



**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, March 18, 2014

AGENDA

(NEXT RESOLUTION NO. 16-14)

(NEXT ORDINANCE NO. 333)

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>Agenda Management</u> (consider order of items)		
C. <u>Committee Reports</u>		
Special External Affairs		March 4, 2014
Wastewater		March 12, 2014
7. <u>APPROVAL OF MINUTES</u> - Regular Meeting of <i>March 4, 2014</i>	District Secretary	Approve by Motion
Special Meeting of <i>March 5, 2014</i>	District Secretary	Approve by Motion

BUSINESS:

REFERENCE

<u>Recommended Action</u>	<u>Anticipated Time</u>
----------------------------------	--------------------------------

8. **CONSENT CALENDAR**

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.	Notice of Rejection of Claim – Mr. Brian Conway	Organizational Services Manager	Reject by Motion	
B.	Review Purchasing Policy	Financial Services Manager	Approve Policy by Motion	
C.	Review Surplus Personal Property Policy	Financial Services Manager	Approve Policy by Motion	
D.	Adopt Revised Capital Financing and Debt Management Policy and Rescind Resolution No. 43-10	Financial Services Manager	Approve Policy by Resolution	
E.	Upcoming Board Calendar	General Manager	Accept by Motion	

9. **BOARD BUSINESS**

A.	Accept Water Supply Report through February 28, 2014	General Manager	Accept by Motion	10 min
B.	Receive Briefing of PERS Actuarial Report for Dublin San Ramon Services District	Financial Services Manager	Receive Presentation	10 min
C.	Discuss Tri-Valley Utility Coordination and Integration Study Report and March 5, 2014 Meeting	External Affairs Committee	Discuss & Provide Direction by Consensus	10 min

10. **BOARDMEMBER ITEMS**

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

BUSINESS:

REFERENCE

	<u>Recommended Action</u>	<u>Anticipated Time</u>
11. <u>CLOSED SESSION</u>		
A. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: One case. Receipt of claim from Brian Conway pursuant to the Government Claims Act (Government Code §§810-996.6) Agency Negotiators: Bert Michalczyk, General Manager Michelle Gallardo, Organizational Services Manager Additional attendees: Assistant General Counsel Doug E. Coty		5 min
12. <u>REPORT FROM CLOSED SESSION</u>		
13. <u>ADJOURNMENT</u>		

BOARD CALENDAR*

<u>Committee & Board Meetings</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
Water	March 20, 2014	8:30 a.m.	District Office
External Affairs	March 25, 2014	5:30 p.m.	District Office
Personnel	March 25, 2014	5:45 p.m.	District Office
Tri-Valley Water Liaison	March 26, 2014	5:00 p.m.	City of Pleasanton
Regular Board Meeting	April 1, 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**

March 4, 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; Doug Coty, Assistant 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
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 Recent and Upcoming events are as follows:
 - o On Monday, March 17, 2014 the Dublin Chamber of Commerce St. Patrick’s Day luncheon will be held at the Holiday Inn in Dublin. If any elected officials want to attend, they are asked to inform the General Manager or District Secretary for reservations.
 - o On Tuesday, March 18, 2014, directly after the District’s Board meeting, the District has been invited to attend the Dublin City Council meeting to give a presentation on the 2014 water supply and drought planning. If any elected officials want to attend, they are asked to inform the General Manager.
 - o On Sunday and Monday, March 23-24, 2014 the ACWA Region 5 meeting will be held in Santa Cruz with the focus on drought planning in that area. If any elected officials want to attend, they are asked to inform the General Manager or District Secretary for reservations.
 - o On Thursday, March 27, 2014 the Alameda County Special Districts Association will hold their annual dinner at the Pleasanton Marriott. If any elected officials want to attend, they are asked to inform the General Manager or District Secretary for reservations.

- o The District was recently informed by the Special District Leadership Foundation, a consortium of ACWA, CASA, and CSDA, that we were awarded the “District Transparency Certificate for Excellence” for our dedication to be fully transparent as well as open and accessible to the public and our stakeholders. Mr. Michalczyk stated that the actual certificate award has not been received yet. He expressed his excitement and pride about receiving this award and offered a special thanks to Community Affairs Supervisor Sue Stephenson and District Secretary Hatfield for their efforts in obtaining the recognition. Members of the local area provided assistance to the District by reviewing the materials prior to submittal of the application to the Foundation, including Dublin Chamber Executive Director Nancy Feeley, Union Sanitary District General Manager Rich Currie, and Jeb Bing Editor of the Pleasanton Weekly newspaper.
- o Today the recycled water meter was hooked up to Val Vista Park; first deliveries are expected to occur on March 10, 2014.
- o Mr. Michalczyk gave a quick update on the current status of the water supply. Recent February rainfall has helped improve to the water supply but the snowpack received has not been significant enough to dramatically improve the water situation.
- o Operations Manager Gallagher reported on a recent sewer system overflow on March 1, 2014 that was caused by some construction debris in a sewer line not yet accepted by the District. This occurred on Syrah Drive, near the intersection of Fallon and Tassajara Roads just inside the county line. It was reported as a Category 2 overflow.
- Correspondence to and from the Board

Date	Format	From	To	Subject
2/19/14	Letter	Assemblymember Joan Buchanan	Board President, Georgean Vonheeder-Leopold	Special District Leadership Foundation’s District Transparency Certificate of Excellence

B. Committee Reports

None.

C. Agenda Management (consider order of items)

General Manager Michalczyk reported that there would not be a need for the Closed Session (Item 11A) if the Board does not wish to provide direction to its negotiators related to Consent Calendar Item 8A: Revisions to Rules and Regulations Governing Employer-Employee Organization Relations and Rescind Resolution No. 69-09.

7. APPROVAL OF MINUTES – Regular Meeting of *February 18, 2014*

Director Benson MOVED for the approval of the February 18, 2014 minutes. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

Director Halket MOVED for approval of the items on the Consent Calendar. V.P. Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

- A. Revisions to Rules and Regulations Governing Employer-Employee Organization Relations and Rescind Resolution No. 69-09 – Approved – Resolution No. 12-14 and Rescind Resolution No. 69-09
- B. Adopt New Water Expansion Fund Management Policy – Approved – Resolution No. 13-14
- C. Upcoming Board Calendar – Approved
- D. Report of Checks and Electronic Disbursements Made – Approved

Date Range	Amount
01/28/14 – 02/24/14	\$4,470,208.28

9. BOARD BUSINESS

- A. Public Hearing: Adopt Resolution Establishing Miscellaneous Fees and Charges and *Rescind Resolution No. 7-12*

Financial Services Manager Archer reported the item before the Board is a proposal to update the miscellaneous fees established at the District. A review and update is performed every two years. These fees were last updated in 2012. Staff evaluates the services provided to customers, the associated charges and then updates the calculated fees as appropriate. The Staff Report included in the agenda materials further discusses the process and fees. Four new fees are proposed: customer service site visits, automotive pollution prevention inspection, recycled water fill station – annual permit, and recycled water fill station – water truck load. Mr. Archer invited questions from the Board.

President Vonheeder-Leopold declared the Public Hearing open.

Hearing no comments, Director Halket MOVED to close the Public Hearing. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Howard MOVED to adopt Resolution No. 14-14, Establishing Fees and Charges Under District Code Sections 1.30.010 (B) (General Penalty – Infraction), 1.40.040 (Copies of Public Records – Fees), 1.50.010 (Assessment of

Late Charges), 1.50.070 (Charge for Unpaid Returned Checks) 2.30.050 (Processing Fee [Public Facility Planning Agreements]), 1.100.010 (Escrow Fees), 3.70.070 (A) & (B) (Inspection and Project Review Fees – Miscellaneous Fees), 3.70.060 (Meter Assembly Installation Fee – Water), 4.40.070 (Backflow Prevention Administration Fee), 4.40.040 (A) & (B) (Other Fees and Charges for Water Service, 4.40.080 (A) (Fees and Charges for Use of Temporary Meters), 4.40.080 (C) (Fees and Charges for Use of Temporary Meters - Deposit), and 4.40.090 (A) & (B) (Fees and Charges for use of Construction Water Meter) and Rescinding Resolution No. 7-12. V.P. Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

B. Public Hearing: Adopt Resolution Establishing Industrial Waste Program User Fees and Charges and Rescind *Resolution No. 9-08*

Financial Services Manager Archer reported this agenda item is similar to the previous item. He explained that the industrial waste program user fees were previously adopted in conjunction with the regional sewer rates; however, these fees are similar in nature to the miscellaneous fees and also are proposed to be reviewed and updated every two years. In consultation with General Counsel Nelson, these fees should be considered separate from the miscellaneous fees because there is a different basis for charging these fees. These fees are primarily for handling industrial waste pretreatment and laboratory services, and there are a few new fees added also.

Director Benson called staff's attention to two typographical errors on page 1 of 2 of Exhibit A.

President Vonheeder-Leopold declared the Public Hearing open.

Hearing no comments, Director Halket MOVED to close the Public Hearing. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

V.P. Duarte MOVED to adopt Resolution No. 15-14, Establishing Fees and Charges under District Code Section 5.30.090, Industrial Waste Program User Fees and Charges and Rescinding Resolution No 9-08. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS

Director Benson reported on her attendance at the CASA conference in Washington, D.C., February 24-26, 2014, which she attended with Engineering Services Manager Biagtan. She discussed the many meetings attended, topics discussed, and various individuals they met with. She noted that she was honored to represent the Board and District.

President Vonheeder-Leopold reported that she attended the Dublin State of the City address given by Mayor Sbranti on February 26, 2014. She mentioned the topics discussed and the several new businesses coming to Dublin.

11. CLOSED SESSION

A. NOT HELD - Conference with Labor Negotiators—Pursuant to Government Code Section 54957.6

Agency Negotiators: Bert Michalczyk, General Manager
Michelle Gallardo, Organizational Services Manager

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

13. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 6:27 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary

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

March 5, 2014

A special meeting of the Board of Directors was called to order at 12:45 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. Director Richard M. Halket was not in attendance. District staff present: Bert Michalczyk, General Manager; Rhodora Biagtan, Interim Engineering Services Manager; Dan Gallagher, Operations Manager; Michelle Gallardo, Interim Organizational Services Manager; and Nancy Gamble Hatfield, District Secretary.

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 and Discuss Tri-Valley Utility Coordination and Integration Study

City of Livermore Mayor John Marchand chaired the discussion.

Mr. Dan McIntyre, Public Works Director for the City of Livermore opened up the meeting and welcomed attendees. He discussed the agenda that would begin with a Steering Committee presentation, followed by a Management Partners presentation, and finally a review of the recommendations with discussion and next steps. Mr. McIntyre noted the presentations would be at a high level since there was a limited amount of time allocated for the materials to be covered. He discussed the Steering Committee's observations.

Ms. Jan Perkins, Project Manager, representing Management Partners discussed the: Phase 1 study methodology, case study lessons, categories of integration and coordination opportunities (operations and support of major integration options), governance models, and important factors to consider.

Mr. McIntyre concluded the presentation by discussing the Steering Committee's conclusions and next steps.

Elected officials and Steering Committee members from the agencies asked questions and made various comments after the presentations. There was consensus among the elected officials that a study regarding Phase 2 or Phase 3 was not necessary at this time.

Director Benson mentioned she believed the elected officials were to bring back the information received at today's meeting and then reconvene this group after doing so.

Vice President Duarte stated that he believes it is important to consider consolidation and integration of services and that working more efficiently and effectively makes sense. He also does not support spending \$250,000 on a study.

Directors Benson and Duarte voted in favor of the motion made to support the staff recommendations and to reconvene in a year to review progress made on further collaboration and coordination of services as well as the Reciprocal Services Agreement that is nearly finalized.

4. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 2:35 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary



Reference Organizational Services Manager	Type of Action Reject Claim	Board Meeting of March 18, 2014
Subject Notice of Rejection of Claim - Mr. Brian Conway		
<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	M. Gallardo	<input type="checkbox"/> Board Member

Recommendation:

The Organizational Services Manager recommends the Board of Directors reject, by Motion, the property damage claim filed on February 14, 2014 against Dublin San Ramon Services District by Mr. Brian Conway of Dublin, California.

Summary:

On February 14, 2014 the Organizational Services Manager received a claim to recover costs in the amount of approximately \$8,000 (plus additional repair fees) for damage to a personal vehicle owned and operated by Mr. Brian Conway.

Mr. Conway is requesting reimbursement for damages related to an incident that occurred on Thursday, August 15, 2013 in the driveway of the Wendy’s parking lot located on Dublin Boulevard in Dublin. On the date of the incident, Mr. Conway states that he was exiting the Wendy’s parking lot from the driveway located on Dublin Boulevard when the right side of his vehicle struck a bollard protecting a fire hydrant, causing damage to his vehicle. Mr. Conway further states that the height, placement, and lack of identification of the pole were the direct causes of the accident and damage to his vehicle.

On advisement of the District’s insurance adjusters, Carl Warren and Company, staff recommends the Board reject the claim as the fire hydrant and bollard did not present a dangerous condition. The claimant struck a clearly visible fixed object while exiting a driveway that is marked as an entrance driveway with arrows and signage. Upon rejection, a denial notice will be forwarded to the claimant in compliance with the California Tort Claims Act.

The claimant has been notified that this matter will be considered by the Board at this regularly scheduled meeting.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR M. Gallardo	DEPARTMENT Organizational Services	REVIEWED BY
ATTACHMENTS <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 \$0.00	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. Claim filed by Brian Conway 2. Letter – Invite to DSRSD Board Meeting (Dated 2/27/14) 3. Letter from B. Conway- Request to Postpone (Dated 3/7/14)			

February 14, 2014

Dublin San Ramon Services District
ATTN: Michelle Guillard, Interim Organizational Services Manager
7051 Dublin Blvd
Dublin CA 94568
925.828.0515
guillard@dsrsd.com

Claimant:

Brian A. Conway
7038 Dublin Blvd,
Dublin, CA 94568
925.828.7322 ext. 701
bconway484@gmail.com

Dear Ms. Guillard:

Please let this letter serve as my property damage claim against the Dublin San Ramon Services District pursuant to California Government Code §810, et seq.

On August 15, 2013, I drove through the Wendy's drive through located at 7143 Dublin Blvd, Dublin, CA at approximately 4:40PM. Upon exiting the parking lot to enter Dublin Blvd, my vehicle was damaged by a pillar located on the sidewalk. It is my belief that this accident is a direct result of the height of the pillar, its placement on the sidewalk and the improper signage. Dublin San Ramon Services District owns and maintains said pillar.

I drove out of the drive thru window and approached the exit leading onto Dublin Blvd. Carefully approaching the street while looking both ways for traffic I then began to slowly move out. Upon reaching the sidewalk, I proceeded to turn right, though I noticed the car was sluggish. I paused to observe my direct surrounding and the vehicles gauges, but did not understand why the car was not moving. I stopped, got out of the car and looked underneath my vehicle, but did not see anything under the car. However, I did see the pole base on the other side of the car. I walked around and immediately saw why I had been unable to turn right onto Dublin Blvd. My vehicle and the pillar were in direct contact. The pillar appeared to be in the driveway portion of the sidewalk and was also so short that it was not visible from my vehicle. I then reentered my vehicle and maneuvered away from the pillar, and in doing so, I further saw that the pillar was not visible from within my vehicle, even though I now knew of it. Once I was free of the obstacle, I slowly entered Dublin Blvd and turned right onto Village Pkwy. Then back into the Wendy's/ KFC parking lot where I drove to the parking stall next to the driveway I had recently attempted to leave from.

I called the Wendy's Dublin location Manager Kelley Melin out to observe the situation and proceeded to take pictures of the car. In speaking with Kelley about my accident I found out that this pillar has caused many accidents at this location.

The height, placement, and lack of identification of the pole was the direct cause of the accident and damage to my vehicle. The Pillar is too short and is not visible from the drivers position in a standard vehicle. The pillar is negligently placed and intrudes into the exit. Additionally, the pillar should be painted yellow (or some other color) so it is to be more striking and visible for drivers. For example, McDonald's, has many pillars with bright yellow plastic caps/yellow paint make everyone aware of them.

The Dublin San Ramon Services District is responsible for this accident as they were negligent in the construction and placement of the pillar. For your convenience I am attaching pictures showing the damage to my vehicle, damages to the pillar (evidencing a history of collisions), and the surrounding area depicting the improper placement, construction height and low visibility of the pillar. In my picture you can see the pole, where there is no paint on the east side of the pole. Even the manager, Kelley Melin, at Wendy's commented how people hit the pillar all the time. Based on the attached quotes, I have sustained nearly \$8000 in property damage to my vehicle, not including any additional costs that may arise during repair. Included are two (2) quotes detailing the extensive repairs

and cost to repair the damages to my vehicle. Please contact me as soon as possible so that we may conclude the matter.

All Notices are to be sent as follows:

Brian A. Conway
7038 Dublin Blvd,
Dublin, CA 94568
925.828.7322 ext. 701
bconway484@gmail.com

Sincerely,

A handwritten signature in cursive script that reads "Brian A. Conway". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Brian Conway



Dublin San Ramon Services District
7051 Dublin Blvd
Dublin, CA 94568

A. THE NAME AND POST OFFICE ADDRESS OF THE CLAIMANT: B: THE POST OFFICE ADDRESS TO WHICH THE PERSON PRESENTING THE CLAIM DESIRES NOTICES TO BE SENT:
Dr. Brian Conway
8075 Bethel Ln
Pleasanton, CA 94588
SAME

DAYTIME TELEPHONE: (925) 828-7322

EVENING TELEPHONE: (925) 989-6566

TELEPHONE: SAME

C. THE DATE, PLACE, AND OTHER CIRCUMSTANCES OF THE OCCURRENCE OR TRANSACTION WHICH GAVE RISE TO THE CLAIM ASSERTED:
DATE OF OCCURRENCE: August 15, 2013
TIME OF OCCURRENCE:
PLACE OF OCCURRENCE: 7143 Dublin Blvd, Dublin, CA
Approximately 4:40 P.M.
CIRCUMSTANCES: See Attached Letter

D. A GENERAL DESCRIPTION OF THE INDEBTEDNESS, OBLIGATION, INJURY, DAMAGE OR LOSS INCURRED SO FAR AS IT MAY BE KNOWN AT THE TIME OF PRESENTATION OF THE CLAIM:
See Attached Letter

E. THE NAME OR NAMES OF THE PUBLIC EMPLOYEE OR EMPLOYEES CAUSING THE INJURY, DAMAGE, OR LOSS, IF KNOWN.

F. AMOUNT OF CLAIM: \$ 8,000 + any additional costs that may arise during the repair at the technicians discretion
JURISDICTION OF CLAIM: X MUNICIPAL COURT (CLAIMS TO \$25,000)
SUPERIOR COURT (CLAIMS OVER \$25,000)
BASIS OF COMPUTATION: See Attached Quote

DECLARATION
I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOLLOWING INFORMATION IS TRUE AND CORRECT

SIGNATURE OF CLAIMANT OR REPRESENTATIVE:

Brian B Conway

DATE: 02/14/14



GILBERT'S BODY & PAINT

2964 ARF AVE., HAYWARD, CA 94545
Phone: (510) 783-0500
FAX: (510) 783-3588

Workfile ID: 8541
Federal ID: 71090
Resale Number: SRCH100-103
State EPA: CAL0002605
BAR: ARD00224293



Preliminary Estimate

Customer: CONWAY, BRIAN

Job Number:

Written By: Gilbert Robledo

Insured: CONWAY, BRIAN
Type of Loss:
Point of Impact: 03 Right T-Bone (Right Side)

Policy #:
Date of Loss:

Claim #:
Days to Repair: 0

Owner:
CONWAY, BRIAN
7038 DUBLIN BLVD
DUBLIN, CA 94568
(925) 828-7322 Business
(925) 989-6566 Cell

Inspection Location:
GILBERT'S BODY & PAINT
2964 ARF AVE.
HAYWARD, CA 94545
Repair Facility
(510) 783-0500 Business

Insurance Company:

VEHICLE

Year: 2012 Body Style: 4D SED VIN: WDDNG7DB3CA462935 Mileage In: 3493
Make: BENZ Engine: 8-4.6L-T License: 6UYC327 Mileage Out:
Model: S550 Production Date: 12/2011 State: Vehicle Out:
Color: BLK Int: BLK Condition: Excellent Job #:

TRANSMISSION

Automatic Transmission
Overdrive

POWER

Power Steering
Power Brakes
Power Windows
Power Locks
Power Mirrors
Heated Mirrors
Power Driver Seat
Power Passenger Seat
Memory Package

DECOR

Dual Mirrors
Wood Interior Trim

CONVENIENCE

Air Conditioning
Intermittent Wipers
Tilt Wheel
Cruise Control
Rear Defogger
Keyless Entry
Alarm
Message Center
Steering Wheel Touch Controls
Telescopic Wheel
Climate Control
Navigation System
Home Link

RADIO

AM Radio
FM Radio
Stereo

Search/Seek
Auxiliary Audio Connection
Premium Radio
Satellite Radio
CD Changer/Stacker

SAFETY

Drivers Side Air Bag
Passenger Air Bag
Anti-Lock Brakes (4)
4 Wheel Disc Brakes
Front Side Impact Air Bags
Head/Curtain Air Bags
Communications System
Hands Free Device
Rear Side Impact Air Bags

ROOF

Electric Glass Sunroof

SEATS

Bucket Seats
Leather Seats
Heated Seats
Ventilated Seats

WHEELS

Aluminum/Alloy Wheels

PAINT

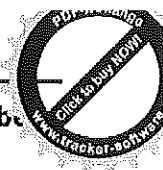
Clear Coat Paint

OTHER

Fog Lamps
Traction Control
Stability Control
Signal Integrated Mirrors
Xenon Headlamps
Power Trunk/Gate Release



Preliminary Estimate



Customer: CONWAY, BRIAN

Job Number

Vehicle: 2012 BENZ S550 4D SED 8-4.6L-T BLK

Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
1		FRONT BUMPER					
2	R&I	R&I bumper cover				2.8	
3		FRONT LAMPS					
4	R&I	RT R&I headlamp assy				0.6	
5	Repl	Aim headlamps		1		0.5	
6		FENDER					
7	Blnd	RT Fender (ALU)					1.2
8	R&I	RT Fender liner front S550				0.4	
9	R&I	RT Fender liner rear				0.3	
10	#	Repl RT FENDER NAME PLATE (BLUE EFFICIENCY)		1	27.00	0.2	
11	Repl	RT Molding	2216904080	1	42.00	0.3	
12		PILLARS, ROCKER & FLOOR					
13	R&I	RT Rocker molding w/o AMG black				1.1	
14	*	Rpr RT Rocker molding w/o AMG black				2.0	2.0
15		Add for Clear Coat					0.8
16	R&I	RT Sill plate rear, outer w/o S65, S63				0.2	
17	#	Refn SILL PANEL					1.0
18		FRONT DOOR					
19	Repl	RT Door shell (ALU)	2217200205	1	1,440.00	6.4	3.6
20		Overlap Major Non-Adj. Panel					-0.2
21		Add for Clear Coat					0.7
22		Add for mirror				0.4	
23	Repl	RT Body side mldg	2216904280	1	105.00	0.4	
24	R&I	RT Belt w'strip				Incl.	
25	R&I	RT Window trim				Incl.	
26	R&I	RT Applique				Incl.	
27	R&I	RT Run channel from CH# 156386				Incl.	
28	R&I	RT Door glass Mercedes w/o heat reflective				Incl.	
29	R&I	RT Handle, outside w/keyless black				Incl.	
30	R&I	RT Window trim black				Incl.	
31	R&I	RT R&I trim panel				Incl.	
32		REAR DOOR					
33	R&I	RT Handle, outside w/keyless black				Incl.	
34	Repl	RT Door shell (ALU)	2217300605	1	1,540.00	6.6	3.6
35		Overlap Major Adj. Panel					-0.4
36		Add for Clear Coat					0.6

5



Preliminary Estimate



Customer: CONWAY, BRIAN

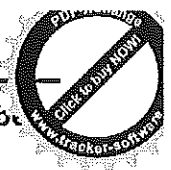
Job Number

Vehicle: 2012 BENZ S550 4D SED 8-4.6L-T BLK

37	Repl	RT Body side mldg	2216904680	1	104.00	0.4	
38	R&I	RT Belt w'strip					Incl.
39	R&I	RT Window trim					Incl.
40	R&I	RT Applique					Incl.
41	R&I	RT Moveable glass Mercedes w/o heat reflective					Incl.
42	R&I	RT Run channel from CH# 156386					Incl.
43	R&I	RT Fixed glass Mercedes w/o heat reflective					Incl.
44	R&I	RT Window trim w/o sunshade black					Incl.
45	R&I	RT R&I trim panel					Incl.
46	QUARTER PANEL						
47	Blnd	RT Quarter pnl assy (HSS)					1.5
48	R&I	Fuel door				0.5	
49	Blnd	Fuel door					0.2
50	R&I	RT Lower qtr trim leather black				0.4	
51	#	Refn QTR PANEL DOOR JAMB					1.0
52	ROOF						
53	Blnd	RT Roof rail outer panel					0.9
54	R&I	RT Roof molding w/o Panorama roof black				0.8	
55	REAR LAMPS						
56	R&I	RT R&I tail lamp				0.5	
57	REAR BUMPER						
58	R&I	R&I bumper assy				2.3	
59	#	ROPE BACK GLASS		1		0.5	
60	#	Rpr Tint Color				0.5	
61	#	Repl Cover Car for Overspray		1	10.00 T	0.3	
62	#	Rpr Color Sand and Buff				2.0	
63	#	Subl Hazardous Waste Disposal EPA# CAL000260592		1	5.00 T		
SUBTOTALS					3,273.00	30.4	16.5



Preliminary Estimate



Customer: CONWAY, BRIAN

Job Number

Vehicle: 2012 BENZ S550 4D SED 8-4.6L-T BLK

ESTIMATE TOTALS

Category	Basis	Rate	Cost \$
Parts			3,258.00
Body Labor	30.4 hrs @	\$ 80.00 /hr	2,432.00
Paint Labor	16.5 hrs @	\$ 80.00 /hr	1,320.00
Paint Supplies	16.5 hrs @	\$ 36.00 /hr	594.00
Miscellaneous			15.00
Subtotal			7,619.00
Sales Tax	\$ 3,867.00 @	9.0000 %	348.03
Grand Total			7,967.03
Deductible			0.00
CUSTOMER PAY			0.00
INSURANCE PAY			7,967.03



Preliminary Estimate



Customer: CONWAY, BRIAN

Job Number

Vehicle: 2012 BENZ S550 4D SED 8-4.6L-T BLK

Gilbert's Body and Paint

Limited Warranty

Gilbert's Body and paint provides its customers with a limited warranty on repairs performed by our facility. This warranty is specific to owner and vehicle covered and is not transferable. Delineated below is our four part limited warranty, details and stipulations relevant to each section are listed below.

- 1. METAL WORK: Gilbert's Body and paint provides a lifetime limited warranty on all metalwork or for as long as you own your vehicle, to include welding and the application of materials used in performing collision repairs against cracking, flaking, pitting, or deterioration, excluding rust repairs. Gilbert's Body and Paint will repair and repaint any metalwork warranted unless damage is the result of unreasonable use, lack of maintenance or care of covered vehicle.
- 2. PAINT, STRIPES AND DECALS: Gilbert's Body and Paint provides a lifetime limited warranty on paint work or for as long as you own your vehicle. Against blistering, peeling, hazing, and excessive loss of pigmentation, and a one year limited warranty on the application or adhesion of decorative stripes and decals, excluding those defects caused by extreme environmental conditions. Gilbert's Body and Paint will refinish, re-stripe or re-decal the specific section or sections of the vehicle warranted, unless damage is the result of unreasonable use, lack of maintenance or care of covered vehicle. Paint warranty is valid only on work performed over original factory finishes that are free of defects.
- 3. MECHANICAL REPAIRS: Gilbert's Body and Paint provides a one year limited warranty on all mechanical repairs performed in-house relating directly to original collision damage, excluding suspension, air conditioning, or other electrical assemblies or components. Gilbert's Body and Paint will re-repair any mechanical assembly warranted, unless damage is the result of unreasonable use, lack of maintenance or care of covered vehicle. Sublet mechanical repairs are subject to vendor's warranty.
- 4. PARTS: Gilbert's Body and Paint will warranty new or used parts installed by our facility per manufacturer or vendor warranty, excluding suspension, air conditioning, or other electrical assemblies or components. Gilbert's Body and Paint will re-repair any defective part warranted, unless damage is the result of unreasonable use, lack of maintenance or care of covered vehicle.

ESTIMATE OF REPAIR: \$ _____

The Estimate of Repair includes parts, labor, diagnosis, and any applicable taxes. If, no further inspection, additional parts or repairs are needed, you will be contacted for authorization. We are not responsible for loss or damage to your vehicle from fire, theft, accidents or any causes beyond our control. Our employees at your risk will make all tests.

PRINT NAME _____

AUTHORIZED SIGNATURE _____ DATE _____

If vehicle is returned to customer before authorized repairs are performed, a diagnostic and handling charge, including reassembly, will be made.

POWER OF ATTORNEY

I do hereby appoint the aforementioned business as my attorney in fact to accept on my behalf any and all checks, drafts, or bills of exchange for deposit to the aforementioned business' account for credit on my account for repairs on my vehicle, which has been released and accepted.

PRINT NAME _____

8



Preliminary Estimate



Customer: CONWAY, BRIAN

Job Number

Vehicle: 2012 BENZ S550 4D SED 8-4.6L-T BLK

AUTHORIZED SIGNATURE _____ DATE _____

VEHICLE PICK UP BY:

PRINT NAME _____

SIGNATURE _____ DATE _____

FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM: ANY PERSON WHO KNOWINGLY PRESENTS FALSE OR FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON.

THE FOLLOWING IS A LIST OF ABBREVIATIONS OR SYMBOLS THAT MAY BE USED TO DESCRIBE WORK TO BE DONE OR PARTS TO BE REPAIRED OR REPLACED:

MOTOR ABBREVIATIONS/SYMBOLS: D=DISCONTINUED PART, A=APPROXIMATE PRICE. LABOR TYPES: B=BODY LABOR, D=DIAGNOSTIC, E=ELECTRICAL, F=FRAME, G=GLASS, M=MECHANICAL, P=PAINT LABOR, S=STRUCTURAL, T=TAXED MISCELLANEOUS, X=NON TAXED MISCELLANEOUS. PATHWAYS: ADJ=ADJACENT, ALGN=ALIGN, A/M=AFTERMARKET, BLND=BLEND, CAPA=CERTIFIED AUTOMOTIVE PARTS ASSOCIATION, D&R=DISCONNECT AND RECONNECT, EST=ESTIMATE, EXT. PRICE=UNIT PRICE MULTIPLIED BY THE QUANTITY, INCL=INCLUDED, MISC=MISCELLANEOUS, NAGS=NATIONAL AUTO GLASS SPECIFICATIONS, NON-ADJ=NON ADJACENT, O/H=OVERHAUL, OP=OPERATION, NO=LINE NUMBER, QTY=QUANTITY, RECOND=RECONDITION, REFN=REFINISH, REPL=REPLACE, R&I=REMOVE AND INSTALL, R&R=REMOVE AND REPLACE, RPR=REPAIR, RT=RIGHT, SECT=SECTION, SUBL=SUBLET, LT=LEFT, W/O=WITHOUT, W/_=WITH/_ SYMBOLS: #=MANUAL LINE ENTRY, *=OTHER [IE..MOTORS DATABASE INFORMATION WAS CHANGED], **=DATABASE LINE WITH AFTERMARKET, N=NOTES ATTACHED TO LINE. OPT OEM=ORIGINAL EQUIPMENT MANUFACTURER PARTS EITHER OPTIONALLY SOURCED OR OTHERWISE PROVIDED WITH SOME UNIQUE PRICING OR DISCOUNT.

9



Preliminary Estimate



Customer: CONWAY, BRIAN

Job Number

Vehicle: 2012 BENZ S550 4D SED 8-4.6L-T BLK

Estimate based on MOTOR CRASH ESTIMATING GUIDE. Unless otherwise noted all items are derived from the Guide ERI5892, CCC Data Date 1/17/2014, and the parts selected are OEM-parts manufactured by the vehicles Original Equipment Manufacturer. OEM parts are available at OE/Vehicle dealerships. OPT OEM (Optional OEM) or ALT OEM (Alternative OEM) parts are OEM parts that may be provided by or through alternate sources other than the OEM vehicle dealerships. OPT OEM or ALT OEM parts may reflect some specific, special, or unique pricing or discount. OPT OEM or ALT OEM parts may include "Blemished" parts provided by OEM's through OEM vehicle dealerships. Asterisk (*) or Double Asterisk (**) indicates that the parts and/or labor information provided by MOTOR may have been modified or may have come from an alternate data source. Tilde sign (~) items indicate MOTOR Not-Included Labor operations. The symbol (<>) indicates the refinish operation WILL NOT be performed as a separate procedure from the other panels in the estimate. Non-Original Equipment Manufacturer aftermarket parts are described as Non OEM or A/M. Used parts are described as LKQ, RCY, or USED. Reconditioned parts are described as Recond. Recored parts are described as Recore. NAGS Part Numbers and Benchmark Prices are provided by National Auto Glass Specifications. Labor operation times listed on the line with the NAGS information are MOTOR suggested labor operation times. NAGS labor operation times are not included. Pound sign (#) items indicate manual entries.

Some 2014 vehicles contain minor changes from the previous year. For those vehicles, prior to receiving updated data from the vehicle manufacturer, labor and parts data from the previous year may be used. The CCC ONE estimator has a complete list of applicable vehicles. Parts numbers and prices should be confirmed with the local dealership.

The following is a list of additional abbreviations or symbols that may be used to describe work to be done or parts to be repaired or replaced:

SYMBOLS FOLLOWING PART PRICE:

m=MOTOR Mechanical component. s=MOTOR Structural component. T=Miscellaneous Taxed charge category. X=Miscellaneous Non-Taxed charge category.

SYMBOLS FOLLOWING LABOR:

D=Diagnostic labor category. E=Electrical labor category. F=Frame labor category. G=Glass labor category. M=Mechanical labor category. S=Structural labor category. (numbers) 1 through 4=User Defined Labor Categories.

OTHER SYMBOLS AND ABBREVIATIONS:

Adj.=Adjacent. Algn.=Align. ALU=Aluminum. A/M=Aftermarket part. Blnd=Blend. BOR=Boron steel. CAPA=Certified Automotive Parts Association. D&R=Disconnect and Reconnect. HSS=High Strength Steel. HYD=Hydroformed Steel. Incl.=Included. LKQ=Like Kind and Quality. LT=Left. MAG=Magnesium. Non-Adj.=Non Adjacent. NSF=NSF International Certified Part. O/H=Overhaul. Qty=Quantity. Refn=Refinish. Repl=Replace. R&I=Remove and Install. R&R=Remove and Replace. Rpr=Repair. RT=Right. SAS=Sandwiched Steel. Sect=Section. Subl=Sublet. UHS=Ultra High Strength Steel. N=Note(s) associated with the estimate line.

CCC ONE Estimating - A product of CCC Information Services Inc.

The following is a list of abbreviations that may be used in CCC ONE Estimating that are not part of the MOTOR CRASH ESTIMATING GUIDE:

BAR=Bureau of Automotive Repair. EPA=Environmental Protection Agency. NHTSA= National Highway Transportation and Safety Administration. PDR=Paintless Dent Repair. VIN=Vehicle Identification Number.

10

1966
**B & S
 HACIENDA**

Family Owned And Operated For 3 Generations

B & S Hacienda Auto Body - Dublin

ALL BODY & PAINT WORK IS GUARANTEED FOR THE LIFE OF THE CUSTOMER'S OWNERSHIP.

Original repair order is required for any WARRANTY CLAIMS. The warranty is not transferable.

5787 Scarlett Court, Dublin, CA 94568

Phone: (925) 829-9333

FAX: (925) 829-9338

Workfile ID: c760cfb5
 Federal ID: 94-2464067
 State ID: C08817046
 Resale Number: SRYCH19651646
 State EPA: CAL000289621
 License Number: 008530
 BAR: ARD00237785

Preliminary Estimate

Customer: CONWAY, BRIAN

Written By: Robert Alcalá

Insured: CONWAY, BRIAN Policy #: Claim #:
 Type of Loss: Collision Date of Loss: 9/18/2013 12:00:00 AM Days to Repair: 7
 Point of Impact: 03 Right T-Bone (Right Side)

Owner: CONWAY, BRIAN
 7038 DUBLIN BLVD
 DUBLIN, CA 94568
 (925) 989-6566 Cell

Inspection Location: B & S Hacienda Auto Body Dublin
 5787 Scarlett Court
 Dublin, CA 94568
 Repair Facility
 (925) 829-9333 Business

Insurance Company:

VEHICLE

Year: 2012 Body Style: 4D SED VIN: WDDNG7DB3CA462935 Mileage In: 3184
 Make: BENZ Engine: 8-4.6L T License: 6UYC327 Mileage Out:
 Model: S550 Production Date: 12/2011 State: CA Vehicle Out:
 Color: BLACK GOLD Int: Condition: Job #:

TRANSMISSION

Automatic Transmission
 Overdrive

POWER

Power Steering
 Power Brakes
 Power Windows
 Power Locks
 Power Mirrors
 Heated Mirrors
 Power Driver Seat
 Power Passenger Seat
 Memory Package

DECOR

Dual Mirrors

Air Conditioning

Intermittent Wipers
 Tilt Wheel
 Cruise Control
 Rear Defogger
 Keyless Entry
 Alarm
 Message Center
 Steering Wheel Touch Controls
 Telescopic Wheel
 Climate Control
 Navigation System
 Home Link

RADIO

AM Radio

Search/Seek

Auxiliary Audio Connection
 Premium Radio
 Satellite Radio
 CD Changer/Stacker

SAFETY

Drivers Side Air Bag
 Passenger Air Bag
 Anti Lock Brakes (4)
 4 Wheel Disc Brakes
 Front Side Impact Air Bags
 Head/Curtain Air Bags
 Communications System
 Hands Free Device
 Rear Side Impact Air Bags

SEATS

Bucket Seats
 Leather Seats
 Heated Seats
 Ventilated Seats

WHEELS

Aluminum/Alloy Wheels

PAINT

Clear Coat Paint

OTHER

Fog Lamps
 Traction Control
 Stability Control
 Signal Integrated Mirrors
 Xenon Headlamps

Preliminary Estimate

Customer: **CONWAY, BRIAN**

Vehicle: 2012 BENZ S550 4D SED 8 4.6L T BLACK GOLD

Wood Interior Trim
CONVENIENCE

FM Radio
Stereo

ROOF
Electric Glass Sunroof

Power Trunk/Gate Release

Preliminary Estimate

Customer: CONWAY, BRIAN

Vehicle: 2012 BENZ S550 4D SED 8 4.6L T BLACK GOLD

Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
1		REAR BUMPER					
2	R&I	R&I bumper assy				2.3	
3		REAR LAMPS					
4	R&I	RT R&I tail lamp				0.5	
5		QUARTER PANEL					
6	Blnd	RT Quarter pnl assy (HSS)					1.5
7	R&I	Fuel door				0.5	
8	Blnd	Fuel door					0.2
9	R&I	RT Splash shield				0.4	
10		BACK GLASS					
11	*	Rpr Glass Mercedes w/o heat reflective --ROPE				0.3	
12		PILLARS, ROCKER & FLOOR					
13	R&I	RT Rocker molding w/o AMG black				1.1	
14		ROOF					
15	Blnd	RT Roof rail outer panel					0.9
16	R&I	RT Roof molding w/o Panorama roof black				0.8	
17		WINDSHIELD					
18	*	Rpr Windshield Mercedes w/o night vision w/o heated glass				0.3	
19		FRONT DOOR					
20	Repl	RT Door shell (ALU)	2217200205	1	1,410.00	6.4	3.6
21		Add for Clear Coat					1.4
22		Add for mirror				0.4	
23	Repl	RT Front w'strip	2217201278	1	26.00	Incl.	
24	Repl	RT Body side mldg	2216904280	1	100.00	0.4	
25	R&I	RT Window trim				Incl.	
26	R&I	RT Belt w'strip				Incl.	
27	R&I	RT Applique				Incl.	
28	R&I	RT R&I mirror				Incl.	
29	R&I	RT Door glass Mercedes w/o heat reflective				Incl.	
30	R&I	RT Handle, outside w/keyless black				Incl.	
31	Refn	RT Handle, outside w/keyless black					0.7
32		Overlap Minor Panel					-0.2
33		Add for Clear Coat					0.1
34	R&I	RT R&I trim panel				Incl.	
35	R&I	RT Corner shield				Incl.	
36	Repl	RT Reinf beam	2217201006	1	52.00	0.3	
37		REAR DOOR					

13

Preliminary Estimate

Customer: CONWAY, BRIAN

Vehicle: 2012 BENZ S550 4D SED 8-4.6L-T BLACK GOLD

38	Repl	RT Door shell (ALU)	2217300605	1	1,500.00	6.6	3.6
39		Overlap Major Adj. Panel					-0.4
40		Add for Clear Coat					0.6
41	Repl	RT Upper w/strip	2217310780	1	130.00	Incl.	
42	Repl	RT Body side mldg	2216904680	1	99.00	0.4	
43	R&I	RT Window trim				Incl.	
44	R&I	RT Belt w/strip				Incl.	
45	R&I	RT Applique				Incl.	
46	R&I	RT Moveable glass Mercedes w/o heat reflective				Incl.	
47	R&I	RT Fixed glass Mercedes w/o heat reflective				Incl.	
48	R&I	RT Handle, outside w/keyless black				Incl.	
49	R&I	RT R&I trim panel				Incl.	
50	Repl	RT Reinf beam	2217300373	1	47.00	0.3	
51	#	Subl HAZARDOUS WASTE DISPOSAL		1	3.00 X		
52	#	Repl CAR COVER/ MASK FOR OVERSPRAY		1	5.00 T	0.2	
53	#	TINT COLOR		1		0.5	
54	#	Repl Corrosion protection		1	15.32	0.1	
55	#	Rpr Color sand and buff				1.0	
56	*	Repl RT rivetS	0049902897	25	42.50	Incl.	
57	FENDER						
58	Blnd	RT Fender (ALU)					1.2
59	R&I	RT Fender liner front S550				0.4	
60	R&I	RT Fender liner rear				0.3	
61	Repl	RT Nameplate "blue efficiency"	2048177220	1	26.00	0.2	
62	FRONT LAMPS						
63	R&I	RT R&I headlamp assy				0.6	
64	FRONT BUMPER						
65	R&I	R&I bumper cover				2.8	
SUBTOTALS					3,455.82	27.1	13.2

14

Preliminary Estimate

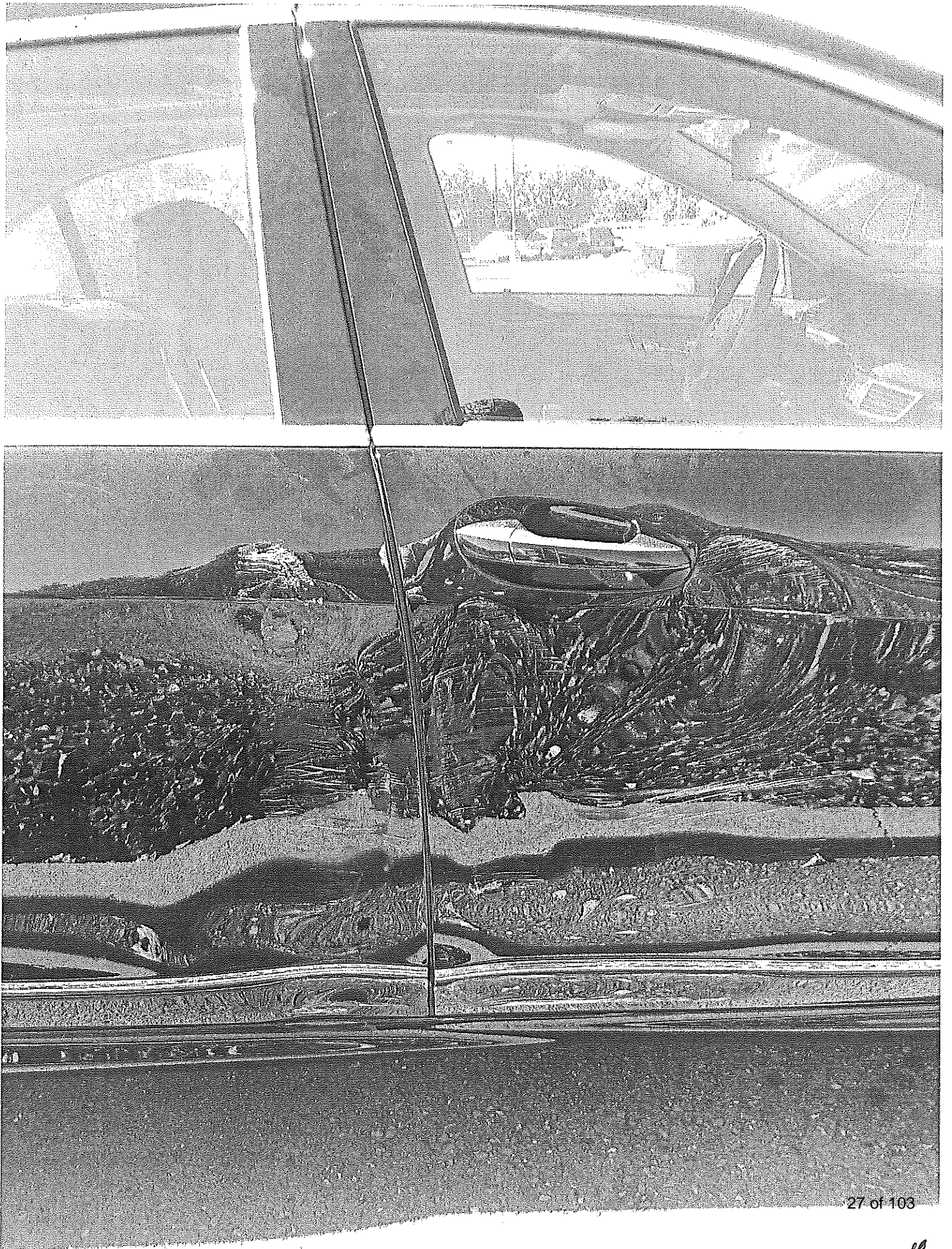
Customer: CONWAY, BRIAN

Vehicle: 2012 BENZ S550 4D SED 8-4.6L T BLACK GOLD

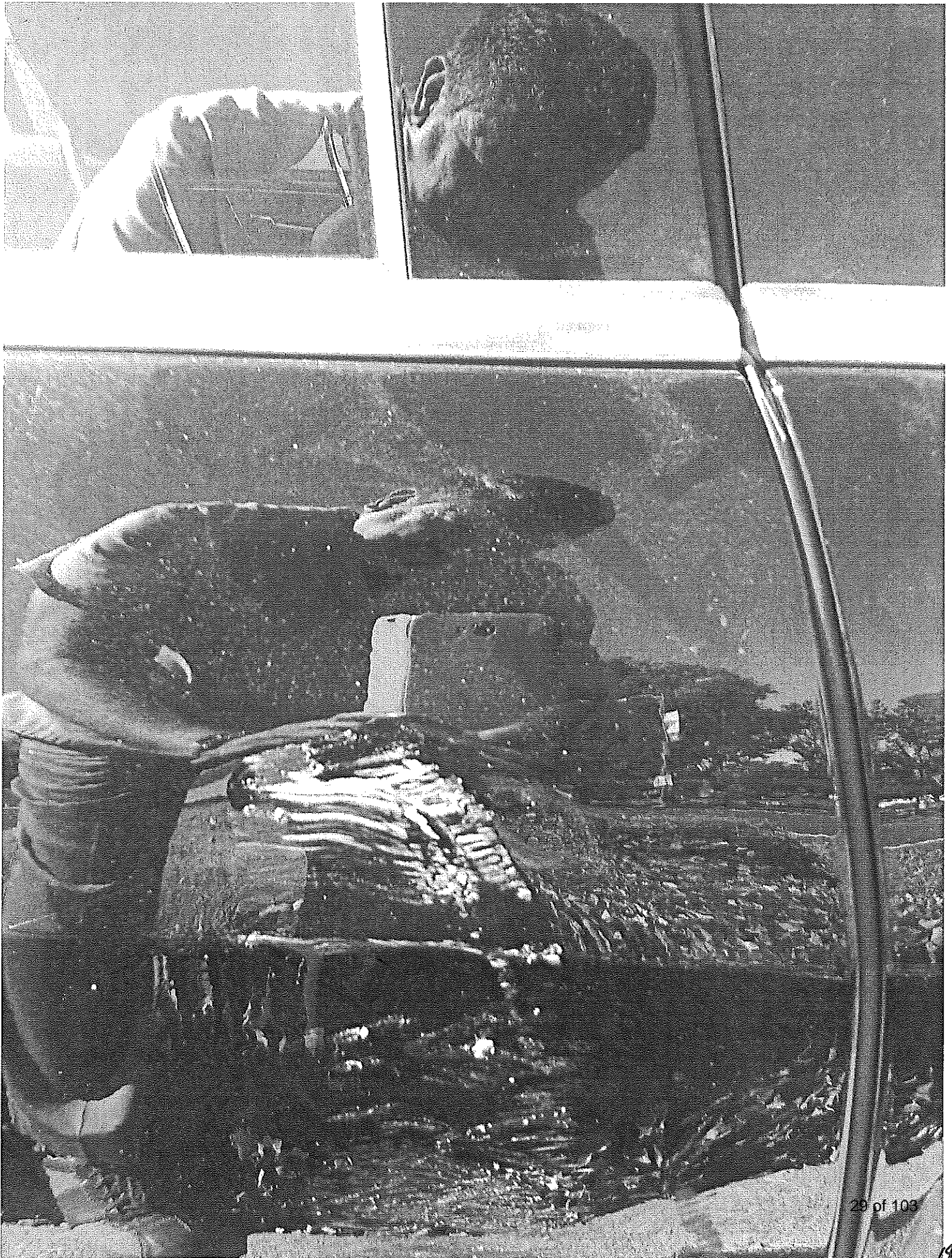
ESTIMATE TOTALS

Category	Basis	Rate	Cost \$
Parts			3,447.82
Body Labor	27.1 hrs @	\$ 80.00 /hr	2,168.00
Paint Labor	13.2 hrs @	\$ 80.00 /hr	1,056.00
Paint Supplies	13.2 hrs @	\$ 40.00 /hr	528.00
Miscellaneous			8.00
Subtotal			7,207.82
Sales Tax	\$ 3,980.82 @	9.0000 %	358.27
Grand Total			7,566.09
Deductible			0.00
CUSTOMER PAY			0.00
INSURANCE PAY			7,566.09

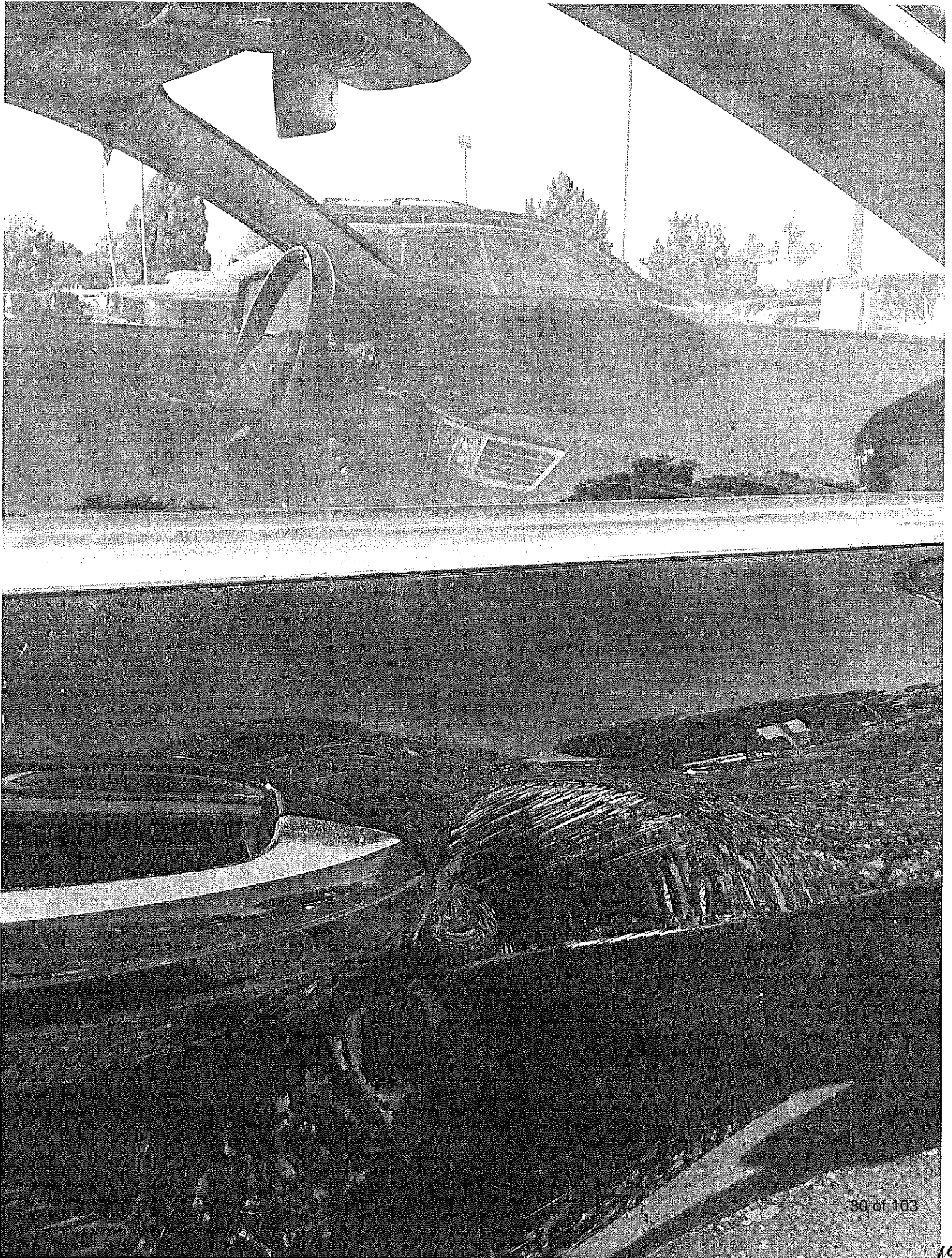
15





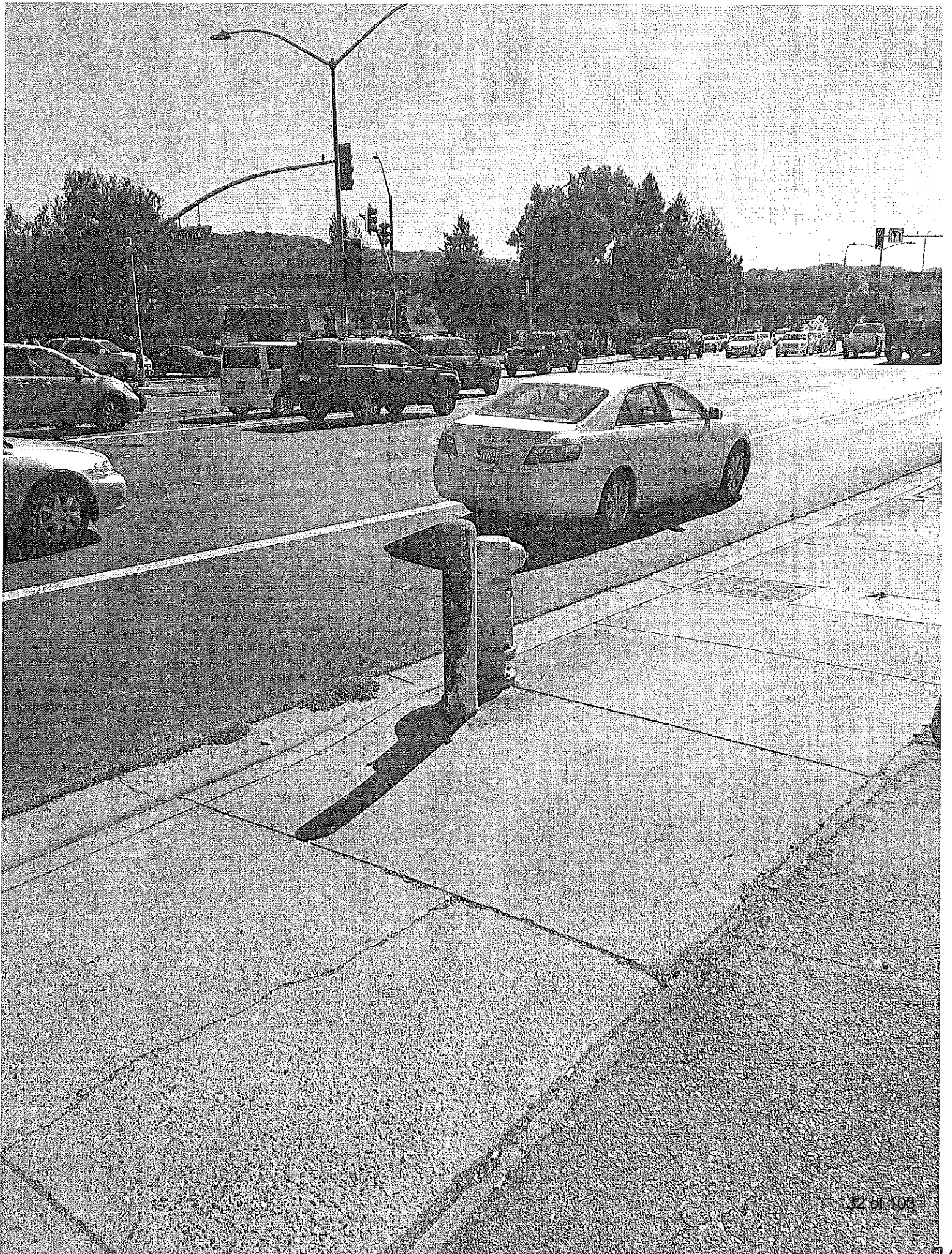


18

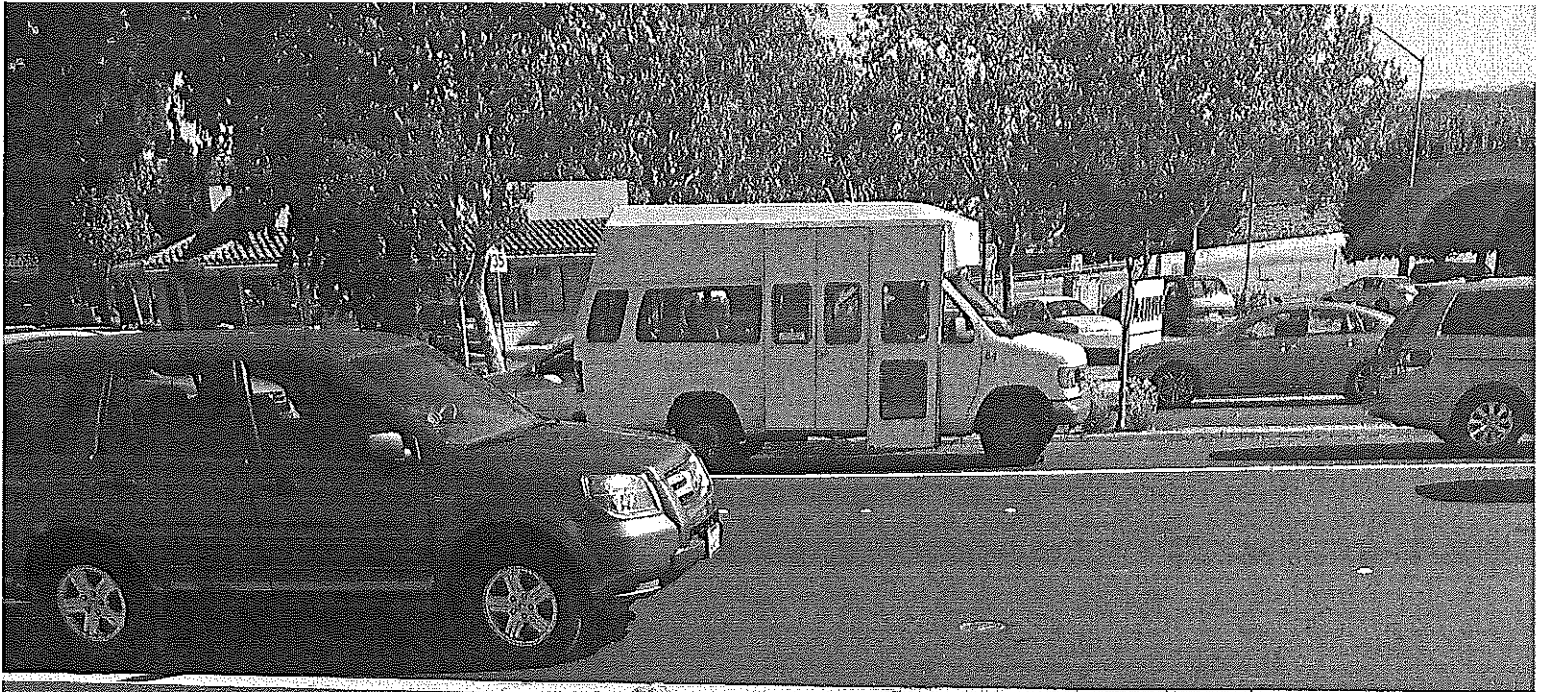




0103



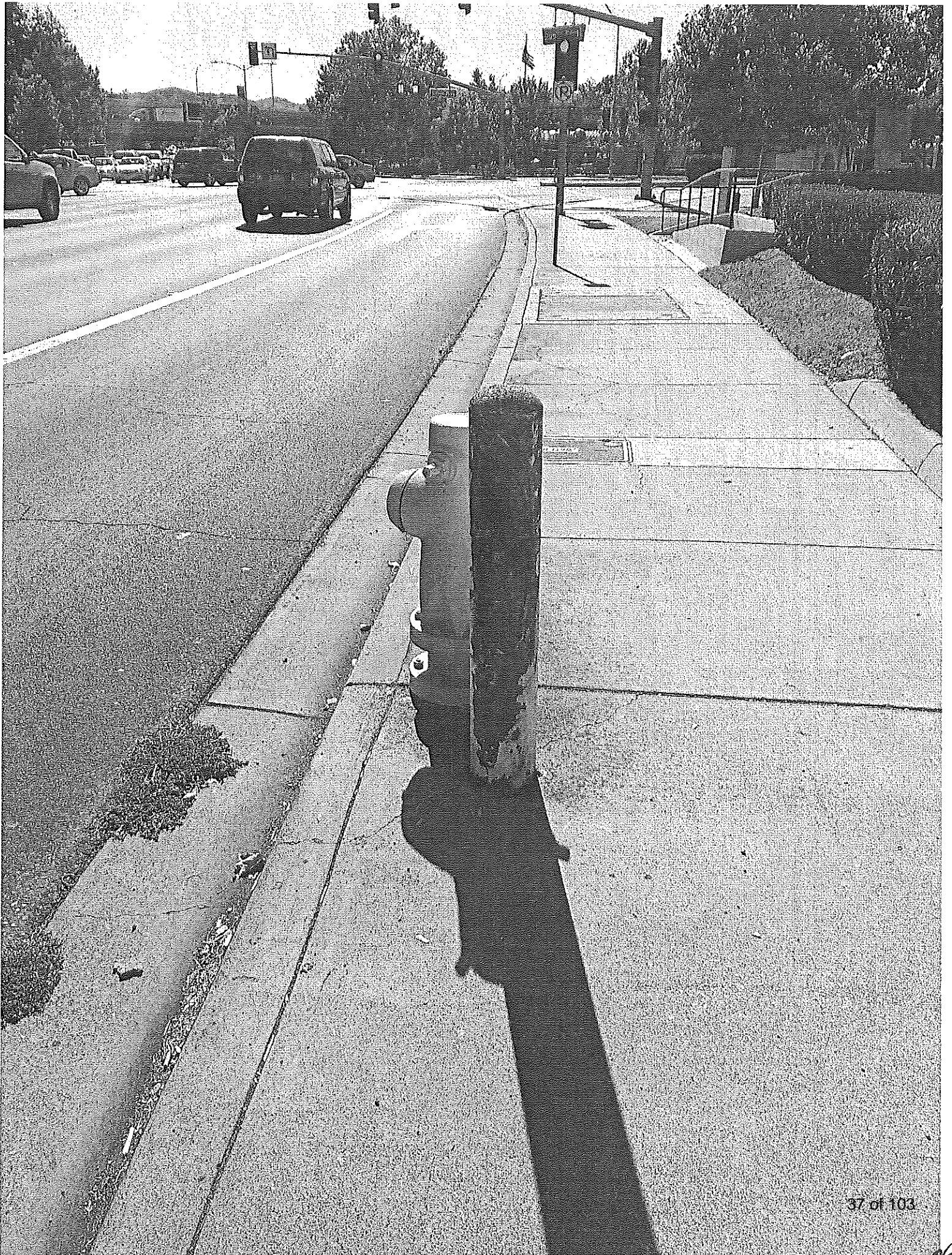
21



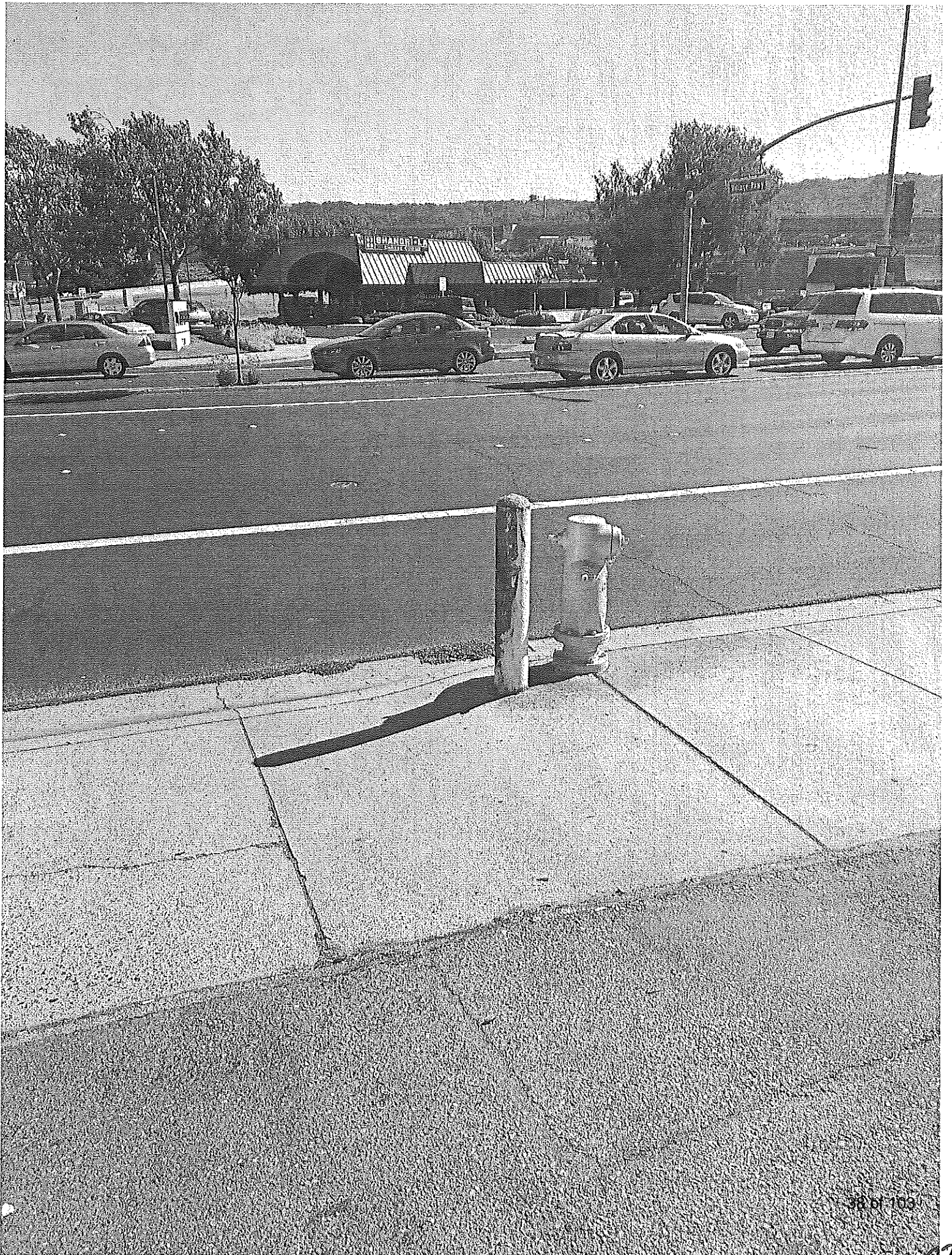








96

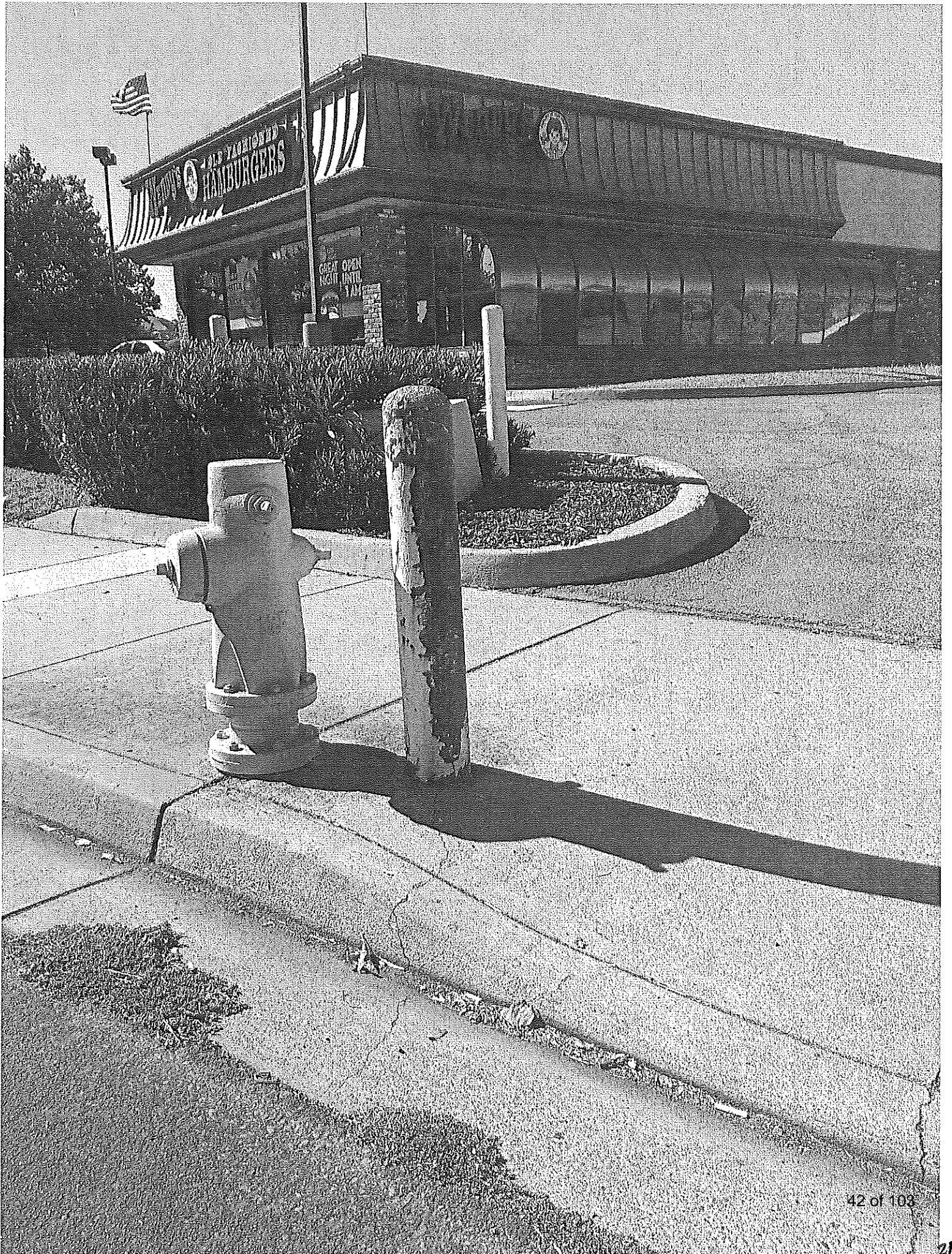




23











7051 Dublin Boulevard
Dublin, CA 94568-3018

ph: (925) 828-0515
fax: (925) 829-1180
www.dsrdsd.com

February 27, 2014

Mr. Brian Conway
7038 Dublin Boulevard
Dublin, CA 94568

SUBJECT: Claim for Costs Resulting from Property Damage As a Result of Dangerous Conditions

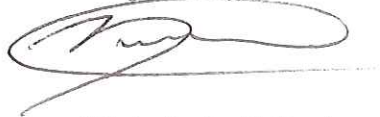
Dear Mr. Conway:

This correspondence is to advise you that your claim to recover costs will be included as an item on the next agenda of the regularly scheduled meeting of Dublin San Ramon Services District's Board of Directors on Tuesday, March 18, 2014 at 6:00 p.m. If you would like to address the Board on the matter of your claim, you may do so at that time.

Staff's recommendation is to deny your claim, as the fire hydrant and bollard did not present a dangerous condition.

A copy of the Board agenda will be available for viewing/downloading on the District's website www.dsrdsd.com after 5:00 p.m. on Friday, March 14, 2014.

Respectfully,



Michelle L. Gallardo
Interim Organizational Services Manager

CC:/ B. Conway Claim File

Brian Conway
7038 Dublin Blvd
Dublin, CA 94568

Dublin San Ramon Services District
7051 Dublin Blvd
Dublin, CA 94568-3018

March 7th, 2014

To the Dublin San Ramon Services District,

I respectfully ask that you postpone the Dublin San Ramon Services District's Board of Directors meeting to discuss my claim of damages resulting from dangerous conditions until after April 1, 2014. I will be out of town until March 27th, 2014 due to a family emergency with my remaining elderly family member in Pennsylvania.

I would like the change to address the Board of Directors, but am unable to attend the scheduled hearing on March 18th. Can you please postpone this meeting or allow me another time to address the Board after I return from my trip April 1st. I would greatly appreciate your understanding in this family emergency situation.

I do not want to postpone this hearing much further past April 1st if at all possible.
Thank you for your help.


Brian Conway
925-989-6566



Reference Financial Services Manager	Type of Action Review Status Quo Policy	Board Meeting of March 18, 2014
Subject Review Purchasing Policy		
<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 Financial Services Manager recommends that the Board of Directors review and, by Motion, direct that no changes be made to the Purchasing policy.

Summary:

The District has a Purchasing policy. This policy was last revised in 2006 and last reviewed in 2010. In accordance with the District’s practice of reviewing each of its policies at least every four years, this policy is presented to the Board for its review.

Staff believes that the policy, as written, is working properly and is recommending no changes at this time.

If after review the Board desires changes to be made, that direction should be conveyed to staff and the changed policy will be scheduled for adoption at a later date.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Fin Serv	REVIEWED BY
ATTACHMENTS <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. Purchasing Policy 2. 3.				



POLICY

Dublin San Ramon Services District

Policy No.:		Type of Policy:	Purchasing
Policy Title:	Purchasing Policy		
Policy Description:	Purchasing of Materials, Supplies, Services and Equipment		
Approval Date:	Mar 21, 2006	Last Review Date:	2014
Approval Resolution No.:	14-06	Next Review Date:	2018
Rescinded Resolution No.:		Rescinded Resolution Date:	

It is the policy of the Board of Directors of Dublin San Ramon Services District that the District:

- Perform purchasing activities with the highest ethical standards;
- Purchase materials, supplies, non-professional services, technical services and equipment using processes to ensure the appropriate quality is received for a reasonable price;
- Secure professional services using an equitable, quality-based selection process;
- Provide fair and open competition; and
- Define authority for the purchasing function.

Section 1. Purchasing Agent

The General Manager is designated as Purchasing Agent. The Purchasing Agent shall:

1. Establish written purchasing procedures and update them as needed, in conformance with this policy and with applicable laws.
2. Negotiate and sign contracts within the authority outlined in this policy.

3. Purchase or contract for supplies, services and equipment required by the District, in accordance with this policy.

Section 2. Purchasing Authority

1. The General Manager is authorized to negotiate and execute contracts for all operating, CIP and emergency purchases, made in conformance with the purchasing procedures, as follows:

- a. \$100,000 per purchase order or contract for materials, supplies, equipment, services or other personal property.
- b. Any amount for recurring, operational purchases such as:
 - i. Utility payments
 - ii. Scheduled debt payments and related debt administration services
 - iii. Chemical purchases
 - iv. Payments to a District Joint Powers Agency within contractual agreements
 - v. Water purchase
 - vi. Insurance payments
 - vii. Retirement contributions
 - viii. Payroll
- c. Any amount during an emergency in accordance with the guidelines in the California Public Contract Code.

Section 3. Credit Cards

The General Manager is authorized on behalf of the District to enter into credit card agreements, designate who may receive and use credit cards issued on behalf of the District, execute security agreements with respect to the District's credit card accounts and otherwise bind the District with respect to its credit card accounts.

Section 4. Adjustment of Contracts

The General Manager is authorized to adjust contracts up to his purchasing authority. In addition, the General Manager is authorized to adjust contracts in excess of \$100,000, that were originally approved by the Board, by ten percent, with a maximum adjustment of \$100,000, unless a different amount is stipulated by the Board in its original action.

DSRSD Policy

Page 3 of 3

Policy No.:

Policy Title: Purchasing Policy

Policy is current and no changes need to be adopted by the Board of Directors.

Status Quo Chronology

Date Adopted March 21, 2006

Reviewed by

Committee Finance Date Nov 8, 2010

Committee _____ Date _____

Committee _____ Date _____

Committee _____ Date _____



Reference Financial Services Manager	Type of Action Review Status Quo Policy	Board Meeting of March 18, 2014
Subject Review Surplus Personal Property Policy		
<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 Financial Services Manager recommends that the Board of Directors review and, by Motion, direct that no changes be made to the Surplus Personal Property policy.

Summary:

The District has a Surplus Personal Property policy. This policy was last revised in 2006 and last reviewed in 2010. In accordance with the District’s practice of reviewing each of its policies at least every four years, this policy is presented to the Board for its review.

Staff believes that the policy, as written, is working properly and is recommending no changes at this time.

If after review the Board desires changes to be made, that direction should be conveyed to staff and the changed policy will be scheduled for adoption at a later date.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Fin Serv	REVIEWED BY
ATTACHMENTS <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. Surplus Personal Property Policy 2. 3.			



POLICY

Dublin San Ramon Services District

Policy No.:		Type of Policy:	Purchasing
Policy Title:	Surplus Personal Property		
Policy Description:	Determination and Disposal of Surplus Personal Property		
Approval Date:	Feb 21, 2006	Last Review Date:	2014
Approval Resolution No.:	6-06	Next Review Date:	2018
Rescinded Resolution No.:		Rescinded Resolution Date:	

It is the policy of the Board of Directors of Dublin San Ramon Services District to dispose of surplus personal property in a manner that returns the value of that property to the associated rate payers in a way that is simple to administer. The disposal of surplus personal property shall be handled according to this policy.

Determination of Surplus Personal Property

The term “Surplus Personal Property” shall mean any personal property that no longer has a business purpose but is still usable. The General Manager has the authority to deem property surplus.

Methods of Disposition

The General Manager is responsible for the disposition of District surplus personal property. The General Manager shall determine which of the following methods of disposition to use; the priority for disposition shall be in the order listed below.

State law prohibits public employees from purchasing surplus personal property from their employer (Government Code Section 1090), so this is not allowed method of disposition.

1. Trade In - Property declared as surplus may be offered as a trade-in for credit toward the acquisition of new property.
2. Return to Manufacturer - Surplus property may, when possible, be returned to the manufacturer for buy-back or credit toward the purchase of new property.
3. Donation - The District may donate usable items with a minimal fair market value (such as outdated computer equipment and furniture) to a charitable organization for use within the District's service area.
4. Sale - The District may offer surplus property for sale. All surplus property offered for sale shall be "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability or the property offered for sale.

Appropriate methods of sale are as follows:

- a) Public Auction – Surplus property may be sold at public auction. The District may contract with a professional auctioneer.
 - b) Sealed Bids – Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
 - c) Selling for Scrap – Surplus property may be sold as scrap if it is deemed that the value of the raw material exceeds the value of the property as a whole.
 - d) Negotiated Sale – Surplus property may be sold outright if it is determined that only one known buyer is available or interested in acquiring the property.
5. Disposal - When the cost of following the above methods exceeds the estimated sale price of surplus property, the property may be recycled, destroyed or disposed of as junk.

Proceeds

Revenue from the sale or trade-in of surplus property shall be returned to the appropriate fund. All sales shall be paid to the District by certified check, money order, or in a manner agreeable to the General Manager. The General Manager is authorized to sign bills of sale and any other documents evidencing the transfer of title to such personal property by and on behalf of the District.

DSRSD Policy

Page 3 of 3

Policy No.:

Policy Title: Surplus Personal Property

Policy is current and no changes need to be adopted by the Board of Directors.

Status Quo Chronology

Date Adopted February 21, 2006

Reviewed by

Committee Finance Date Nov 8, 2010

Committee _____ Date _____

Committee _____ Date _____

Committee _____ Date _____

H:\Board\Policies Current\Surplus Personal Property.doc



Reference Financial Services Manager	Type of Action Adopt Revised Policy	Board Meeting of March 18, 2014
Subject Adopt Revised Capital Financing and Debt Management Policy and Rescind Resolution No. 43-10		
<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	J. Archer
		<input type="checkbox"/> Board Member

Recommendation:

The Financial Services Manager recommends that the Board of Directors review and, by Resolution adopt the revised Capital Financing Resolution and Debt Management policy and rescind Resolution No. 43-10.

Summary:

The District has a Capital Financing and Debt Management policy. This policy was last reviewed and revised in 2010. In accordance with the District’s practice of reviewing each of its policies at least every four years, this policy is presented to the Board for its review.

Staff believes that the policy, as written, is working properly. However, since the policy was last reviewed the District’s credit rating has been upgraded to AA. Accordingly, the policy should be revised to state it is now the District’s policy to maintain this credit rating (rather than obtain it as is the case in the existing policy).

If after review the Board desires other changes to be made, that direction should be conveyed to staff and the changed policy will be scheduled for adoption at a later date.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Fin Serv	REVIEWED BY
ATTACHMENTS <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. Redline Version of Policy 2. 3.			

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE CAPITAL FINANCING AND DEBT MANAGEMENT POLICY AND RESCINDING RESOLUTION NO. 43-10

WHEREAS, on October, 19 2010, the Board last adopted the Capital Financing and Debt Management policy; and

WHEREAS, credit ratings have a direct impact on the long term costs of borrowing capital; and

WHEREAS, District recognizes that it has achieved strong credit ratings from Fitch and Standard and Poors; and

WHEREAS, the District recognizes the importance of maintaining that strong credit rating; and

WHEREAS, District wishes to revise the Capital Financing and Debt Management policy to incorporate the current credit rating.

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 that the revised Capital Financing and Debt Management policy, attached as Exhibit "A" is hereby adopted, and Resolution No. 43-10 is hereby rescinded and attached as Exhibit "B."

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 18th day of March 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgan M. Vonheeder-Leopold, President

ATTEST: _____
Nancy G. Hatfield, District Secretary



POLICY

Dublin San Ramon Services District

Policy No.: Type of Policy:		Finance
Policy Title:	Capital Financing and Debt Management	
Policy Description:	Parameters for issuing and managing debt	

Approval Date:		Last Review Date:	2014
Approval Resolution No.:		Next Review Date:	2018
Rescinded Resolution No.:	43-10	Rescinded Resolution Date:	Oct 19, 2010

It is the policy of the Board of Directors of Dublin San Ramon Services District:

PURPOSE

The District will only use debt financing to purchase or build capital assets that cannot be acquired from either current revenues or replacement reserves and to fund capital improvements and additions; it will not be used for operating and maintenance costs.

Lease / Purchase agreements for the purchase of vehicles, equipment and other capital assets shall generally be avoided, particularly if smaller quantities of the asset can be purchased on a pay-as-you-go basis.

CRITERIA

The District will use the following criteria to evaluate pay-as-you-go versus pay-as-you-use or long-term financing in funding capital improvements.

Factors Favoring Pay-As-You-Go Financing

- Adequate funds are available in the replacement and / or expansion funds.
- Adding debt would adversely affect the District's cash flow position or operating flexibility.
- Market conditions are unstable or present difficulties in funding.

Factors Favoring Pay-As-You-Use Financing

- Asset life is equal to or greater than the term of the financing. Asset will be paid for as it is used, hence “pay-as-you-use” financing.
- Revenues available for debt service are sufficient and reliable so that long-term financings can be sold at favorable interest rates.
- A project is mandated by state or federal requirements, and resources are insufficient or unavailable.
- The project is immediately required to meet District needs and current resources are insufficient or unavailable.

TYPES OF DEBT

The District may use a combination of fixed and variable rate bonds, commercial paper, bank loans, state loans or any other type of debt allowable by law.

Each debt issuance should be evaluated on an individual basis within the framework of the District’s long-term financial plan when determining the type of debt to issue.

Interest-only debt may be used but once the project is completed a sinking fund shall be established to ensure full payment of the principal and interest on the debt over no more than 35 years or the life of the asset, whichever is less.

PROFESSIONAL SERVICES

A variety of specialized service providers will be used to provide professional assistance with the determination of the type of financial obligation to use as well as the process of issuing securities. These will include but are not limited to:

- **Financial Advisor** – The Financial Advisor (Advisor) is a consultant who advises the District (issuer) on matters pertinent to the issue, such as structure, timing, marketing, fairness of pricing, terms and bond ratings. While the Advisor is legally able to serve as underwriter for an issue under certain circumstances, in order to avoid any appearance of a conflict of interest, the District shall not use the Advisor as an underwriter on any issuances where they have served as the Advisor.
- **Underwriter** – A dealer which purchases a new issue of municipal securities for resale. The underwriter may acquire the securities either by negotiation with the issuer or by award on the basis of competitive bidding.
- **Bond Counsel** – An attorney retained by the issuer to give a legal opinion that the issuer is authorized to issue proposed securities, the issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from taxation. Typically, bond counsel may prepare, or review and advise the issuer regarding authorizing resolutions or ordinances, trust indentures, official statements, validation proceedings and litigation.

- **Trustee** - A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

DEBT MANAGEMENT

- The District will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
- The District will use credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
- The District will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations and continuing disclosure requirements.
- District staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refinancing outstanding obligations.

DEBT CAPACITY

The District will set user rates at levels needed to fully cover operations, maintenance and administration and to meet debt coverage covenants.

Appropriate reserve levels shall be established by the Board to minimize impacts to ratepayers when development fees are insufficient to pay for expansion-related debt.

ISSUANCE OF JOINT DEBT

The District may enter into joint debt issuances with any of its Joint Powers Agencies. Any joint debt issuance with other parties will stipulate that the involved parties will take no action that will be to the detriment of the other party as related to the debt.

CREDIT RATING

Recognizing that the credit rating of the District has a direct impact on the cost of borrowing costs, the District shall take timely and appropriate actions to always maintain a very strong creditworthiness / very strong capacity to meet financial commitments (AA by S&P and Fitch).

RESOLUTION NO. 43-10

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE CAPITAL FINANCING AND DEBT MANAGEMENT POLICY AND RESCINDING RESOLUTION NO. 62-08

WHEREAS, on November 18, 2008, the Board last revised the Capital Financing and Debt Management policy; and

WHEREAS, the Finance Committee is recommending changes to the policy to address use of interest only debt, debt issued with other parties and to recommend that reserves be established for debt;

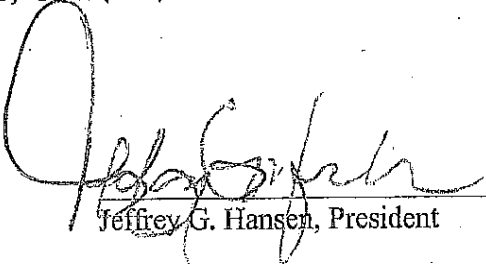
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency in the counties of Alameda and Contra Costa, California that the revised Capital Financing and Debt Management policy, attached as Exhibit "A" is hereby adopted, and Resolution No. 62-08 is hereby Rescinded and attached as Exhibit "B".

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 19th day of October 2010, and passed by the following vote:


AYES: 5 - Directors Daniel J. Scannell, Georgan M. Vonheeder-Leopold, Richard M. Halket, D.L. (Pat) Howard, Jeffrey G. Hansen

NOES: 0

ABSENT: 0



Jeffrey G. Hansen, President

ATTEST: 

Nancy G. Hatfield, District Secretary



POLICY

Dublin San Ramon Services District

Policy No.: Type of Policy:		Finance	
Policy Title:	Capital Financing and Debt Management		
Policy Description:	Parameters for issuing and managing debt		
Approval Date:		Last Review Date:	2014
Approval Resolution No.:		Next Review Date:	2018
Rescinded Resolution No.:	43-10	Rescinded Resolution Date:	Oct 19, 2010

It is the policy of the Board of Directors of Dublin San Ramon Services District:

PURPOSE

The District will only use debt financing to purchase or build capital assets that cannot be acquired from either current revenues or replacement reserves and to fund capital improvements and additions; it will not be used for operating and maintenance costs.

Lease / Purchase agreements for the purchase of vehicles, equipment and other capital assets shall generally be avoided, particularly if smaller quantities of the asset can be purchased on a pay-as-you-go basis.

CRITERIA

The District will use the following criteria to evaluate pay-as-you-go versus pay-as-you-use or long-term financing in funding capital improvements.

Factors Favoring Pay-As-You-Go Financing

- Adequate funds are available in the replacement and / or expansion funds.
- Adding debt would adversely affect the District's cash flow position or operating flexibility.
- Market conditions are unstable or present difficulties in funding.

Factors Favoring Pay-As-You-Use Financing

- Asset life is equal to or greater than the term of the financing. Asset will be paid for as it is used, hence “pay-as-you-use” financing.
- Revenues available for debt service are sufficient and reliable so that long-term financings can be sold at favorable interest rates.
- A project is mandated by state or federal requirements, and resources are insufficient or unavailable.
- The project is immediately required to meet District needs and current resources are insufficient or unavailable.

TYPES OF DEBT

The District may use a combination of fixed and variable rate bonds, commercial paper, bank loans, state loans or any other type of debt allowable by law.

Each debt issuance should be evaluated on an individual basis within the framework of the District’s long-term financial plan when determining the type of debt to issue.

Interest-only debt may be used but once the project is completed a sinking fund shall be established to ensure full payment of the principal and interest on the debt over no more than 35 years or the life of the asset, whichever is less.

PROFESSIONAL SERVICES

A variety of specialized service providers will be used to provide professional assistance with the determination of the type of financial obligation to use as well as the process of issuing securities. These will include but are not limited to:

- **Financial Advisor** – The Financial Advisor (Advisor) is a consultant who advises the District (issuer) on matters pertinent to the issue, such as structure, timing, marketing, fairness of pricing, terms and bond ratings. While the Advisor is legally able to serve as underwriter for an issue under certain circumstances, in order to avoid any appearance of a conflict of interest, the District shall not use the Advisor as an underwriter on any issuances where they have served as the Advisor.
- **Underwriter** – A dealer which purchases a new issue of municipal securities for resale. The underwriter may acquire the securities either by negotiation with the issuer or by award on the basis of competitive bidding.
- **Bond Counsel** – An attorney retained by the issuer to give a legal opinion that the issuer is authorized to issue proposed securities, the issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from taxation. Typically, bond counsel may prepare, or review and advise the issuer regarding authorizing resolutions or ordinances, trust indentures, official statements, validation proceedings and litigation.

- **Trustee** - A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

DEBT MANAGEMENT

- The District will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
- The District will use credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
- The District will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations and continuing disclosure requirements.
- District staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refinancing outstanding obligations.

DEBT CAPACITY

The District will set user rates at levels needed to fully cover operations, maintenance and administration and to meet debt coverage covenants.

Appropriate reserve levels shall be established by the Board to minimize impacts to ratepayers when development fees are insufficient to pay for expansion-related debt.

ISSUANCE OF JOINT DEBT

The District may enter into joint debt issuances with any of its Joint Powers Agencies. Any joint debt issuance with other parties will stipulate that the involved parties will take no action that will be to the detriment of the other party as related to the debt.

CREDIT RATING

Recognizing that the credit rating of the District has a direct impact on the cost of borrowing costs, tThe District shall take timely and appropriate actions to always maintain its credit rating at investment grade levels (Baa by Moody's / BBB by S&P) with a goal of achieving and then maintaining a very strong creditworthiness / very strong capacity to meet financial commitments (Aa by Moody's / AA by S&P and Fitchrespectively).



Reference General Manager	Type of Action Accept Report	Board Meeting of March 18, 2014
Subject Upcoming Board Calendar		
<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 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
ATTACHMENTS <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

3/12/2014 11:44:12 AM

Board Mtg	Agenda Item	Water	WWC	Finance	Personnel	Ext. Aff.
4/1/2014	Delegate Authority to General Manager to Act on Behalf of Dublin San Ramon Services District for Defined Contribution Plan(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Tri-Valley Utility Coordination/Integration - Discussion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Policy - Approve Revised Guidelines for Conducting District Business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Power Sharing Agreement with AT&T for R300	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Lease Agreement with AT&T for Cell Tower at Reservoir 1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4/15/2014	Water Supply and Conservation: Consideration of Mandatory Actions, Prohibitions and Rate Adjustments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2014 Water Supply Outlook and Conservation Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Enhanced Water Conservation Rebate Programs	<input type="checkbox"/>	<input type="checkbox"/>	4/7/2014	<input type="checkbox"/>	<input type="checkbox"/>
	Drought Affordability Programs	<input type="checkbox"/>	<input type="checkbox"/>	4/7/2014	<input type="checkbox"/>	<input type="checkbox"/>



Reference General Manager	Type of Action Accept Report	Board Meeting of March 18, 2014
Subject Accept Water Supply Report through February 28, 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 that the Board of Directors accept, by Motion, the attached Water Supply Report.

Summary:

The attached Water Supply Report has traditionally been presented to the Water Committee each month through the winter season. Given the seriousness of the water supply issues facing the State, the Livermore-Amador Valley and the District in 2014 this report is being presented to the full Board.

As directed by the Board, the Water Supply Report includes a status report of activities related to the Drought Action Plan.

The Water Supply Report documents the conditions and situations as of staff’s deadline for preparation of the agenda; the Board will be verbally briefed on updated conditions and situations at the Board meeting.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR B. Michalczyk	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <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. Monthly Water Supply Report through February 28, 2014 2. 3.				

WATER SUPPLY OUTLOOK AND CONSERVATION REPORT

MARCH 1, 2014

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. In normal years, reports are made to the Water Committee on a monthly basis. In critical years such as this reports are made on a monthly basis to the full Board.

Legal and Regulatory Uncertainties

As Water Year 2014 progresses, there remains a great deal of legal and regulatory 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

March Preliminary The month of March has started off with the wettest period since December 2012. As of the first week in March those storms raised precipitation levels to 47% of normal and snowpack levels to 19% of normal. However, storage at Oroville has only improved from 39% of capacity to 40% of capacity which is to be expected because the storms deposited snow in the mountains which is yet to melt. However, as of the date of this report there have been no updates to delivery allocation schedules as a result of the storms and none are anticipated for reasons as discussed above under “Key Drought Related Factors”.

End of February Water Conditions

Precipitation As of February 28, Northern Sierra precipitation remains significantly below normal levels for this time of the year (38%) in the Sacramento, Feather, American and Yuba River basins where our water supply physically originates. This remains extremely low and is becoming more worrisome because now only about 4 - 6 weeks remain in the traditional wet season.

Precipitation Outlook The National Oceanic and Atmospheric Administration (NOAA) issues long-range weather outlooks. The current 30 day forecast (through the end of March, 2014) calls for an equal chance of below normal, normal and above normal precipitation. This is the brightest one month forecast this season. However, the current 90 day outlook remains poor. It predicts a significant chance of below normal

precipitation for Northern California for the period March through May in total. The NOAA 30 and 90-Day Precipitation Outlook Maps are presented in Attachment B.

Snowpack Snow pack survey data through February 28 in the northern Sierra snowpack (really snow water content) shows the snowpack at only 11% of normal for this time of the year and at 10% 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 February 28 Oroville is filled to 39% capacity and is 57% of what it would normally be at this time of the year.

Unimpaired Runoff Attachment C is developed from data produced by DWR and is a summary of 2014 Northern California unimpaired 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 February 1¹ the data indicates that 2014 will see about 33% of normal unimpaired runoff and that statistically there is virtually no chance that average or greater than average unimpaired runoff would occur.

Water Year Type As of early March 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.

Agency Situations and Positions

State of California Situation The following summarizes the short and long term policy of the State. When those are coupled with the current Water Supply Conditions leads to the resultant DWR Water Allocation.

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.

California Situation - Short Term 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%.

DWR Allocation On January 31, 2014 DWR updated its water delivery allocations for Water Year 2014 to its contractors based on then-current conditions. As of that date, they are projecting deliveries of 0% for the year. This action is unprecedented in the history of the State Water Project. A copy of that allocation is included as Attachment D.

Zone 7 Situation

In the fall of 2013, Zone 7 accepted full delivery requests from DSRSD (and the other Retailers) for 2014.

¹ Data as of the beginning of March was not yet available at the time of agenda preparation

However, 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. 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 now been established at 20%. Additionally, the basis for Zone 7's drought response planning are demand reductions of 5% indoor and 40% outdoor which translate to the 20% overall system wide curtailments.

The District is discussing with Zone 7 what this operationally translates to for deliveries in the upcoming months.

District Situation and Position

Current District Situation On February 18, 2018 the District Board took the following actions:

- Declared a State of Emergency;
- Established a system-wide target of 20% water curtailment (consisting of 5% indoor and 40% outside water use); and
- Endorsed the District's Drought Response Action Plan.

In May 2013 for water rate purposes, the Board placed the District into a "Baseline" water shortage condition where it officially remains at the present time. A Baseline water shortage conditions essentially means that the District is seeking to maintain or slightly improve upon 2013 per capita water usage of 131 gpcpd. This usage level meets the State mandate of 20% water use reduction by 2020. The water shortage stage (which affects rates) will be formally considered by the Board in approximately late April 2014 once clearer and near final hydrological information is available.

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 March 1 | | 135 gpcpd. |

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

What it Might Take to Increase Allocations

It is extremely unlikely that the water supply situation will return to normal in 2014. The cautiously optimistic hope is that the hydrologic situation will improve just enough to allow the Department of Water Resources to ease up on the 0% delivery allocation. Even very minimal deliveries (5 % or 10%) would improve the Tri-Valley's water supply situation significantly. This is because if the Harvey O. Banks Pumping Plant is operating then Zone 7 will have access to water it has stored in Semi-Tropic and Cawelo.

There is no official guidance from DWR as to how much or which conditions would have to improve to allow them to allocate something other than zero deliveries. However, water managers feel that decision will most strongly be affected by accessible storage in Lake Oroville provided salinity levels of the water seen at the Harvey O. Banks Pumping Plant do not degrade to unacceptable levels. This is most affected by runoff projections.

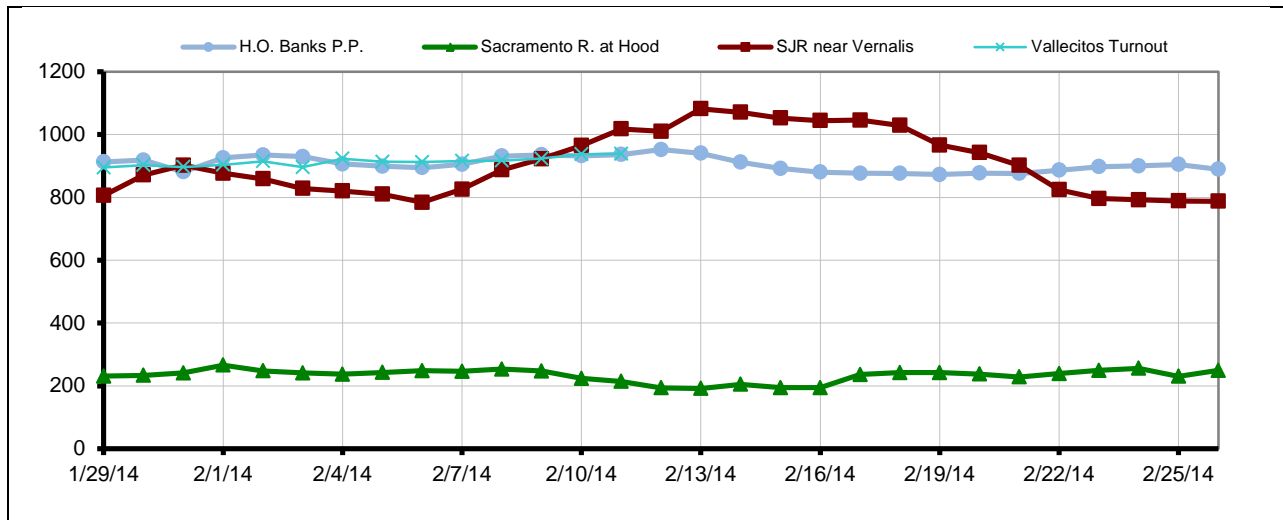
Lake Oroville Storage As noted below, storage levels in Oroville remain extremely low. Worsening that picture is the fact that there exist facility problems at Lake Oroville such that 800,000 AF of water stored in the lake cannot be accessed until certain repairs are made which may take until 2015. Given that, and the reality that the lake is now serving significantly more demand than it did in 1976-77, it is felt that it is very unlikely that DWR will increase the allocation above 0% until storage in Oroville has recovered to some level comfortably above 1976-77 levels.

Salinity Due to the lack of runoff from the Sacramento and San Joaquin Rivers and their tributaries, the salinity in the Delta at the Harvey O. Banks Pumping Plant is at unusually high levels. The various secondary² drinking water standards for salinity are shown in the following table along with the recent salinity trend which has been relatively stable over the past 60 days. It is felt that the "Upper" standard is a "yellow line" and the "Short Term" standard is likely a "red line" beyond which the 0% allocation will not be relaxed. Currently salinity levels at Harvey O. Banks pumping plant are at "Recommended" levels but below the "Upper" standard³. Runoff projections (as summarized below) are projected to be well below normal this year meaning that without significant additional runoff there is real concern that turning the pumps on would draw saline water into the Delta.

Maximum Contaminant Level Ranges			
Constituent, Units	Recommended	Upper	Short Term
Total Dissolved Solids, mg/L	500	1,000	1,500
Specific Conductance, μ S/cm	900	1,600	2,200

² A secondary standard is for taste, odor or aesthetic conditions; not public health related.

³ For reference the salinity data identified as "Sacramento R. at Hood" are approximate salinity levels that would be delivered to Harvey O. Banks if the BDCP tunnels as currently proposed were in place.



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

1. Staff is moving forward with the actions in Drought Response Action Plan – Attachment F summarizes actions taken to date.
2. Further Board action, which is traditionally taken in June of the Water Year prior to the peak usage season will be accelerated to the late April / early May 2014 time frame when near final hydrology data is available. However, if conditions warrant, the Board can take action before that time.
3. No formal action is needed at this meeting.

TABULAR SUMMARY OF HISTORIC HYDROLOGICAL AND WATER SUPPLY CONDITIONS⁴							
	WY2007	WY2008	WY2009	WY 2010	WY 2011	WY 2012	WY 2013
Precipitation ⁵	75%	73%	93%	107%	145%	80%	85%
Snowpack ⁶	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%
Unimpaired Runoff							
Percent of Normal Year ⁷	53%	58%	64%	84%	138%	63%	64%
Water Supply Index	Critical	Critical	Dry	Below Normal	Wet	Below Normal	Dry
Water Delivery Allocation							
DWR to State Water Cont.	60%	35%	40%	50%	80%	65%	35%
Statewide and Regional Conservation							
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%						
DSRSD CONSERVATION SUMMARY⁸							
Pre SB 7X7 Methodology							
Target	Voluntary 10%		Stage I- Vol. 20%				
% Achieved	2.4%	4.5%	13.8%	21.1%	21.5%	26.8%	
Post SB 7X7 Methodology							
SB 7x7 Baseline							204
2015 Target							183
2020 Mandate							163
UWMP Prediction							138
Actual							126

⁴ Unless noted, data shown is for June of the Water Year shown.

⁵ Percent of Normal; 8 Station Northern Sierra for the water year

⁶ Percent of Normal; Northern Sierra Average as of April 1 which is historically peak snowpack for the year

⁷ Runoff in percent of average year for Sacramento River watershed

⁸ Expressed on a per account basis with the baseline year (July 06 to June 07 for WY 2007 through 2012).

TABULAR SUMMARY OF HYDROLOGICAL AND WATER SUPPLY CONDITIONS FOR WY 2014 ⁹								
	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	June 2014
Precipitation ¹⁰	27%	26%	19%	17%	38%			
Snowpack ¹¹	NA	NA	11%	5%	11%			
Oroville Storage (% of Normal)	67%	72%	58%	54%	57%			
Oroville Storage (% of Capacity)	41%	43%	36%	36%	39%			
Projected Unimpaired Runoff								
Chance of Normal Year ¹²	NA	65%	45%	33%	NA ¹³			
Chance of Average Year	NA	20%	Nil	Nil	NA ¹²			
Projected Type of Water Year								
Water Year Classification	NA	Dry	Critical	Critical	Critical			
Water Delivery Allocation								
DWR to State Water Cont.	NA	5%	5%	0%	0%			
Adopted Statewide and Regional Conservation Targets								
California Short Term Policy	<u>January 17, 2014:</u> Governor Brown proclaimed that a state of emergency exists due to current drought conditions and called on Californians to curtail water usage by 20%							
California Long Term Policy	10% per capita reduction interim target by 2015 and 20% per capita reduction mandated by 2020							
Zone 7	<u>January 29, 2014:</u> Zone 7 declared a drought emergency within its service area and authorized and directed its General Manager to "...establish appropriate levels of conservation consistent with the California State of Drought Emergency and local conditions" which has been established at 20% system-wide and is based on 5% indoor curtailment and 40% outside curtailment							
DSRSD CONSERVATION SUMMARY ¹⁴								
DSRSD Stage	<u>May, 2013:</u> For rate purposes - Baseline water shortage condition (i.e. maintain current per person water use); and <u>Feb. 18, 2014:</u> declared State of Drought Emergency and set target curtailment consistent with Zone 7							
SB 7x7 Baseline	204							
2015 Target	183							
2020 Mandate	163							
UWMP Prediction	138 for CY 2013			143 for CY 2014				
Current	132	134	135	136	135			

⁹ Data shown is current as of the beginning of month shown

¹⁰ Percent of Normal at this time of year; 8 Station Northern Sierra

¹¹ Percent of Normal at this time of year; Northern Sierra Average

¹² Projected water year runoff in percent of average year for Sacramento River watershed

¹³ Data not available at time of agenda preparation

¹⁴ 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, but since that estimate is based on a 10% design, the draft BDCP says that the actual construction costs could be 50% higher or 25% lower than that number.

The draft BDCP and draft EIR/EIS were released for 124 days of public comment on December 9, 2013; on February 21, 2014, the comment period was extended by 120 days, so comments are now due by June 13, 2014. EBMUD and CCWD were among the many entities requesting an extension. 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 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 the spring of 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. Largely because there is not yet an approved project, to date there are no firm funding commitments for the costs of construction or operation of the proposed facilities, but the BDCP indicates that state and federal water contractors would be expected to pay 68% of the total costs if the project is approved and implemented.

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 “primary tributaries to the Bay-Delta” 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 flow criteria until March 19, 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 was issued in conjunction with the Governor’s “State of the State” address on January 22, 2014. The 22-page plan is broad and general, and does not call for any specific actions; it is intended to be a broad-brush guide for state efforts to enhance water supply reliability, restore damaged and destroyed ecosystems, and improve the resilience of infrastructure. Part of the scientific backdrop for this Plan is a recent study, based on satellite data collected by NASA, which indicates that the Sacramento and San Joaquin basins contained about 24 Million AF less water in March 2010 than in October 2003, with about 2/3 of the decline due to groundwater depletion.

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 \$6.5 billion (Assemblyman Rendon) and \$6.8 billion (Sen. Wolk), to \$8.2 billion (ACWA). Committee hearings are expected to be conducted in the State Senate on March 11, 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 9th 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 2nd-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 population indices used to track 4 key fish species have declined by 95.6% to 99.8% since the trawl began in 1967. 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. Settlement negotiations are anticipated.

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, 2 in February, and 1 or 2 in March. 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 9th Circuit ruled for the federal defendants on July 29, 2011 and July 1, 2013, respectively; on October 15, 2013 the 9th Circuit denied TCCA’s petition for rehearing. A petition for *certiorari* seeking review by the U.S. Supreme Court was filed in mid-January, 2014; opposition to the petition was filed on or about February 14, 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 124,000 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 has now being expanded to 5,000 AF. On February 25, the EBMUD Board agreed to exercise an option to buy up to 20,000 AF of water from the Placer County Water Agency in 2014, and is beginning preparations for the possible purchase of up to 66,500 AF from the CVP. EBMUD’s Freeport facilities can be used to convey CVP water or 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 has also renewed 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. Numerous transfer arrangements are under discussion or being

implemented among irrigation agencies and individual farmers, with published prices ranging as high as \$1,175 per AF (in Kern County). 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. Congressman Costa's new legislation concerning the San Luis Dam project would also authorize raising Shasta Dam to add 634,000 AF of storage, as a cost of about \$1.1 Billion, and building Temperance Flat Reservoir on the Upper San Joaquin River to create 1.3 Million AF of new storage at a cost of about \$2.5 Billion. 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. California now has well over 800,000 acres of almond trees, as compared to about 400,000 acres in 1995, and since such trees need an average of 3 to 4 acre-feet of water per acre to survive, this increase in almond production has "hardened" annual demand for water in areas which used to be annual field/row crops or pasture.

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.

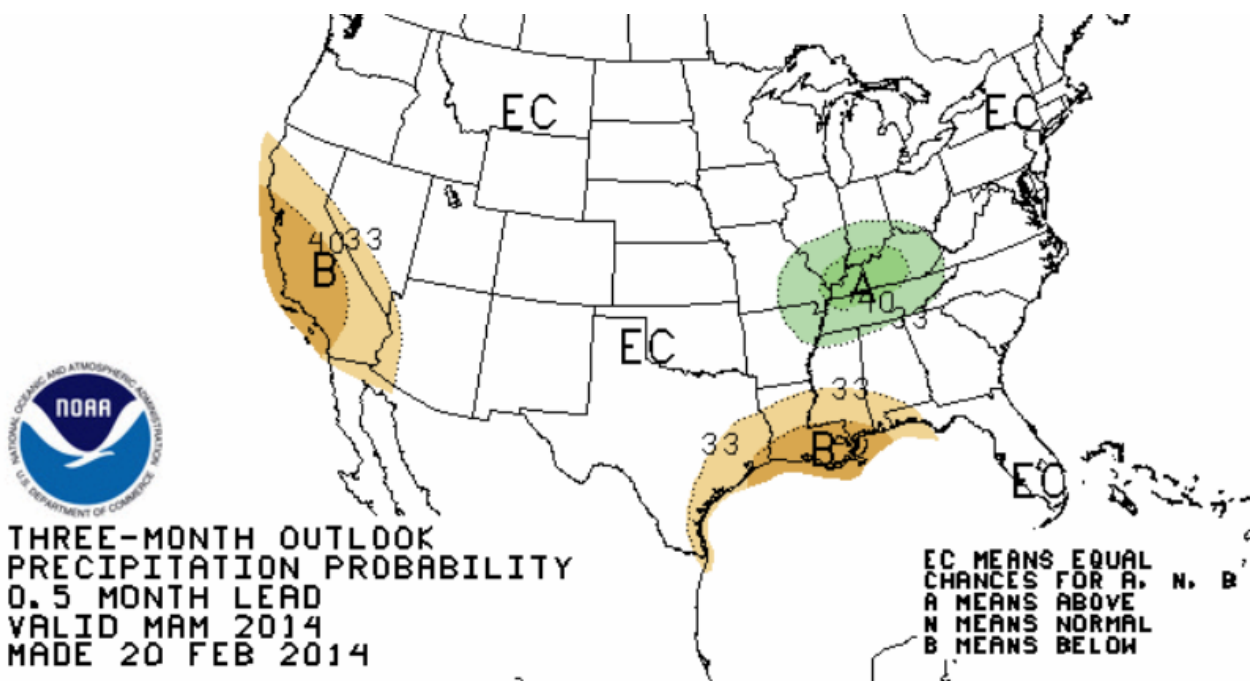
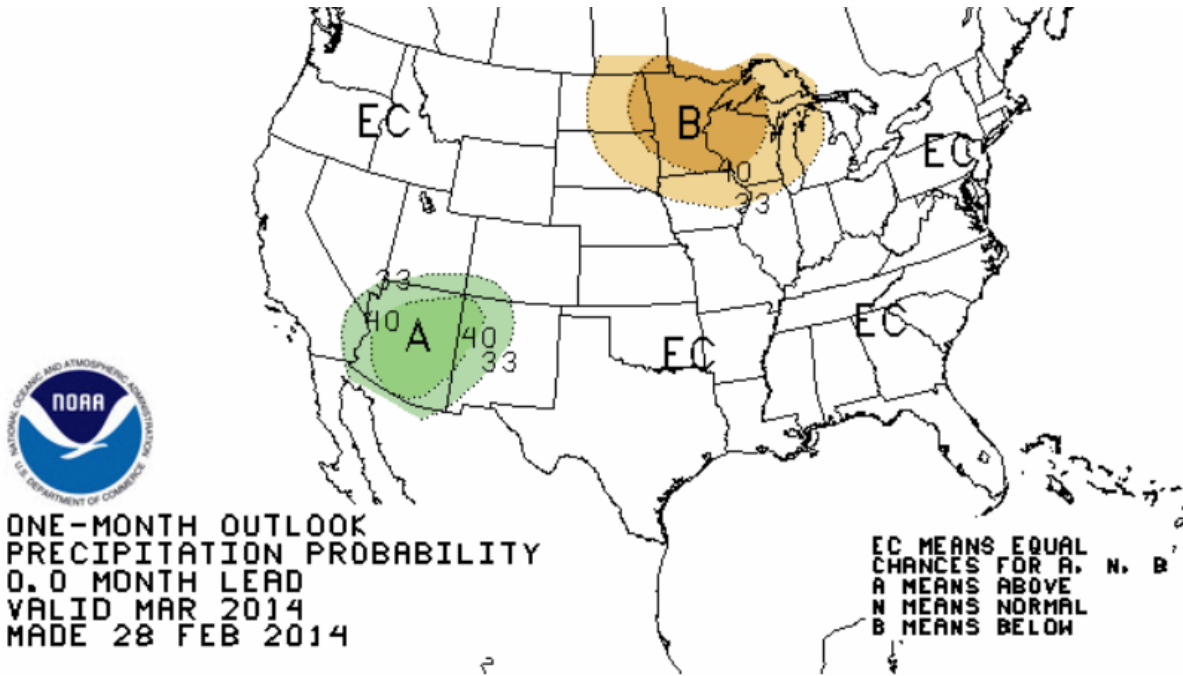
Coalition to Support Near Term Delta Projects: Largely because of similar concerns about controversy surrounding the BDCP and the concern that it will be decades before it can come to fruition, a series of water agencies, environmental groups, and others developed a consensus position on a number of 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. Several of the near term project ideas, including operable flow gates and temporary flow barriers are among the things being considered during the current drought conditions, and were generally referred to in the legislation introduced by 4 U.S. Senators on February 11, 2014.

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 more than 114% of average for the end of February, but the impacts of the last 14 years of dry conditions means that storage in Lakes Powell and Mead is still at a point where water deliveries to California are curtailed. Lake Powell is at 39% of capacity and might reach 62% this year; Lake Mead is at 48% of capacity but is expected to drop by another 20 feet this year. 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. 2013 marked the worst 14 years of hydrologic history on the River since records have been kept; in contrast, in 2000, the combined storage in Lakes Mead and Powell was 95% of capacity. In anticipation of further decline in the reliability of Colorado River supplies, Arizona adopted and refined its comprehensive groundwater management statutes in the 1980's and 1990's, and these laws are the basis for an extensive groundwater banking program. California has no such legislation, and although there is extensive groundwater management planning in many areas (such as the Tri-Valley), there is nothing on a statewide or Central Valley-wide basis that can be used to offset drought conditions.

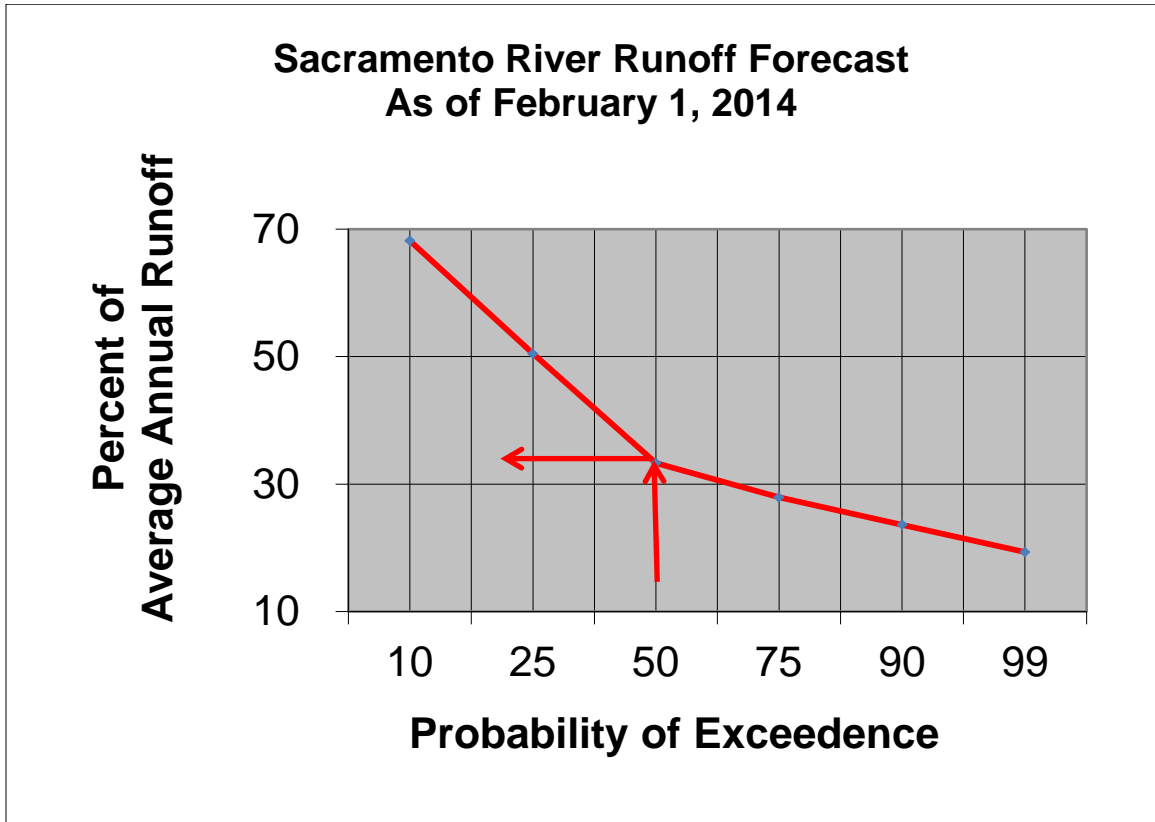
**ATTACHMENT B
NOAA PRECIPITATION FORECASTS**



**ATTACHMENT C
FORECAST OF UNIMPAIRED RUNOFF**

*This data is as of February 1, 2014
March 1, 2014 data is not available as of the time of agenda preparation*

- Expected unimpaired runoff (50% probability)= 33% of average
- 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: JAN 31 2014

Number: 14-02

Subject: 2014 State Water Project Allocation – Zero Percent

From:



Carl A. Torgersen
Department of Water Resources

Due to the persistent dry conditions, the Department of Water Resources (DWR) is decreasing the previously approved 2014 Table A Allocation from five percent to zero percent. DWR plans to meet current urgent demands by allowing State Water Project (SWP) contractors to use their existing carryover. Existing carryover amounts (at the end of 2013), and 2014 allocation amounts, for each SWP contractor are shown on the attached table. The total combined carryover amount for all SWP contractors is 463,277 acre-feet.

This decrease 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.

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.

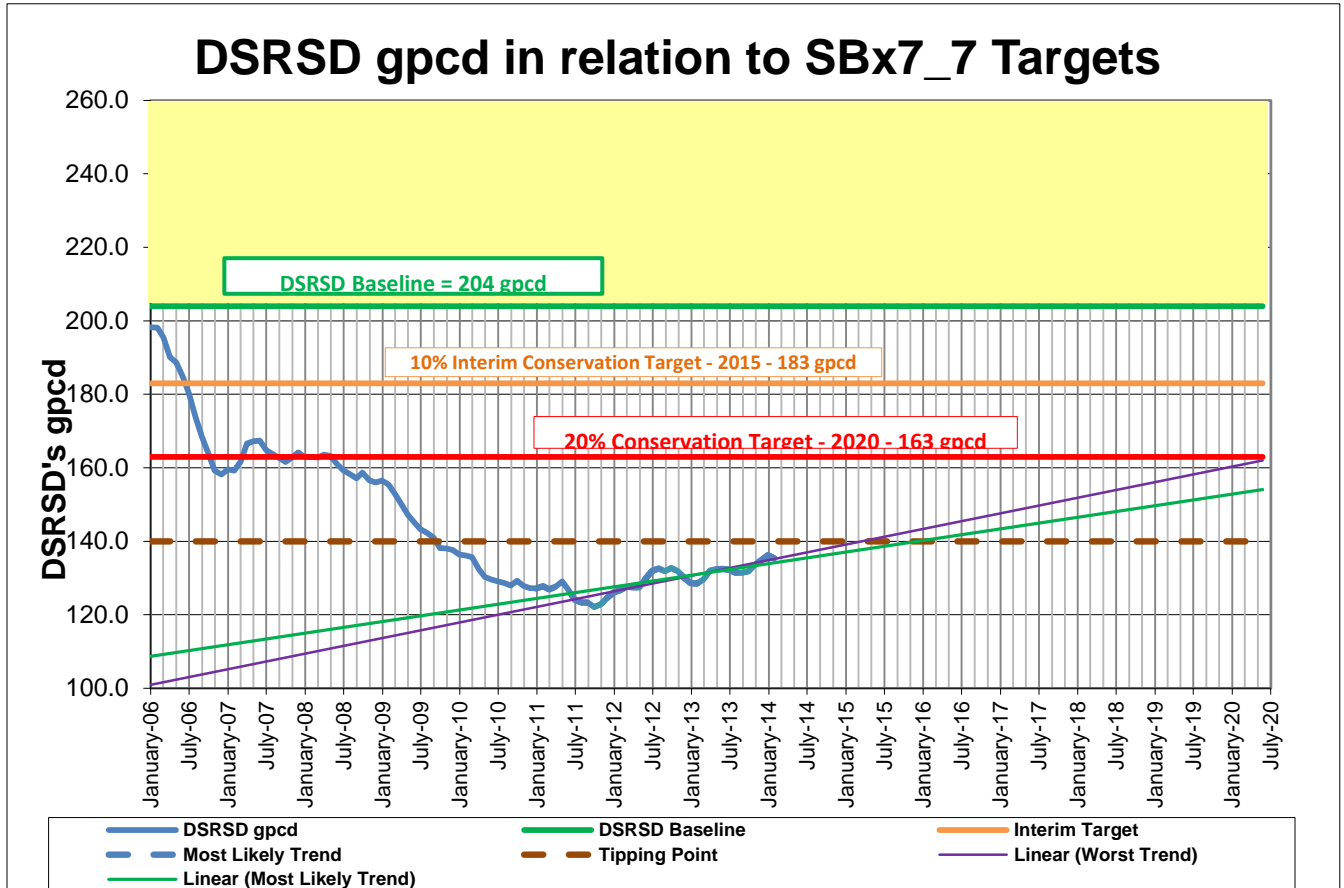
Attachment

2014 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)

SWP CONTRACTORS	TABLE A	INITIAL REQUEST	APPROVED ALLOCATION	2014 CARRYOVER
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	0	392
Plumas County FC&WCD	2,500	2,500	0	478
City of Yuba City	9,600	9,600	0	6,855
Subtotal	39,600	39,600	0	7,725
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	0	13,407
Solano County WA	47,706	47,706	0	10,730
Subtotal	76,731	76,731	0	24,137
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	0	18,191
Alameda County WD	42,000	42,000	0	10,459
Santa Clara Valley WD	100,000	100,000	0	37,579
Subtotal	222,619	222,619	0	66,229
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	0	1,625
County of Kings	9,305	9,305	0	676
Dudley Ridge WD	48,350	48,350	0	11,093
Empire West Side ID	3,000	3,000	0	349
Kern County WA	982,730	982,730	0	36,166
Tulare Lake Basin WSD	87,471	87,471	0	3,320
Subtotal	1,136,556	1,136,556	0	53,229
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	0	7,332
Santa Barbara County FC&WCD	45,486	45,486	0	13,648
Subtotal	70,486	70,486	0	20,980
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	144,844	144,844	0	12,428
Castaic Lake WA	95,200	95,200	0	38,482
Coachella Valley WD	138,350	138,350	0	0
Crestline-Lake Arrowhead WA	5,800	5,800	0	1,882
Desert WA	55,750	55,750	0	0
Little Rock Creek ID	2,300	2,300	0	805
Metropolitan WDSC	1,911,500	1,911,500	0	214,400
Mojave WA	82,800	82,800	0	3,839
Palmdale WD	21,300	21,300	0	3,670
San Bernardino Valley MWD	102,600	102,600	0	10,207
San Gabriel Valley MWD	28,800	28,800	0	0
San Geronio Pass WA	17,300	17,300	0	5,264
Ventura County WPD	20,000	20,000	0	0
Subtotal	2,626,544	2,626,544	0	290,977
TOTAL	4,172,536	4,172,536	0	463,277

SWPAO
1/23/2014

**ATTACHMENT E
DSRSD WATER CONSERVATION TRENDS**



**ATTACHMENT F
STATUS OF DROUGHT ACTION PLAN ACTIVITIES**

IMMEDIATE WATER USE CURTAILMENTS.		
No.	Description	Activities / Status
1	Turning off potable irrigation systems at all District facilities (i.e., primarily remote pump stations)	Complete
2	Only cleaning sewers with recycled water (except for SSO's and emergencies)	Complete
3	Ceasing all hydrant flushing (except for critical areas with identified water quality problems)	Complete
4	Exchanging all potable hydrant meters for purple recycled water hydrant meters for construction use	In progress, more keep coming in each week, currently only 7 potable hydrant meters left to exchange
FOCUSED PUBLIC OUTREACH		
No.	Description	Activities / Status
1	Posting a "Save Our Water" campaign on the District website	Completed on 1/23/14 - On District home page, created and posted banner linking to Save Our Water (SOW), the statewide campaign managed by ACWA and Department of Water Resources
2	Speaking to groups including Rotary, Lions, HOA's, etc	Amador Valley Lions 2/27, Hansen Ranch HOA 2/27, Dublin Chamber Economic Development Committee 3/6, San Ramon Rotary 3/6, Sorento West HOA 3/6, Dublin Rotary 3/11
3	Making presentations to local City Councils	Dublin Council presentation scheduled for 3/18
4	Conducting neighborhood meetings to explain the water situation and tips for conserving water	Currently working to plan and schedule
5	Conducting more landscape water audits	Currently working on a plan to advertise this program
6	Meeting with local fire departments to discuss and review the locations of recycled water hydrants	DG to schedule meetings with FD's

7	Developing consistent messages with other Tri-Valley and regional water agencies	Tri-Valley Water Agency Emergency Group: Proposed on 1/30/14 to PIOs that we move forward immediately with joint web page (with links to each retailer's conservation section) to coordinate messaging valley-wide this summer
8	Publicizing the availability of recycled water for contractors and possibly even the public	Sue will draft press release
9	Making presentations to students in local schools about the importance of conserving water	Reprise Water Hero program for 3rd graders. Update materials as needed, get printing and mailing estimates, implement upon approval of budget (Earth Day timeframe). Recycled Water for 5th graders. Oscar the Otter helps to roll out the campaign. Distribute water conservation booklets to 2nd graders and 5th graders.
EXPANDED RECYCLED WATER USE		
No.	Description	Activities / Status
1	Finish converting Dublin High School to use recycled water for irrigation	Jackie Yee collecting info, then DG/JY will schedule tour of Dougherty HS and Cal HS with DUSD staff
2	Convert irrigation customers that are close to the recycled water distribution system	Investigating: Convert Cottonwood Apartments to RW Convert Archstone Apartments to RW Convert Amador Lakes Apartments to RW Convert various sites in Eastern Dublin to RW
3	Install temporary piping, if feasible, to convey recycled water to areas that currently do not have recycled water service, including Western Dublin and Santa Rita Jail	Temp RW pipe to West Dublin: JY/AJ working to determine feasibility and routing, obtained irrigation site plans from COD and DUSD Temp RW pipe to Santa Rita Jail: JY/AJ working to determine feasibility and routing, obtained irrigation site plan from County
4	Allow residents to pick up recycled water at the WWTP for use at home, if allowed by regulatory authorities	Verbal approval obtained from CDPH, Stefanie drafting instructions and procedures
5	Convert District pump stations to use recycled water for irrigation, if determined to offer acceptable conservation compared to the expense	Jackie Yee collecting info and preparing cost estimates

6	Encourage and assist Pleasanton to expedite converting Val Vista Park to use recycled water	Completed
7	Encourage and assist Pleasanton to expedite converting other customers in proximity to the wastewater treatment plant to use recycled water via temporary piping	DG discussed the idea with Daniel Smith, Pleasanton expressed interest
8	Encourage EBMUD to accelerate connecting San Ramon customers to recycled water	DG to discuss with EBMUD staff at DERWA O&M Coord Mtg 3/12
9	Installing more recycled water hydrants throughout the service area as the existing budget allows	More will be added as recycled water pipes are extended.

ENHANCED CUSTOMER SERVICE

No.	Description	Activities / Status
1	Using AMI to notify customers when their usage is approaching the next tier	Investigating capabilities and programming needed to access and organize data. Customer portal hopefully will be working by June 1.
2	Using AMI to allow customers to monitor their daily water usage from a website	
3	Using AMI to alert staff when customers have leaks	

AFFORDABILITY AND ENTICEMENT PROGRAMS

No.	Description	Activities / Status
1	Adding a District-alone component to further incentivize existing Zone 7 rebate programs for toilets, wash machines and landscape conversions	JA & SO drafting a proposal for Finance Committee review in April
2	A "Conservation Pays" incentive program for current Tier 1 usage level customers who achieve even further levels of conservation	JA preparing recommendations for Finance Committee review in April

FULLY COOPERATE WITH REQUESTS FROM ZONE 7.

No.	Description	Activities / Status
1	The District will coordinate with and assist Zone 7 in all reasonable ways	First meeting held 2/11/2014, Zone 7 currently planning a second meeting
2	Pursue implementing the existing intertie agreements with EBMUD as a possible source of additional water	E&I obtaining meters, all 3 dry-fit in Feb, need to submit formal request to EBMUD GM for approval to connect
3	Work closely with Zone 7 to coordinate deliveries to retailers and the ever evolving limitations in the water supply.	First meeting held 2/11/2014, Z7 planning a pressure test on Zone 1, Zone 7 currently planning a second meeting



Reference Financial Services Manager	Type of Action Receive Presentation	Board Meeting of March 18, 2014
Subject Receive Briefing of PERS Actuarial Report for Dublin San Ramon Services District		
<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 type="checkbox"/> Verbal <input checked="" type="checkbox"/> Presentation <input checked="" type="checkbox"/> Staff J. Archer <input type="checkbox"/> Board Member		

Recommendation:

The Financial Services Manager recommends that the Board of Directors receive a briefing on the funding status of the District's Retirement Plan.

Summary:

PERS provides an annual update to all plan participants. The District employees participate in the Miscellaneous 2.7% at 55 Risk Pool. The current PERS update dated October 2013 was received prior to year end. Staff has reviewed and prepared a presentation to update the Board regarding the status of the District retirement plan as reported in the PERS report. A copy of the presentation is attached.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Fin Serv	REVIEWED BY
ATTACHMENTS <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. Presentation - Retirement Funding Update 2. 3.				

Retirement Funding Update



Dublin San Ramon Services District

Water, wastewater, recycled water

Overview

- The District contracts with CalPers to provide pension fund administration for its employees.
- The District is part of the Miscellaneous 2.7% at 55 Risk Pool.
- The risk pool is made up of 181 small agencies with the same retirement formula and which have less than 100 employees (at enrollment).
- CalPers does not allow employers to leave the risk pool to become stand-alone plans even after they have more than 100 employees.

Overview

- Every year CalPers completes an actuarial valuation of the pension plan and develops the employer contribution rate.
- The valuation report lags by two years.
 - ✓ (ie FY 2014/2015 Employer rate is based on June 30, 2012 salaries and benefit)
- The new retirement formula Miscellaneous 2% at Age 62, effective January 1, 2013, does not currently have a valuation report.
 - ✓ Employer rate is set at 6.25% for 3 years.

How is the pension plan funded?

- Most of the benefits are paid through investment earnings.
- CalPers funding method is designed to collect contributions as a level percent of payroll over the members working career.



Contribution Rates

- The District currently requires that Employees pay 10% of their salary for their retirement benefit. This amount is subject to MOUs.
 - ✓ The amount is comprised of the Employee share 8% plus;
 - ✓ 2% for the amortized cost related to the enhanced retirement rate from 2.0% to 2.7%.

Contribution Rates

- The District pays an Employer Rate which is determined based on the Actuarial valuation of the Plan. The rate is comprised of several components
 - ✓ **Normal Rate.** The recurring costs of the plan.
 - ✓ **Amortization of Bases.** This represents gains, losses or assumption changes related to the plan. The amounts are allocated (amortized) over a period of time (17-30 years).
 - ✓ **Surcharge.** The cost for benefits based on one year highest wage.

Employer Contribution Rates

The Employer rate for Fiscal Year 2014-2015 is;

Normal Rate	10.007%
Amortization of Bases	6.079%
Surcharge	0.605%
Total Employer Rate	16.691%
Less EE Contribution	(2.0) %
Net Employer Rate	14.691%

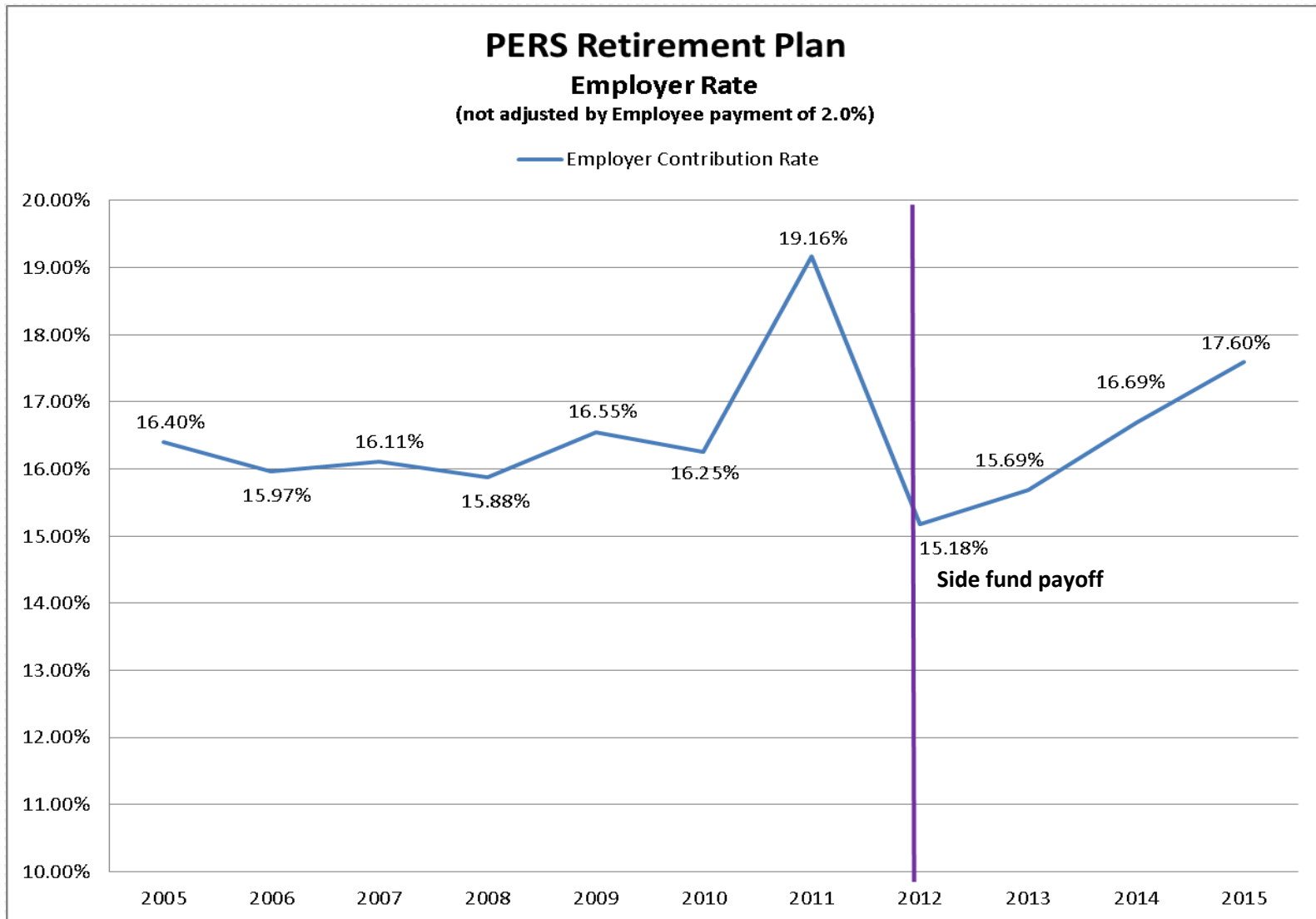
Funded Status

- A plan's funded status is an indication of the amount of money available to pay the required employee benefits.
 - ✓ A fund that is 100% funded has enough money set aside to be able to pay the liabilities incurred to employees as of that date.

Funded Status

- Recently we informed the Board that the OPEB (retiree medical liability) was 100% funded as of July 1, 2013.
- Our current CalPers actuarial valuation as of June 30, 2012 indicates that the pooled pension fund is **72.5%** funded.

Employer Contribution Rate



Projected Future Employer Rates

Classic Employees

	2014-15	2015-16
Contribution Rate	16.086%	17.0%

New Employees

(First valuation will be completed in fall of 2014 to set rate for 2015-16)

	2014-15	2015-16
Contribution Rate	6.25%	6.25%

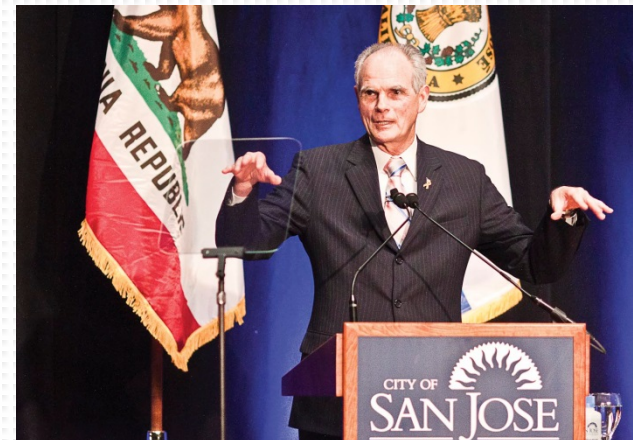
Amounts excludes 0.605%; cost of single highest year calculation option

Projected Future Employer Rates

Based on a budgeted annual salary of approximately \$11 Million, the annual incremental impact of the projected increase is \$110,000.

Potential Future Impacts

- Change in Mortality Rates (2015-16)
- Changes in discount rate assumptions (2015-16)
- Future “blended” rates (classic & new plans)
- Other issues
 - ✓ Impact of member Agency Bankruptcy on PERS
 - ✓ Reed Initiative (San Jose)



Chuck Reed, Mayor of San Jose



Reference External Affairs Committee	Type of Action Discuss Reports	Board Meeting of March 18, 2014
Subject Discuss Tri-Valley Utility Coordination and Integration Study Report and March 5, 2014 Meeting		
<input 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 checked="" type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input type="checkbox"/> Staff	External Affairs Committee
		<input checked="" type="checkbox"/> Board Member

Recommendation:

The External Affairs Committee recommends that the Board of Directors discuss, as it feels appropriate, the recently released Tri-Valley Utility Coordination and Integration Study together with relevant discussions at the recent March 5, 2014 meeting on the matter and by consensus provide appropriate direction, if any, to the External Affairs Committee and District staff.

Summary:

The District along with Zone 7 and the Cities of Dublin, San Ramon, Pleasanton and Livermore recently released the Tri-Valley Utility Coordination and Integration Study and an associated staff report. Those documents were discussed at a combined meeting of elected officials representing all six organizations on March 5, 2014.

The Board’s External Affairs Committee will be discussing the matter further at its March 25, 2014 meeting. This is an opportunity for the Board to discuss the various aspects of the documents in a more deliberative manner than it could if it was handled under “Board Member Items” or “Committee Reports.”

The documents are available as part of the Board’s March 5, 2014 agenda packet and for the sake of brevity of this packet are not duplicated with this agenda; the public can access the documents at the following links to the District’s website:

http://www.drsrd.com/news_and_event/Attach%20%20-%20Steering%20Committee%20Update%20Memorandum%20-%20March%205%202014%20FINAL.pdf

http://www.drsrd.com/news_and_event/FINAL%20REPORT%20Tri%20Valley%20Utilities_ACRO8.pdf

No action is needed at this time.

Committee Review			Legal Review	Staff Review		
COMMITTEE External Affairs	DATE 3/4/14	RECOMMENDATION ---	Not Required	ORIGINATOR B. Michalczyk	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input checked="" 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. 2. 3.			