), is made and entered into this 4th day of February, 2014.

**WITNESSETH:**

**WHEREAS**, the parties heretofore entered into an Agreement for Personal Services dated November 11, 2013 (the “Agreement”) under which Manager has provided services for District; and

**WHEREAS**, Government Code Section 53243.2 requires all contracts existing on or after January 1, 2012 between a public agency and an employee to include a provision requiring the employee to repay to the agency any cash settlement related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

**WHEREAS**, Government Code Section 53260 requires all contracts executed on or after January 1, 2012 between a public agency and an employee to include a provision limiting any severance payment to the lesser of either the employee’s monthly salary multiplied by the number of months remaining on the unexpired term of the employment contract or the employee’s monthly salary multiplied by eighteen (18); and

**WHEREAS**, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to modify the Agreement to comply with Government Code Sections 53243.2 and 53260 with this Amendment.

**NOW, THEREFORE**, the parties hereto agree as follows:

**Article 1:** Beginning on the effective date of the AMENDMENT TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN RHODORA BIAGTAN AND THE DUBLIN SAN RAMON SERVICES DISTRICT, Article 5 – TERMINATION – of the Agreement, as amended, is hereby revised to add the following two paragraphs at the end of subsection 5.6 the Article:

Pursuant to California Government Code Section 53260, in no event shall Manager receive a settlement that exceeds an amount equal to her monthly salary multiplied by the number of months remaining on the unexpired term of this Agreement or her monthly salary multiplied by eighteen (18), whichever is less.

Pursuant to California Government Code Section 53243.2, any lump sum severance payment or other non-contractual payments related to termination paid to Manager under Section 5 of this Agreement shall be fully reimbursed by Manager to the District if Manager is convicted of a crime involving an abuse of her office or position. For purposes of this Agreement, the phrase “abuse of her office or position” shall have the meaning set forth in Government Code Section 53243.4.

**Article 2:** After execution, this Amendment shall become effective on February 4, 2014.

**Article 3:** In all other respects the Agreement shall remain in full force and effect.

**WITNESS WHEREOF**, the District and Manager hereto have executed this Amendment No. 1 as of the Effective Date.

DUBLIN SAN RAMON SERVICES DISTRICT,  
A public agency of the State of California

By: \_\_\_\_\_  
Bert L. Michalczyk, General Manager

Attest: \_\_\_\_\_  
Nancy G. Hatfield, District Secretary

By: \_\_\_\_\_  
Rhodora N. Biagtan

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT NO. 1 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN DANIEL P. GALLAGHER AND DUBLIN SAN RAMON SERVICES DISTRICT

---

WHEREAS, pursuant to Resolution No. 79-11 adopted December 20, 2011 this Board approved and authorized execution of an agreement for personal services with Daniel P. Gallagher as Operations Manager (“The Agreement”); and

WHEREAS, Government Code section 53243.2 requires all contracts existing on or after January 1, 2012 between a public agency and an employee to include a provision requiring the employee to repay to the agency any cash settlement related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

WHEREAS, Government Code section 53260 requires all contracts executed on or after January 1, 2012 between a public agency and an employee to include a provision limiting any severance payment to the lesser of either the employee’s monthly salary multiplied by the number of months remaining on the unexpired term of the employment contract or the employee’s monthly salary multiplied by eighteen (18); and

WHEREAS, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to further modify the Agreement, as amended, to comply with Government Code sections 53243.2 and 53260 with this Amendment No. 1.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency in the counties of Alameda and Contra Costa, California, as follows:

That certain Agreement titled, “Amendment No. 1 to the Agreement for Personal Services between Daniel P. Gallagher and Dublin San Ramon Services District,” a copy of which is attached hereto, marked Exhibit “A,” and by this reference incorporated herein, is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said amendment for and on behalf of the District.



Res. No. \_\_\_\_\_

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 4th day of February 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Georgan M. Vonheeder-Leopold, President

Attest:

\_\_\_\_\_  
Nancy Gamble Hatfield, District Secretary

**AMENDMENT NO. 1 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN DANIEL P. GALLAGHER AND DUBLIN SAN RAMON SERVICES DISTRICT**

**THIS AMENDMENT** to the Agreement for Personal Services between Daniel P. Gallagher (“Manager”) and Dublin San Ramon Services District, a public agency of the State of California in the Counties of Alameda and Contra Costa (“District”), is made and entered into this 4th day of February, 2014.

**WITNESSETH:**

**WHEREAS**, the parties heretofore entered into an Agreement for Personal Services dated January 1, 2012 (the “Agreement”) under which Manager has provided services for District; and

**WHEREAS**, Government Code Section 53243.2 requires all contracts existing on or after January 1, 2012 between a public agency and an employee to include a provision requiring the employee to repay to the agency any cash settlement related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

**WHEREAS**, Government Code Section 53260 requires all contracts executed on or after January 1, 2012 between a public agency and an employee to include a provision limiting any severance payment to the lesser of either the employee’s monthly salary multiplied by the number of months remaining on the unexpired term of the employment contract or the employee’s monthly salary multiplied by eighteen (18); and

**WHEREAS**, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to modify the Agreement to comply with Government Code Sections 53243.2 and 53260 with this Amendment.

**NOW, THEREFORE,** the parties hereto agree as follows:

**Article 1:** Beginning on the effective date of the AMENDMENT TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN DANIEL P. GALLAGHER AND THE DUBLIN SAN RAMON SERVICES DISTRICT, Article 5 – TERMINATION – of the Agreement, as amended, is hereby revised to add the following two paragraphs at the end of subsection 5.6 the Article:

Pursuant to California Government Code Section 53260, in no event shall Manager receive a settlement that exceeds an amount equal to his monthly salary multiplied by the number of months remaining on the unexpired term of this Agreement or his monthly salary multiplied by eighteen (18), whichever is less.

Pursuant to California Government Code Section 53243.2, any lump sum severance payment or other non-contractual payments related to termination paid to Manager under Section 5 of this Agreement shall be fully reimbursed by Manager to the District if Manager is convicted of a crime involving an abuse of his office or position. For purposes of this Agreement, the phrase “abuse of his office or position” shall have the meaning set forth in Government Code Section 53243.4.

**Article 2:** After execution, this Amendment shall become effective on February 4, 2014.

**Article 3:** In all other respects the Agreement shall remain in full force and effect.

**WITNESS WHEREOF,** the District and Manager hereto have executed this Amendment No. 1 as of the Effective Date.

DUBLIN SAN RAMON SERVICES DISTRICT,

A public agency of the State of California

By: \_\_\_\_\_  
Bert L. Michalczyk, General Manager

Attest: \_\_\_\_\_  
Nancy G. Hatfield, District Secretary

By: \_\_\_\_\_  
Daniel P. Gallagher

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT NO. 2 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN JOHN J. ARCHER AND DUBLIN SAN RAMON SERVICES DISTRICT

---

WHEREAS, pursuant to Resolution No. 44-13 adopted October 15, 2013, this Board approved and authorized execution of an agreement for personal services with John J. Archer as Interim Financial Services Manager (“The Agreement”); and

WHEREAS, pursuant to Resolution No. 51-13 adopted November 19, 2013, this Board approved and authorized execution of Amendment No. 1 to the Agreement, which was executed on November 19, 2013 (“Amendment No. 1”); and

WHEREAS, Government Code Section 53243.2 requires all contracts existing on or after January 1, 2012 between a public agency and an employee to include a provision requiring the employee to repay to the agency any cash settlement related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

WHEREAS, Government Code Section 53260 requires all contracts executed on or after January 1, 2012 between a public agency and an employee to include a provision limiting any severance payment to the lesser of either the employee’s monthly salary multiplied by the number of months remaining on the unexpired term of the employment contract or the employee’s monthly salary multiplied by eighteen (18); and

WHEREAS, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to further modify the Agreement, as amended, to comply with Government Code Sections 53243.2 and 53260 with this Amendment No. 2.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency in the counties of Alameda and Contra Costa, California, as follows:

That certain Agreement titled, “Amendment No. 2 to the Agreement for Personal Services between John J. Archer and Dublin San Ramon Services District,” a copy of which is attached hereto, marked Exhibit “A,” and by this reference incorporated herein, is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said amendment for and on behalf of the District.

Res. No. \_\_\_\_\_

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 4th day of February 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Georgan M. Vonheeder-Leopold, President

Attest:

\_\_\_\_\_  
Nancy Gamble Hatfield, District Secretary

**AMENDMENT NO. 2 TO THE AGREEMENT FOR PERSONAL SERVICES  
BETWEEN JOHN J. ARCHER AND DUBLIN SAN RAMON SERVICES DISTRICT**

**THIS AMENDMENT** to the Agreement for Personal Services between John J. Archer (“Manager”) and Dublin San Ramon Services District, a public agency of the State of California in the Counties of Alameda and Contra Costa (“District”), is made and entered into this 4th day of February, 2014.

**WITNESSETH:**

**WHEREAS**, the parties heretofore entered into an Agreement for Personal Services dated October 18, 2013 (the “Agreement”) under which Manager has provided services for District; and

**WHEREAS**, the parties heretofore have entered into Amendment No. 1 to the Agreement dated November 19, 2013 (herein referred to as “the Agreement, as amended”); and

**WHEREAS**, Government Code Section 53243.2 requires all contracts existing on or after January 1, 2012 between a public agency and an employee to include a provision requiring the employee to repay to the agency any cash settlement related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

**WHEREAS**, Government Code Section 53260 requires all contracts executed on or after January 1, 2012 between a public agency and an employee to include a provision limiting any severance payment to the lesser of either the employee’s monthly salary multiplied by the number of months remaining on the unexpired term of the employment contract or the employee’s monthly salary multiplied by eighteen (18); and

**WHEREAS**, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to further modify the Agreement, as amended, to comply with Government Code Sections 53243.2 and 53260 with this Amendment No. 2.

**NOW, THEREFORE**, the parties hereto agree as follows:

**Article 1:** Beginning on the effective date of the AMENDMENT NO. 2 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN JOHN J. ARCHER AND THE DUBLIN SAN RAMON SERVICES DISTRICT, Article 5 – TERMINATION – of the Agreement, as amended, is hereby revised to add the following two paragraphs at the end of subsection 5.6 the Article:

Pursuant to California Government Code Section 53260, in no event shall Manager receive a settlement that exceeds an amount equal to his monthly salary multiplied by the number of months remaining on the unexpired term of this Agreement or his monthly salary multiplied by eighteen (18), whichever is less.

Pursuant to California Government Code Section 53243.2, any lump sum severance payment or other non-contractual payments related to termination paid to Manager under Section 5 of this Agreement shall be fully reimbursed by Manager to the District if Manager is convicted of a crime involving an abuse of his office or position. For purposes of this Agreement, the phrase “abuse of his office or position” shall have the meaning set forth in Government Code Section 53243.4.

**Article 2:** After execution, this Amendment No. 2 shall become effective on February 4, 2014.

**Article 3:** In all other respects the Agreement, as amended, shall remain in full force and effect.



**WITNESS WHEREOF**, the District and Manager hereto have executed this Amendment No. 2 as of the Effective Date.

DUBLIN SAN RAMON SERVICES DISTRICT,

A public agency of the State of California

By: \_\_\_\_\_  
Bert L. Michalczyk, General Manager

Attest: \_\_\_\_\_  
Nancy G. Hatfield, District Secretary

By: \_\_\_\_\_  
John J. Archer

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT NO. 2 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN MICHELLE GALLARDO AND DUBLIN SAN RAMON SERVICES DISTRICT

---

WHEREAS, pursuant to Resolution No. 33-13 adopted July 16, 2013, this Board approved and authorized execution of an agreement for personal services with Michelle Gallardo as Interim Organizational Services Manager (“The Agreement”); and

WHEREAS, pursuant to Resolution No. 52-13 adopted November 19, 2013, this Board approved and authorized execution of Amendment No. 1 to the Agreement, which was executed on November 19, 2013 (“Amendment No. 1”); and

WHEREAS, Government Code Section 53243.2 requires all contracts existing on or after January 1, 2012 between a public agency and an employee to include a provision requiring the employee to repay to the agency any cash settlement related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

WHEREAS, Government Code Section 53260 requires all contracts executed on or after January 1, 2012 between a public agency and an employee to include a provision limiting any severance payment to the lesser of either the employee’s monthly salary multiplied by the number of months remaining on the unexpired term of the employment contract or the employee’s monthly salary multiplied by eighteen (18); and

WHEREAS, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to further modify the Agreement, as amended, to comply with Government Code Sections 53243.2 and 53260 with this Amendment No. 2.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency in the counties of Alameda and Contra Costa, California, as follows:

That certain Agreement titled, “Amendment No. 2 to the Agreement for Personal Services between Michelle Gallardo and Dublin San Ramon Services District,” a copy of which is attached hereto, marked Exhibit “A,” and by this reference incorporated herein, is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said amendment for and on behalf of the District.

Res. No. \_\_\_\_\_

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 4th day of February 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Georgan Vonheeder-Leopold, President

Attest:

\_\_\_\_\_  
Nancy Gamble Hatfield, District Secretary

**AMENDMENT NO. 2 TO THE AGREEMENT FOR PERSONAL SERVICES  
BETWEEN MICHELLE L. GALLARDO AND DUBLIN SAN RAMON SERVICES  
DISTRICT**

**THIS AMENDMENT** to the Agreement for Personal Services between Michelle L. Gallardo (“Manager”) and Dublin San Ramon Services District, a public agency of the State of California in the Counties of Alameda and Contra Costa (“District”), is made and entered into this 4th day of February, 2014.

**WITNESSETH:**

**WHEREAS**, the parties heretofore entered into an Agreement for Personal Services dated July 9, 2013 (the “Agreement”) under which Manager has provided services for District; and

**WHEREAS**, the parties heretofore have entered into Amendment No. 1 to the Agreement dated November 19, 2013 (herein referred to as “the Agreement, as amended”); and

**WHEREAS**, Government Code Section 53243.2 requires all contracts existing on or after January 1, 2012 between a public agency and an employee to include a provision requiring the employee to repay to the agency any cash settlement related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

**WHEREAS**, Government Code Section 53260 requires all contracts executed on or after January 1, 2012 between a public agency and an employee to include a provision limiting any severance payment to the lesser of either the employee’s monthly salary multiplied by the number of months remaining on the unexpired term of the employment contract or the employee’s monthly salary multiplied by eighteen (18); and

**WHEREAS**, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to further modify the Agreement, as amended, to comply with Government Code Sections 53243.2 and 53260 with this Amendment No. 2.

**NOW, THEREFORE**, the parties hereto agree as follows:

**Article 1:** Beginning on the effective date of the AMENDMENT NO. 2 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN MICHELLE L. GALLARDO AND THE DUBLIN SAN RAMON SERVICES DISTRICT, Article 5 – TERMINATION – of the Agreement, as amended, is hereby revised to add the following two paragraphs at the end of subsection 5.6 the Article:

Pursuant to California Government Code Section 53260, in no event shall Manager receive a settlement that exceeds an amount equal to her monthly salary multiplied by the number of months remaining on the unexpired term of this Agreement or her monthly salary multiplied by eighteen (18), whichever is less.

Pursuant to California Government Code Section 53243.2, any lump sum severance payment or other non-contractual payments related to termination paid to Manager under Section 5 of this Agreement shall be fully reimbursed by Manager to the District if Manager is convicted of a crime involving an abuse of her office or position. For purposes of this Agreement, the phrase “abuse of her office or position” shall have the meaning set forth in Government Code Section 53243.4.

**Article 2:** After execution, this Amendment No. 2 shall become effective on February 4, 2014.

**Article 3:** In all other respects the Agreement, as amended, shall remain in full force and effect.

**WITNESS WHEREOF**, the District and Manager hereto have executed this Amendment No. 2 as of the Effective Date.

DUBLIN SAN RAMON SERVICES DISTRICT,

A public agency of the State of California

By: \_\_\_\_\_  
Bert L. Michalczyk, General Manager

Attest: \_\_\_\_\_  
Nancy G. Hatfield, District Secretary

By: \_\_\_\_\_  
Michelle L. Gallardo



**Dublin San Ramon Services District  
Summary & Recommendation**

Reference General Counsel	Type of Action Authorize Amendment	Board Meeting of February 4, 2014
Subject Authorize Execution of Amendment No. 12 to the Agreement for Personal Services between Bert L. Michalczyk and the Dublin San Ramon Services District		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	General Counsel
		<input type="checkbox"/> Board Member

**Recommendation:**

District General Counsel recommends that the Board approve, by Resolution, Amendment No. 12 to the Personal Services Agreement with Bert L. Michalczyk.

**Summary:**

The District entered into an agreement for personal services with Bert Michalczyk on June 20, 2001 pursuant to which he serves as the District’s General Manager. With the recent execution of Personal Services Agreements for interim senior management staff, District’s special labor counsel advised that since the Legislature enacted AB1344 in 2012, any contract of employment between an employee and a local agency employer shall contain certain provisions as specified in Government Code Section 53243.2 and 53260. Government Code Section 53243.2 states that on or after January 1, 2012, *any contract of employment* between an employee and a local agency employer shall include a provision which provides that, regardless of the term of the contract, if the contract is terminated, any cash settlement related to the termination that an employee may receive from the local agency shall be fully reimbursed to the local agency if the employee is convicted of a crime involving an abuse of his or her office or position. Amendment No. 12 to the contract with the General Manager thus further modifies the Agreement, as amended, to conform to Government Code section 53243.2. Special counsel (Liebert Cassidy) has advised that it is not necessary, in contrast to the Personal Services Agreements for interim senior management staff, to modify the General Manager’s contract to conform to Government Code Section 53260, because the General Manager’s contract is “grandfathered in” since it is of indefinite term and has been amended – but not renewed - over the years.

This Amendment neither adds to nor reduces compensation or benefits. The addition of the provision noted above promotes consistency between the PSA and state regulations for such employment contracts. The General Manager is in concurrence with the Amendment.

Committee Review			Legal Review	Staff Review		
COMMITTEE	DATE	RECOMMENDATION	Yes	ORIGINATOR	DEPARTMENT	REVIEWED BY
---	---	---		C. Nelson	Executive	
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. 2. 3.			

RESOLUTION NO. \_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT NO. 12 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN BERT L. MICHALCZYK AND THE DUBLIN SAN RAMON SERVICES DISTRICT

---

WHEREAS, pursuant to Resolution No. 23-01 adopted June 19, 2001, this Board approved and authorized execution of an agreement for personal services with Bert L. Michalczyk as General Manager ("The Agreement"); and

WHEREAS, pursuant to Resolution No. 50-02 adopted November 19, 2002, this Board approved and authorized execution of Amendment No. 1 to the Agreement, which was executed on November 25, 2002 ("Amendment No. 1"); and

WHEREAS, pursuant to Resolution No. 58-03 adopted November 18, 2003, this Board approved and authorized execution of Amendment No. 2 to the Agreement, which was executed on November 20, 2003 ("Amendment No. 2"); and

WHEREAS, pursuant to Resolution No. 57-04 adopted September 21, 2004, this Board approved and authorized execution of Amendment No. 3 to the Agreement, which was executed on September 23, 2004 ("Amendment No. 3"); and

WHEREAS, pursuant to Resolution No. 81-04 adopted November 16, 2004, this Board approved and authorized execution of Amendment No. 4 to the Agreement, which was executed on November 18, 2004 ("Amendment No. 4"); and

WHEREAS, pursuant to Resolution No. 01-06 adopted January 10, 2006, this Board approved and authorized execution of Amendment No. 5 to the Agreement, which was executed on January 13, 2006 ("Amendment No. 5"); and

WHEREAS, pursuant to Resolution No. 52-06 adopted November 7, 2006, this Board approved and authorized execution of Amendment No. 6 to the Agreement, which was executed on November 13, 2006 ("Amendment No. 6"); and

WHEREAS, pursuant to Resolution No. 49-07 adopted October 2, 2007, this Board approved and authorized execution of Amendment No. 7 to the Agreement, which was executed on October 3, 2007 ("Amendment No. 7"); and

WHEREAS, pursuant to Resolution No. 61-08 adopted November 11, 2008, this Board approved and authorized execution of Amendment No. 8 to the Agreement, which was executed on November 18, 2008 ("Amendment No. 8"); and



Res. No. \_\_\_\_\_

WHEREAS, pursuant to Resolution No. 26-09 adopted June 23, 2009, this Board approved and authorized execution of Amendment No. 9 to the Agreement, which was executed on June 23, 2009 ("Amendment No. 9"); and

WHEREAS, pursuant to Resolution No. 57-11 adopted October 4, 2011, this Board approved and authorized execution of Amendment No. 10 to the Agreement, which was executed on October 10, 2011 ("Amendment No. 10"); and

WHEREAS, pursuant to Resolution No. 2-12 adopted January 17, 2012, this Board approved and authorized execution of Amendment No. 11 to the Agreement, which was executed on January 18, 2012 ("Amendment No. 11"); and

WHEREAS the Agreement, as thus amended, requires further revision pursuant to with Government Code Section 53243.2, which became effective January 1, 2012.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency in the counties of Alameda and Contra Costa, California, as follows:

That certain Agreement titled, "Amendment No. 12 to the Agreement for Personal Services between Bert L. Michalczyk and the Dublin San Ramon Services District," a copy of which is attached hereto, marked Exhibit "A," and by this reference incorporated herein, is hereby approved, and the President of this Board and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said amendment for, and on behalf of the District.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 4th day of February 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Georgean M. Vonheeder-Leopold, President

Attest:

\_\_\_\_\_  
Nancy Gamble Hatfield, District Secretary

**AMENDMENT NO. 12 TO THE AGREEMENT FOR PERSONAL SERVICES  
BETWEEN BERT L. MICHALCZYK AND THE DUBLIN SAN RAMON  
SERVICES DISTRICT**

**THIS AMENDMENT NO. 12** to the Agreement for Personal Services between Bert Michalczyk (“General Manager”) and the Dublin San Ramon Services District, a public agency of the State of California in the Counties of Alameda and Contra Costa (“District”), is made and entered into as of the 4th day of February, 2014.

**WITNESSETH :**

**WHEREAS**, the parties heretofore entered into that certain Agreement for Personal Services (General Manager) dated June 20, 2001 (the “Agreement”) under which General Manager has provided services for District; and

**WHEREAS**, the parties heretofore have entered into Amendment No. 1 to the Agreement dated November 25, 2002; Amendment No. 2 to the Agreement dated November 20, 2003; Amendment No. 3 dated September 23, 2004; Amendment No. 4 dated November 18, 2004; Amendment No. 5 dated January 13, 2006; Amendment No. 6 dated November 13, 2006; Amendment No. 7 dated October 3, 2007; Amendment No. 8 dated November 18, 2008; Amendment No. 9 dated June 23, 2009; Amendment No. 10 dated October 10, 2011; and Amendment No. 11 dated January 18, 2012 (herein collectively referred to as “the Agreement, as amended”); and

**WHEREAS**, Government Code section 53243.2 specified that all contracts existing on or after January 1, 2012 between a local public agency and an employee shall include a provision requiring the employee to reimburse to the agency any cash

settlement received from the agency related to his or her termination if the employee is convicted of a crime involving an abuse of his or her office or position; and

**WHEREAS**, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of the District to further modify the Agreement, as amended, to comply with Government Code section 53243.2 with this Amendment No. 12.

**NOW, THEREFORE**, the parties hereto agree as follows:

**Article 1:** Beginning on the effective date of the AMENDMENT NO. 12 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN BERT L. MICHALCZYK AND THE DUBLIN SAN RAMON SERVICES DISTRICT, Article 9 – TERMINATION – of the Agreement, as amended, is hereby revised to add the following two sentences at the end of subsection “c” of the Article:

Pursuant to California Government Code section 53243.2, any lump sum severance payment or other non-contractual payments received from the District related to termination paid to General Manager under Article 9 of this Agreement shall be fully reimbursed by General Manager to the District if General Manager is convicted of a crime involving an abuse of his office or position. For purposes of this Agreement, the phrase “abuse of his office or position” shall have the meaning set forth in Government Code section 53243.4.

**Article 2:** After execution, this Amendment No. 12 shall become effective as of February 4, 2014.

**Article 3:** In all other respects the Agreement, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 12 to the Agreement, as amended, as of the day and date first hereinabove set forth.

DUBLIN SAN RAMON SERVICES DISTRICT,  
a public agency in the State of California

By:

\_\_\_\_\_  
Georgan M. Vonheeder-Leopold, President

ATTEST:

\_\_\_\_\_  
Nancy G. Hatfield, District Secretary

GENERAL MANAGER

By:

\_\_\_\_\_  
Bert L. Michalczyk



**Dublin San Ramon Services District  
Summary & Recommendation**

Reference General Manager	Type of Action Accept Report	Board Meeting of February 4, 2014
Subject Upcoming Board Calendar		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

**Recommendation:**

The General Manager recommends that the Board of Directors accept, by Motion, the attached upcoming Board calendar.

**Summary:**

The attached Board calendar presents items anticipated by staff to be presented to the Board at the next two Board meetings. This report represents the most current information available to staff as of the preparation of this agenda. Items that are listed may be deferred or eliminated for various reasons including but not limited to staff work not being fully complete, the need for further management, Committee and/or legal review, needed material or information not being received by the District in a timely fashion, etc. Furthermore, matters not listed may be placed on the Board agenda.

This report should be used only as a general guide of what business the District Board will be considering in the near future. The District Secretary should be contacted to confirm the contents of specific agendas. Agendas will be finalized in accordance with the requirements of the Brown Act (generally 72 hours for regular meetings and 24 hours for special meetings).

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR BLM	DEPARTMENT Executive	REVIEWED BY
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Upcoming Board Calendar 2. 3.				

# TENTATIVE BOARD ITEMS

Board Mtg	Agenda Item	Water	WWC	Finance	Personnel	Ext. Aff.
2/18/2014	Approve Updated Bay Area Integrated Regional Water Management Plan (Proposition 84 Grant)					
	Consideration of Voluntary District Drought Actions					
	Adopt Water Expansion Fund Management Policy					
	Consider Rejection of Claim - E. Pierson					
	Conf w/Legal Counsel Anticipated Litigation. Significant Exposure to Litigation Pursuant to Subdivision (b) of GC Section 54956.9: One case. Receipt of a claim pursuant to the Tort Claims Act from Eric Pierson					
	2nd Reading: Ordinance to Revise Section 6.10.010 A and D of District Code Definition of Classified Service					
	Power Sharing Agreement with AT&T for R300					
	Lease Agreement with AT&T for Cell Tower at Reservoir 1A					
	Agreement with City of Pleasanton Regarding the Permanent Collection of Pharmaceuticals		2/12/2014			
3/4/2014	Closed Session - Conference with Labor Negotiators Pursuant to Government Code Section 54957.6					
	Add CIP T00-76 Dublin Trunk Relief Sewer Project to 2-Year CIP Budget for FYEs 2014 and 2015 and Authorize Task Order with Carollo Engineers, Inc.					
	Employer/Employee Organization Relations Resolution - Update					
	Policy - Guidelines for Conducting District Business					
	Adopt Miscellaneous Fees and Charges			2/10/2014		



**Dublin San Ramon Services District  
Summary & Recommendation**

Reference Treasurer	Type of Action Accept Report	Board Meeting of February 4, 2014
Subject Report of Checks and Electronic Disbursements Made		
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Minute Order <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Informational <input type="checkbox"/> Other		
REPORT: <input type="checkbox"/> Verbal <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Staff              J. Archer <input type="checkbox"/> Board Member		

**Recommendation:**

The Treasurer recommends that the Board of Directors accept, by Motion, the report showing checks and electronic disbursements made since the last Board agenda.

**Summary:**

Payments shown have been made in accordance with Board established policies for processing payments and are summarized below:

Date Range	12/30/13 – 01/27/2014
Total Amount Paid	\$ 3,662,975.94

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Fin Serv	REVIEWED BY
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input type="checkbox"/> Resolution <input type="checkbox"/> Minute Order <input type="checkbox"/> Task Order <input type="checkbox"/> Staff Report <input type="checkbox"/> Ordinance						
<input checked="" type="checkbox"/> Cost As shown above	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. Check History Description Listing 2. 3.			

## Check History Description Listing

Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
12/30/2013	7934	05511 CALIFORNIA STATE	CHILD SUPPORT GARNISHMENT: PAYMENT	380.30	380.30
12/30/2013	607123013	01098 NATIONWIDE RETIREMENT SOLI	NATIONAL DEFERRED COMPENSATION: PAYMENT	41,223.59	41,223.59
12/30/2013	1000379076	00494 PERS	RETIREMENT: PAYMENT	44,982.16	44,982.16
12/31/2013	12302013	03718 HR SIMPLIFIED	2013 POS/FSA	627.89	627.89
12/31/2013	20642675	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	100,615.00	100,615.00
12/31/2013	313651056	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	22,398.66	22,398.66
01/02/2014	608010214	01098 NATIONWIDE RETIREMENT SOLI	NATIONAL DEFERRED COMPENSATION: PAYMENT	65.00	65.00
01/03/2014	80122	00710 AAI TERMITE & PEST CONTROL I	LAVWMA: TERMITE & PEST CONTROL DEC '13	72.00	72.00
01/03/2014	80123	03460 ACCO ENGINEERED SYSTEMS II	NOV 2013: HVAC QUARTERLY MAINTENANCE - W NOV 2013: HVAC QUARTERLY MAINTENANCE - D NOV 2013: HVAC QUARTERLY MAINTENANCE - D	564.00 517.50 408.00	1,489.50
01/03/2014	80124	00033 SCOTT AMARAL	AMARAL CERTIFICATE REIMB WWTP OPERATOR	340.00	340.00
01/03/2014	80125	01013 BARRETT BUSINESS SERVICES	M. ROBERSON: W/E 12/08/13 M. MULLER: W/E 12/08/13	1,024.00 794.88	1,818.88
01/03/2014	80126	00085 RHODORA BIAGTAN	BIAGTAN COMPUTER LOAN	1,310.99	1,310.99
01/03/2014	80127	00216 DAIOS U.S.A. INC.	HOT BEVERAGE @ DO - DECEMBER 2013	82.91	82.91
01/03/2014	80128	06022 EDWARD DUARTE	DUARTE REIMB EXP NAPA 11/17-11/19	115.56	115.56
01/03/2014	80129	02749 DAN GALLAGHER	GALLAGHER REIMB EXP AT BAYWORK ADN CUWCC	29.00	29.00
01/03/2014	80130	00339 PATRICIA GALVES	GALVES COMPUTER LOAN	647.88	647.88
01/03/2014	80131	04424 GRAYBAR ELECTRIC COMPANY	WIRENUTS & LAMP FOR WWTP FUSES FOR GLYCOL PUMP FOR FUEL SKID	309.07 87.79	396.86
01/03/2014	80132	00386 HDR ENGINEERING INC.	LOCAL LIMITS STUDY TO NO 1 9/29/13-11/30	1,387.09	1,387.09



## Check History Description Listing

Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
01/03/2014	80133	00439 IUOE LOCAL 39	LOCAL 39 UNION DUES: PAYMENT	4,163.40	4,163.40
01/03/2014	80134	03543 LINO LANTIN	LANTIN COMPUTER LOAN	657.99	657.99
01/03/2014	80135	04594 MCCAMPBELL ANALYTICAL INC	14-S013 SAMPLE ANALYSIS SECONDARY CLARIF	110.00	110.00
01/03/2014	80136	00608 OFFICE TEAM	TEMP SVCS W/E 12/13/13 - MONTAGUE	463.13	463.13
01/03/2014	80137	00685 R.S. HUGHES CO., INC.	CUT-OFF WHEELS FOR GRINDER	218.52	218.52
01/03/2014	80138	04973 NATERCIA SAUCEDA	CASE ID FL364781: PAYMENT	944.76	944.76
01/03/2014	80139	05127 VISION SERVICE PLAN - CA (VSF	JANUARY 2014 - VISION	2,365.63	2,365.63
01/03/2014	80140	04694 VULCAN MATERIALS CO	MATERIAL FOR REPAIRS	274.60	274.60
01/03/2014	80141	00937 W.W. GRAINGER, INC.	REPLT CAPACITOR FOR DERWA HVAC CONDENSER	5.64	5.64
01/03/2014	80142	05958 ALLIANCE WELDING SUPPLIES	NITROGEN LIQUID CYLINDER TANK RENTAL	2,327.28	2,327.28
01/03/2014	80143	01195 AMERICAN BATTERY CO.	BATTERIES FOR STOCK	156.98	156.98
01/03/2014	80144	00058 ARROWHEAD MOUNTAIN SPRING	OPS DEPT BOTTLED WATER NOV '13	300.25	300.25
01/03/2014	80145	06211 ASSOCIATED SERVICES CO.	OPS DEPT HOT BEVERAGE SERVICE DEC '13	237.95	237.95
01/03/2014	80146	00622 AT&T	TELE SVCS & USAGE THRU 12/12/2013	1,502.68	
			WWTP TO PS300 DV THRU 12/12/2013	252.95	
			DO T-1 TO FOD THRU 12/12/2013	186.33	
			SCADA FOD TO DO THRU 12/12/2013	186.33	2,128.29
01/03/2014	80147	00622 AT&T	LAWWMA PS PHONE & DSL DEC '13	168.02	168.02
01/03/2014	80148	01085 CALPERS LONG-TERM CARE PR	LONG-TERM CARE: PAYMENT	199.68	199.68
01/03/2014	80149	00105 CAL-STEAM	AIR FITTINGS FOR DERWA UV CHANNEL	87.66	87.66
01/03/2014	80150	00130 CASA	CASA - 2014 MEMBERSHIP DUES	15,600.00	15,600.00
01/03/2014	80151	00148 CHEVRON & TEXACO CARD SVC	DO GASOLINE PURCHASE 11/23 - 12/23/13	178.85	178.85
01/03/2014	80152	01167 CITY OF DUBLIN	620C620 RESURFACING COSTS DAVONA	54,098.30	54,098.30

## Check History Description Listing

Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
01/03/2014	80153	00162 COAST CRANE CO. INC.	#60 AUTO CRANE PLUG	203.46	203.46
01/03/2014	80154	00212 CUMMINS PACIFIC INC.	FILTERS FOR 1250 & 750 GEN SETS	1,029.37	1,029.37
01/03/2014	80155	01156 CWEA	D. THACH-DALLA 2014 CWEA MEMBERSHIP	148.00	148.00
01/03/2014	80156	03154 DAPPER TIRE CO	#27 FRONT TIRES	295.69	295.69
01/03/2014	80157	00241 DGS OFS SVC REVOLVING FUNE	NATURAL GAS SERVICE AT WWTP - NOV 2013	34,066.05	34,066.05
01/03/2014	80158	06388 EUROFINS AIR TOXICS, INC.	13-P011 GAS ANALYSIS	40.00	40.00
01/03/2014	80159	00314 FEDEX	SHIPPING CHARGES 12/12/13 TO INGRAM MICR	38.93	
			WWTP: OVERNIGHT DELIVERY CHARGES DEC '13	18.31	57.24
01/03/2014	80160	06449 FIRE PRO. SPECIALISTS, INC.	FIRE EXTINGUISHER TRAINING ON 12/12/13	373.50	373.50
01/03/2014	80161	02914 STATE OF CALIFORNIA FRANCHI	FRANCHISE TAX BOARD: PAYMENT	530.51	530.51
01/03/2014	80162	06196 HDSWW - UNION CITY CA	MISC PARTS	4,474.84	
			MISC REPAIR PARTS	1,595.50	
			REPAIR PARTS	121.90	
			MISC REPAIR PARTS	88.13	6,280.37
01/03/2014	80163	00401 HOME DEPOT	WHEELBARROW TIRE	128.15	
			PIPE INSULATION FOR ROSEMOUNT GAUGE	33.66	
			KNEEPADS	30.94	192.75
01/03/2014	80164	01376 J & M INC	REFUND METER #64833103	530.44	530.44
01/03/2014	80165	05568 J. R. FILANC CONST. CO., INC.	06-3103 PP#9 DAFT RELEASE RETENTION	43,819.60	43,819.60
01/03/2014	80166	01282 KELLY SERVICES, INC.	F. SOLIS: W/E 12/08/13	935.36	
			C. BARRAGAN: W/E 12/08/13	924.12	1,859.48
01/03/2014	80167	00509 LIEBERT CASSIDY WHITMORE	GENERAL LEGAL FEES 11/13	5,977.00	5,977.00
01/03/2014	80168	03958 LIVERMORE AUTO GROUP	#43 BRAKE SHOES	72.64	72.64
01/03/2014	80169	05852 LOOKING POINT, INC.	CISCO EQ UNIFIED COMMUNICATIONS	37,517.25	

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Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			PROF SVCS - CORE INSTALL PHASE 1 - 3	11,202.00	
			PROF SVCS - STAGING OF EQUIPMENT PHASE 1	7,468.00	
			WIRELESS - COMPLETION OF STAGGING	4,631.00	
			PROFESSIONAL SVCS - OUTDOOR WIFI FINAL P	4,631.00	65,449.25
01/03/2014	80170	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: W/E 12/8/13	1,140.00	1,140.00
01/03/2014	80171	00545 BERT MICHALCZYK	MICHALCZYK REIMB TRAVEL EXP THRU 12/31/1	1,502.17	1,502.17
01/03/2014	80172	04231 MSC INDUSTRIAL SUPPLY CO	TOOLS FOR WELD SHOP	488.26	
			(6) BANDSAW BLADES	377.69	865.95
01/03/2014	80173	01257 OMEGA INDUSTRIAL SUPPLY INC	CHEMICALS FOR WWTP	1,014.76	1,014.76
01/03/2014	80174	02109 ONE HOUR DELIVERY SERVICE,	ONE HOUR DELIVERY - BOD MAIL DELIVERY 12	120.00	
			ONE HOUR DELIVERY - BOD MAIL DELIVERY 11	120.00	240.00
01/03/2014	80175	00620 P G & E	PUMP STATION R200A ELEC - DEC 2013	1,244.92	
			PUMP STATION 300C ELEC - DEC 2013	997.53	
			LAVWMA PIPELINE & LIVERMORE LINE NOV '13	417.54	
			RESERVOIR R200 DERWA TANK 2 ELEC - DEC 2	35.92	2,695.91
01/03/2014	80176	06217 HOSE & FITTINGS ETC PARKER	AIR FITTINGS FOR DERWA UV CHANNEL	104.94	104.94
01/03/2014	80177	04211 PLATT ELECTRIC SUPPLY	ELECTRICAL PANEL DO ELECT RM	1,572.41	1,572.41
01/03/2014	80178	04951 PLEASANTON TRUCKING	HAULING ROCK MATERIAL TO FOD FOR REPAIRS	169.73	169.73
01/03/2014	80179	00699 REDWOOD COAST PETROLEUM	GASOLINE DELIVERY TO THE WWTP 12/10/13	1,954.38	1,954.38
01/03/2014	80180	02466 RICOH AMERICAS CORP	COPIER LEASES MAIL RMS, HR/FIN JAN. 14	1,778.28	1,778.28
01/03/2014	80181	06345 RON DUPRATT FORD	2014 FORD FUSION	18,395.46	18,395.46
01/03/2014	80182	02125 SEEVER & SONS TIRE	#27 ALIGNMENT	89.95	89.95
01/03/2014	80183	00596 SPRINT/NEXTEL	CELL PHONES NOV. 15 - DEC. 14, 2013	1,584.32	1,584.32
01/03/2014	80184	02444 STAPLES ADVANTAGE	PEN REFILLS	18.20	18.20

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Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
01/03/2014	80185	00847 THE IMPRINT WORKS	IMPRINT WORKS - DIRECTOR DUARTE - V.P.	21.49	21.49
01/03/2014	80186	00014 TREASURER OF ALAMEDA COU	NOVEMBER 2013 FUEL CHARGES	3,994.02	3,994.02
01/03/2014	80187	06447 TYLER BUSINESS FORMS	2013 W-2S AND 1099 - MISC FORMS AND ENVE	190.79	190.79
01/03/2014	80188	00556 UNITED WAY OF THE BAY AREA	UNITED WAY: PAYMENT	238.75	238.75
01/03/2014	80189	05026 UNIVAR USA INC.	SODIUM HYPOCHLORITE FOR THE WWTP ON 12/0	2,330.41	2,330.41
01/03/2014	80190	06004 VANGUARD CLEANING SYSTEM	DEC 2013: CUSTODIAL SERVICES - WWTP AND	2,800.00	2,800.00
01/03/2014	80191	00920 VASCO ROAD LANDFILL	UNLOADING OF WWTP SOLIDS/GRIT ON 12/03 & UNLOADING OF WWTP SOLIDS/GRIT ON 11/20 &	770.53 654.18	1,424.71
01/03/2014	80192	00933 VWR INTERNATIONAL, INC.	CYLINDER, POT PERSULFATE, SULFURIC, NITR AMMONIA STANDARD	852.23 21.68	873.91
01/03/2014	80193	00946 WATEREUSE ASSOCIATION	WATEREUSE RESEARCH FOUNDATION - 2014 DU	6,000.00	6,000.00
01/03/2014	3446164	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	534.39	534.39
01/03/2014	48144056	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	60.00	60.00
01/06/2014	1062014	03718 HR SIMPLIFIED	2013 POS	44.00	44.00
01/09/2014	80194	01013 BARRETT BUSINESS SERVICES	M. MULLER: W/E 12/15/13 M. ROBERSON: W/E 12/15/13	806.40 793.60	1,600.00
01/09/2014	80195	05359 BURKE, WILLIAMS & SORENSEN	GENERAL COUNSEL SVCS - NOVEMBER 2013	1,776.32	1,776.32
01/09/2014	80196	05509 FULL SPECTRUM ANALYTICS, IN	GCMS INSTRUMENT SERVICE CONTRACT	4,419.42	4,419.42
01/09/2014	80197	02749 DAN GALLAGHER	GALLAGHER REIMB EXP FOR W/E 12/17/2013	191.56	191.56
01/09/2014	80198	04424 GRAYBAR ELECTRIC COMPANY	BRACKETS FOR CO-GEN LIGHTING PATCH CABLES & CABLE MGMT PATCH CABLES & CABLE MGMT PATCH CABLES & CABLE MGMT	1,362.78 544.91 214.76 62.22	2,184.67

## Check History Description Listing

Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
01/09/2014	80199	00386 HDR ENGINEERING INC.	HDR ENGINEERING, INC. - ASSISTANCE WITH	3,125.00	3,125.00
01/09/2014	80200	01242 INFO SEND, INC	UB BILLING PRINTING/MAILING SVCS DEC. 13	2,284.59	2,284.59
01/09/2014	80201	04594 MCCAMPBELL ANALYTICAL INC	LOCAL LIMITS STUDY SAMPLE 12/10/13	504.00	504.00
01/09/2014	80202	01171 MCGUIRE & HESTER	12-P004 JOHNSON CT RW MAIN TO VAL VISTA	53,922.14	53,922.14
01/09/2014	80203	01293 PK SAFETY SUPPLY	RAINSUITS (PPE)	165.68	165.68
01/09/2014	80204	01403 PRAXAIR DISTRIBUTION INC 186	CYLINDER RENTAL	53.94	53.94
01/09/2014	80205	00685 R.S. HUGHES CO., INC.	ABSORPTION PIGS FOR WWTP	128.37	
			BATTERIES FOR WWTP	38.12	166.49
01/09/2014	80206	04973 NATERCIA SAUCEDA	CASE ID FL364781: PAYMENT	944.76	944.76
01/09/2014	80207	00762 TESTAMERICA LABORATORIES I	SAMPLE ANALYSES	70.00	
			SAMPLE ANALYSES	45.00	
			SAMPLE ANALYSES	25.00	140.00
01/10/2014	80208	01719 A & M PRINTING, INC.	A&M PRINTING - DOOR HANGERS	409.89	409.89
01/10/2014	80209	06468 ADVENT PROPERTY INC	REFUND 3730 WHITWORTH DR	42.46	42.46
01/10/2014	80210	00026 ALCO IRON & METAL	S/S PLATE & CUTTING CHARGE FOR SECONDARY	1,085.04	1,085.04
01/10/2014	80211	03035 ALPHA ANALYTICAL LABS INC	SAMPLE ANALYSES	166.00	
			SAMPLE ANALYSES	103.00	269.00
01/10/2014	80212	01076 ALSCO INC	WWTP TOWEL SERVICE DEC '13	257.20	
			FOD TOWEL SERVICE DEC '13	129.80	387.00
01/10/2014	80213	01545 AMADOR VALLEY PROPERTY MC	REFUND 8531 BRIARWOOD LN	12.47	12.47
01/10/2014	80214	00622 AT&T	LAVWMA PS & SANLEANDRO DECHLOR STATION N	98.28	98.28
01/10/2014	80215	01697 B & C TRUCK PARTS, INC	FUEL FILTERS	34.71	34.71
01/10/2014	80216	04042 BAY AREA NEWS GROUP	BAY AREA NEWS GROUP - ORDINANCE NO. 331	194.00	194.00

## Check History Description Listing

Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
01/10/2014	80217	02217 BSK ASSOCIATES	SAMPLE ANALYSES	320.00	
			SAMPLE ANALYSES	103.50	423.50
01/10/2014	80218	06467 DAVID BURNHAM	REFUND 3695 WHITWORTH DR	99.31	99.31
01/10/2014	80219	02111 DBA PROVIDENCE PUBLICATIO C	CAL-OSHA REPORTER SUBSCRIPTION RENEW '14	395.00	395.00
01/10/2014	80220	01085 CALPERS LONG-TERM CARE PR	LONG-TERM CARE: PAYMENT	199.68	199.68
01/10/2014	80221	00105 CAL-STEAM	PLUMBING PARTS FOR LAVWMA PUMP STN	749.17	
			8OZ COP ANTI-SEIZE CMPD	25.96	775.13
01/10/2014	80222	06473 VISHY CANADAM	REFUND 3001 TAMBURLAINE DR	160.50	160.50
01/10/2014	80223	01167 CITY OF DUBLIN	ENCROACHMENT PERMIT FOR 6998 VILLAGE PKW	544.00	544.00
01/10/2014	80224	00160 CMTA	FY 14 DUES-HERMAN CHEN DSRSD	155.00	155.00
01/10/2014	80225	06107 COGENT COMMUNICATIONS INC	DUBLINSA00001 INTERENT SERVICE 01/01/201	2,300.00	2,300.00
01/10/2014	80226	00194 COSTCO	2014 WHOLESALE MEMBERSHIP RENEWAL	165.00	165.00
01/10/2014	80227	05011 CRAIG PROPERTY MGT	REFUND 6386 SUSSEX CT	140.76	140.76
01/10/2014	80228	03154 DAPPER TIRE CO	#105 TIRES	337.52	337.52
01/10/2014	80229	02507 EAST BAY FORD TRUCK	#42 AIR BRAKE PARK VALVE	179.11	
			#42 WASHER RESERVOIR	109.46	
			#42 WATER SENSOR	29.63	318.20
01/10/2014	80230	00280 ECOWATER SYSTEMS	LAB WATER SOFTENER EXCHANGE TANKS JAN '1	4.00	4.00
01/10/2014	80231	06471 CATHY EISENBERG	REFUND 714 JOREE LN	85.85	85.85
01/10/2014	80232	06466 YAMILA FADEL SENN	REFUND 3339 VITTORIA LOOP	134.48	134.48
01/10/2014	80233	02656 FASTENAL COMPANY	RUBBER BOOTS, GLOVES, RESPIRATOR FILTERS	504.68	504.68
01/10/2014	80234	00314 FEDEX	WWTP: OVERNIGHT DELIVERY CHARGES JAN '14	9.80	9.80
01/10/2014	80235	06449 FIRE PRO. SPECIALISTS, INC.	FIRE EXTINGUSHER TRAINING 12/18/13	124.50	124.50

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Date	Check #	Vendor	Description	Amount Paid	Check Total
01/10/2014	80236	02914 STATE OF CALIFORNIA FRANCHI	FRANCHISE TAX BOARD: PAYMENT	530.51	530.51
01/10/2014	80237	06476 G J R DEVELOPMENT	REFUND METER #1629933	812.53	812.53
01/10/2014	80238	00352 GOLDEN STATE FLOW MEASURE	GSFM ENDPOINTS	203,420.16	
			TGB INSTALLATION - 3 SITES	41,730.00	
			GSFM INSTALLATION	18,004.50	
			GSFM INSTALLATION	11,714.50	
			GSFM - FIELD TRAINING	300.00	275,169.16
01/10/2014	80239	06196 HDSWW - UNION CITY CA	MISC EPAIR PARTS	927.32	
			MISC REPAIR PARTS	813.84	
			MISC SUPPLIES	444.70	2,185.86
01/10/2014	80240	03142 HI-LINE	STOCK ORDER	374.28	374.28
01/10/2014	80241	01282 KELLY SERVICES, INC.	C. BARRAGAN: W/E 12/15/13	734.40	
			F. SOLIS: W/E 12/15/13	568.32	1,302.72
01/10/2014	80242	00474 KEN GRADY CO. INC.	REPLACEMENT LEVEL TRANSMITTER - HYPO TAN	1,009.49	1,009.49
01/10/2014	80243	06469 LILY & TOMMY LEE	REFUND 1717 BLAKESLEY DR	32.50	32.50
01/10/2014	80244	03200 LENNAR	REFUND 5039 OSBORNE CIRCLE	88.50	
			REFUND 5033 OSBORNE CIRCLE	85.45	173.95
01/10/2014	80245	05709 LESCURE COMPANY, INC.	12-P001 PP#3 UG DIESEL TANK REPLACEMENT	111,211.75	111,211.75
01/10/2014	80246	03958 LIVERMORE AUTO GROUP	#105 PARTS	95.35	95.35
01/10/2014	80247	05852 LOOKING POINT, INC.	UC AND NETWORK DEPLOYMENT PHASE 1	18,670.00	18,670.00
01/10/2014	80248	02166 MAZE & ASSOCIATES	FYE 2013 AUDIT SERVICES - NOV	7,906.75	7,906.75
01/10/2014	80249	00536 MC MASTER-CARR SUPPLY CO.	SUPPLIES FOR CO-GEN AND FUEL SKID	167.30	167.30
01/10/2014	80250	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: W/E 12/15/2013	1,170.00	1,170.00
01/10/2014	80251	06472 MRL GROUP	REFUND 2208 ROSEMOUNT LN	207.78	207.78

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Date	Check #	Vendor	Description	Amount Paid	Check Total
01/10/2014	80252	04231 MSC INDUSTRIAL SUPPLY CO	GLOVES (PLANT OPS - PPE)	174.75	
			72/PK D CELL DURACELL ALKALINE BATTERY	118.90	293.65
01/10/2014	80253	06475 MADHAVAN NAMBIAR	REFUND 4560 HAWK WAY	710.67	710.67
01/10/2014	80254	00586 NCCIPMA - HR	HR STAFF - NCCIPMA-HR 2014 ANNUAL CONFER	200.00	200.00
01/10/2014	80255	05356 OFFICE DEPOT	OFFICE SUPPLIES: CALENDARS, SHREDDER, TO	561.72	561.72
01/10/2014	80256	02109 ONE HOUR DELIVERY SERVICE,	ONE HOUR DELIVERY - BOD MAIL DELIVERY 12	120.00	120.00
01/10/2014	80257	00619 ORCHARD SUPPLY HARDWARE	PARTS FOR DO BOARDROOM PODIUM	75.19	
			(4) HINGE FOR SHOP USE	20.01	
			MOTAR MIX & WOODRUFF KEY FOR SHOP USE	10.64	105.84
01/10/2014	80258	00620 P G & E	LAVWMA PS FEEDER A DEC '13	97,083.54	
			LAVWMA PS FEEDER B DEC '13	9,054.75	
			PUMP STATION 300B ELEC - DEC 2013	4,619.48	
			PUMP STATION 200A ELEC - DEC 2013	3,892.33	
			PUMP STATION 30A ELEC - DEC 2013	1,685.74	
			PUMP STATION 4A ELEC - DEC 2013	645.42	
			PUMP STATION R300B ELEC - DECEMBER 2013	187.02	
			RESERVOIR R100 ELEC - DEC 2013	25.00	
			ALAMO TRUNK SEWER ELEC - DEC 2013	16.13	
			JOHNSON DRIVE STREETSCAPE ELEC - DEC 201	13.37	117,222.78
01/10/2014	80259	06463 PARK PLACE PROPERTY MGMT	REFUND 4191 MAGELLAN CT	185.06	185.06
01/10/2014	80260	06464 ANH PHAM	REFUND 4921 ROYAL PINES CT	216.70	216.70
01/10/2014	80261	05543 ADMINISTRATORS (PBIA) PREFE	JANUARY 2014 - DENTAL	22,396.27	22,396.27
01/10/2014	80262	06461 REAL ESTATE DEPOT	REFUND 10606 MELVICH LN	203.62	203.62
01/10/2014	80263	06460 RICK RICKARDS	REFUND 10890 GLENGARRY LN	47.00	47.00
01/10/2014	80264	00721 ROCHESTER MIDLAND CORP	NOV 2013: HANDSFREE RESTROOM MONTHLY SRV	113.36	



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Date	Check #	Vendor	Description	Amount Paid	Check Total
			DEC 2013: HANDSFREE RESTROOM MONTHLY SRV	113.36	226.72
01/10/2014	80265	06459 S & I VENTURES	REFUND 7542 ROLLING HILLS CIR	265.19	265.19
01/10/2014	80266	04698 SAMPLE TRAPS, LLC	16 OZ, 32 OZ POLY BOTTLES	93.63	93.63
01/10/2014	80267	05478 SCM CONSTRUCTION MGMT SE	REFUND METER #63983847	892.80	
			REFUND METER #63983843	863.44	1,756.24
01/10/2014	80268	01220 SHAPELL INDUSTRIES INC	REFUND METER # 63983839	925.71	
			REFUND 3658 CINNAMON RIDGE RD	32.77	958.48
01/10/2014	80269	06470 ANANDA SHENOI	REFUND 2134 N DONOVAN WAY	8.09	8.09
01/10/2014	80270	06474 JUSTIN SNYDER	REFUND 5466 SHERWOOD WAY	97.29	97.29
01/10/2014	80271	06462 YOKO SUZUKI	REFUND 3959 BRANDING IRON CT	135.81	135.81
01/10/2014	80272	00847 THE IMPRINT WORKS	IMPRINT WORKS - PLAQUE ENGRAVING - RETIR	8.18	8.18
01/10/2014	80273	05781 THERMO ELECTRON NORTH AM	CHEMICALS AND SUPPLIES	450.92	450.92
01/10/2014	80274	00862 TIFCO INDUSTRIES	PLANT SUPPLIES/CONSUMABLES	849.49	849.49
01/10/2014	80275	00556 UNITED WAY OF THE BAY AREA	UNITED WAY: PAYMENT	233.93	233.93
01/10/2014	80276	05026 UNIVAR USA INC.	SODIUM HYPOCHLORITE FOR THE WWTP ON 12/1	2,336.67	
			SODIUM HYPOCHLORITE FOR DERWA PS ON 12/0	210.42	2,547.09
01/10/2014	80277	00933 VWR INTERNATIONAL, INC.	CAP MEMBRANE KIT	57.20	57.20
01/10/2014	80278	06465 MARY WARREN	REFUND 3738 WHITWORTH DR	26.36	26.36
01/10/2014	80279	03149 WHITE CAP CONST SUPPLY	DIGESTER #3 CLEANING: SANDBAGS 50LB (QTY	447.13	
			MISC SUPPLIES	122.01	569.14
01/10/2014	1000383604	01111 CALPERS	JANUARY 2014 - ER CODE 0740 & 7316	171,165.72	171,165.72
01/13/2014	7935	05511 CALIFORNIA STATE	CHILD SUPPORT GARNISHMENT: PAYMENT	380.30	380.30
01/13/2014	1132014	03718 HR SIMPLIFIED	2013 POS/FSA/DCA 2014 POS	2,773.22	2,773.22

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Date	Check #	Vendor	Description	Amount Paid	Check Total
01/13/2014	607011314	01098 NATIONWIDE RETIREMENT SOLI	NATIONAL DEFERRED COMPENSATION: PAYMENT	125,492.56	125,492.56
01/13/2014	1000383602	00494 PERS	RETIREMENT: PAYMENT	45,021.72	45,021.72
01/14/2014	45986010	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	144,392.63	144,392.63
01/14/2014	430209056	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	23,685.59	23,685.59
01/16/2014	80280	01013 BARRETT BUSINESS SERVICES	M. ROBERSON: W/E 12/22/13 M. MULLER: W/E 12/22/13	921.60 449.28	1,370.88
01/16/2014	80281	06202 CHARLIE BRACKETT	BRACKETT CERTIFICATE REIMB WATER TREATME	60.00	60.00
01/16/2014	80282	01748 COMM. LEASING CORP. DBA DAT	DATAMATIC MONTHLY MAINTENANCE	1,465.94	1,465.94
01/16/2014	80283	00339 PATRICIA GALVES	GALVES REIMB CUST SERVICE DESK CALENDAR	16.34	16.34
01/16/2014	80284	01273 SIMONE GRASHUIS	GRASHUIS EDUCATION REIMBURSEMENT LAS POS	138.00	138.00
01/16/2014	80285	00473 KEMIRA WATER SOLUTIONS INC	FERROUS CHLORIDE ON 12/23/13	5,497.96	5,497.96
01/16/2014	80286	04529 LAI & ASSOCIATES, INC.	7933 IGLESIA DR. 11-9-13 FIELD DENSITY T	576.80	576.80
01/16/2014	80287	04594 MCCAMPBELL ANALYTICAL INC	SAMPLE ANALYSES	380.00	380.00
01/16/2014	80288	00608 OFFICE TEAM	TEMP SVCS W/E 01/03/14 - MONTAGUE TEMP SVCS W/E 12/20/13 - MONTAGUE	178.13 142.50	320.63
01/16/2014	80289	00685 R.S. HUGHES CO., INC.	SPILL PREVENTION PLATFORM	813.62	813.62
01/16/2014	80290	01296 STODDARD, TODD	STODDARD CERTIFICATE REIMB ELECTRIC TECH	87.00	87.00
01/16/2014	80291	00021 AAF INTERNATIONAL	RECHARGE EXCHANGE OF METAL PANELS FILLED	2,092.80	2,092.80
01/16/2014	80292	06349 ARCSINE ENGINEERING	09-6101TO NO. 1 10/1/13-11/30/13	89,989.19	89,989.19
01/16/2014	80293	00091 BOLD, POLISNER, MADDOW, NEI	MONTHLY LEGAL SERVICES - 12/13	5,774.64	5,774.64
01/16/2014	80294	01372 CALIFORNIA CHAMBER OF COM	2014 LABOR LAW DIGEST/POSTERS	300.32	300.32
01/16/2014	80295	00105 CAL-STEAM	PARTS FOR VILLAGE PKWY REPAIR	226.11	226.11
01/16/2014	80296	01167 CITY OF DUBLIN	AR DUP PAYMENT ACCT# 0371 CHK#23587 & 23	183.15	183.15

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01/16/2014	80297	05196 COMCAST	BUSINESS TV BASIC 01/07/14-02/06/14	13.95	13.95
01/16/2014	80298	02161 CSDS, INC.	TANK LEVEL GAUGES FOR RES 200A & R300	526.96	526.96
01/16/2014	80299	00208 CSRMA	POOLED LIABILITY PROGRAM RENEWAL 2014	171,522.00	171,522.00
01/16/2014	80300	06244 DCM CONSULTING, INC.	12-P004 GEOTECHNICAL ENG'G SOUTHERN BORD	1,860.00	1,860.00
01/16/2014	80301	06388 EUROFINS AIR TOXICS, INC.	13-P011GAS TESTING FOR COGEN	419.00	419.00
01/16/2014	80302	01228 FRMLY. JH RECOGNITION CO HE	SERVICE PINS (2013 EE RECOGNITION EVENT)	448.55	448.55
01/16/2014	80303	03758 JDH CORROSION CONSULTANT	DERWA: ANNUAL SURVEY OF IRON HORSE TRAIL	7,500.00	7,500.00
01/16/2014	80304	01225 KAESER COMPRESSORS, INC	(3) WWTP AIR COMPRESSORS (4PAILS) SEMI-SYNTHETIC OIL & V-BELTS FO	76,960.52 1,514.23	78,474.75
01/16/2014	80305	01282 KELLY SERVICES, INC.	C. BARRAGAN: W/E 12/22/13	709.92	709.92
01/16/2014	80306	05852 LOOKING POINT, INC.	CISCO (ROUND 2) EQ UNIFIED COMMUNICATION	43,021.19	43,021.19
01/16/2014	80307	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: W/E 12/22/13	1,155.00	1,155.00
01/16/2014	80308	04231 MSC INDUSTRIAL SUPPLY CO	KNEE PADS (BAKER), GLOVES FOR SHOP CACHE	197.08	197.08
01/16/2014	80309	00595 NEWARK ELECTRONICS	PARTS FOR CO-GEN CONTROL	568.30	568.30
01/16/2014	80310	02109 ONE HOUR DELIVERY SERVICE,	ONE HOUR DELIVERY - BOD MAIL DELIVERY 11 ONE HOUR DELIVERY - BOD MAIL DELIVERY 12	120.00 120.00	240.00
01/16/2014	80311	00620 P G & E	WWTP ELECTRICITY - DECEMBER 2013 DISTRICT OFFICE ELECTRICITY - DEC 2013 DISTRICT OFFICE GAS SERVICE - DEC 2013 PUMP STATION 2B ELEC - DEC 2013 PUMP STATION R200B ELEC - DEC 2013 PUMP STATION 300A ELEC - DEC 2013 PUMP STATION R300A ELEC - DEC 2013 DO UTILITY BUILDING ELEC - DEC 2013	9,251.43 2,988.60 1,024.33 1,012.65 838.39 752.66 332.24 134.99	

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Date	Check #	Vendor	Description	Amount Paid	Check Total
			DO UTILITY BUILDING GAS SVC - DEC 2013	74.17	16,409.46
01/16/2014	80312	00649 PERKIN ELMER HEALTH SCIENC	LABWORKS LIMS SUPPORT 01/01/2014-12/31/2	10,549.28	10,549.28
01/16/2014	80313	04951 PLEASANTON TRUCKING	TRUCKING VULCAN MATERIALS TO FOD	709.15	709.15
01/16/2014	80314	04105 R&B COMPANY	TIDEFLEX VALVE FOR STORM DRAIN (QTY 1)	2,062.00	2,062.00
01/16/2014	80315	03442 RABBIT OFFICE AUTOMATION	COPIER LEASE LAB/CUST SVC - JAN. 2014	440.36	440.36
01/16/2014	80316	00699 REDWOOD COAST PETROLEUM	GASOLINE DELIVERY TO WWTP ON 12/23/13	1,694.39	1,694.39
01/16/2014	80317	02466 RICOH AMERICAS CORP	COPIER USAGE OCT. - DEC. 2013	585.90	
			COPIER USAGE OCT - DEC 13 HR/FIN	431.29	1,017.19
01/16/2014	80318	05841 SABAH INTERNATIONAL, INC.	FIRE SYSTEM SERVICE CALL	1,444.92	
			COURTESY CREDIT TO CUSTOMER DUE TO DELAY	-410.00	1,034.92
01/16/2014	80319	02470 SHRED-IT	SHREDDING SERVICES JANUARY 2014	84.53	84.53
01/16/2014	80320	00800 STATE BOARD OF EQUALIZATIOI	2013 4TH QRT USE TAX RETURN (2Q FY 2014)	816.00	816.00
01/16/2014	80321	00800 STATE BOARD OF EQUALIZATIOI	UST MAINTENANCE FEE RETURN FOR 1/25/13-1	4.88	4.88
01/16/2014	80322	03324 TELEVISION TRI-VALLEY COMM	CA WATER ACTION PLAN - BROADCAST SERVICE	680.00	680.00
01/16/2014	80323	00920 VASCO ROAD LANDFILL	UNLOADING OF WWTP SOLIDS/GRIT ON 12/17 &	964.87	964.87
01/16/2014	80324	00924 VERIZON WIRELESS	ON-CALL OP'S CELL PH SVC 12/04 -01/03/14	845.55	845.55
01/16/2014	80325	02884 WEST VALLEY CONSTRUCTION	7933 IGLESIA BLVD., DUBLIN LEAK REPAIR 1	3,974.80	3,974.80
01/16/2014	80326	00957 WEST YOST & ASSOCIATES	14-S002 PROF SERVICES 10/5 - 11/8 2013	3,378.00	
			13-S014 PROF SERVICES 10/5 - 11/8 2013	221.00	3,599.00
01/16/2014	80327	05541 WINZER CORPORATION	(24) POLYLUBE255 PENETRATING GREASE; (12	554.75	554.75
01/16/2014	80328	00987 ZONE 7 WATER AGENCY	DECEMBER 2013 CONNECTION FEES	453,667.50	453,667.50
01/16/2014	80329	03536 U S BANK/ CORP PMT SYSTEMS	STANDARD UCC SSL CERTIFICATE -3 YR	404.97	
			FLUORIDE LEAK DETECTOR FOR TURN-OUT	388.17	

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			COPY PAPER, PLANNER,CALENDAR, PENS, ETC	375.87	
			QTY (2) SERVER 146GB HARD DRIVES FOR OCA	370.00	
			DSRSD RETIREMENT GIFT: MERLIN DAVIS	350.00	
			PUG DESIGN OF BURIED PIPELINES R. PORTUG	350.00	
			ANTI-SLIP PAINT FOR DERWA TREATMENT UV D	326.00	
			2013 AWWA WATER UTILITY COMPENSATION SUR	318.00	
			SUN SCREEN; SIGN; ELECTRIC HEATER	311.31	
			REGISTRATION FEES: FREITAS & RAMOS	300.00	
			ONLINE JOB POSTING (ELECTRICIAN)	275.00	
			COLOR TONER FOR HR KYOCERA PRINTER	268.40	
			J. CHALK CWEA CERTIFICATE RENEWAL NOTICE	230.00	
			TEAMBUILDING MEETING - ORG SERVICES DEPA	222.50	
			HP ELECTROSTATIC TRANSFER BELT FOR HP CL	209.95	
			DIV 53 CHRISTMAS LUNCH	200.00	
			SUBSCRIPTION-VALLEY TIMES 52 WEEKS	176.80	
			Operator Chemistry Made Easy DVD's	172.50	
			STEPHENSON - ACWA 2013 FALL CONFERENCE L	170.94	
			TOOLS & TOOL BAG	153.10	
			OFFICE SUPPLIES: PAPER, LETTER OPENER, L	131.85	
			OFFICE SUPPLIES: COFFEE SUPPLIES, TAPE F	129.81	
			COPY PAPER, PENS, LINEN PAPER, ETC	128.28	
			OFFICE SUPPLIES: 2014 CALENDARS	745.32	
			2014 CASA WINTER CONFERENCE/ REGISTRATIO	475.00	
			GALLARDO - CALPELRA CONFERENCE LODGING &	453.44	
			DSRSD RETIREMENT GIFT: DEL HOFFMANN	444.72	
			C. HOFFMANN - 2013 CALPELRA CONFERENCE L	427.31	
			HIGH VISIBILITY FIELD JACKET FOR C. BRAC	118.13	
			PLASTIC POOLS USED FOR CONCRETE CLEAN UP	117.65	
			OARS FOR THE OPERATIONS BOAT	114.38	

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Date	Check #	Vendor	Description	Amount Paid	Check Total
			WATER QUALITY COMPLIANT INVESTIGATOR'S G	108.50	
			DIV 54 RECOGNITION EVENT - 12/11/13	105.94	
			EXTENSION CORDS	104.99	
			D. LEONARDO WORK BOOTS	103.67	
			J. DRYDEN AWWA MEMBERSHIP RENEWAL	101.00	
			HART DD LICENSE FOR PC	100.00	
			DSRSD RETIREMENT GIFT: MERLIN DAVIS	100.00	
			NEW HD FOR ROGER'S PROGRAMMING LAPTOP	98.68	
			TOOLS FOR IT UPGRADE	94.63	
			FIBER PATCH CABLES	89.90	
			FOD SUPPLIES-BATTERY CHARGER	86.09	
			QTY (3) LARGE PIZZAS FOR STAFF DURING NE	84.04	
			MEMBERSHIP - NATIONAL ASSOC OF PHOTOSHOP	79.00	
			CLEANING SUPPLIES	72.98	
			VPN.DSRSD.COM - SSL CERT, STD (TURBO) -	69.99	
			PHOTOS FOR CAFR FY2013	69.00	
			DSRSD RETIREMENT GIFT: D. FREDERICK	68.85	
			OFFICE SUPPLIES: BATTERIES, LABELS, PLAN	66.56	
			STEPHENSON - ACWA 2013 FALL CONFERENCE G	63.77	
			GAS: ENG EXPLORER FOR SWRCB MEETING D. G	55.57	
			FOD WATER FILTERS	54.48	
			BATTERIES	54.47	
			ERASEABLE LABELING TAPE	53.08	
			OCSS APPRAISAL BOARD BUS EXPENSE	50.71	
			STEPHENSON - ACWA 2013 FALL CONFERENCE -	50.50	
			REFERENCE BOOK	47.45	
			PLUMBING SAMPLE STATION REPAIR PARTS	46.48	
			RUSSELL BAKER EE POLO SHIRT	43.68	
			QTY (2) 3' FIBER CABLES, QTY (2) 6' FIBE	42.95	

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Date	Check #	Vendor	Description	Amount Paid	Check Total
			LUNCH: SWRCB MEETING D. GALLAGHER 11/22/	40.15	
			TEST FORMS FOR ELECTRICIAN RECRUITMENT	35.00	
			ONLINE ARTICLE: AN EMPIRICAL SURVEY OF R	35.00	
			NETWORK CONVERSION DAY LUNCH	34.81	
			STEPHENSON - ACWA 2013 FALL CONFERENCE P	32.00	
			STRAPS FOR FLOW METER	29.40	
			DIV 42 OFFICE SUPPLIES	28.38	
			WELDABLE STEEL	28.32	
			QTY (3) 12" ORANGE SAFETY CONES	27.73	
			QTY (1) DVI-D 6.5' video cable for	27.22	
			QTY (1) DISPLAY PORT TO DVI-D ADAPTER	27.22	
			PARKING: CUWCC MEETING IN DOWNTOWN OAKLA	22.00	
			OCSS APPRAISAL BOARD BUS EXPENSE	21.64	
			DONUTS FOR JOINT MAINT MEETING-12/19/13	20.00	
			PRO SUBSCRIPTION (DECEMBER 2013)	19.95	
			QTY (1) 10' DVI-D VIDEO CABLE FOR NANCY	12.10	
			DONUTS FOR OCSS PANEL INTERVIEW - 12/17/	11.70	
			BART Roundtrip Transport: BAYWORK Lunch	11.00	
			KEY COPIES	10.90	
			KITCHEN SUPPLIES	7.63	
			SAMPLE STATION PARTS	6.47	
			PARKING: SWRCB MEETING D. GALLAGHER 11/2	6.00	
			CREDIT FOR (2) RETURNED COPY HOLDERS	-18.07	11,502.91
01/21/2014	1212014	03718 HR SIMPLIFIED	2013 / 2014 POS	528.13	528.13
01/23/2014	80330	00710 AAI TERMITE & PEST CONTROL	LAWWMA: TERMITE & PEST CONTROL JAN '14	72.00	72.00
01/23/2014	80331	01013 BARRETT BUSINESS SERVICES	M. ROBERSON: W/E 12/29/13	409.60	
			M. MULLER: W/E 12/29/13	322.56	732.16

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Date	Check #	Vendor	Description	Amount Paid	Check Total
01/23/2014	80332	03614 CAROLLO ENGINEERS	13-P007 TO NO OC-3 10/1/13-10/31/13 14-P019 TO OC-4 10/1/13-10/31/13 12-W006 TO NO OC-1 10/1/13-10/31/13	15,553.40 8,200.68 1,197.27	24,951.35
01/23/2014	80333	00216 DAIHOS U.S.A. INC.	HOT BEVERAGE @ DO - JANUARY 2014	82.91	82.91
01/23/2014	80334	01623 EAST BAY DISCHARGERS AUTH	O&M ASSESSMENT - JANUARY 1, 2014 QTR	155,095.60	155,095.60
01/23/2014	80335	02457 ED CUMMINGS, INC.	CONSULTING FEES/EXPENSES - NOVEMBER 13	2,454.00	2,454.00
01/23/2014	80336	04691 EQUIFAX INFORMATION SVCS LI	EQUIFAX	412.36	412.36
01/23/2014	80337	04424 GRAYBAR ELECTRIC COMPANY	WIRES & FITTINGS TO INSTALL NEW COMPRESS PATCH CABLES & CABLE MGMT	251.45 146.23	397.68
01/23/2014	80338	01242 INFO SEND, INC	INFOSEND	3,432.25	3,432.25
01/23/2014	80339	00439 IUOE LOCAL 39	LOCAL 39 UNION DUES: PAYMENT	4,061.51	4,061.51
01/23/2014	80340	04529 LAI & ASSOCIATES, INC.	6526 SIERRA LANE 12-14-13 FIELD DENSITY CASPER'S HOTDOGS 12-21-13 FIELD DENSITY 7344 BROOKDALE CT. 12-21-13 FIELD DENSIT	1,163.70 681.30 621.75	2,466.75
01/23/2014	80341	04594 MCCAMPBELL ANALYTICAL INC	LOCAL LIMITS STUDY SAMPLE 12/17/13	189.00	189.00
01/23/2014	80342	02076 NORTHERN TOOL & EQUIPMENT	FLASHLIGHTS, BENCH VISE, TIRE INFLATOR G	382.25	382.25
01/23/2014	80343	00608 OFFICE TEAM	TEMP SVCS W/E 01/10/14 - MONTAGUE	570.00	570.00
01/23/2014	80344	01078 STEFANIE OLSON	OLSON REIMB EXP AT WATEREUSE MEETING 12/	12.55	12.55
01/23/2014	80345	04553 PACHECO BROTHERS GARDENI	MONTHLY LANDSCAPE MAINTENANCE JAN '13 MONTHLY LANDSCAPE MTCE PS R200A JAN '13	2,490.00 115.00	2,605.00
01/23/2014	80346	01403 PRAXAIR DISTRIBUTION INC 186	LIQUID ARGON	493.45	493.45
01/23/2014	80347	00685 R.S. HUGHES CO., INC.	(4) BRADY 3X42 SLIKWIK	588.06	588.06
01/23/2014	80348	04973 NATERCIA SAUCEDA	CASE ID FL364781: PAYMENT	944.76	944.76



Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
01/23/2014	80349	00801 STATE CHEMICAL MFG. CO.	GALVANIZED PAINT FOR WWTP	307.89	307.89
01/23/2014	80350	00762 TESTAMERICA LABORATORIES I	LOCAL LIMITS STUDY SAMPLE 12/20/13	180.00	180.00
01/23/2014	80351	04694 VULCAN MATERIALS CO	COLD MIX FOR REPAIRS	719.45	
			ROCK MATERIALS FOR REPAIRS	596.69	
			COLD MIX FOR REPAIRS	472.08	1,788.22
01/23/2014	80352	00937 W.W. GRAINGER, INC.	PLUGS FOR TURBIDIMETER	24.63	
			GLOVES	11.58	36.21
01/23/2014	80353	00019 A-1 ENTERPRISES	LAWWMA: WEEKLY STREET SWEEPING DEC '13	220.00	
			WWTP: BI-MONTHLY STREET SWEEPING DEC '13	170.00	390.00
01/23/2014	80354	00007 AA FIRE SYSTEMS, INC.	ANNUAL FIRE SPRINKER INSPECTION - DISTRI	525.00	525.00
01/23/2014	80355	06446 AIR DALE COMPRESSORS	(2) SEPARATOR ELEMENTFOR FUEL SKID AIR C	643.08	643.08
01/23/2014	80356	05958 ALLIANCE WELDING SUPPLIES	CYLINDER RENTAL RETURN - LIQUID NITROGE	16.35	16.35
01/23/2014	80357	02158 AMADOR VALLEY INDUSTRIES	DO GARBAGE- DO 107786 DEC. 2013	295.62	295.62
01/23/2014	80358	00068 AMERICAN WATER WORKS ASSC	MEMBERSHIP DUES 2014: R. GUMBER	244.00	244.00
01/23/2014	80359	01954 ANDERSON'S UNIFORMS	UNIFORM ITEMS FOR S. KOZANDA	247.10	247.10
01/23/2014	80360	00052 ARAMARK UNIFORM SERVICES I	DEC 2013: WEEKLY FIRE RESISTANT UNIFORM	644.84	644.84
01/23/2014	80361	00058 ARROWHEAD MOUNTAIN SPRIN	OPS DEPT BOTTLED WATER JAN '14	172.91	
			LAB BOTTLED WATER	77.00	249.91
01/23/2014	80362	03056 BANK OF AMERICA	A/C 1218 - STMT 12/10/13-01/09/14	73.32	73.32
01/23/2014	80363	01085 CALPERS LONG-TERM CARE PR	LONG-TERM CARE: PAYMENT	98.26	98.26
01/23/2014	80364	00136 CDW GOVERNMENT INC.	VMWARE VSPHERE 5 ENT QTY4	12,060.00	12,060.00
01/23/2014	80365	05534 CSAC EXCESS INS. AUTHORITY	EE ASSISTANCE: JAN - MAR 2014 CHARGES	1,019.16	1,019.16
01/23/2014	80366	06003 CWEA - SF BAY SECTION	GLEE: REGISTRATION FEE RE: ASSET MGMT FO	50.00	50.00

## Check History Description Listing

Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
01/23/2014	80367	00222 DATCO SERVICES CORP.	JAN/FEB/MAR 2014 - MONTHLY CHARGES	436.80	436.80
01/23/2014	80368	03737 DEPARTMENT OF PUBLIC HEALTH	R.ROBLES T2 WATER TREATMENT CERT RENEWAL J. CHALK T1 WATER TREATMENT CERTIFICATIO	60.00 55.00	115.00
01/23/2014	80369	00252 DONALD R. WHITE, TAX COLLEC	2013-2014 PROP TAX 941-1300-1-19 (B) 2013-2014 PROP TAX 946-3200-5-5 (B) 2013-2014 PROP TAX 941-100-7-55 (B) 2013-2014 PROP TAX 946-3200-5-4 (B)	203.18 124.75 68.12 41.66	437.71
01/23/2014	80370	00277 EBMUD	LAVWMA LEWELLING WTR & SWR JAN '14	109.49	109.49
01/23/2014	80371	00307 FAIRWAY EQUIPMENT & SUPPLY	THOMPSON DB-5.5P-M616 PUMPS (QTY 2) PUMP FOR CHLORINE CONTACT TANK SAMPLE MATLS FOR HYPO STORAGE TANK PIPING PARTS FOR HEAT LOOP & DIGESTER GAS PIPE REBUILD KITS FOR FERROUS PUMP	1,635.51 617.00 583.39 537.70 502.02	3,875.62
01/23/2014	80372	00314 FEDEX	WWTP: OVERNIGHT DELIVERY CHARGES JAN '14	10.43	10.43
01/23/2014	80373	02914 STATE OF CALIFORNIA FRANCHI	FRANCHISE TAX BOARD: PAYMENT	530.51	530.51
01/23/2014	80374	00352 GOLDEN STATE FLOW MEASURI	GSFM INSTALLATION	15,733.50	15,733.50
01/23/2014	80375	06196 HDSWW - UNION CITY CA	MISC REPAIR PARTS MISC REPAIR PARTS	1,135.18 622.40	1,757.58
01/23/2014	80376	00388 HEATH'S WELDING SUPPLY	PREPAID DEMURRAGE ON 4 CYLINDERS (3) LPG FOR FORKLIFT USE	237.00 150.42	387.42
01/23/2014	80377	01282 KELLY SERVICES, INC.	C. BARRAGAN: W/E 12/29/13 D. JETER: W/E 12/29/13	489.60 177.60	667.20
01/23/2014	80378	05709 LESCURE COMPANY, INC.	12-P001 PP#4 UG DIESEL TANK REPLACEMENT	46,241.25	46,241.25
01/23/2014	80379	05852 LOOKING POINT, INC.	100ALPHA WIRELESS PROJECT	1,326.50	1,326.50
01/23/2014	80380	00545 BERT MICHALCZYK	MICHALCZYK REIMB TRAVEL EXP THRU 01/17/1	529.74	529.74

## Check History Description Listing

Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
01/23/2014	80381	04231 MSC INDUSTRIAL SUPPLY CO	WATER PRESSURE RDC VALVE FOR LAVWMA PUMP 3/8" QC ERGO GRIP LARGE HOLE SAW ARBOR	462.89 89.69	552.58
01/23/2014	80382	04970 NCM ODOR CONTROL	ODOR COUNTERACTANT/NEUTRALIZER	8,084.36	8,084.36
01/23/2014	80383	00620 P G & E	PUMP STATION 20B ELEC - DECEMBER 2013 FSL AERATORS; LAB HVAC; FLEET - DEC 2013 PUMP STATION R20 ELEC - JAN 2014 LAVWMA PIPELINE & LIVERMORE LINE DEC '13 PUMP STATION 10A ELEC - DEC 2013 RESERVOIR 10B ELECTRICITY - JAN 2014 ALTITUDE VALVE (RES 10B) ELEC - JAN 2014	7,716.66 2,394.17 853.85 369.10 247.00 46.96 9.89	11,637.63
01/23/2014	80384	00699 REDWOOD COAST PETROLEUM	GASOLINE DELIVERY TO WWTP ON 1/2/14	1,551.00	1,551.00
01/23/2014	80385	04301 RESOURCE TRENDS, INC.	CONSULTING SERVICES	1,575.00	1,575.00
01/23/2014	80386	02466 RICOH AMERICAS CORP	COPIER LEASES MAIL RMS, HR/FIN FEB. 14	1,778.28	1,778.28
01/23/2014	80387	03830 APPLIED FILTER TECHNOLOGY I	MONTHLY TESTING OF SAG MEDIA DEC '13	655.00	655.00
01/23/2014	80388	05449 SAMBA HOLDINGS, INC.	DMV REPORTING FOR 12-13	163.77	163.77
01/23/2014	80389	05838 SCHWEITZER ENGG LABORATO	TSTODDARD: PROT 301 CA011514 TRAINING	1,725.00	1,725.00
01/23/2014	80390	00756 SECURITY ETC.	DERWA FIRE ALARM MONITORING QTR 3 FY14 WWTP FIRE ALARM MONITORING QTR 3 FY14	165.00 165.00	330.00
01/23/2014	80391	00848 THE LIGHTHOUSE	STOCK ORDER	658.77	658.77
01/23/2014	80392	00861 THYSSEN KRUPP ELEVATOR CO	JAN 2014: ELEVATOR MAINTENANCE SERVICE	1,307.02	1,307.02
01/23/2014	80393	00014 TREASURER OF ALAMEDA COU	DECEMBER 2013 FUEL CHARGES	3,993.10	3,993.10
01/23/2014	80394	06485 NANCY UBALDI	PIPE WORK DONE AT RESIDENCE REIMBURSABLE	509.84	509.84
01/23/2014	80395	00556 UNITED WAY OF THE BAY AREA	UNITED WAY: PAYMENT	233.93	233.93
01/23/2014	80396	05026 UNIVAR USA INC.	SODIUM HYPOCHLORITE FOR THE WWTP ON 12/3	2,325.09	2,325.09

## Check History Description Listing

Dublin San Ramon Services District

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Date	Check #	Vendor	Description	Amount Paid	Check Total
01/23/2014	80397	00914 VALLEY PLUMBING HOME CENT	BACKFLOW TESTING FOR DISTRICT - 7051 DUB	436.96	
			BACKFLOW TESTING FOR DISTRICT - TURNOUT	335.21	
			BACKFLOW TESTING FOR DISTRICT - 6101 LED	171.39	
			BACKFLOW TESTING FOR DISTRICT - RESERVOI	129.00	
			BACKFLOW TESTING FOR DISTRICT - 6402 DOU	129.00	
			BACKFLOW TESTING FOR DISTRICT - 7157 STA	129.00	
			BACKFLOW TESTING FOR DISTRICT - 11891 BO	119.56	
			BACKFLOW TESTING FOR DISTRICT - 4TH AND	115.20	
			BACKFLOW TESTING FOR DISTRICT - EAST BRA	95.63	
			BACKFLOW TEST FOR DUBLIN LIFT STATION	64.50	
			BACKFLOW TESTING FOR DISTRICT - 4010 FAL	64.50	
			BACKFLOW TESTING FOR DISTRICT - 5596 TUR	64.50	
			BACKFLOW TESTING FOR DISTRICT - 5099 TAS	64.50	
			BACKFLOW TESTING FOR DISTRICT - 11222 BE	64.50	1,983.45
01/23/2014	80398	06004 VANGUARD CLEANING SYSTEM	JAN 2014: CUSTODIAL SERVICES - WWTP AND	2,600.00	2,600.00
01/23/2014	80399	00928 VINCENT ELEC MOTOR CO., INC	REPLT MOTOR FOR FUEL SKID COMPRESSOR	3,442.21	3,442.21
01/23/2014	80400	06210 VISION INTERNET	PROJECT PAYMENT 3 - HOMEPAGE DESIGN	7,851.00	7,851.00
01/23/2014	80401	00933 VWR INTERNATIONAL, INC.	POTASSIUM IODIDE	390.22	
			BOD BUFFER	82.12	
			EDTA	26.41	498.75
01/23/2014	80402	02918 WALNUT CREEK FORD	#36 OUTSIDE REPAIRS	771.37	771.37
01/23/2014	80403	03149 WHITE CAP CONST SUPPLY	12 MASTERLOCKS	189.66	189.66
01/23/2014	80404	05541 WINZER CORPORATION	BATHROOM TISSUE FOR DO	416.37	416.37
01/23/2014	80405	00987 ZONE 7 WATER AGENCY	TREATED WATER SERVICE 12/1/13 TO 12/31/1	618,510.07	618,510.07
01/27/2014	7936	05511 CALIFORNIA STATE	CHILD SUPPORT GARNISHMENT: PAYMENT	380.30	380.30

Check History Description Listing

Dublin San Ramon Services District

From: 12/30/2013 To: 1/27/2014

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Date	Check #	Vendor	Description	Amount Paid	Check Total
01/27/2014	607012714	01098	NATIONWIDE RETIREMENT ; NATIONAL DEFERRED COMPENSATION: PAYMENT	45,885.26	45,885.26
01/27/2014	1000387653	00494	PERS RETIREMENT: PAYMENT	44,704.48	44,704.48

305 checks in this report

**Total Checks: 3,662,975.94**

*D*  
*1/27/14*



**Dublin San Ramon Services District  
Summary & Recommendation**

Reference General Manager	Type of Action Receive Presentation & Provide Direction	Board Meeting of February 4, 2014
Subject Receive Presentation on Status of District Water Supply - 2014		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input checked="" type="checkbox"/> Verbal	<input checked="" type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

**Recommendation:**

The General Manager recommends the Board of Directors receive a presentation on the status of the District’s 2014 water supply, discuss as appropriate and, by Consensus, provide appropriate direction.

**Summary:**

Calendar Year 2013 was the driest year in California history; it was also the sixth year in the last seven that was classified as “below average” to “critically dry” (2011 was a “wet” year.) Water Year 2014, through the deadline for preparation of this agenda, has been even drier. At the beginning of Calendar Year 2014 and in the northern Sierra, where the District’s water supply originates: (a) precipitation was 19% of normal; (b) snowpack was 11% of normal; (c) storage in Lake Oroville was 58% of normal and 36% of average; and (d) the 30 and 90 day forecasts for that region call for below normal precipitation. The California Department of Water Resources has presently allocated only 5% of the water contracted for by Zone 7. A copy of the monthly Water Supply Report presented to the Water Committee is included as Attachment 1 and an excerpt of notes from that meeting as Attachment 2. Conditions significantly worsened in January on all of the above parameters with the result being a very strong indication from DWR that delivery allocations to Zone 7 will be reduced to zero in 2014. Tempering the currently bleak hydrologic data is that there still remains 8-10 weeks in the traditional wet season and the fact that Zone 7 has significant water stored locally below ground.

On January 17, 2014, Governor Brown proclaimed a State of Emergency throughout California due to current drought conditions and called on Californians to reduce their water usage by 20% (Attachment 3). On January 29, the Zone 7 Board of Directors declared a drought emergency within its service area and approved a number of projects and activities to minimize the impact of the drought (Attachment 4). The Zone 7 declaration was focused on streamlining the process for implementing various capital projects that will give the Zone better capabilities to manage the supply that is available to them. On the demand side, the Zone 7 declaration did not call for a specific level of conservation, but rather authorized and directed their General Manager to “...establish appropriate levels of conservation consistent with the California State of Drought Emergency and local conditions”. That level has not yet been established. However, the basis for Zone 7’s drought response planning are demand reductions of 5% indoor and 40% outdoor (about 20% overall system wide and voluntary for the moment).

A drought action plan for the District’s service was preliminarily discussed with the Water Committee – See Attachment 2. It will be presented for endorsement on February 18, 2014. The water supply situation will be continuously monitored with further action by the Board targeted for late April when final hydrologic data is available, or earlier if conditions warrant.

Committee Review			Legal Review	Staff Review		
COMMITTEE	DATE	RECOMMENDATION		ORIGINATOR	DEPARTMENT	REVIEWED BY
Water	Jan. 23, 2014	Approve	No	B. Michalczyk	Executive	
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input type="checkbox"/> Resolution <input type="checkbox"/> Minute Order <input type="checkbox"/> Task Order <input type="checkbox"/> Staff Report <input type="checkbox"/> Ordinance						
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. Memo to Water Committee – Jan 17, 2014 2. Excerpt from Water Committee Notes 3. A Proclamation of a State of Emergency – Gov. J. Brown 4. Zone 7 Staff report and Proclamation of State of L <del>o</del> ca of 137 Drought Emergency			
<small>H:\Board\2014\02-04-14\Water Supply Status\S&amp;R Water Supply Status.docx</small>						

## MEMORANDUM

**DATE:** January 17, 2014  
**TO:** Water Committee  
**FROM:** Bert Michalczyk  
**SUBJECT:** Water Year 2014 Water Supply Outlook and Conservation Report

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Each year various agencies closely monitor precipitation, snow water content, reservoir levels and runoff to project the water supply situation for California for the irrigation season (summer and fall). The projections are made on a “Water Year” basis that runs from October 1 through September 30 of the following year. The District monitors this information throughout the wet season to be prepared for action if needed in the Spring of the year once the water supply picture becomes clear. Reports are made to the Water Committee on a monthly basis.

### **Uncertainties**

As Water Year 2014 progresses, there remains a great deal of uncertainty about the reliability of water supplies from the Sacramento-San Joaquin Delta. This uncertainty develops due to interwoven legislation, regulation, legal actions and basic hydrology of the Delta. This situation has existed in some form for several decades but has become particularly critical in recent years. It is very likely that the uncertainties will continue for at least several years into the future. Attachment A provides specific information about what is driving the various legislative, regulatory and legal uncertainties related to the Delta water supply. The remainder of this memorandum addresses the hydrology of the Delta and the water supply as it is developing in WY 2014.

### **Hydrologic Conditions Water Year to Date**

**Precipitation** As of January 1, Northern Sierra precipitation is significantly below normal levels for this time of the year (19%) in the Sacramento, Feather, American and Yuba River basins where our water supply physically originates. The vast majority of the precipitation came in the form of rain with some snow at the higher elevations. This is not uncommon for precipitation events at this time of the year. It must be cautioned that it is still early in the water year and this value can easily change significantly with a couple of storms. Nevertheless, following an extremely dry year in 2013 this has become a significant cause for concern.

**Precipitation Outlook** The National Oceanic and Atmospheric Administration (NOAA) issues long-range weather outlooks. Those currently extend through mid-April 2014. The current outlook is for an equal chance of below normal, normal or above normal precipitation for Northern California. However, more onerously, the one month outlook (which would take us through 50% of the traditionally wettest winter period) is for significantly below normal precipitation. The NOAA 90-Ninety Day Precipitation Outlook Map is presented in Attachment B.

Snowpack Snow pack survey data through January 1 in the northern Sierra snowpack (really snow water content) was shows the snowpack at only 11% of normal for this time of the year and at 7% of the traditional maximum snowpack which occurs on April 1

Reservoir Storage The key reservoir that affects water deliveries to the District is Lake Oroville. As of January 1 Oroville is filled to 36% capacity and is 58% of what it would normally be at this time of the year. This is a marked deterioration of conditions since the last report.

Runoff Attachment C is developed from data produced by DWR and is a summary of 2014 Northern California runoff projections. The DWR data represents the maximum amount of water that **could** be pumped (but which will be limited further due to legal restrictions on pumping). As of January 1 the data indicates that 2014 will see about 45% of normal runoff and that statistically there is virtually no chance that average or greater than average runoff would occur.

Water Year Type As of early January and based on criteria that included rainfall, snow pack, reservoir storage and runoff, DWR is projecting that the Northern California Regional Water Supply Index would classify 2014 as a “Critical” year in terms of post-winter runoff. This has downgraded since the last report.

### **Agency Situations and Positions**

California Situation - Short Term On March 31, 2011 Governor Brown issued a proclamation that strongly encourages all Californians to continue to minimize water usage and engage in water conservation efforts. It is likely that the Governor will issue further guidance at some point during January.

California Situation – Long Term Senate Bill 7X7 passed as part of the comprehensive water reform package in November 2009 calls for a permanent 10% reduction in per capita water usage by 2015 and 20% by 2020.

DWR Allocation On November 19, 2013 DWR made its first estimate of deliveries for Water Year 2014 to its contractors. As of that date, they are projecting deliveries of only 5% for WY 2014. This was historically the lowest ever initial deliver allocation. A copy of that allocation is included as Attachment D.

Zone 7 Situation Zone 7 has accepted delivery requests from DSRSD for 2014. Zone 7 continues to ask local water users for voluntary conservation to prudently extend its water supply reserves during this period of Delta uncertainty and declining reliability of water from the State Project and to allow it to replenish local and remote groundwater resources that have been drawn down in the past years. The Zone 7 Board has not yet taken any recent action related to modifying its prior request for 10% voluntary conservation.

### **District Situation and Position**

Current District Situation In May 2013, the Board placed the District into a “Baseline” water shortage condition. A Baseline water shortage conditions essentially means that the District is



seeking to maintain or slightly improve upon WY 2013 per capita water usage of 131 gpcpd. This usage level meets the State mandate of 20% water use reduction by 2020.

Actual District Conservation Senate Bill 7x7 of 2009 requires the District to measure conservation on a per capita basis as compared to a ten-year baseline period that the District was allowed to select using a number of allowable approaches. The District, in adopting its most recent Urban Water Management Plan, selected a Baseline period of 1997 through 2006 and also projected per capita water use during each year of the five year UWMP. The District conservation targets and the actual conservation in the District are as follows:

- Baseline 1997-2006 per capita usage 204 gpcpd
- Interim Target 10% per capita reduction by 2015 183 gpcpd;
- Final Mandate 20% per capita reduction by 2020 163 gpcpd;
- Urban Water Management Plan projection for 2014 143 gpcpd
- District conservation levels as of January 1 135 gpcpd.

District conservation trends on a per person basis are shown in Attachment E.

### **Summary**

The following pages summarize the data discussed above in a tabular fashion for the past seven water years as well as month by month for the current water year.

### **District Actions Needed**

Board action, if any is needed, is traditionally taken in June of the Water Year prior to the peak usage season and after all data has become available. However, if conditions warrant, the Board can take action before that time.

Staff will be monitoring the situation as the water year unfolds and providing regular briefings to the Water Committee.

Staff will be updating the District's website and releasing information in other formats in response to conditions.

No formal action is needed at this time.

<b>TABULAR SUMMARY OF HISTORIC HYDROLOGICAL AND WATER SUPPLY CONDITIONS<sup>1</sup></b>							
	<b>WY2007</b>	<b>WY2008</b>	<b>WY2009</b>	<b>WY 2010</b>	<b>WY 2011</b>	<b>WY 2012</b>	<b>WY 2013</b>
Precipitation <sup>2</sup>	75%	73%	93%	107%	145%	80%	85%
Snowpack <sup>3</sup>	52%	101%	89%	126%	165%	74%	49%
Oroville Storage (% of Normal)	101%	90%	59%	78%	135%	115%	92%
Oroville Storage (% of Capacity)	62%	55%	38%	50%	86%	99%	79%
<b>Runoff</b>							
Percent of Normal Year <sup>4</sup>	53%	58%	64%	84%	138%	63%	64%
Water Supply Index	Critical	Critical	Dry	Below Normal	Wet	Below Normal	Dry
<b>Water Delivery Allocation</b>							
DWR to State Water Cont.	60%	35%	40%	50%	80%	65%	35%
<b>Statewide and Regional Conservation</b>							
State of California Short Term	----		20%		Strongly encourage conservation and minimal water use		
State of California Long Term	---			10% per capita reduction target by 2015 20% per capita reduction mandate by 2020			
Zone 7	Voluntary 10%						
<b>DSRSD CONSERVATION SUMMARY<sup>5</sup></b>							
<b>Pre SB 7X7 Methodology</b>							
Target	Voluntary 10%		Stage I- Vol. 20%				
% Achieved	2.4%	4.5%	13.8%	21.1%	21.5%	26.8%	
<b>Post SB 7X7 Methodology</b>							
SB 7x7 Baseline							204
2015 Target							183
2020 Mandate							163
UWMP Prediction							138
Actual							126

<sup>1</sup> Unless noted, data shown is for June of the Water Year shown.

<sup>2</sup> Percent of Normal; 8 Station Northern Sierra for the water year

<sup>3</sup> Percent of Normal; Northern Sierra Average as of April 1 which is historically peak snowpack for the year

<sup>4</sup> Runoff in percent of average year for Sacramento River watershed

<sup>5</sup> Expressed on a per account basis with the baseline year (July 06 to June 07 for WY 2007 through 2012).

<b>TABULAR SUMMARY OF HYDROLOGICAL AND WATER SUPPLY CONDITIONS FOR WY 2014<sup>6</sup></b>								
	<b>Nov 2013</b>	<b>Dec 2013</b>	<b>Jan 2014</b>	<b>Feb 2014</b>	<b>Mar 2014</b>	<b>Apr 2014</b>	<b>May 2014</b>	<b>June 2014</b>
Precipitation <sup>7</sup>	27%	26%	19%					
Snowpack <sup>8</sup>	NA	NA	11%					
Oroville Storage (% of Normal)	67%	72%	58%					
Oroville Storage (% of Capacity)	41%	43%	36%					
<b>Projected Runoff</b>								
Percent of Normal Year <sup>9</sup>	NA	65%	45%					
Chance of Average Year	NA	20%	Nil					
<b>Projected Type of Water Year</b>								
Water Year Classification	NA	Dry	Critical					
<b>Water Delivery Allocation</b>								
DWR to State Water Cont.	NA	5%	5%					
<b>Adopted Statewide and Regional Conservation Targets</b>								
California Short Term Policy	Strongly encourage conservation and minimal water use							
California Long Term Policy	10% per capita reduction interim target by 2015 and 20% per capita reduction mandated by 2020							
Zone 7	Voluntary, 10% conservation							
<b>DSRSD CONSERVATION SUMMARY<sup>10</sup></b>								
DSRSD Stage	Baseline water shortage condition (i.e. maintain current per person water use)							
SB 7x7 Baseline	204							
2015 Target	183							
2020 Mandate	163							
UWMP Prediction	138 for CY 2013			143 for CY 2014				
Current	132	134	135					

<sup>6</sup> Data shown is current as of the beginning of month shown

<sup>7</sup> Percent of Normal at this time of year; <sup>8</sup> Station Northern Sierra

<sup>8</sup> Percent of Normal at this time of year; Northern Sierra Average

<sup>9</sup> Projected water year runoff in percent of average year for Sacramento River watershed

<sup>10</sup> Values shown are in gallons per person per day

## ATTACHMENT A WATER SUPPLY UNCERTAINTIES

### DELTA PLANNING

**Bay Delta Conservation Plan:** The Bay Delta Conservation Plan (BDCP) is designed to be a planning process for meeting the requirements of endangered species laws and achieving the co-equal goals of (1) conservation and management of the Delta's ecological functions and (2) improving current water supplies and the reliability of Central Valley Project (CVP) and State Water Project (SWP) water deliveries. Significant opposition to the Plan and the process has been voiced by residents and entities from Delta and Central Valley communities, and by some state and federal water contractors which question who will pay for water for wildlife refuges and for environmental uses under the BDCP, as well as who will pay for construction and operations costs of any conveyance facilities. The end of the BDCP process cannot now be predicted with any degree of confidence. In July 2012, the state and federal governments announced their joint commitment to a proposed BDCP that would include two gravity-fed tunnels with a diversion capacity of 9,000 cubic feet of water per second (cfs), each of which would be 40 feet in diameter and 35 miles long, plus restoration of 113,000 acres of freshwater marsh, 50,000 of which would be restored in the next 15 years. Current estimates say the tunnels will take at least 10 years to build, will result in excavation and the need to dispose of 7 million cubic yards of "tunnel muck," and will cost an estimated \$24.5 - 28 Billion to construct and operate the conveyance facility as well as fund the mitigation and adaptive management for the 50-year implementation period. Current estimates indicate that 60 - 70% of that cost would be paid by water users (and approximately 60% of that amount would be paid by SWP contractors), with the balance coming from a variety of state and federal sources. Construction costs for the 9,000 cfs dual-bore tunnel are now estimated at \$14.5 Billion.

The draft BDCP and draft EIR/EIS were released for 124 days of public comment on December 9, 2013; comments are due by April 14, 2014. The draft documents are more than 41,000 pages. An initial 7-page errata sheet was issued on January 3, 2014, and more are expected. DWR's current schedule is vague, but apparently calls for the Certification of the EIR, Plan approval and the federal Record of Decision no earlier than the winter of 2014. Intended beneficiaries do not yet fully know what benefits they can anticipate, and federal agencies have given no indication of if or when they will do a feasibility analysis that is required before federal funds for the implementation of the BDCP could be appropriated. Current estimates are that only about 25% of CVP contractors would actually receive any water supply benefits if the project is fully implemented. The principal unknown is how the new system would be operated, which will determine water supply, water quality, and fisheries impacts. Fisheries agencies have suggested that current science requires high flows through the Delta and to the sea; such flow requirements would mean that future exports would be less than what contractors currently receive. Export contractors – especially irrigation entities -- are hoping to see far lower flows for fish and water quality protection so that farmers and ranchers can avoid having to pay large amounts of money for less water. Operations criteria will have to take into account the recent hydrology, which indicates that between 1949 and 2009, Sacramento River flow conditions in 47% of all years were "below normal," dry, or critically dry. In July 2013, federal agencies submitted comments on the administrative draft EIR/EIS which raised numerous difficult issues; some commentators have suggested that the federal fisheries agencies may believe that the proposed project may not be "permissible" under the Federal Endangered Species Act (FESA). The interplay between state and federal fisheries agencies and the CVP and SWP will be critical to ultimate governmental determinations concerning the proposed BDCP.

Some stakeholders (including ACWD, CCWD, EBMUD, SFPUC, San Diego and the San Diego County Water Authority, numerous environmental groups, Contra Costa County, and the Contra Costa Council, plus 22 Democratic members of the State Senate or Assembly) urged DWR to add a “Portfolio Alternative” that would include, among other things, a smaller conveyance facility because their studies to date indicate a 3,000 cfs conveyance could meet the BDCP’s and Delta Plan’s water supply and ecosystem restoration goals. DWR now estimates that the capital construction cost for a single-bore 3,000 cfs tunnel would be \$8.56 Billion (down from the previously estimated \$11.5 billion). DWR did not analyze this alternative (or the suite of proposed actions making up the Portfolio Alternative) in the EIR. Zone 7 signed a multi-agency letter favoring the BDCP proposal and opposing the Portfolio Alternative. A number of environmental groups have announced opposition to the BDCP, but agricultural interests that joined them in opposing the proposed Peripheral Canal in 1982 support the current proposal. The key question for many water agencies will be their share of the costs burdens for the proposed project. DWR has indicated that up to \$1.2 billion will be needed for completion of planning and environmental work over the next 3 years – apparently CVP and SWP contractors are each being asked to put up \$250 Million for those purposes, and DWR is seeking commitments in the near-term future (perhaps as early as January 2014, according to a report concerning Westlands Water District, which has apparently indicated that it is being asked to contribute \$162 Million.) If the project is ultimately approved and implemented, the earliest construction could begin is 2017 (engineering work to date is only at the 10% level), and the earliest date for operation of the new conveyance would be 2027.

**Delta Stewardship Council’s Delta Plan and EIR:** The 2009 legislative package that included the Delta Reform Act tried to address long-standing issues about Delta planning and the possibility of insuring water supply reliability and simultaneously reaching the co-equal goal of restoring/enhancing the Delta ecosystem. At the heart of this measure was establishment of the Delta Stewardship Council and a mandate that it develop a Delta Plan and the necessary environmental analysis by December 31, 2011. The goal of the Plan was to provide guidance to state and local agency actions to meet the coequal goals. (That statutory deadline was not met.) On May 16-17, 2013, the Council adopted the Delta Plan, certified the completion of the EIR, and approved the process for implementing the regulations. The adopted Plan contains 14 policies, which the Council has attempted to turn into legally enforceable state regulations. No substantial action based on the Plan will happen very quickly, and the EIR has been the subject of substantial criticism from all sides. Numerous parties filed suit in Sacramento Superior Court challenging the Plan and arguing that it is not consistent with the 2009 legislation because it does not achieve the co-equal goals of Delta ecosystem restoration and water supply reliability, and challenging the regulations. Those cases are all pending.

The Delta Plan calls for adoption of Delta flow objectives by June 2014; implementation measures to reach those objectives would then be analyzed and recommended to the SWRCB in approximately one year after that. The SWRCB has started the process for setting those objectives, in conjunction with its triennial review of the Water Quality Control Plan for the Delta (WQCP), and has indicated that it will seek to set flow objectives for “6 to 9 primary tributaries” by June, 2018. The State Water Contractors (SWC) asked the SWRCB to delay setting the objectives until completion of the BDCP, but the SWRCB said it will try to adopt the new objectives more quickly; however, it postponed a planned November 12 – 14 workshop on the science of Delta outflows and related stressors until February 10 – 11, 2014. This effort will inevitably be controversial, since an earlier and non-precedential SWRCB decision related to flow objectives established criteria that would dedicate between 50% and 75% of the available flows in the Delta to in-stream uses, which would result in drastic cutbacks in water available for export.

On December 31, 2012, the SWRCB released its proposed revisions to flow requirements (plus a 2000-page environmental analysis) for the San Joaquin River and 3 tributaries (Merced, Stanislaus, and Tuolumne Rivers), which featured establishment of a threshold of 35% of the unimpaired flow of the

tributaries to be set aside for Delta protection. Historically about 20% of unimpaired flow in those rivers reached the Delta. Water users and water rights holders on those rivers are vigorously resisting implementation of that threshold, arguing that it would result in a supply cut of 15% in average water years, and up to 50% in dry years. The SWRCB began a hearing on San Joaquin flows on March 20, 2013. A “final” version of the WQCP objectives and environmental impact analysis was issued in May, but the SWRCB has now postponed any action on this still-controversial subject until an as-yet unknown date in 2014.

**California Water Action Plan:** On October 31, 2013, CalEPA, the Department of Food & Agriculture, and the Natural Resources Agency issued a draft Water Action Plan for the State, in response to direction from the Governor to identify key actions for the next one to five years to address urgent needs and “provide the foundation for sustainable management of California’s water resources.” The final plan is expected to be issued in December. The 17-page draft was broad and general, and did not appear to call for any specific actions; some commentators have observed that it appears to have been an attempt to respond to concerns about the numerous delays in and controversy surrounding the BDCP.

## **LEGISLATION**

**2014 Water Bond:** The November 2009 water legislation package passed on to the voters the question of whether to authorize issuance of \$11.14 billion in General Obligation bonds, for which debt service payments of about \$700 million per year would have to come from the State’s General Fund. The bond issue was originally expected to be on the November 2010 ballot, but the Legislature subsequently passed a bill requested by the previous Governor delaying the election to 2012, largely because of the state’s precarious financial situation. The Legislature and the Brown administration may wish to make changes in the components of the bond package prior to placing it before the voters. The earliest possible date for the election would be in 2014, but some legislators are now talking about waiting until 2016. A number of proposals for a down-sized bond package have been discussed this year, ranging from \$6.475 billion (Sen. Wolk) to \$8.2 billion (ACWA). Hearings are expected to be conducted in the State Senate in January 2014.

## **DELTA ECOSYSTEM ISSUES**

**Delta Smelt and Salmonid Species:** Federal litigation concerning the interaction of the Federal Endangered Species Act (FESA) and NEPA with the operations of the Bureau of Reclamation’s Central Valley Project (CVP) and the Department of Water Resources’ (DWR) State Water Project (SWP) has dominated all considerations of Delta water export operations in the last few years. Most of that litigation has concerned the balance between water exports and the need to restrict or limit exports in an effort to protect Delta smelt and a variety of salmonid species. For both smelt and salmonids, litigation challenging the Biological Opinions is on appeal to the 9<sup>th</sup> Circuit US Court of Appeal. In the meantime, Delta operations are being managed in accordance with those BiOps, while the federal fisheries agencies are working on new BiOps, under court-established deadlines (12/1/13 for smelt (but state and federal officials have asked the court for a 3-year delay in that deadline); and 4/30/16 for salmon). The 2013 fall mid-water trawl, which is one of the key scientific indicators of the abundance of critical fish species, showed that the four species of greatest concern were at near-record lows this year; in particular, Delta smelt were at the 2<sup>nd</sup>-lowest year on record. (Since the decline of pelagic organisms (i.e., aquatic species that feed in the middle of the water column), such as Delta smelt, began in the Delta in 2002, the smelt index has ranged from a high of 151 to a low of 4 (it was 7 in 2008 and 2013), as compared to values that were occasionally greater than 1000 in prior years). The combination of record low precipitation and fish-related operations restrictions makes export operations particularly difficult to predict for the 2013-2014 water year, and may limit the use of cross-Delta water transfers or recovery of water in groundwater banks that might otherwise have been available to assist in areas dependent on Delta export pumping.

**Ammonia in Wastewater Discharges:** On December 9, 2010, the Central Valley Regional Water Quality Control Board (RWQCB) unanimously adopted a new NPDES discharge permit for the large regional wastewater treatment plant operated by the Sacramento Regional Sanitation District (SacReg). Zone 7, Alameda County Water District, and Santa Clara Valley Water District (SCVWD), plus a number of other water agencies, had for 10 years sought to have the RWQCB order SacReg to significantly reduce the volume of pathogens and certain chemical contaminants in its effluent – particularly ammonium, which is believed to have a substantial adverse impact on Delta smelt. A partial settlement was reached late in April 2013, and SacReg is commencing implementation of remedial measures. Remaining issues in the litigation concern the NPDES permit requirement for tertiary treatment to remove pathogens and other pollutants from the discharge, and trial on the merits is scheduled to begin April 4, 2014.

## **LOCAL WATER SUPPLY CONTRACTS**

**State Water Project Contract:** On May 1, DWR began what was originally planned to be three months of public negotiations with the SWC on contract amendments to the contract term and on certain financial provisions of the current basic water supply contract between DWR and each member of the SWC. DWR wants to issue 30-year bonds for its debt financing, but there are only 21 years left on the present contract. DWR has urged a 40-year extension, but some of the SWC have argued that it should be 75 years. DWR uses revenue bond financing for capital improvements and upgrades of existing systems; in recent years it has sold as much as \$200 Million in such bonds per year, and it estimates that it needs \$2.5 Billion to repair, restore, and strengthen existing infrastructure. DWR also estimates that the BDCP improvements would require the SWC to pay another \$10 Billion, and the current contract negotiations would put the necessary financial accounting and oversight mechanisms in place for that as well. Negotiations are ongoing, with 4 sessions held in October, 2 in November, 1 in December, and 4 scheduled in January, plus 2 more in February; Zone 7 participates.

**BBID transfer to Zone 7:** Since 1995, an important part of Zone 7's water supply portfolio has been an annual transfer of up to 5,000 AF of Delta water to Zone 7 from Byron Bethany Irrigation District (BBID). On December 14, 2012, DWR told BBID that the transfer was being made without DWR's consent, and that the water had to be "repaid" to DWR. Both BBID and Zone 7 are vigorously objecting to DWR's position and resisting the demand that Zone 7 "repay" any previously transferred water.

## **PERTINENT WATER RELATED LITIGATION**

**Area of Origin Litigation:** The Tehama-Colusa Canal Authority (TCCA), a joint powers authority located in the northern part of the Sacramento Valley, filed suit on February 11, 2010 in federal district court in Sacramento against the United States, alleging that the Bureau of Reclamation illegally failed to deliver full contract amounts of water to TCCA members before exporting water from the Delta. Their argument was based on "area of origin" protections contained in the California Water Code, with which Reclamation is required to comply. The case is significant because it has the potential to deepen the split between water users in areas where the water arises and water users in dry areas served primarily by exports, particularly because the plaintiffs are asserting that their location and the protective statute give them a higher priority claim to CVP water, including stored water. If the Plaintiffs ultimately prevail, that will further limit the amount of water that can be exported from the Delta by the CVP. A federal trial court judge and the 9<sup>th</sup> Circuit ruled for the federal defendants on July 29, 2011 and July 1, 2013, respectively; on October 15, 2013 the 9<sup>th</sup> Circuit denied TCCA's petition for rehearing. A petition for *certiorari* seeking review by the U.S. Supreme Court will be filed in mid-January, 2014. 4 SWP contractors (Butte Co., Solano Co. Water Agency, Napa Co. Flood Control and Water Conserv. District, and Yuba City) sued DWR in 2008 alleging that DWR sends water to export contractors (like Zone 7)

without fulfilling its obligations to protect the rights of contractors who benefit from area of origin laws. In October 2013, DWR and these 4 contractors reached a settlement which will result in preferential deliveries to the 4 plaintiff SWP contractors (all north of the Delta and with relatively small water entitlements), and have a small adverse impact on all south of Delta contractors in some years. Current estimates are that the reductions will probably be in the range of 1 – 2% of south-of-Delta SWP contractors' entitlements in dry years.

## **WATER SUPPLY RELIABILITY IMPROVEMENT EFFORTS**

**Regional Activities:** Contra Costa Water District's Los Vaqueros Expansion Project (LVE) is complete, and the Reservoir is filled to about 130,000 AF. Federal and state agencies are leading a study effort to consider a further expansion of the Reservoir, and numerous water agencies have signed a Memorandum of Understanding concerning those studies, including Zone 7, the other South Bay Aqueduct agencies (ACWD and SCVWD), EBMUD, and the San Luis and Delta Mendota Water Authority. Federal and state studies dating back to the 1960's indicated that the Los Vaqueros site could accommodate a reservoir with as much as 1 million acre-feet (AF) of storage capacity. In January, 2013 the Boards of Directors of EBMUD and CCWD accepted principles of agreement for a new partnership arrangement concerning LVE, and a demonstration project under which 5,000 AF of EBMUD water would be stored in the reservoir for up to 5 years is under way. CCWD reached a similar understanding with ACWD on April 3, 2013 for a 1,000 AF pilot project, which is now being expanded to 5,000 AF. EBMUD is also working with the Yuba County and Placer County Water Agencies on annual purchase of up to 67,000 AF, and on a pilot program to convey transfer water to some of San Francisco's wholesale customers. EBMUD's Freeport facilities can be used to convey water made available by Yuba or Placer, but which cannot be delivered south of the Delta due to export restrictions at the DWR pumps; arrangements of this nature, especially if implemented jointly with CCWD, could provide supply and reliability benefits to numerous Bay Area water agencies. EBMUD's Mokelumne River facilities were also used in 2013 to successfully convey 2,000 AF of transfer water from the Woodbridge Irrigation District (near Lodi) to CCWD. EBMUD is also renewing consideration of a conjunctive use idea with a number of entities in San Joaquin County.

San Francisco purchased an option to buy up to 2,240 AF/year of dry year water from Oakdale Irrigation District. If it exercises the option, the reported price for SF would be \$700/AF, in marked contrast to the \$6.50/AF paid by most Oakdale farmers, the \$29.50 now paid by most Modesto farmers, and the \$100 - 125/AF for which Oakdale and SSJID sold water in 2013 to west side CVP contractors and Modesto ID sold water to Turlock ID. Numerous discussions of similar water transfers, interties, and cooperative arrangements are underway, involving water agencies throughout the Bay Area region and in the Central Valley; e.g., Zone 7, CCWD, and EBMUD are discussing a possible link between CCWD facilities (which have a large and robust intertie with EBMUD's Mokelumne Aqueduct) and Bethany Reservoir, the forebay for the South Bay Aqueduct. Several of the 26 water utilities that buy wholesale water from San Francisco's Hetch Hetchy system are considering establishment of a new institutional mechanism for transferring water between such utilities, in order to make more efficient use of the available resource within the region. ACWD and the City of Hayward are both purchasers from San Francisco.

Federal authorities are also investigating raising the elevation of San Luis Dam by 20 feet, in a \$360 Million project to improve seismic protection and to add 120,000 AF of storage capacity for the benefit of both the CVP and SWP. As dry conditions persist, large numbers of new deep wells are being installed in the Central Valley, resulting in declining aquifers and land subsidence in an area that may be as large as 1,200 square miles; many of these new wells are needed to irrigate hundreds of thousands of acres of permanent tree and vine crops that have been planted in recent years (in lieu of previous field crops like tomatoes and cotton) despite the lack of reliable and consistent imported water supplies.



Five local water entities (Zone 7, ACWD, CCWD, EBMUD and the SFPUC) and the WaterReuse Foundation are participating in projects being funded by the Water Research Foundation to study the potential for Direct Potable Reuse (DPR). The projects will begin early in 2014 and support research needs of the California Department of Public Health for compliance with the statutory mandates of SB 918 (2010) to investigate the feasibility of developing regulatory criteria for protection of public health by 2016; as a result of this work, DPR could ultimately be permitted for groundwater recharge and/or for surface water augmentation.

**San Diego Desalination:** Construction is more than 25% complete, and is on schedule and under budget, on a desalination plant that is expected to produce up to 50,000 AFA in San Diego County; San Diego views it as a new long-term reliable source of drinking water, and will be paying an estimated \$1900 to \$2200/AF to achieve that reliability. Operations are expected to begin in 2016. A second such plant, with a production capacity of 56,000 AFA, is nearing the end of the planning and permitting phase; it will be located in Huntington Beach if the planning and permitting processes can be successfully completed. After adopting a report on the success of the City's 2-year 1 million gallon per day (mgd) demonstration project, San Diego's City Council acted in April 2013 to pursue implementation plans for a "water purification" project to augment City drinking water supplies with up to 15 mgd of purified water that would be conveyed to San Vicente Reservoir to blend with stored Colorado River water. A 2013 public opinion poll indicated that 73% of the San Diego residents who were surveyed favored the project. Initial estimates are that the project would cost about \$370 Million, and could eventually be expanded to 88 mgd.

**Coalition to Support Near Term Delta Projects:** Largely because of similar concerns about controversy surrounding the BDCP and the concern that it will be decades before it can come to fruition, a series of water agencies, environmental groups, and others developed a consensus position on a number of projects on which immediate actions could be taken, and for which \$500 million in previously-approved bond funds are potentially available. Projects include specific actions related to water supply, water quality, levees, and ecosystem restoration. Participants include entities which do not always agree on Delta matters, including the Planning and Conservation League, Metropolitan Water District (MWD), Westlands Water District, Central Delta Water Agency, and Contra Costa Water District. These entities are working to get the necessary stakeholder support and a wide-spread consensus; the first projects will probably involve levee work.

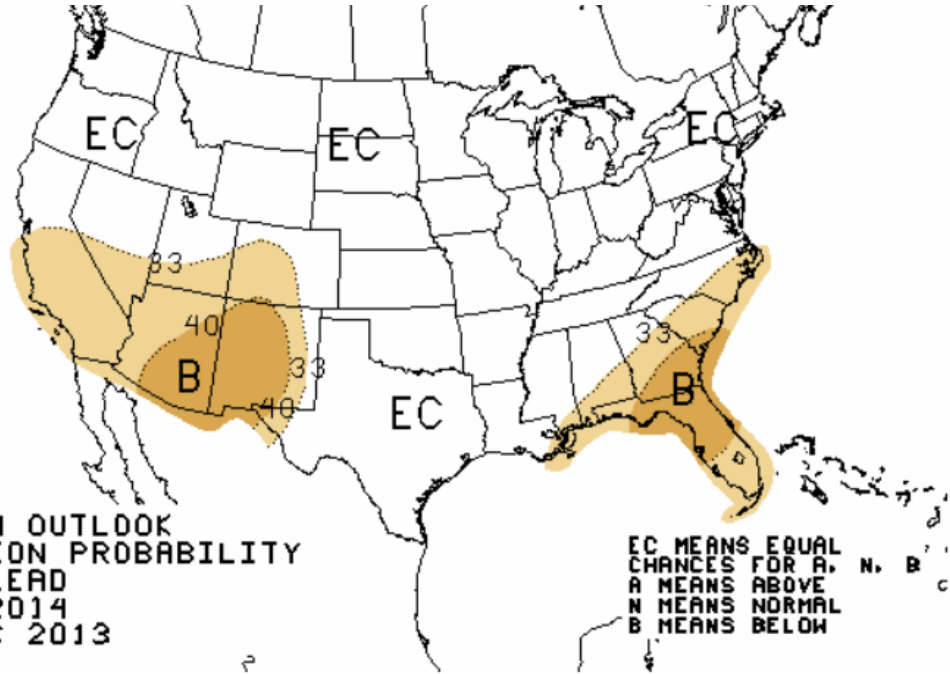
#### **OTHER WATER SUPPLY RELIABILITY AND UNCERTAINTY FACTORS:**

**Colorado River:** Although it does not directly impact the District or Zone 7, a number of factors suggest that continuing uncertainty about southern California's reliance on the Colorado River will increase. The original 1922 allocation of Colorado River water (among 7 western states) was based on a short period of hydrologic history which was wetter than any period since then. The assumption then was that the River would yield 15 MAFA; the U.S. now believes that the actual yield is closer to 12 MAFA. Snowpack in the watershed is currently less than 50% of average, which could reduce storage in Lakes Powell and Mead to the point where water deliveries to California are curtailed. As a result, southern California's ability to rely on transfers from Imperial Irrigation District (IID) to San Diego (which gets 33% of its water from these transfers), or on full deliveries from the Colorado to the MWD is now less certain. The complex set of agreements which resulted in transfers of water from IID to San Diego requires IID to meet certain water conservation goals; this has proved to be difficult for IID, and the conservation programs are very controversial among its agricultural water users. MWD has put over 2.7 MAF in storage in southern California, but in the long run a reduction in Colorado River water would tend to put added emphasis (i.e., water demand) on exports from the Delta to southern California. Storage in the key Colorado reservoirs (Lakes Powell and Mead) is well below 50% of capacity, and 2013 marked the worst 14 years of hydrologic history on the River since records have been kept.

**ATTACHMENT B  
90 DAY PRECIPITATION FORECAST**

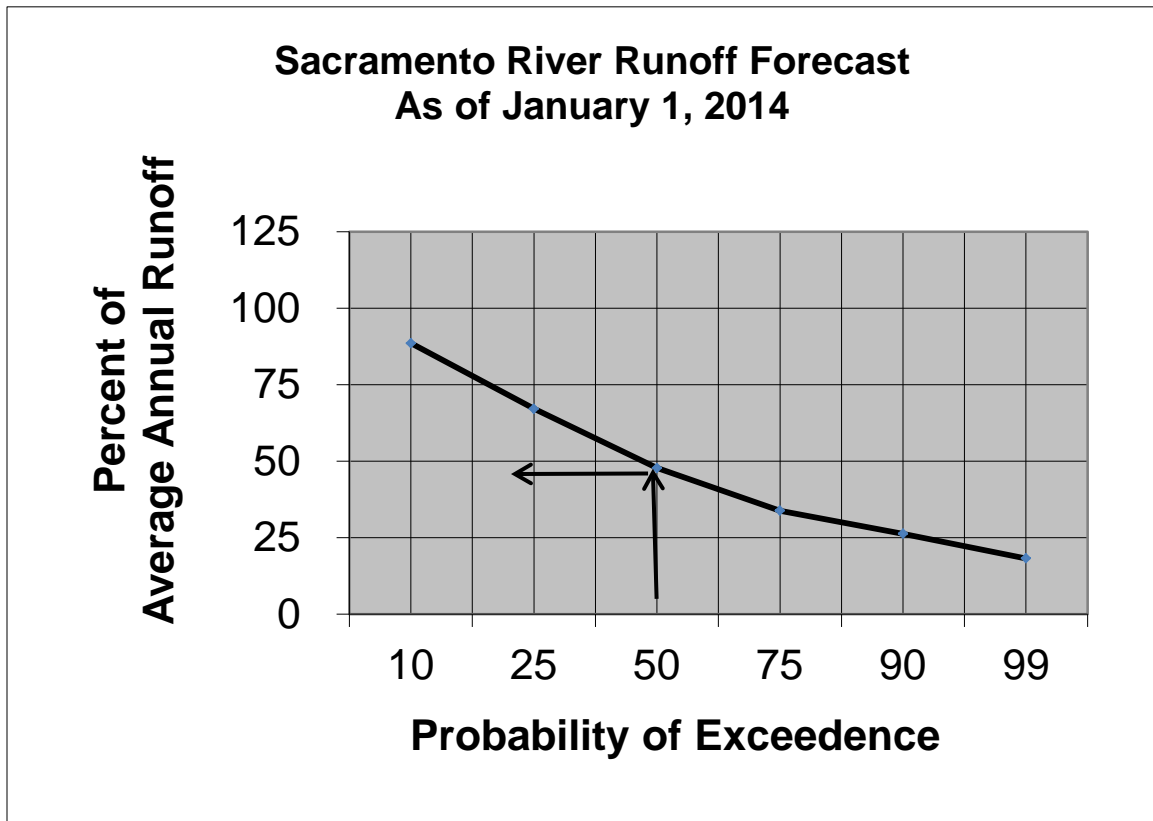


THREE-MONTH OUTLOOK  
PRECIPITATION PROBABILITY  
0.5 MONTH LEAD  
VALID JFM 2014  
MADE 19 DEC 2013



**ATTACHMENT C  
FORECAST OF RUNOFF**

- Expected runoff (50% probability)= 45%
- Chance of average (100%) or greater than average runoff = Nil



**ATTACHMENT D**  
**CURRENT DWR DELIVERY ALLOCATION**

State of California

DEPARTMENT OF WATER RESOURCES  
CALIFORNIA STATE WATER PROJECT

California Natural Resources Agency

**NOTICE TO STATE WATER PROJECT CONTRACTORS**




**Date:** NOV 19 2013

**Number:** 13-14

**Subject:** 2014 State Water Project Initial Allocation – 5 Percent

**From:**

  
\_\_\_\_\_  
**Carl A. Forgersen**  
Department of Water Resources

The Department of Water Resources (DWR) is initially approving 208,628 acre-feet of Table A water for long-term State Water Project (SWP) contractors in 2014. SWP supplies are projected to meet 5 percent of SWP contractors' requests for Table A water, which totals 4,172,536 acre-feet. Attached is the initial 2014 SWP allocation table.

This allocation is made consistent with the long-term water supply contracts and public policy. DWR considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints such as the conditions of the recent Biological Opinions for Delta smelt and salmonids and the longfin smelt incidental take permit, and 2014 contractor demands. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions.

Based on this initial allocation, DWR will use the 30 percent delivery schedules submitted by the contractors earlier this year to arrive at the 5 percent schedules, unless revised schedules are submitted by contractors. DWR will send an approved monthly water delivery schedule to each long-term contractor in December.

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

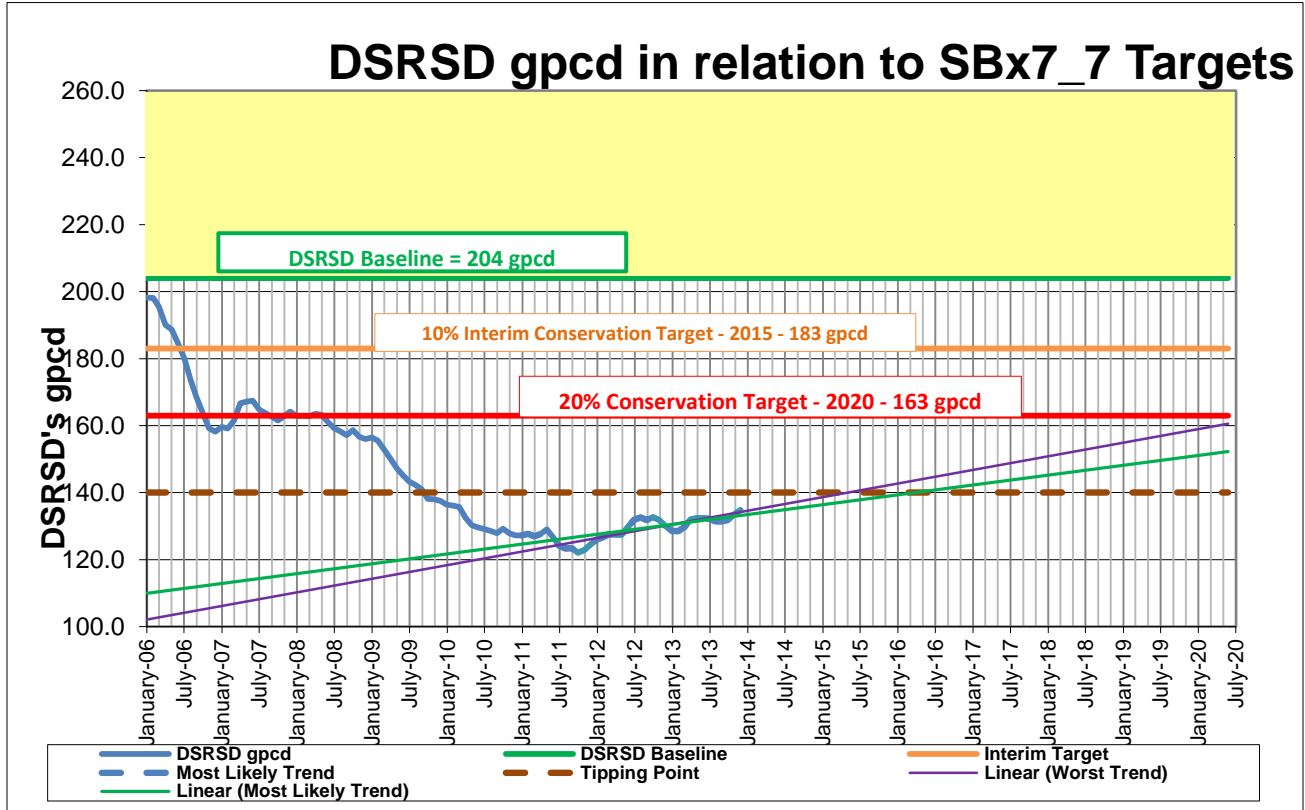
Attachment

**2014 STATE WATER PROJECT ALLOCATION  
(ACRE-FEET)**

<b>SWP CONTRACTORS</b>	<b>TABLE A</b>	<b>INITIAL REQUEST</b>	<b>APPROVED ALLOCATION</b>	<b>PERCENT INITIAL REQUEST APPROVED (3)/(2)</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
<b>FEATHER RIVER</b>				
County of Butte	27,500	27,500	1,375	5%
Plumas County FC&WCD	2,500	2,500	125	5%
City of Yuba City	9,600	9,600	480	5%
<b>Subtotal</b>	<b>39,600</b>	<b>39,600</b>	<b>1,980</b>	
<b>NORTH BAY</b>				
Napa County FC&WCD	29,025	29,025	1,451	5%
Solano County WA	47,706	47,706	2,385	5%
<b>Subtotal</b>	<b>76,731</b>	<b>76,731</b>	<b>3,836</b>	
<b>SOUTH BAY</b>				
Alameda County FC&WCD, Zone 7	80,619	80,619	4,031	5%
Alameda County WD	42,000	42,000	2,100	5%
Santa Clara Valley WD	100,000	100,000	5,000	5%
<b>Subtotal</b>	<b>222,619</b>	<b>222,619</b>	<b>11,131</b>	
<b>SAN JOAQUIN VALLEY</b>				
Oak Flat WD	5,700	5,700	285	5%
County of Kings	9,305	9,305	465	5%
Dudley Ridge WD	48,350	48,350	2,418	5%
Empire West Side ID	3,000	3,000	150	5%
Kern County WA	982,730	982,730	49,137	5%
Tulare Lake Basin WSD	87,471	87,471	4,374	5%
<b>Subtotal</b>	<b>1,136,556</b>	<b>1,136,556</b>	<b>56,829</b>	
<b>CENTRAL COASTAL</b>				
San Luis Obispo County FC&WCD	25,000	25,000	1,250	5%
Santa Barbara County FC&WCD	45,486	45,486	2,274	5%
<b>Subtotal</b>	<b>70,486</b>	<b>70,486</b>	<b>3,524</b>	
<b>SOUTHERN CALIFORNIA</b>				
Antelope Valley-East Kern WA	144,844	144,844	7,242	5%
Castaic Lake WA	95,200	95,200	4,760	5%
Coachella Valley WD	138,350	138,350	6,918	5%
Crestline-Lake Arrowhead WA	5,800	5,800	290	5%
Desert WA	55,750	55,750	2,788	5%
Littlerock Creek ID	2,300	2,300	115	5%
Metropolitan WDSC	1,911,500	1,911,500	95,575	5%
Mojave WA	82,800	82,800	4,140	5%
Palmdale WD	21,300	21,300	1,065	5%
San Bernardino Valley MWD	102,600	102,600	5,130	5%
San Gabriel Valley MWD	28,800	28,800	1,440	5%
San Geronio Pass WA	17,300	17,300	865	5%
Ventura County WPD	20,000	20,000	1,000	5%
<b>Subtotal</b>	<b>2,626,544</b>	<b>2,626,544</b>	<b>131,328</b>	
<b>TOTAL</b>	<b>4,172,536</b>	<b>4,172,536</b>	<b>208,628</b>	

SWPAO  
11/19/2013

**ATTACHMENT E  
DSRSD WATER CONSERVATION TRENDS**



**Excerpt from 1-23-14 Water Committee Notes**

D-5 2014 Water Supply Outlook and Conservation Report

General Manager Michalczyk summarized the water supply information that is available to date as provided in the agenda packet noting that information in that report became out of date with the Governor's declaration of a State of Emergency late last week.

In summary, and as of January 1, 2014, precipitation is at only 19% of average, the snow pack is virtually non-existent and reservoir storage is very low for this time of the year and is dropping. The Department of Water Resources is still projecting a 5% delivery allocation for 2014 but there is growing concern that in the upcoming weeks the allocation may be reduced to 0%. If that were the case, Zone 7 could not access the water it has in storage at Semi-tropic and Cowelo.

The Committee and staff discussed various aspects of and possible actions being considered in response to the Governor's declaration including:

- General Approach:
  - District's response will best be a measured and incremental response;
  - The retailers will take their cue from Zone 7 which will be discussing the matter at a special meeting of its Board on January 29;
  - The water agencies in the Livermore Amador Valley need to develop the same outreach message;
  - That message should be similar to and not inconsistent with that of other regional water agencies; and
  - Educate the public about the source of their water supply (agency as well as physically where it comes from).
- General Schedule:
  - Factual briefing at the February 4 Board meeting;
  - Endorsement of outreach efforts and the need for voluntary actions at the February 18 Board meeting; and
  - Consideration of mandatory actions, prohibitions and rate adjustments in the April timeframe once all the facts of the water year are known.
- Specific Actions Discussed:
  - Recycled water use and promotion to be a key part of the District's response including:
    - Getting recycled water to Val Vista Park in Pleasanton as soon as possible;
    - Recalling potable water construction meters and issuing recycled water construction meters; and
    - Prohibiting irrigation with potable water where recycled water is available.
  - Emphasizing the various existing rebate programs currently in existence (low flow toilets, washing machines, lawn conversions, etc.)

**A PROCLAMATION OF A STATE OF EMERGENCY**

**WHEREAS** the State of California is experiencing record dry conditions, with 2014 projected to become the driest year on record; and

**WHEREAS** the state's water supplies have dipped to alarming levels, indicated by: snowpack in California's mountains is approximately 20 percent of the normal average for this date; California's largest water reservoirs have very low water levels for this time of year; California's major river systems, including the Sacramento and San Joaquin rivers, have significantly reduced surface water flows; and groundwater levels throughout the state have dropped significantly; and

**WHEREAS** dry conditions and lack of precipitation present urgent problems: drinking water supplies are at risk in many California communities; fewer crops can be cultivated and farmers' long-term investments are put at risk; low-income communities heavily dependent on agricultural employment will suffer heightened unemployment and economic hardship; animals and plants that rely on California's rivers, including many species in danger of extinction, will be threatened; and the risk of wildfires across the state is greatly increased; and

**WHEREAS** extremely dry conditions have persisted since 2012 and may continue beyond this year and more regularly into the future, based on scientific projections regarding the impact of climate change on California's snowpack; and

**WHEREAS** the magnitude of the severe drought conditions presents threats beyond the control of the services, personnel, equipment and facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and

**WHEREAS** under the provisions of section 8558(b) of the California Government Code, I find that conditions of extreme peril to the safety of persons and property exist in California due to water shortage and drought conditions with which local authority is unable to cope.

**NOW, THEREFORE, I, EDMUND G. BROWN JR.**, Governor of the State of California, in accordance with the authority vested in me by the state Constitution and statutes, including the California Emergency Services Act, and in particular, section 8625 of the California Government Code **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in the State of California due to current drought conditions.

**IT IS HEREBY ORDERED THAT:**

1.State agencies, led by the Department of Water Resources, will execute a statewide water conservation campaign to make all Californians aware of the drought and encourage personal actions to reduce water usage. This campaign will be built on the existing Save Our Water campaign ([www.saveourh20.org](http://www.saveourh20.org)) and will coordinate with local water agencies. This campaign will call on Californians to reduce their water usage by 20 percent.

2.Local urban water suppliers and municipalities are called upon to implement their local water shortage contingency plans immediately in order to avoid or forestall outright restrictions that could become necessary later in the drought season. Local water agencies should also update their legally required urban and agricultural water management plans, which help plan for extended drought conditions. The Department of Water Resources will make the status of these updates publicly available.

3.State agencies, led by the Department of General Services, will immediately implement water use reduction



plans for all state facilities. These plans will include immediate water conservation actions, and a moratorium will be placed on new, non-essential landscaping projects at state facilities and on state highways and roads.

4.The Department of Water Resources and the State Water Resources Control Board (Water Board) will expedite the processing of water transfers, as called for in Executive Order B-21-13. Voluntary water transfers from one water right holder to another enables water to flow where it is needed most.

5.The Water Board will immediately consider petitions requesting consolidation of the places of use of the State Water Project and Federal Central Valley Project, which would streamline water transfers and exchanges between water users within the areas of these two major water projects.

6.The Department of Water Resources and the Water Board will accelerate funding for water supply enhancement projects that can break ground this year and will explore if any existing unspent funds can be repurposed to enable near-term water conservation projects.

7.The Water Board will put water right holders throughout the state on notice that they may be directed to cease or reduce water diversions based on water shortages.

8.The Water Board will consider modifying requirements for reservoir releases or diversion limitations, where existing requirements were established to implement a water quality control plan. These changes would enable water to be conserved upstream later in the year to protect cold water pools for salmon and steelhead, maintain water supply, and improve water quality.

9.The Department of Water Resources and the Water Board will take actions necessary to make water immediately available, and, for purposes of carrying out directives 5 and 8, Water Code section 13247 and Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are suspended on the basis that strict compliance with them will prevent, hinder, or delay the mitigation of the effects of the emergency. Department of Water Resources and the Water Board shall maintain on their websites a list of the activities or approvals for which these provisions are suspended.

10. The state's Drinking Water Program will work with local agencies to identify communities that may run out of drinking water, and will provide technical and financial assistance to help these communities address drinking water shortages. It will also identify emergency interconnections that exist among the state's public water systems that can help these threatened communities.

11.The Department of Water Resources will evaluate changing groundwater levels, land subsidence, and agricultural land fallowing as the drought persists and will provide a public update by April 30 that identifies groundwater basins with water shortages and details gaps in groundwater monitoring.

12.The Department of Water Resources will work with counties to help ensure that well drillers submit required groundwater well logs for newly constructed and deepened wells in a timely manner and the Office of Emergency Services will work with local authorities to enable early notice of areas experiencing problems with residential groundwater sources.

13.The California Department of Food and Agriculture will launch a one-stop website ([www.cdffa.ca.gov/drought](http://www.cdffa.ca.gov/drought)) that provides timely updates on the drought and connects farmers to state and federal programs that they can access during the drought.

14.The Department of Fish and Wildlife will evaluate and manage the changing impacts of drought on threatened and endangered species and species of special concern, and develop contingency plans for state Wildlife Areas and Ecological Reserves to manage reduced water resources in the public interest.

15. The Department of Fish and Wildlife will work with the Fish and Game Commission, using the best available science, to determine whether restricting fishing in certain areas will become necessary and prudent as drought conditions persist.

16. The Department of Water Resources will take necessary actions to protect water quality and water supply in the Delta, including installation of temporary barriers or temporary water supply connections as needed, and will coordinate with the Department of Fish and Wildlife to minimize impacts to affected aquatic species.

17. The Department of Water Resources will refine its seasonal climate forecasting and drought prediction by advancing new methodologies piloted in 2013.

18. The California Department of Forestry and Fire Protection will hire additional seasonal firefighters to suppress wildfires and take other needed actions to protect public safety during this time of elevated fire risk.

19. The state's Drought Task Force will immediately develop a plan that can be executed as needed to provide emergency food supplies, financial assistance, and unemployment services in communities that suffer high levels of unemployment from the drought.

20. The Drought Task Force will monitor drought impacts on a daily basis and will advise me of subsequent actions that should be taken if drought conditions worsen.

**I FURTHER DIRECT** that as soon as hereafter possible, this Proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Proclamation.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of January, 2014.

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EDMUND G. BROWN JR.,  
Governor of California

ATTEST:

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DEBRA BOWEN,  
Secretary of State



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

**ORIGINATING SECTION: ENGINEERING/INTEGRATED PLANNING**  
**CONTACT: KURT ARENDS/CAROL MAHONEY**

**AGENDA DATE:** January 29, 2014

**ITEM NO. 5**

**SUBJECT:** 2014 Drought Emergency Response Plan

**SUMMARY:**

- On January 17, 2014, Governor Jerry Brown declared a State of Drought Emergency in California due to the ongoing extreme drought conditions and asked all Californians to reduce water use by 20%.
- The US Department of Agriculture also declared Alameda County as a natural disaster area because of the extreme drought conditions.
- Last week, California Department of Water Resources (DWR) informed Zone 7 that with these dry conditions there is a chance that State Water Project (SWP) allocations to contractors south of the Delta (including Zone 7) could be reduced from the current five percent level to zero, which could also limit DWR's ability to convey any water from the Delta through the aqueduct system, including water transfers or carry-over.
- Over 80% of the water delivered by Zone 7 to its customers is imported from the Delta through the SWP system.
- The loss of SWP deliveries greatly reduces Zone 7's options for providing the Valley's water supply needs and immediate action is needed to prepare for this possibility.
- Staff has developed a Drought Emergency Response Plan comprised of a series of actions to be taken to enhance reliability and minimize potential water supply shortages.
- The first step in this plan is to adopt the attached Resolution declaring a local state of drought emergency.
- The Drought Emergency Response Plan and the Declaration of a local drought emergency will be reviewed at each monthly Board meeting until such time as Zone 7 determines that the Declaration needs to be amended or repealed.

**FUNDING:**

No funding is required for this action.

**RECOMMENDED ACTION:**

Adopt the attached Resolution: (1) Declaring a State of Emergency due to drought conditions in the Livermore-Amador Valley; (2) Accepting the Drought Emergency Response Plan; and (3) Authorizing and directing the General Manager to establish appropriate levels of conservation that are consistent with the California State of Drought Emergency and local water supply conditions, and to identify and pursue emergency projects that will minimize impacts on water deliveries.

**ATTACHMENTS:**

1. Memo providing additional background and discussion of agenda item
2. Zone 7 Board Resolution

1.76

## Interoffice Memo

**Date:** January 29, 2014  
**To:** Jill Duerig, General Manager  
**From:** Kurt Arends, Assistant General Manager - Engineering  
Carol Mahoney, Integrated Planning Manager  
**Subject:** 2014 Drought Emergency Response Plan

The following provides additional background and discussion on the above-referenced agenda item.

### BACKGROUND:

Calendar Year 2013 was the driest year in recorded state history. 2013 also set a new record as the driest year measured in the Livermore-Amador Valley, with total precipitation of only 4.5 inches out of the average yearly rainfall of 14.47-inches (only 31% of average at Livermore Station 15e). Previous dry calendar year record-holders at the same rainfall station include 1976 - 6.4 inches (44% of average), 1929 - 6.58 inches (45% of average), and 1917 - 6.81 inches (47% of average). At the beginning of 2014, the snowpack's statewide water content was estimated at about 20% of average for this time of year and January has been experiencing record high temperatures in the Bay Area. In mid-January, the National Weather Service issued a long-term forecast that the following 90 days would remain dry, promising little relief in these extremely dry conditions.

On January 17, 2014, Governor Jerry Brown declared a State of Emergency in California due to the current drought conditions and asked all citizens to cut back water use by 20%. In addition, the California Department of Water Resources (DWR) informed Zone 7 that as these dry conditions are of unprecedented severity, it is very difficult to predict this year's water supplies or to set supply allocation amounts. They have indicated that there is a reasonable chance that allocations could be reduced from the current five percent projection to zero percent, which could also prevent water from being moved through the Delta and pumped into the aqueduct system managed by DWR.

### DISCUSSION:

Over 80% of Zone 7's annual average water supply is conveyed through the Delta as part of the State Water Project. In preparation for dry years, Zone 7 has multiple options for storing excess water in wet or normal years. These include regularly recharging excess supply in the local groundwater basin through our artificial groundwater recharge program, storing surplus supplies in areas outside of our groundwater basin such as "carry-over" water from the SWP in San Luis Reservoir or "banking" excess water in external basins like Semitropic and Cawelo in Kern County. In other words, a large portion of water Zone 7 considers as drought supplies are stored outside of the Livermore-Amador Valley groundwater basin and downgradient in the SWP system. To receive those external supplies in dry years, water is "exchanged" whereby Zone 7 receives more SWP water that is being pumped from the Delta and the downgradient "banks" use more of their own internal supplies to meet their local demand. If no water is being pumped from the Delta through the SWP system, calling back the "banked" supplies that are stored remotely into the Livermore Valley may become impossible. Likewise, no water in the SWP system could impact DWR's ability to store any additional water in Lake Del Valle. In this

worst-case scenario, Zone 7 would have to rely solely on water that has been stored locally in the groundwater basin and the water DWR has previously stored in Lake Del Valle to meet the community's water supply needs.

In response to this potentially critical situation, Zone 7 has developed a Draft Drought Emergency Response Plan comprised of immediate actions to be taken now to address these threats and define future actions to be implemented if the situation worsens. Because rainfall or increased snowpack in the next few months could yield more overall water in the system, the actions in the Drought Emergency Response Plan will be reviewed and revised as necessary to meet the Valley's water supply needs.

To the extent that surface water is available through the State Water Project, Zone 7 shall maximize the treatment and delivery of surface water to meet demands and minimize the use of groundwater in order to conserve groundwater for future use should the SWP system not be operational. Also, groundwater recharge activities shall continue to the extent that the use of surface water for artificial recharge does not reduce the availability of surface water to meet demands. In addition, Zone 7 shall work with DWR and the other South Bay Aqueduct (SBA) contractors to move water into Lake Del Valle to provide as much local supply as possible in the event that DWR is unable to move water through the SWP system later in the season.

Zone 7 is also working with its sister agencies, East Bay Municipal Utility District, San Francisco Public Utilities Commission, Contra Costa Water District, Santa Clara Valley Water District and Alameda County Water District to explore potential transfer or wheeling opportunities, which may allow additional supplies to be brought into the Valley or to be made available should the need arise.

Zone 7 is coordinating with the Valley's retailers to manage operations and water deliveries. In addition, Zone 7 and the retailers are exploring increased retailer groundwater pumping in order to augment Zone 7's pumping capacity to help manage the groundwater basin and meet customer demands.

In addition to these operational activities, several planned capital projects have been identified as providing a direct benefit in mitigating the potential impacts of the drought. These include:

- ***Construction of Chain of Lakes (COL) Well #5.*** The design and construction of COL Wells #1 and #2 anticipated the installation of COL Wells #3, #4 and #5. For COL #5, a pipeline was pre-installed to connect the well to the chemical feed facilities located at COL #1. CEQA for this project has been completed and reviewed for consistency. Installation of this well will immediately increase Zone 7's groundwater pumping capacity and assist in meeting peak demands.
- ***Water conveyance between Cope Lake and Lake I.*** In December of 2013, Zone 7 completed a project to capture the water being discharged as part of Vulcan Material's mining operation and place it into Cope Lake. CEQA for this project was adopted by the Zone 7 Board on February 15, 2012. Previously, that discharge had been into the Arroyo Mocho and the majority of the water had flowed out of the Valley. In order to get beneficial use of this water, enhance operational flexibility and potentially increase opportunities to transfer additional water from the quarrying operations, that water must be moved from Cope Lake into Lake I, which has recharge capability. In order to facilitate long-term operation of the lakes, a permanent conduit between the Cope Lake

and Lake I is needed. In addition, a pipeline and pump system will be needed to maintain water levels during construction and to lower the levels in Cope Lake since it has no recharge capability. Additional property adjacent to the COL Well #1 site is needed to facilitate the transfer of water.

- ***New well on Valley Avenue.*** Zone 7 is currently pursuing purchase of property near the intersection of Valley Avenue and Stanley Boulevard. The Busch-Valley area was identified in the Well Master Plan as a future well site. Construction of a well in this area will assist in meeting peak demands and also allow Zone 7 to access groundwater from a different portion of the Main Basin, increasing the overall quantity of water that can be pumped on an annual basis.
- ***Additional treatment facility at the Chain of Lakes.*** COLs #1 and #2 were installed for drought emergencies. If the Department of Public Health adopts new chromium standards, additional treatment will be needed for these wells. Another key water management component of the Chain of Lakes is that they store surface water in addition to offering recharge and conveyance opportunities. Lake I, alone, is estimated to have a current volume of 11,000 acre-feet of water. The installation of a package treatment plant would allow this stored water to be pumped directly from the lake for treatment and delivery through the distribution system. Installing a package treatment plant adjacent to the COL Well #1 site allows access to power and facilitates a connection to the Zone 7 distribution system through the Chain of Lakes Pipeline.
- ***Booster station on the Cross Valley Pipeline.*** With potentially no surface water available from the SWP system to serve the eastern portion of the Valley, it would be difficult to move water from the production wells in the west to serve the demands in the east. Existing booster stations are inadequate to overcome system hydraulics without stressing distribution facilities and reducing reliability. By installing a booster pump station along the Cross Valley Pipeline, possibly at the Stoneridge well facility, hydraulics would be improved, and reliability would be increased. In addition, the installation of a booster pump station at this location will facilitate the blending of groundwater sources within the system, helping to meet the anticipated hexavalent chromium (Cr6) maximum contaminant level (MCL) regulations, which are expected to be announced in April of this year.

Staff is identifying the most expedient way to implement each of these priority projects and will be bringing forward separate agenda items for Board consideration at the earliest possible date. Two projects that can move forward immediately and provide benefit by this summer are the installation of COL Well #5 and the construction of a conduit connecting Cope Lake to Lake I.

#### **RECOMMENDATION:**

Adopt the attached Resolution: (1) Declaring a State of Emergency due to drought conditions in the Livermore-Amador Valley; (2) Accepting the Drought Emergency Response Plan; and (3) Authorizing and directing the General Manager to establish appropriate levels of conservation that are consistent with the California State of Drought Emergency and local water supply conditions, and to identify and pursue emergency projects that will minimize impacts on water deliveries.

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

*Proclamation of State of Local Drought Emergency*

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District is responsible for providing a reliable supply of high quality water to the Livermore-Amador Valley; and

WHEREAS, Zone 7 is responsible for managing the local groundwater basin in a sustainable fashion to provide annual and drought year water supplies; and

WHEREAS, California Governor Jerry Brown has officially declared a drought emergency for the State of California; and

WHEREAS, the federal government has declared Alameda County as a federal natural disaster county; and

WHEREAS, the Department of Water Resources has informed Zone 7 that the current dry conditions far exceed any previously recorded and that methods for determining safe allocations for State Water Project deliveries South of the Delta are nearly impossible; and

WHEREAS, DWR announced last week that if dry conditions continue, it will likely reduce the allocation of water supply from 5% to zero, which could also prevent any water from being moved through the South Delta Pumping Plant to contractors South of the Delta, including Zone 7; and

WHEREAS, the National Weather Service announced that the 90-day forecast is for continuing dry weather; and

WHEREAS, if no water is conveyed through the Delta, access to Zone 7's remotely-stored water may be minimal (i.e., water stored outside the local groundwater basin or Lake Del Valle in Semitropic, Cawelo or San Luis Reservoir).

WHEREAS, potential environmental impacts of some projects have already been reviewed as part of either Zone 7's Well Master Plan EIR or the Mitigated Negative Declaration for the Vulcan discharge pipeline, which were both adopted in accordance with California Environmental Quality Act (CEQA) guidelines.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby declare a state of drought emergency within its service area (the Livermore-Amador Valley); and

BE IT FURTHER RESOLVED that the Zone 7 Board of Directors hereby accepts and approves the Drought Emergency Response Plan; and

BE IT FURTHER RESOLVED that the General Manager is hereby authorized and directed to establish appropriate levels of conservation that are consistent with the California State of Drought Emergency and local water supply conditions; and

BE IT FURTHER RESOLVED that the General Manager is hereby authorized and directed to identify and pursue emergency projects that will minimize impacts on water deliveries in the Livermore-Amador Valley.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on January 29, 2014.

By \_\_\_\_\_  
President, Board of Directors





**Dublin San Ramon Services District  
Summary & Recommendation**

Reference Engineering Services Manager	Type of Action Receive Presentation & Provide Direction	Board Meeting of February 4, 2014
Subject Receive Water Quality Briefing - Actions Taken and Future Actions		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input checked="" type="checkbox"/> Verbal	<input checked="" type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	R. Biagtan
		<input type="checkbox"/> Board Member

**Recommendation:**

The Engineering Services Manager recommends the Board of Directors: a) receive a presentation on past and current the District and Zone 7 water quality actions; b) by Consensus, provide direction to staff regarding input to Zone 7 on the timing of water quality projects in the Zone 7 Capital Improvement Program (CIP); and c) by Consensus, provide direction to staff regarding further pursuit of District-alone water quality improvement projects.

**Summary:**

The attached staff report provides background on actions that have been taken to date to evaluate and improve water quality by the District individually and in coordination with Zone 7 and the other water retailers in the Tri-Valley.

In response to water quality complaints in the late 1990's, the District completed a Water Quality Enhancement Study in 2003 to investigate the feasibility of the District constructing demineralization facilities to reduce hardness in the water that it receives from Zone 7 at its turnouts. Following the study, the District conducted customer surveys, taste tests and focus group discussions to determine customer desires regarding water quality. Given the cost of the proposed District water quality projects, the variation in customer concerns, both hardness and taste and odor, and improved coordination with Zone 7, the Board of Directors on April 4, 2006 decided that the District should not pursue District water quality improvement projects but rather work with Zone 7 and the other retailers to address water quality issues in the Tri-Valley.

In 2009, Zone 7 completed the Mocho Groundwater Demineralization Plant which reduces water hardness, and also began adding powdered activated carbon seasonally at the Del Valle and Patterson Pass Water Treatment Plants (WTPs) as a temporary measure to reduce levels of odor-causing compounds. In 2011, Zone 7 completed a study that recommended ozonation as a permanent taste and odor control strategy at the WTPs.

However, with the downturn in the economy and with concerns over future rate increases to improve water supply reliability, Zone 7 delayed additional water quality projects in their recent Capital Improvement Plans (CIPs). Zone 7 has begun planning for their next Ten-Year CIP and has invited the retailer's input. Staff is seeking direction from the Board regarding input to Zone 7 on the timing of future water quality projects. Staff is also seeking direction from the Board as to whether the District should re-consider its decision to not pursue District-alone water quality improvement projects.

Committee Review			Legal Review	Staff Review		
COMMITTEE	DATE	RECOMMENDATION	Not Required	ORIGINATOR	DEPARTMENT	REVIEWED BY
---	---	---		JAZ	Engineering	
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input checked="" type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. 2. 3.			

# Dublin San Ramon Services District Water Quality Actions

## Introduction

This report provides background on actions that have been taken to evaluate and improve water quality, by DSRSD individually and in coordination with Zone 7 and the other water retailers in the Tri-Valley. Staff is seeking direction from the Board on the current course of actions related to water quality.

## Background

Water quality has long been an issue in the Tri-Valley. Originally, the Valley Community Services District (now DSRSD) supplied water from local fringe basin wells. The quality of the water was poor and as the District expanded, the yield of the wells was not adequate to meet the growing demand. Similar long term supply concerns of both the agricultural community and the expanding municipal entities led to the creation of Zone 7 and in the 1960's the importation of water from the Delta through the California Water Project.

With the introduction of the Delta supply, District water quality improved dramatically. However, because of the configuration of the Zone 7 water transmission system to retail agencies, there was a significant difference in the type of water delivered to customers on the east versus the west sides of the valley. The east side primarily receives Delta water and the west side primarily ground water from main basin wells. Both sides of the valley receive local surface water from Lake Del Valle. These discrepancies in blended water quality led to the clause in the 1967 water supply contract between the District and Zone 7 that was essentially carried forward into the 1996 water supply contract: *"Zone 7 will endeavor to provide treated water that is aesthetically acceptable to the Contractor's (District) customers. Zone 7 will blend its different sources of water within its operational capabilities to provide water of approximately equal quality to each customer (Retailers)".*

## Water Quality Definition

"Water Quality" has two distinct connotations in the water industry: (1) health and safety requirements mandated by regulatory agencies and (2) aesthetic quality guidelines suggested by regulatory agencies. All health and safety requirements are met by Zone 7 in the water delivered to the District. **"Water Quality" in the context of this summary refers to aesthetic or customer satisfaction with water quality.**

In the 1990's the District was regularly receiving complaints regarding water quality. The complaints were of two distinct types: (1) earthy-musty taste and (2) hardness spots such as those on glassware, showers or cars. Generally, taste complaints are caused either by decomposing algae in the Delta or in Lake Del Valle water, high hardness in the groundwater, or changes in the blend of supplies. The majority of taste and odor complaints related to algae occur on the east side of the valley but on occasion, depending on the blend of delivered water, occur in the District. Groundwater is generally harder than surface water leading to more hardness complaints on the west side of the valley than the east side. "Spotting" is a result of the hardness of the water. Taste complaints are also often received when the blend of supplies changed. Often customers react to the change in taste and register a complaint in the first few days after a change; the calls from customers then drop off after a few days use.

## District Water Quality Activities

**Water Quality Enhancement Study:** To address customer water quality concerns due to hardness, the District engaged Tetra Tech to complete a Water Quality Enhancement Study<sup>1</sup> to investigate the feasibility of DSRSD constructing their own treatment facilities for water that it receives from Zone 7 turnouts and from wells. The recommended treatment would consist of demineralization of a portion of the water supply to reduce hardness. Addressing taste and odor due to algae was not included in the study. The least cost alternative would have required a 30 percent increase in water costs to DSRSD consumers as opposed to the then-estimated 6 percent increase in water cost for the proposed Zone 7 demineralization project. The Board accepted the study on November 16, 2004 and directed staff to hold off on moving forward with project scoping documents until the results of a customer survey conducted by Fairbank, Maslin, Maullin & Associates (FMMA) was completed.

**Water Quality Survey:** In November and December 2004 FMMA completed that Water Quality Survey<sup>2</sup>. Phone interviews were conducted with 400 District customers. Almost 60 percent of the respondents rated the water as fair or poor and nearly 80 percent of the customers were concerned about the taste of the water most of the year. A similar number of customers were willing to pay up to an additional 10percent in water rates if tap water would taste like bottled water. Zone 7 and the City of Pleasanton found similar results in surveys they undertook. After receiving the study results the Board requested staff commission a water taste test to better understand the specific water quality issues to assure the proposed District Improvements would solve the problems perceived by the customers.

**First Water Taste Tests:** The District then retained McGuire/Malcolm Pirnie<sup>4</sup> and The National Food Laboratory<sup>5</sup> to conduct taste tests and have focus group discussions. The tests were conducted November 30 and December 1, 2005. The tests included Arrowhead bottled water, DSRSD tap water with reverse osmosis treatment to 75mg/l and to 150 mg/l hardness (as recommended in the Water Quality Enhancement Study), Mocho 4 well water, blends of Del Valle plant water with Mocho 4 well water, Del Valle plant water, San Francisco Public Utilities Commission (SFPUC) Hetch Hetchy water and Alameda County Water District water. Arrowhead bottled water was found to be more acceptable than all other samples. The DSRSD tap water treated with reverse osmosis and the blends of Del Valle water with Mocho 4 well water were rated similarly. The SFPUC and ACWD water rated lower than most of the DSRSD water blends. Del Valle Plant water rated the lowest. The taste tests and ensuing focus group discussions indicated that only reducing hardness would not necessarily improve the customers liking of the water.

**Second Water Taste Test:** The Board requested another taste test be done to determine effect of seasonality, to verify results of the first round of taste tests, and to include EBMUD water and SFPUC Hetch Hetchy water. The second taste test was conducted on July 26, 2006. Overall the results were similar to the previous test with Del Valle water being the least desirable and little difference between water at the turnouts and well water. One difference was the Hetch Hetchy water was scored much better than the previous taste test and EBMUD water, tested for the first time, scored well.

Given the cost of DSRSD demineralization projects and the uncertainty as to whether it would improve taste, the survey results indicating surface water flavor as the biggest issue from a taste perspective, and increased progress working with Zone 7 on both hardness and taste issues, the District chose not to pursue a water quality project individually but to work with Zone 7 and the other retailers to address water quality issues in the Tri-Valley.

## Activities with Zone 7 and other Retailers

**Zone 7 Water Quality Policy and Water Quality Management Plan:** While the District was examining water quality issues and project alternatives it could pursue on its own, it continued to work with Zone 7 and the other retailers. Throughout 2002, the District worked with Zone 7 in developing a Water Quality Policy and Water Quality Management Plan. Zone 7 adopted the Policy and Plan in April 2003. The Policy included goals to meet all state and federal primary and secondary Maximum Contaminant Levels (MCLs<sup>6</sup>), to proactively mitigate earthy-musty taste and odor events from surface water supplies, and to reduce hardness levels to “moderately hard”, defined as 75 to 150 mg/l. The Policy also required that an Implementation Plan be prepared as part of the Water Quality Management Program (WQMP) and that the Plan be updated every two years.

**Joint Water Quality Resolution:** In August 2005, the District also approved a Joint Water Quality Resolution with the City of Pleasanton and Zone 7. With the adoption of the Joint Resolution the three agencies expressed their formal support and commitment to implement water quality projects and pledged to work together to explore and identify ways to improve the taste and reduce the odor and hardness of the water that is served to our customers. The Joint Resolution established general, operational, facilities, education and funding principles that were to guide the development of the WQMP Implementation Plan and undertakings of the agencies in improving water quality.

**Zone 7 Water Quality Projects:** Since the adoption of the Water Quality Policy, Zone 7 has completed three Implementation Plan updates and has evaluated and completed a number of water quality projects. For example, Zone 7 evaluated the feasibility of blending water supply sources to the retailers as part of the initial WQMP. In July 2009, Zone 7 completed the 6.1 million gallon per day Mocho Groundwater Demineralization Plant. In 2009, Zone 7 also began adding powdered activated carbon seasonally at the Del Valle and Patterson Pass Water Treatment Plants as a temporary measure to reduce levels of odor-causing compounds. In 2011, Zone 7 completed a study that recommended raw water conventional ozonation as a permanent taste and odor control strategy at the WTPs.

**Annual Water Quality Reports:** As required by the Joint Water Quality Resolution, Zone 7 has provided annual water quality reports on how well they are meeting the Water Quality Policy goals. While Zone 7 always meets the water quality goals related to the state and federal MCLs, the delivered water often falls short of meeting the goals related to hardness and taste and odor. Additional demineralization projects and projects at the WTPs are required to fully meet these goals.

## Future Water Quality Projects

The Zone 7 FY 2009/2010 Capital Improvement Plan (CIP) included a second groundwater demineralization facility at a cost of \$51,000,000 scheduled for FY 2014 and ozonation at the Del Valle and Patterson Pass Water Treatment Plants (WTPs) for taste and odor control at a cost of \$50,000,000 scheduled for FY 2017. However, with the downturn in the economy and concerns over future rate increases to improve water supply reliability, subsequent Zone 7 CIPs moved the groundwater demineralization project out to FY 2028 and the ozonation at the WTPs to FY 2019. DSRSD staff does not anticipate any change in the schedule for these projects in the upcoming Zone 7 FY 2015/2016 CIP as these projects will be competing for funding with projects required to meet a new State Water Quality MCL for Chromium-6 in the groundwater and water supply projects needed to respond to the current drought.

## Staff Direction Requested

**With Regard to Coordinated Efforts with Zone 7:** Zone 7 has begun planning for their FY 2015/2016 CIP and has invited the retailer's input. Staff is seeking direction from the Board regarding input to Zone 7 on the need for and timing of future water quality projects.

**With Regard to DSRSD-Alone Water Quality Improvement Projects:** DSRSD's water quality improvement program (as described above) did not emerge from the evaluation stage as directed by the Board; Staff is seeking direction from the Board regarding its desire to possibly resume any District –alone project.

## References

- <sup>1</sup> Water Quality Enhancement Study; Tetra Tech, Inc.; November 2003.
- <sup>2</sup> Water Quality Survey; Fairbank, Maslin, Maullin & Associates; December 2004.
- <sup>3</sup> Water Quality Survey Results; Power Point Presentation; December 2004.
- <sup>4</sup> Consumer Taste Test and Focus Group; McGuire/Malcolm Pirnie; February 2006.
- <sup>5</sup> Consumer Acceptance Test of Water; The National Food Laboratory, Inc.; March 2006.
- <sup>6</sup> Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the Public Health Goals (PHG) or Maximum Contaminant Level Goals (MCLG) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.



**Dublin San Ramon Services District  
Summary & Recommendation**

Reference General Manager	Type of Action Receive Presentation & Provide Direction	Board Meeting of February 4, 2014
Subject Discuss Water Expansion Fund Management Policy, Priority for Addressing Emerging Issues and Action Plan		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input checked="" type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input checked="" type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

**Recommendation:**

The General Manager recommends the Board of Directors: (a) receive a presentation on the status of the District’s Water Expansion Fund; (b) discuss as appropriate; (c) by Motion, endorse the priority order for and Action Plan to address emerging issues affecting the fund and; (d) by Consensus, provide appropriate direction to staff to draft a Water Expansion Fund Management policy.

**Summary:**

The District’s Water Expansion Fund is dedicated to paying for the expansion of water facilities to serve growth (and to pay a share of debt related to facilities that have been already built to serve growth). This fund remains one of the most critically funded of the various funds maintained by the District. The Water Expansion Fund would have depleted its working capital in FYE 2010 had the District not taken the unprecedented step of instituting a Temporary Infrastructure Charge, as well as administratively suspending several “credit against fee” arrangements with developers. In the intervening years, the Board has taken various actions to significantly strengthen the fund (refinanced District and some JPA debt and delayed many capital expenditures) so that, at the moment, the fund has a working capital balance that meets Board established policy targets.

The Water Expansion Fund faces a number of “emerging issues” that will have a material bearing on the fund balance. A listing and brief explanation of those emerging issues is included as Attachment 1. Those emerging issues were not quantified at the time the District’s Ten Year Capital Improvement Plan was approved because some were simply unquantifiable at that time while some had not yet become apparent. Since the adoption of the CIP there has emerged some clarity on the issues. The matter has been discussed twice with the Finance Committee (July 2013 and January 2014). The Staff Report and an excerpt from the notes from the January 2014 Finance Committee meeting are included as Attachments 2 and 3, respectively.

The Finance Committee has developed a “priority order” for sequentially addressing the emerging issues (Attachment 4). The Committee also developed an action plan that will culminate in the adoption of a “Water Expansion Fund Management policy” to guide the long-term management of the fund (Attachment 5). The discussion at this Board meeting is the first step in that Action Plan.

Committee Review			Legal Review	Staff Review		
COMMITTEE Finance	DATE 1-13-14	RECOMMENDATION Endorse	No	ORIGINATOR B. Michalczyk	DEPARTMENT Executive	REVIEWED BY
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. Summary of Emerging Issues 2. Memorandum of Jan. 10, 2014 to Finance Committee 3. Excerpt from Jan. 13, 2014 Finance Committee Notes 4. Finance Committee recommendation for “Priority Order” 5. Finance Committee recommendation for Action Plan			
<small>H:\Board\2014\02-04-14\Water Expansion Fund Management Policy\S&amp;R Water Expansion Fund Management Policy.docx</small>						

**SUMMARY OF EMERGING ISSUES  
AFFECTING WATER EXPANSION FUND**

<b>Item</b>	<b>Description</b>	<b>Status</b>	<b>Potential Fund Balance Impact</b>
1	Partial TIC Repayment to Satisfy OPEB Obligation	Complete June '13	\$1.376M reduction
2	Extend Life of Water Capacity Rights and provide "true-up" method	Complete Oct '13	\$105,000 increase
3	Capacity Payments due at Building Permit rather than at recordation of Map	Complete Nov '13	\$6.1M reduction in over next two to three years
4	Closeout of Windemere BLC Reimbursement Agreement	In Progress	\$1.87M reduction over next 4 years
5	"Un-suspension" of Fee Credit Program for Shapell, Lin and Pimm Brothers developments	In Progress	\$3.62M reduction over next 7 years
6	Clean Water Revival Closeout	In Progress	\$1.0M increase next year
7	Update Water System Master Plan	In Progress	\$8.7 M nine and ten years out
8	Resolution of Temporary Infrastructure Charge	In Progress	\$4.921M schedule TBD

## MEMORANDUM

**DATE:** January 10, 2014  
**TO:** Finance Committee  
**FROM:** Bert Michalczyk  
**SUBJECT:** Water Expansion Fund Analysis and Fund Management Policy

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**Background**

The District's Water Expansion Fund is dedicated to paying for the expansion of water facilities to serve growth (and to pay a share of debt related to facilities that have been already built to serve growth). This fund remains one of the most tenuously funded of the various funds maintained by the District. The Water Expansion Fund would have depleted its working capital in FYE 2010 had the District not taken the unprecedented step of instituting a Temporary Infrastructure Charge as well as administratively suspending several "credit against fee" arrangements with developers. In the intervening years, the Board has taken various actions to significantly strengthen the fund (refinanced District and some JPA debt and delayed many capital expenditures) so that, at the moment, the fund has a working capital balance that meets Board established policy targets.

Earlier in calendar year 2013 the Board accepted the District's 10-Year Capital Improvement Plan (CIP) that projected fund balances for all of its replacement and expansion funds. Those projections were made for "Development as Planned" as well as "Stressed Development" scenarios. The latter scenario was developed essentially assuming that after the first three years of the CIP horizon only 60% of the projected development would actually occur. The analysis in the accepted 10 year CIP showed that the Water Expansion Fund would meet its working capital targets throughout the time horizon of the CIP for Development as Planned. However, the adopted CIP also showed that under the Stressed Development scenario that in the last two years the fund balance would approach and then dip slightly below policy targets. Given the distance to that future, the relatively small deficiencies projected and the fact that this was a Stressed Development scenario, the Board concluded that this was acceptable when it adopted the CIP.

**Emerging Issues Affecting Water Expansion Fund – July 2013**

An updated analysis of the Water Expansion Fund was presented to the Finance Committee in July 2013 showing how the fund would be impacted by several "emerging issues" that will have a material bearing on the fund balance. Those emerging issues were not quantified in the CIP analysis because some were simply unquantifiable at that time while some had not yet become apparent. In July, the Committee reached a consensus that the priority order for addressing the emerging issues should be as follows for the reasons stated below:

1. Extend Life of Capacity Rights – Policy direction already given by Board. The first step (extending the life of purchased capacity) has happened. The second step – a



## ATTACHMENT 2

- code revision to defer the time of payment for the capacity fees to the time of building permit rather than subdivision approval has also now been approved;
2. Windemere BLC Reimbursement – Existing obligation and honoring contracts is a core value;
  3. Shapell/Lin/Pinn Brothers Development Agreements – Existing agreements; they reduce future income rather than being an expense;
  4. Regional Wastewater Disposal Credits for Recycling – Per Board direction this is an ongoing discussion with the City of Pleasanton to explore but not necessarily commit to the concept; and
  5. Temporary Infrastructure Charge “Repayment” – The District has already made a partial “repayment.” Further “repayments” would be next in line as revenues develop and if the fund balance remains healthy.

An excerpt from the minutes of that Committee meeting are included as Attachment 1 for reference purposes. The Committee asked staff to return the item in approximately the October timeframe for further discussion. The matter has been administratively delayed until now due to competing priorities and the larger than anticipated effort needed to resolve the extension of the life of the capacity rights as well as the Code revision effort (both emerging issues).

### **Events and Actions Since July 2013**

Since the July 2013 analysis was presented to the Finance Committee the following events and actions have occurred:

- Actual FYE 2013 fund balances are now known (including a partial TIC “repayment” related to the satisfaction of the District’s OPEB liability);
- Policy decision made related to the indefinite extension of capacity rights which was significantly (and negatively) different than what was assumed in July 2013;
- Policy decision made to delay the receipt of future revenue to this fund (capacity payments now due at building permit rather than at the time the subdivision map is recorded); and
- Progress made towards resolution of some of the other emerging issues allowing more refined estimates of their impacts.

### **Emerging Issues Affecting Water Expansion Fund – January 2014**

The following is a discussion of the emerging issues that are now known to be affecting the future balance of the Water Expansion Fund. These issues are presented in the priority order directed by the Finance Committee in July 2013 except the “Extension of Capacity Rights” and the “Code Revision Related to the Timing of Payment for Capacity Rights” both of which are now complete. As such those issues are now presented ahead of the “Windemere BLC Closeout” and “Other Development Agreements” issues from a priority perspective.

Another emerging issue has been added which is the affect that the Water System Master Plan (a project approved by the Board which is just getting under way) could have on this analysis. In this analysis it is placed in priority order ahead of the TIC “Repayment” from the perspective that the District must retain a fund balance sufficient to meet its mission to serve. It should be noted that an argument can be made to place the Water System Master Plan as the top priority.

Updated FYE 2013 Ending Fund Balance The FYE 2013 ending fund balance was different than that projected at the time the CIP was accepted. The values being used now are audited values at the close of FYE 2013 rather than projections. The final audited amounts are different than were projected for the following reasons:

Payoff of OPEB (Partial TIC Repayment) The Board authorized the payoff of the Water Enterprise fund OPEB obligation at the end of FYE 2013. The payment was made from funds in the Water Expansion Fund. The advance of those funds from Water Expansion to Water Enterprise was treated as a partial TIC repayment. That reduced the remaining TIC obligation by \$1,375,890 (to \$4,921,942) and the starting July 1, 2013 Water Expansion Fund balance by the same amount.

Capital Project Timing Projected expenses in the Water Expansion Fund between CIP adoption and the end of the fiscal year were different than assumed.

Increased Receipts More revenue was received through the end of FYE 2013 than projected in the adopted CIP.

Developer Agreement Assumptions In the adopted CIP cash flow model, outstanding developer credits were not separately delineated (i.e. shown as a separate cash payment) but instead were reflected as reductions from the fund balance. However, in the July 2013 cash flow analysis the beginning fund balance from the CIP was used as the opening balance and the developer credits were separately identified as a cash payment. This effectively resulted in double counting the credits in the July presentation to the Committee. Now that the reimbursements related to developer agreements are separately delineated in the attached revised cash flow analysis, the reduction to the fund balance was removed thereby increasing the beginning fund balance.

Summary The net effect of these four adjustments is that the FYE 2013 ending fund balance (the starting point for this analysis) is \$13.74M or approximately \$5.27M better than was projected in the adopted CIP. That has a positive effect on the analysis as compared to the adopted CIP as well as to the analysis presented to the Finance Committee in July 2013.

Extend Life of Capacity Rights In early October, by resolution, the Board extended existing water capacity rights indefinitely (subject only to certain provisions if there is a declared water shortage situation). In exchange for the extension, the Board mandated a “true up” payment be made representing the difference in the price of those capacity rights when they expired under the prior system vs. when they would actually be connected. The analysis in July assumed that the true up “basis” for the adjustment would be the price when the capacity was originally purchased. That change in the timing of the basis significantly reduced the benefit related to this issue. Based on the adopted resolution, it is estimated that only an additional \$105K will be realized versus \$5.8M projected in July. This has a very small positive effect on the analyses as compared to the adopted CIP but a decidedly negative effect as compared to the analysis presented to the Finance Committee in July 2013. Nevertheless, it does not cause the fund balance to threaten policy targets even under the stressed development scenario.

Capacity Payment at Building Permit The Board approved a Code revision in late 2013 that specified that capacity rights be paid for at the time of building permit rather than recordation of the subdivision map. This had the net effect of delaying the acquisition of capacity rights by an estimated 9-15 months. The net effect is that fund receipts have been delayed by a commensurate time and that approximately 900 equivalent capacity rights (the equivalent of \$6.1M) have been pushed out beyond the 10 year timeframe of this analysis<sup>1</sup>. This has a negative impact on the fund's cash flow but does not cause the fund balance to threaten policy targets even under the stressed development scenario.

Windemere BLC Closeout Windemere BLC is one of the two organizations having major interests in the Dougherty Valley. Their portion of that development is now essentially complete. The District and Windemere BLC entered into a development agreement under which Windemere BLC directly funded some of the major infrastructure for the District of a size sufficient for the then-planned level of development. The District was obligated to provide credits to Windemere BLC for their capacity right payments in accordance with the development agreement. That agreement is now being closed out and it has become apparent that Windemere BLC's process for extending the credits was not precisely followed in all instances due to the complexity associated with that project. The analysis of the impact of this issue is still being discussed with Windemere BLC and so is not yet complete. Neither has a conceptual agreement yet been reached with Windemere BLC. For the purposes of the analysis and to be conservative, a "worse case" \$2.67M reimbursement is assumed to be made with the Water Expansion Fund being responsible for approximately \$1.87M of that amount. That amount is assumed to be remitted in a series of payments over a four year period beginning this fiscal year. This is the same negative impact as project in July 2013 but it does not cause the fund balance to threaten policy targets even under the stressed development scenario although in one fiscal year (FYE 2017 the fund balance is projected to be almost exactly at the policy target under the stressed development scenario.

Other Reimbursements The District entered into development agreements with other developers. These include Shapell / Lin and Pinn Brothers<sup>2</sup>. The projects associated with those agreements have not yet been completed so the agreements are still active. The agreements allow the District, at its discretion, to administratively suspend providing credits against payments for capacity rights when the Water Expansion Fund's balance is insufficient. The credits were suspended in FYE 2010 and have remained suspended. The District has been asked to resume the crediting program. Doing so will affect future cash flows in that the connection fees received from those developments will be about fifty percent of the full price until the reimbursement amounts are fully satisfied. Interestingly, the Code revision to make payments for capacity rights payable at building permit also had the effect of deferring the crediting of these reimbursements. When fully used those credits would reduce future cash flows by approximately \$3.62M. For the purpose of this analysis it is assumed the reimbursements are immediately "un-suspended". Under the "Development as Planned" scenario, this would cause the Water Expansion fund not meet its policy target in FYE 2017 but recover thereafter. Under the "Stressed Development" the Water

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<sup>1</sup> The capacity rights would eventually be paid but their delay put pressure on the fund because the schedule for bond payments and payments for other fixed obligations as well as for capital improvement needs remains unchanged.

<sup>2</sup> Pinn Brothers is no longer in business; their interest is now with Tralee.

Expansion Fund would drop below its policy target in FYE 2017 and remain below the policy target throughout the remainder of the ten year CIP planning horizon<sup>3</sup>.

CWR Closeout - Regional Wastewater Disposal Credits for Recycling The District is in preliminary discussions with Pleasanton related to this emerging issue. The purpose of the discussions is to place a value on wastewater disposal capacity that the winter-time recycling of wastewater creates<sup>4</sup>. The fact is given the size of the District's current and Pleasanton's planned recycled water projects, there is some degree of recycling that occurs year-round. That year-round recycling benefits the wastewater enterprise which is approximately 3 mgd short of the capacity needed for build out of the general plans of Dublin, San Ramon and Pleasanton. That deficiency arose when the District abandoned its indirect potable reuse project (Clean Water Revival) in the face of litigation initiated by Pleasanton and Zone 7. Very preliminary analyses indicate that the value to the District's Water Expansion fund would be approximately \$1.0M. This value would arise as a transfer from the Regional Expansion Fund to the Water Expansion Fund (in essence a "purchase" of the winter time disposal capacity that is embedded in the recycled water programs). The timing of this issue has been revised to reflect crediting of this amount in FYE 2015 due to delays in getting the recycled water agreements with Pleasanton approved as well as their need to complete CEQA before they can move to implementation with their recycled water project. This issue helps reduce the impact caused by the "Other Reimbursements" issue – i.e. the deficiencies in the fund balances are about \$1.0M less but it does not reverse the fund balance being below policy target from FYE 2017 and beyond under the Stressed Development Scenario.

New Water Master Plan The District's Water Master Plan dates back to 2005. Best practice is that master plans should be reviewed and updated every five years to keep them current. The District's Water Master Plan was scheduled to be updated in FYE 2010. That effort was deferred at that time in response to the then reeling economy. The balance in the Water Expansion Fund in future years are heavily driven by anticipated CIP capital expenditures. The District's Water Master Plan is out of date and does not even go beyond FYE 2021 which at the time represented a 15 year planning horizon. Funding is provided in the CIP for an update to the Water Master Plan. Earlier, more or larger facilities will further stress the fund. Later, fewer or smaller facilities will improve the fund's health. The update to the Water Master Plan is scheduled to be initiated in the second half of FYE 2014 and be completed in FYE 2015. The impact of this "emerging issue" is difficult to predict at the present time<sup>5</sup> and is the single most critical piece of information needed to analyze the long term health of the Water Expansion fund. For the purpose of this analysis expenditures in FYE 2022 and FYE 2023 have been assumed to be the average of the planned expenditures in the four years immediately before those last two years. Even using that assumption, under the "Development as Planned" scenario the Water Expansion Fund Balance remains above

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<sup>3</sup> To address this, the District should consider the resumption of the reimbursements only in those years when development is projected to be sufficient (in combination with the fund balance) to not cause the fund balance to dip below its policy target. If this situation is not managed, a distinct possibility would be the need to re-imposed the TIC to some amount beginning in FYE 2017 so as to meet bond covenants.

<sup>4</sup> Avoided operating costs have been equitably addressed in the recently approved agreement between the District and Pleasanton related to recycled water operations.

<sup>5</sup> It is anticipated that costs will go up for the anticipated facilities for inflationary reasons and that perhaps one additional water reservoir may be needed as driven by development at Camp Parks. Tempering this may be a slower pace needed for the facilities given the slow-down in building that has occurred over the last several years and which is expected to continue (at least as compared to the 2005-era pace of development). Also, if future expenses are increasing so too would connection fees which are not accounted for in this analysis.

policy targets. The “Stressed Development” scenario remains below policy targets in FYE 2017 due to the reinstatement of the reimbursement program for Shapell, Lin and Pinn Brothers. Unlike in the Planned Development Scenario, the Water Expansion Fund Balance does not deteriorate further in the last two years of the Stressed Development model because CIP expenditures have already been delayed by two years. If the new Water Master Plan results in increased CIP expenditures the Water Expansion Fund balance would be affected in years beyond the horizon of this ten year analysis and capacity fees would need to be increased accordingly.

“Repayment” of Temporary Infrastructure Charge During the four fiscal years that the Temporary Infrastructure was in place the District ratepayers contributed \$8.2M towards obligations that were properly the responsibility of new growth. To date \$3.3M of that amount has been “repaid” leaving \$4.9M still to be addressed. The Board has made no formal policy decision about (1) whether to make a “repayment”, (2) what might be the nature of any “repayment” nor (3) over what period to make the “repayment”. Nevertheless, staff believes that it is the informal consensus of the Board that the amount be “repaid” or in some way credited by the Water Expansion Fund for the benefit of the District rate payers who paid the TIC. For the purposes of this analysis it is assumed the residual TIC balance is “repaid” in some fashion over the last five years of this analysis beginning in FYE 2019. Under the “Development as Planned Scenario” and using that assumption, the Water Expansion Fund Balance remains above policy targets. The “Stressed Development” scenario worsens significantly. It not only remains below policy targets in FYE 2017 and beyond but becomes totally depleted in FYE 2023. For these reasons it is recommended that the “repayment” of the TIC only be considered after there is clarity on the other emerging issues or those have been resolved and even then only when the pace of development would allow such a “repayment”

### **Summary of Emerging Issues**

Table 1 presents a summary of the impact of the emerging issues on the Water Expansion Fund at the end of each fiscal year through FYE 2023 under the “Develop as Planned Scenario”; Table 2 does the same for the “Stressed Development Scenario”. The tables “build in” each of the above emerging issues into the analysis sequentially in the priority order presented above. The numerical values in the tables are different than were those presented to the Committee in July because of the revised priority order and the updated information as discussed above<sup>6</sup>.

Based on the assumed order presented under the Development as Planned scenario, the policy level target in the fund is not met in only one year and then by about \$250K. However, under the Stressed Development Scenario the fund balance is adequate to accommodate policy decisions already made by the Board as well as the Windemere BLC closeout emerging issue. The Fund Balance becomes significantly stressed in FYE 2017 and beyond with the “un-suspension” of the other reimbursement agreements and is driven to illiquidity in FYE 2023 if the District were to try to make full TIC “repayment” in the face of a significant slowdown in development.

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<sup>6</sup> The tables are derived from the same spreadsheet analysis that was used for the CIP cash flow analysis and the July 2013 analysis presented to the Committee; the associated and highly detailed spreadsheets are not included for brevity’s sake.

### **Conditional TIC Repayment (July 2013 Committee Proposal)**

In July 2013 the Committee articulated a possible “contingent” TIC repayment strategy as follows:

- At the end of each fiscal year, the Board would review the Water Expansion fund balance and any budgetary surpluses in that fund from the fiscal year and make a business decision to transfer some amount from the Water Expansion fund to the Water Replacement<sup>7</sup> fund based on the Board’s assessment of the health of the Water Expansion fund, its contractual obligations, the District’s infrastructure needs and Board establish financial policies;
- The amount would not be budgeted;
- The approach would not be binding policy; and
- The time horizon for full repayment could be on the order of ten years.

Due to the contingent way in which this repayment would be made (repayments only made from budget surpluses and then only upon approval of the Board), this proposal would not impact the long term modeling of the Water Expansion fund presented in this analysis.

As such, the conditional TIC repayment remains a possible approach if the Board decides to do so.

### **Alternative Approach to TIC Repayment**

Since the time of the July 2013 Finance Committee meeting, staff developed an alternative approach to the TIC Repayment emerging issue that places it in a different priority order than was endorsed by the Finance Committee in July 2013 (at which time the Committee essentially placed TIC repayment last in “priority order”). The effort is in response to the proposal articulated at the July Committee meeting of an alternative approach to TIC repayment.

The alternative approach is to place some portion of the TIC repayment first in “priority order” with the proviso that the nature of the TIC repayment be in the form of a transfer from Water Expansion to Water Rate Stabilization. This alternative approach could be in lieu of the proposal articulated in July or in addition to that proposal.

Staff sees the following as conceptual advantages of this alternative approach to TIC repayment:

- The District could then clearly say the TIC has been repaid in whole or in part;
- In June 2009, when adopting the TIC in response to steadily worsening economic conditions at the time the Board gave a strong indication that the nature of the “repayment” would be via a transfer to the Rate Stabilization Fund;
- In June 2009 when adopting a new set of water rates (at the same time as the Board considered the establishment of the TIC), the Board set an informal goal of “fully

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<sup>7</sup> Staff would advocate instead, that the transfer be made to the Water Rate Stabilization fund for reasons discussed below until such time as the Water Rate Stabilization fund (together with the Water Enterprise fund) are built up to their policy maximum.

## ATTACHMENT 2

- funding” the Water Rate Stabilization Fund over a four year period (by the end of FYE 2013) – that goal is not yet met – this repayment could move the District closer to that goal;
- By transferring the “repaid” TIC funds into the Rate Stabilization fund they would not be “spent” and thus remain effectively available to the District for the benefit of its rate payers when needed;
  - Doing so effectively places the funds into a type of “trust” that can be used in the future for the benefit of the ratepayers in the event of a drought or another slowdown in development or other unanticipated events;
  - Doing so removes those funds from the Water Expansion Fund thus reinforcing policy level control of the spending of those funds by the Board – they could not be used for capital work or other expenses without specific Board authorization;
  - As is the case in the private sector, investors (in this case the District’s rate payers) who last loaned money to what was in 2010 a troubled enterprise, are the first priority to be “repaid” when a turn-around occurs; and
  - If need be, the transfer can be “undone” at any time by Board action with a transfer back to Water Expansion.

The analysis places a partial TIC repayment first in the priority order. The amount of that initial TIC repayment is derived from the following considerations from the District Reserve Policy which specifies that the:

- Target range for Water Rate Stabilization is to be between 2 and 4 months Water Enterprise expenses (or in dollars: \$3.16M to \$6.33M FYE 2014 budget with actual as of FYE 2013 at \$3.59M);
- Maximum balance (Water Enterprise plus Water Rate Stabilization) at 12 months Water Enterprise Expenses (or in dollars \$19.0M FYE 2014 budget with actual as of FYE 2013 at \$15.4M
- Water Rate Stabilization Fund is thus \$3.6M lower than Maximum (as compared to the \$4.9M of the TIC still to be “repaid”);

Therefore, short of a change to the District’s Reserve Policy the maximum transfer (maximum early TIC repayment) to Water Rate Stabilization would be \$3.6M. It is then assumed that the remaining TIC balance would be “repaid” in some fashion over the last two years of the model or FYE 2022 and FYE 2023.

In the Development as Planned scenario, the \$3.6M transfer by itself meets the Water Expansion Fund policy targets in all years. (Table 3) However, it causes the fund balance to drop below its policy target variously between FYE 2015 and 2019 as the other emerging issues are built into the analysis in their priority order. The Stressed Development scenario (Table 4) is significantly bleaker with the fund projected to essentially continuously operate below its target level from FYE 2015 through FYE 2023 for every emerging issue. As such, this “maximum” repayment was not analyzed further.

What was examined was the largest initial TIC repayment that could be made to keep the Planned Development scenario (Table 5) essentially above its fund target for each emerging issue in each fiscal year. That TIC repayment amount is \$750,000. However, with this lower \$750,000 initial TIC repayment the Stressed Development scenario (Table 6) shows the Water Expansion Fund dropping below its policy target from FYE 2017 to FYE 2023 for

emerging issues beginning with the “Reimbursements to Other Developers”. It should be noted that this is no different than the Stressed Development scenario without the transfer to Water Rate Stabilization albeit the deficits are about \$750K greater.

In summary, this alternative approach to TIC repayment is NOT RECOMMENDED at this time but is being presented to the Finance Committee because staff understands the Board’s desire to look creatively at ways to satisfy this TIC repayment sooner rather than later.

**Recommendations**

Assuming that the Committee does not adjust the “priority order” of the emerging issues (which could change the impacts in future years either positively or negatively) it is recommended that the Committee endorse the following action plan:

1. Brief the Board so that all Board Members understand the big picture facing the Water Expansion Fund and thereby seek validation that the “priority order” is correct;
2. Provide direction related to the desirability of either the “conditional” TIC repayment proposal or the alternative approach to TIC repayment<sup>8</sup>;
3. Continue to negotiate the close-out of the Windemere BLC development agreement in general accordance with the assumptions made herein;
4. Conditionally, un-suspend the reimbursements to developers with whom the District has other reimbursement agreements with the understanding that the need to re-impose suspension will be considered annually;
5. Continue discussions with Pleasanton related to Regional Wastewater Disposal Credits for Recycling in general accordance with the assumptions made herein and prior direction given by the Board;
6. Affirm the start of the Water Master Plan project in FYE 2014; and
7. Unless the Committee sees merit in the conditional or alternative approaches to TIC repayment, defer consideration of action or any further TIC repayment concept for three years until FYE 2017 when the District can better assess the long term viability of the Water Expansion Fund given the anticipated resolution of the higher priority order emerging issues and better development projections for the ensuing years.

**Water Expansion Fund Management Policy**

Due to the critical need to maintain long-term financial discipline related to the Water Expansion Fund, staff believes it is important to institutionalize the Board’s direction on these emerging issues. Accordingly, it is recommended that the Board adopt, by resolution, a “Water Expansion Fund Management Policy” that articulates the Board’s policy decisions related to these emerging issues.

That Water Expansion Fund Management Policy would be drafted and presented to the Board for its consideration after the Board’s pleasure is then known with more clarity (Step 1 above).

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<sup>8</sup> As discussed above, this alternate approach to TIC repayment is NOT RECOMMENDED at this time.



TABLE 1

DEVELOPMENT AS PLANNED SCENARIO										
15%	CIP Base		In Place		Pending Issues					
	<i>CIP as Accepted</i>	<i>Updated FYE 2013 Ending Fund Balance</i>	<i>Extend Life of Capacity Rights</i>	<i>Capacity Payment at Building Permit</i>	<i>BLC Reimbursement</i>	<i>Other Reimbursements (Shapell, Lin, Pinn)</i>	<i>Clean Water Revival Closeout</i>	<i>New Water Master Plan</i>	<i>Temporary Infrastructure Charge "Repayment"</i>	
Impact vs CIP	<i>Base</i>	<i>Pos.</i>	<i>Pos.</i>	<i>Neg.</i>	<i>Neg.</i>	<i>Neg.</i>	<i>Pos.</i>	<i>Unk.</i>	<i>Neg.</i>	
Impact vs. July			<i>Neg.</i>	<i>Neg.</i>	<i>Same</i>	<i>Same</i>	<i>Same</i>	<i>Same.</i>	<i>Pos.</i>	
<b>Policy Target</b>	<b>5.68</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	
FYE 2013	8.47	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74	
FYE 2014	8.22	13.60	13.60	13.15	12.93	12.93	12.93	12.93	12.93	
FYE 2015	10.37	17.00	17.11	10.35	9.66	9.55	10.55	10.55	10.55	
FYE 2016	12.41	20.32	20.43	10.23	9.07	7.04	8.05	8.05	8.05	
FYE 2017	9.95	19.14	19.25	10.31	8.67	5.88	6.90	6.90	6.90	
FYE 2018	10.96	21.45	21.56	13.13	11.26	8.25	9.28	9.28	9.28	
FYE 2019	11.27	23.07	23.18	14.88	12.99	9.75	10.79	10.79	9.81	
FYE 2020	12.43	24.35	24.46	16.38	14.48	10.82	11.87	11.87	9.89	
FYE 2021	14.03	26.08	26.19	18.41	16.50	12.72	13.78	13.78	10.80	
FYE 2022	20.38	32.56	32.67	25.28	23.36	19.54	20.62	16.29	12.30	
FYE 2023	26.96	39.27	39.38	32.48	30.54	26.69	27.77	19.09	14.06	
	Meets Policy Target									
	Within 15% Percent of Policy Target									
	Does not Meet Policy Target									
	Negative Fund Balance									

TABLE 2

<b>STRESSED DEVELOPMENT SCENARIO</b>										
<b>15%</b>	CIP Base		In Place		Pending Issues					
Case	<i>CIP as Accepted</i>	<i>Updated FYE 2013 Ending Fund Balance</i>	<i>Extend Life of Capacity Rights</i>	<i>Capacity Payment at Building Permit</i>	<i>BLC Reimbursement</i>	<i>Other Reimbursements (Shapell, Lin, Pinn)</i>	<i>Clean Water Revival Closeout</i>	<i>New Water Master Plan</i>	<i>Temporary Infrastructure Charge "Repayment"</i>	
Impact vs CIP	<i>Base</i>	<i>Pos.</i>	<i>Pos.</i>	<i>Neg.</i>	<i>Neg.</i>	<i>Neg.</i>	<i>Pos.</i>	<i>Unk.</i>	<i>Neg.</i>	
Impact vs. July			<i>Neg.</i>	<i>Neg.</i>	<i>Same</i>	<i>Same</i>	<i>Same</i>	<i>Same.</i>	<i>Pos.</i>	
<b>Policy Target</b>	<b>5.68</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	
FYE 2013	8.47	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74	
FYE 2014	8.22	13.60	13.60	13.15	12.93	12.93	12.93	12.93	12.93	
FYE 2015	10.37	17.00	17.11	10.35	9.66	9.55	10.55	10.55	10.55	
FYE 2016	12.41	20.32	20.43	10.23	9.07	7.04	8.05	8.05	8.05	
FYE 2017	7.96	17.14	17.25	7.76	6.13	3.34	4.36	4.36	4.36	
FYE 2018	8.06	18.53	18.64	9.42	7.55	4.54	5.57	5.57	5.57	
FYE 2019	8.27	20.05	20.16	10.98	9.09	5.85	6.89	6.89	5.90	
FYE 2020	8.38	20.27	20.39	11.28	9.38	5.72	6.77	6.77	4.80	
FYE 2021	6.82	18.84	18.95	9.98	8.07	4.29	5.36	5.36	2.37	
FYE 2022	5.90	18.04	18.15	9.37	7.45	3.63	4.71	4.71	0.71	
FYE 2023	5.34	17.60	17.71	9.18	7.24	3.39	4.47	4.47	-0.55	
	Meets Policy Target									
	Within 15% Percent of Policy Target									
	Does not Meet Policy Target									
	Negative Fund Balance									

TABLE 3

DEVELOPMENT AS <b>PLANNED SCENARIO</b> with <b>INITIAL TIC REPAYMENT</b>										
15%	CIP Base		In Place		Pending Issues					
Case	CIP as Accepted	Updated FYE 2013 Ending Fund Balance	Extend Life of Capacity Rights	Capacity Payment at Building Permit	Initial TIC Repayment at \$3.60M	BLC Reimbursement	Other Reimbursements (Shapell, Lin, Pinn)	Clean Water Revival Closeout	New Water Master Plan	Final Temporary Infrastructure Charge "Repayment"
Impact vs CIP	Base	Pos.	Pos.	Neg.	Neg.	Neg.	Neg.	Pos.	Unk.	Neg.
Impact vs. July			Neg.	Neg.	Neg.	Same	Same	Same	Same.	Pos.
Policy Target	5.68	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12
FYE 2013	8.47	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74
FYE 2014	8.22	13.60	13.60	13.15	9.55	9.33	9.33	9.33	9.56	9.33
FYE 2015	10.37	17.00	17.11	10.35	6.71	6.02	5.91	6.91	7.62	6.91
FYE 2016	12.41	20.32	20.43	10.23	6.56	5.40	3.37	4.38	5.56	4.38
FYE 2017	9.95	19.14	19.25	10.31	6.60	4.97	2.17	3.19	4.85	3.19
FYE 2018	10.96	21.45	21.56	13.13	9.39	7.51	4.50	5.53	7.44	5.53
FYE 2019	11.27	23.07	23.18	14.88	11.10	9.21	5.97	7.01	8.94	7.01
FYE 2020	12.43	24.35	24.46	16.38	12.56	10.66	7.00	8.05	10.00	8.05
FYE 2021	14.03	26.08	26.19	18.41	14.55	12.64	8.86	9.92	11.89	9.92
FYE 2022	20.38	32.56	32.67	25.28	21.38	19.46	15.65	16.72	14.38	11.73
FYE 2023	26.96	39.27	39.38	32.48	28.54	26.60	22.75	23.84	17.16	13.82
	Meets Policy Target									
	Within 15% Percent of Policy Target									
	Does not Meet Policy Target									
	Negative Fund Balance									

TABLE 4

<b>STRESSED DEVELOPMENT SCENARIO with INITIAL TIC REPAYMENT</b>										
<b>15%</b>	CIP Base		In Place		Pending Issues					
Case	CIP as Accepted	Updated FYE 2013 Ending Fund Balance	Extend Life of Capacity Rights	Capacity Payment at Building Permit	Initial TIC Repayment at \$3.60M	BLC Reimbursement	Other Reimbursements (Shapell, Lin, Pinn)	Clean Water Revival Closeout	New Water Master Plan	Final Temporary Infrastructure Charge "Repayment"
Impact vs CIP	Base	Pos.	Pos.	Neg.	Neg.	Neg.	Neg.	Pos.	Unk.	Neg.
Impact vs. July			Neg.	Neg.	Neg.	Same	Same	Same	Same.	Pos.
<b>Policy Target</b>	<b>5.68</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>
FYE 2013	8.47	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74
FYE 2014	8.22	13.60	13.60	13.15	9.55	9.33	9.33	9.33	9.33	9.33
FYE 2015	10.37	17.00	17.11	10.35	6.71	6.02	5.91	6.91	6.91	6.91
FYE 2016	12.41	20.32	20.43	10.23	6.56	5.40	3.37	4.38	4.38	4.38
FYE 2017	7.96	17.14	17.25	7.76	4.05	2.42	-0.37	0.65	0.65	0.65
FYE 2018	8.06	18.53	18.64	9.42	5.68	3.80	0.79	1.82	1.82	1.82
FYE 2019	8.27	20.05	20.16	10.98	7.20	5.31	2.06	3.10	3.10	3.10
FYE 2020	8.38	20.27	20.39	11.28	7.46	5.56	1.90	2.95	2.95	2.95
FYE 2021	6.82	18.84	18.95	9.98	6.12	4.21	0.43	1.50	1.50	1.50
FYE 2022	5.90	18.04	18.15	9.37	5.47	3.55	-0.26	0.81	0.81	0.15
FYE 2023	5.34	17.60	17.71	9.18	5.24	3.30	-0.55	0.54	0.54	-0.79
	Meets Policy Target									
	Within 15% Percent of Policy Target									
	Does not Meet Policy Target									
	Negative Fund Balance									

TABLE 5

DEVELOPMENT AS PLANNED SCENARIO with INITIAL TIC REPAYMENT										
15%	CIP Base		In Place		Pending Issues					
Case	CIP as Accepted	Updated FYE 2013 Ending Fund Balance	Extend Life of Capacity Rights	Capacity Payment at Building Permit	Initial TIC Repayment at \$0.75M	BLC Reimbursement	Other Reimbursements (Shapell, Lin, Pinn)	Clean Water Revival Closeout	New Water Master Plan	Final Temporary Infrastructure Charge "Repayment"
Impact vs CIP	Base	Pos.	Pos.	Neg.	Neg.	Neg.	Neg.	Pos.	Unk.	Neg.
Impact vs. July			Neg.	Neg.	Neg.	Same	Same	Same	Same.	Pos.
Policy Target	5.68	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12
FYE 2013	8.47	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74
FYE 2014	8.22	13.60	13.60	13.15	12.40	12.18	12.18	12.18	12.41	12.18
FYE 2015	10.37	17.00	17.11	10.35	9.59	8.90	8.79	9.79	10.50	9.79
FYE 2016	12.41	20.32	20.43	10.23	9.47	8.31	6.28	7.29	8.47	7.29
FYE 2017	9.95	19.14	19.25	10.31	9.53	7.90	5.11	6.13	7.79	6.13
FYE 2018	10.96	21.45	21.56	13.13	12.35	10.48	7.47	8.50	10.41	8.50
FYE 2019	11.27	23.07	23.18	14.88	14.09	12.21	8.96	10.00	11.93	10.00
FYE 2020	12.43	24.35	24.46	16.38	15.58	13.69	10.03	11.08	13.02	11.08
FYE 2021	14.03	26.08	26.19	18.41	17.60	15.69	11.92	12.98	14.95	12.98
FYE 2022	20.38	32.56	32.67	25.28	24.47	22.54	18.73	19.80	17.47	13.40
FYE 2023	26.96	39.27	39.38	32.48	31.66	29.72	25.87	26.95	20.27	14.07
	Meets Policy Target									
	Within 15% Percent of Policy Target									
	Does not Meet Policy Target									
	Negative Fund Balance									

TABLE 6

<b>STRESSED DEVELOPMENT SCENARIO with INITIAL TIC REPAYMENT</b>											
<b>15%</b>	CIP Base		In Place		Pending Issues						
Case	CIP as Accepted	Updated FYE 2013 Ending Fund Balance	Extend Life of Capacity Rights	Capacity Payment at Building Permit	Initial TIC Repayment at \$0.75M	BLC Reimbursement	Other Reimbursements (Shapell, Lin, Pinn)	Clean Water Revival Closeout	New Water Master Plan	Final Temporary Infrastructure Charge "Repayment"	
Impact vs CIP	Base	Pos.	Pos.	Neg.	Neg.	Neg.	Neg.	Pos.	Unk.	Neg.	
Impact vs. July			Neg.	Neg.	Neg.	Same	Same	Same	Same.	Pos.	
<b>Policy Target</b>	<b>5.68</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	<b>6.12</b>	
FYE 2013	8.47	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74	13.74	
FYE 2014	8.22	13.60	13.60	13.15	12.40	12.18	12.18	12.18	12.18	12.18	
FYE 2015	10.37	17.00	17.11	10.35	9.59	8.90	8.79	9.79	9.79	9.79	
FYE 2016	12.41	20.32	20.43	10.23	9.47	8.31	6.28	7.29	7.29	7.29	
FYE 2017	7.96	17.14	17.25	7.76	6.99	5.36	2.57	3.59	3.59	3.59	
FYE 2018	8.06	18.53	18.64	9.42	8.64	6.77	3.76	4.79	4.79	4.79	
FYE 2019	8.27	20.05	20.16	10.98	10.19	8.30	5.06	6.10	6.10	6.10	
FYE 2020	8.38	20.27	20.39	11.28	10.49	8.59	4.93	5.98	5.98	5.98	
FYE 2021	6.82	18.84	18.95	9.98	9.18	7.26	3.49	4.55	4.55	4.55	
FYE 2022	5.90	18.04	18.15	9.37	8.56	6.63	2.82	3.89	3.89	1.81	
FYE 2023	5.34	17.60	17.71	9.18	8.36	6.42	2.57	3.65	3.65	-0.54	
	Meets Policy Target										
	Within 15% Percent of Policy Target										
	Does not Meet Policy Target										
	Negative Fund Balance										

**ATTACHMENT 1  
EXCERPT FROM JULY 2013 FINANCE COMMITTEE MINUTES**

General Manager Michalczyk presented the analysis of the six emerging issues which are affecting the management of the Water Expansion fund. He summarized each issue along with the assumptions used by staff to quantify and prioritize each issue. He noted that, the Water Expansion fund is healthy at the moment but it is not “out of the woods” and requires diligent management and oversight. He noted that, depending on the assumptions made for each issue and their priority for implementation, the Water Expansion fund could drop below policy and bond mandated reserve levels in two years even under the “Development as Planned scenario” and could drop to a negative fund balance under the “Stressed Development” (60% of anticipated development) scenario.

Mr. Michalczyk stated that staff was not looking for a decision by the Committee – the purpose of the briefing is to inform the Committee about the prognosis for the fund and to seek guidance as to the relative “priority” for resolving the issues. The Finance Committee received one letter regarding the agenda item from Shapell (copy attached).

After discussion, the Committee asked staff to revise the “priority” order in the analysis and work to resolve the various issue in the following order:

1. BLC Reimbursement (Negative factor) – Existing obligation and honoring contracts is a core value;
2. Development Agreements (Negative factor) – Existing agreement; it reduces future income rather than being an expense per se;
3. Extend Life of Capacity Rights (Positive factor) – This will happen in some manner (it is the Code revision under Item D-3);
4. Regional Wastewater Disposal Credits for Recycling (Positive factor) – Very likely this will happen as part of the recycled water arrangement being discussed with Pleasanton;
5. Temporary Infrastructure Charge (Negative Factor) – District has already made a partial repayment, this would be “next in line” as revenues develop and if the fund balance remains healthy; and
6. Revised Development Projections (Positive Factor) – No guarantees that this will happen – for forward management purposed stay with the CIP projections as approved by the Board, this will positively manifest itself in more favorable fund balances which if it occurs will allow the Board to accelerate resolution of the other emerging issues above.

The Committee asked staff to return in approximately the October 2013 time frame with conceptual ideas for the “repayment” of the Temporary Infrastructure Charge subject to the above priorities. During the discussion, Director Halket articulated one possible conceptual approach to resolution of the “repayment” of the Temporary Infrastructure Charge balance as follows:

- At the end of each fiscal year, the Board would review the Water Expansion fund balance and any budgetary surpluses in that fund from the fiscal year and make a business decision to transfer some amount from the Water Expansion fund to the Water Replacement fund based on the Board’s assessment of the health of the Water Expansion fund, its contractual obligations, the District’s infrastructure needs and Board establish financial policies;
- The amount would not be budgeted;
- The approach would not be binding policy; and
- The time horizon for full resolution could be on the order of ten years.

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**EXCERPT FROM FINANCE COMMITTEE NOTES**  
**January 13, 2014**

D-3 Water Expansion Fund Analysis and Fund Management Policy

General Manager Michalczyk presented the updated Water Expansion Fund analysis and summarized the changes to that analysis from that presented to the Committee in July. Mr. Michalczyk explained the Temporary Infrastructure Charge (TIC) “repayment” options which staff developed.

After discussion the Committee endorsed the following course of action:

1. Brief the Board so that all Boardmembers understand the big picture facing the Water Expansion Fund and thereby seek validation that the “priority order” is correct;
2. Continue to negotiate the close-out of the Windemere BLC development agreement in general accordance with the assumptions in the analysis;
3. Conditionally, un-suspend the reimbursements to developers with whom the District has other reimbursement agreements with the understanding that the need to re-impose suspension will be considered annually;
4. Continue discussions with Pleasanton related to Regional Wastewater Disposal Credits for Recycling in general accordance with the assumptions made in the analysis and prior direction given by the Board;
5. Affirm the start of the Water Master Plan project in FYE 2014;
6. Establish a conditional TIC “repayment” methodology under which an amount would be transferred from Water Expansion to Water Rate Stabilization at the end of each fiscal year and in an amount that properly maintains the Water Expansion fund balance in accordance with policy and contractual requirements; it is preliminarily projected that at the end of FYE 2014 that approximately \$750,000 could be transferred; and
7. Prepare for the Board’s consideration of a formal “Water Expansion Fund Management Policy” that would articulate the above points and be used to guide long-term management of this critical fund.



**FINANCE COMMITTEE RECOMMENDATION  
FOR  
PRIORITY ORDER OF RESOLUTION OF REMAINING EMERGING ISSUES**

<b>Description</b>	<b>Priority for Resolution</b>	<b>Finance Committee Finding</b>
Closeout of Windemere BLC Reimbursement Agreement	First	Existing obligation and honoring contracts is a core value;
“Un-suspension” of Fee Credit Program for Shapell, Lin and Pimm Brothers developments	Second	Existing agreements; this reduces future income rather than being an expense;
Clean Water Revival Closeout	Third	Ongoing discussion with the City of Pleasanton to reflect the value that the water enterprise has provided in terms of wastewater disposal due to water recycling
Update Water System Master Plan	Fourth	2004 Water MP delayed for economic reasons in 2009; needs to be updated to guide District water system planning; currently no vision beyond 2019
Resolution of Temporary Infrastructure Charge	Fifth	The District has already made a partial “repayment.” Further “repayments” would be next in line when and if the fund balance has a sufficient long term balances

**FINANCE COMMITTEE  
RECOMMENDED ACTION PLAN  
WATER EXPANSION FUND**

<b>Item</b>	<b>Action</b>	<b>Timing</b>
1	Brief the Board so that all Boardmembers understand the big picture facing the Water Expansion Fund and thereby seek validation that the “priority order” is correct	February 4, 2014
2	Continue to negotiate the close-out of the Windemere BLC development agreement in general accordance with the assumptions in the analysis	Ongoing Target Completion March 4, 2014
3	Conditionally, un-suspend the reimbursements to developers with whom the District has other reimbursement agreements with the understanding that the need to re-impose suspension will be considered annually	March 1, 2014
4	Continue discussions with Pleasanton related to Regional Wastewater Disposal Credits for Recycling in general accordance with the assumptions made in the analysis and prior direction given by the Board	Ongoing Target Completing May 2014
5	Affirm the start of the Water Master Plan project in FYE 2014	In Progress
6	Establish a conditional TIC “repayment” methodology under which an amount would be transferred from Water Expansion to Water Rate Stabilization at the end of each fiscal year and in an amount that properly maintains the Water Expansion fund balance in accordance with policy and contractual requirements; it is preliminarily projected that at the end of FYE 2014 that approximately \$750,000 could be transferred	To be included in policy below
7	Prepare for the Board’s consideration of a formal “Water Expansion Fund Management Policy” that would articulate the above points and be used to guide long-term management of this critical fund	March 4, 2014



Dublin San Ramon Services District  
Summary & Recommendation

Reference Organizational Services Manager	Type of Action First Reading of Ordinance	Board Meeting of February 4, 2014
Subject First Reading: Introduction of Ordinance Repealing and Replacing Chapter 6.10 (Personnel Merit System) of the District Code		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input checked="" type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input checked="" type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	M. Gallardo
		<input type="checkbox"/> Board Member

**Recommendation:**

The Organizational Services Manager recommends the Board of Directors waive, by Motion, the first reading of an Ordinance repealing Chapter 6.10 (Personnel Merit System) of the District Code and replacing Chapter 6.10 (Personnel Merit System) to the District Code; and schedule the Ordinance for a second reading at the Board meeting on February 18, 2014.

**Summary:**

District staff has over the past several months worked to revise and modify, consistent with the provisions of Government Code Section 61000 – 61226.5, Chapter 6.10 of the District Code (Personnel Merit System).

The revisions and modifications proposed are consistent with the Government Code and generally seek to simplify and reorganize the District Code, while making other non-substantive changes. Where appropriate, and as provided for by law, certain employment related provisions and statements have been removed from the District Code. Generally, unless no longer applicable to District operations, the provisions and statements remain in the District Personnel Rules or other related procedures and/or policies, as well as Memoranda of Understanding.

Attached is a red-lined version of Chapter 6.10 highlighting the proposed changes.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ----	Yes	ORIGINATOR M. Gallardo	DEPARTMENT Organizational Services	REVIEWED BY
<b>ATTACHMENTS</b> <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input checked="" type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Original Code language with proposed revision markups 2. 3.				

**ORDINANCE NO. \_\_\_\_**

**ORDINANCE OF DUBLIN SAN RAMON SERVICES DISTRICT REPEALING AND REPLACING CHAPTER 6.10, SECTION 6.10.010 OF ITS DISTRICT ORDINANCE CODE TO UPDATE THE DEFINITION, PURPOSE, ADMINISTRATION AND POSITIONS COVERED BY THE PERSONNEL MERIT SYSTEM**

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WHEREAS, the District Ordinance Code was recodified on November 2, 2010 in its entirety; and

WHEREAS, Chapter 6.10 of the District Ordinance Code provides the regulations of the Personnel Merit System; and

WHEREAS, Section 6.10.010 of the District Ordinance Code currently provides the definition, purpose, administration and positions covered by the Personnel Merit System; and;

WHEREAS, one of the primary purposes of Section 6.10.010 of the District Ordinance Code is to adopt a personnel merit system which supports recruitment and retention of the best qualified persons available for service with the District, to promote and increase economy and efficiency in the service of the District, and to provide a comprehensive personnel system for the District classified service; and

WHEREAS, Section 61051(b) of the Community Services District Law grants the General Manager the power and duty to appoint, supervise, discipline and dismiss District employees consistent with the employee relations system established by the Board as authorized by Section 61065(b) of that Law; and

WHEREAS, the current definition of the term “classified service” in District Code Section 6.10.010A currently exempts several categories of “employees” from the District’s classified service; and

WHEREAS, the Board desires to instead include Senior Managers, and any other position that may be expressly exempted by the Board, in the list of offices, employments, and positions exempted from classified service, as specified in District Code Section 6.10.010D; and

WHEREAS, pursuant to Sections 25128 and 61060 of the Government Code, three (3) copies of the proposed revised Sections 6.10.010 of the District Ordinance Code have been on file in the office of the District Secretary since January 27, 2014 and available for use and examination by the public during regular business hours.

Ord. No. \_\_\_\_\_

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Dublin San Ramon Services District as follows:

**SECTION 1.** Section 6.10.010 of the District Ordinance Code, titled “Regulations,” is hereby repealed and replaced by the new Section 6.10.010, titled “Regulations”, in the form in which it appears in Exhibit 1. Notwithstanding the preceding sentence, wherever a provision of the new Section 6.10.010 is substantially the same as the previous version of Section 6.10.010, the provision shall be deemed to be a continuation of the previous version of the provision and not a new enactment.

**SECTION 2.** In the event that any section, sub-section, sentence, clause or phrase of this Ordinance, or the amendments to the District Ordinance Code enacted hereby, shall be adjudged or declared unconstitutional, illegal, and/or invalid by a court of competent jurisdiction, all other sections, sub-sections, sentences, clauses, or phrases hereof not so adjudged or declared shall remain in full force and effect.

**SECTION 3.** This Ordinance will be effective March 20, 2014.

ADOPTED by the Board of Directors of Dublin San Ramon Services District at its regular meeting held on the 18th day of February 2014, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Georgean M. Vonheeder-Leopold, President

ATTEST:

\_\_\_\_\_  
Nancy G. Hatfield, District Secretary

## Chapter 6.10 PERSONNEL MERIT SYSTEM

Sections:

[6.10.010](#) Regulations.

### 6.10.010 Regulations.

A. Definitions. In this chapter, the following definitions apply:

“**Classified service**” means all employees of the District unless expressly excluded by this Code.

“**Personnel rules**” means the set of rules formulated by the General Manager to implement this chapter.

B. Purpose. A personnel merit system is adopted to accomplish the following purposes:

1. To recruit and retain the best qualified persons available for service with the District.
2. To promote and increase economy and efficiency in the service of the District.
3. To provide a comprehensive personnel system for the District classified service, so that:
  - a. The appointment of persons to, the transfer, promotion, demotion and suspension of persons in, and the separation of persons from that service is effected solely on the basis of merit, fitness and efficiency, and without regard to the individual’s actual or perceived race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation or other legally protected classification.
  - b. Positions involving comparable duties and responsibilities will be similarly classified and compensated.
  - c. Tenure of employment is subject to satisfactory performance of duties and responsibilities and the appropriation of sufficient funds.

C. Administration of the System. The General Manager shall administer the personnel system specified in this chapter and is responsible for seeing that the policies of the chapter are implemented and enforced. The General Manager shall formulate and approve personnel rules and revisions implementing this chapter. The General Manager shall formulate a classification plan consisting of job classifications of all District positions, titles, salaries, and job descriptions that shall be approved by the Board.

The General Manager shall formulate and maintain a compensation plan specifying all steps of salary for all classifications, which shall be in conformance with compensation specified in applicable MOUs, Personal Services Agreements (PSAs) or any other document duly approved by the Board.

The plans, rules, programs or amendments formulated by the General Manager shall have the same legal effect as if a part of this chapter. In cases of conflicting language, the applicable memorandum of understanding shall supersede the language in this document.

D. Positions Covered by the System. This chapter applies to each office, employment and position in the District, except as follows:

1. Elected positions.
2. The General Manager.
3. Senior Manager classification(s)
4. District Secretary and/or Treasurer.
5. Members of any appointed board, commission or committee.
6. Any person engaged under personal services agreement or other contract to supply expert, professional, technical or other services
7. Volunteer personnel.
8. Student interns or temporary personnel, as defined in the District Personnel Rules.
9. Any other position that may be expressly exempted by the Board.

E. Grounds for Discipline. The General Manager may take disciplinary actions including suspension, dismissal, demotion or other punitive action against any employee in the classified service. The employee shall receive written notice stating the cause for such action, in accordance with the procedure established in the personnel rules. The disciplinary action shall be for good cause, including but not limited to the reasons listed in the personnel rules formulated by the General Manager.

1. Grounds for disciplinary action may include but are not limited to:
  - a. Fraud, misrepresentation of fact, or concealment in securing appointment.
  - b. Incompetence and/or inefficiency (i.e., failure to skillfully perform job functions).
  - c. Inexcusable neglect of duty; refusal to accept overtime assigned as necessary to meet District needs when time or service are of the essence.
  - d. Insubordination, including improper conduct toward a supervisor or refusal to perform tasks assigned by a supervisor in the appropriate manner.
  - e. Dishonesty.

- f. Possession, distribution, sale, use, or being under the influence of alcoholic beverages or illegal drugs while on District property, while on duty, or while operating a vehicle on District business.
  - g. Unauthorized, unjustified, or excessive absence including abuse of any of the District's policies or procedures relating to leaves of absence, including repeated tardiness.
  - h. Convictions for certain felonies and misdemeanor offenses.
  - i. Any conduct that injures or threatens injury to the District's interests or those of its employees or of the public it serves.
  - j. Disobedience of safety rules, regulations, policies, practices, house rules, and procedures including the wearing of safety equipment as directed; any action that indicates a lack of concern for injury to self or others.
  - k. Misusing, destroying, or damaging property of the state, city, county, District, another employee or a District visitor.
  - l. Violation of District personnel policies and rules.
  - m. Any other failure of good behavior or acts during duty hours that are incompatible with public service.
  - n. Failure to maintain a valid California motor vehicle driver's license and a good driving record in accordance with District insurability requirements.
  - o. Theft or unauthorized removal or possession of property from the District, other employees, or anyone else.
  - p. Actual or threatened physical violence towards another employee.
  - q. Possession or use of dangerous or unauthorized materials, such as explosives, firearms, or other similar items, while on District property, while on duty, or while operating a vehicle leased or owned by the District.
  - r. Harassment of another employee.
  - s. Any other reasons listed in the personnel merit system.
2. Grounds for suspension, with or without pay, may include but are not limited to:
- a. Disciplinary reasons as stated.
  - b. During an investigation period.



- c. In anticipation of the result of an investigation of charges against an employee.
- d. An emergency situation in which the employee's continued presence at work would do harm to the individual, to other District employees, or to the general public.

In the event charges brought against an employee are dismissed for insufficient evidence or if an employee is cleared of all charges as a result of the investigation, the employee shall suffer no loss of pay or other benefits for the period of the suspension.

## F. Appeals.

### 1. Appeals of Dismissals, Demotions, and Suspensions.

- a. Any regular, non-probationary employee in the classified service may appeal a decision by the General Manager to dismiss, demote, or suspend that employee. The appeal, which must include a request to invoke nonbinding arbitration, shall be filed with the General Manager in writing, within 10 calendar days from the date of the notice of the disciplinary action. Failure to timely submit an appeal shall be deemed a waiver of the right to an appeal and the disciplinary action imposed by the General Manager shall become final.
- b. On or after the date that an appeal is received, the District will request the State Mediation and Conciliation Service or the American Association of Arbitrators to provide a list of seven impartial persons to act as a hearing officer. A copy of the list shall be provided to the employee and/or the employee's representative. Representatives of the two parties shall meet or confer by telephone within 10 calendar days after receipt of the list to select a hearing officer. If the parties are unable to mutually agree to a hearing officer from the list, then the parties shall alternately strike names from the list until one name remains and that person shall be the duly selected hearing officer. The procedure to determine who strikes the first name shall be determined by lot. If either party refuses to participate in the selection process, the other party shall select the hearing officer from the list.
- c. Upon conclusion of the evidentiary hearing, the hearing officer shall provide the General Manager and the employee and the employee representative, if any, with copies of his/her decision on the merits of the appeal with references to, and a discussion of, the evidence supporting the decision. The hearing officer's decision shall be advisory only and is nonbinding on either party.
- d. After the hearing officer's decision is issued, either party may request review of that decision by the District's Board of Directors. Any request for review must be made within 30 calendar days of the date of the hearing officer's decision. If neither party requests review of the hearing officer's decision by the Board of Directors, then the hearing officer's decision shall be final.

e. The hearing officer's fees and expenses of any appeal under this section shall be borne equally by the parties. If either party requires a transcript of the hearing before the hearing officer, that party shall bear the entire cost of such transcript.

f. In the event of review of the hearing officer's decision by the Board of Directors, each party may submit a written statement or argument regarding the hearing officer's opinion. This written statement or argument shall not exceed five pages in length. Any decision by the Board of Directors shall be based solely on the record established during the hearing. No new evidence will be allowed and a new hearing shall not be conducted before the Board of Directors. The Board of Directors shall review the record and render a decision within 60 calendar days of receipt of a request for Board review. Any decision by the District's Board of Directors shall be final.

g. No employee shall be subject to harassment, discrimination, or any reprisal for utilizing any part of this appeal process.

h. The timeline set forth in this appeal process may be extended by mutual agreement of the parties.

The appeals process as outlined above may change if necessary to remain compliant with federal, state, and local laws.

2. Appeals to the General Manager. Any of the actions listed below may be appealed within 10 calendar days after the action, by filing a written appeal with the General Manager:

a. Rejection of an application of a regular, non-probationary District employee for an examination, or disqualification of a regular non-probationary District employee in any portion of an examination.

b. Refusal by the General Manager to place the name of a District employee on an eligibility list.

c. Allocation of an employee position from one class to another class.

The General Manager shall establish procedures for reviewing the preceding appeals. The decision of the General Manager with regard to any such appeal is final and binding. Within 10 calendar days of making a decision, the General Manager shall submit a written statement to the District's Board of Directors that includes a summary of the nature of the appeal, the findings of fact, and any actions taken in response to the appeal. A copy of this written statement shall be provided to the appellant.

G. Incompatible Activities. An employee in the classified service shall not engage in any outside employment, activity or enterprise if it:

1. Involves the use for private gain or advantage of District-compensated employee time or District facilities, equipment and supplies, or the badge, uniform, prestige or influence of the employee's office or employment.
2. Involves receipt or acceptance by the employee of any money or other consideration from anyone other than the District for the performance of an act which the employee, if not performing the act, would be required or expected to render in the regular course or hours of the employee's employment or as a part of his/her duties as a District employee.
3. Involves participation in any political activity prohibited by pertinent provisions of state and/or federal law.
4. Involves divulging confidential information to anyone to whom issuance of such information has not been authorized.
5. Involves participation in any employment or other activity which interferes with the effective performance of his/her job duties with the District or adversely affects the productivity, effective performance, or the health and safety of the employee or individuals with whom he/she works.
6. Employee organizations.

Employees of the classified service may join employee organizations of their own choice in accordance with the California Government Code. Such employees also have the right to refuse to join or participate in the activities of employee organizations. Each employee has the right to represent himself or herself individually in employment relations with the District. An employee shall not be discriminated against, granted preferential treatment, or have equitable treatment withheld because of either membership or non-membership in an employee organization. [Ord. 74, 1969; Ord. 118, 1975; Ord. 130, 1977; Ord. 188, 1984; Ord. 270, 1996; Ord. 273, 1997; Ord. 282, 1998; Ord. 320, 2007; Ord. 327, 2010; Ord. \_\_, 2014]

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3. Involves participation in any political activity prohibited by pertinent provisions of state and/or federal law.
4. Involves divulging confidential information to anyone to whom issuance of such information has not been authorized.
5. Involves participation in any employment or other activity which interferes with the effective performance of his/her job duties with the District or adversely affects the productivity, effective performance, or the health and safety of the employee or individuals with whom he/she works.
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