

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

September 2, 2014

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

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.

Speaker: Mr. Ed Kokko, Dublin Resident – Mr. Kokko stated his opposition to the proposed installation of an AT&T cell tower on District Reservoir 1A located at 8208 Rhoda Avenue in Dublin. Mr. Kokko stated that he and other residents who live in the neighboring area of the reservoir have submitted materials to the District requesting the District not approve the cell tower installation. He expressed concerns regarding possible long-term health implications, negative impact to property values, environmental impact, increase in noise pollution, and a disproportionate burden for residents to bear with no compensation from AT&T. He stated that his family carefully researched the area and would not have chosen this property if the cell tower was already in place. He also showed the Board pictures of his property, Reservoir 1A and another District reservoir that he proposed as an alternate location for the cell tower. He thanked the Board and staff for their time and consideration.

Director Benson entered the meeting at 6:05 p.m.

6. REPORTS
 - A. Reports by General Manager and Staff
 - Event Calendar – Operations Manager Gallagher reported on the following:
 - o The Annual WWTP Neighborhood meeting will be held Monday, October 20, 2014 at 5:30 p.m. About 2,000 addresses located within a circular radius of the Wastewater Treatment Plant receive invitations each year.
 - Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject
8/21/14	E-Mail	Monique Reynolds	DSRSD Board	Application for Appeal
8/27/14	E-Mail	Ed Kokko	DSRSD Board	Proposed Rhoda Water Tower Concerns

B. Agenda Management (consider order of items)

Operations Manager Gallagher reported that there is a typographical error on the bottom of the Summary & Recommendation for Item 8.A and clarified that the anticipated cost should read "...zero point five percent..." instead of "...five percent..." He also reported that Item 9.C will not be needed due to the customer's withdrawal of his appeal earlier today. Lastly, he reminded the Board that Closed Session Item 11.A will only be needed if the Board wishes to discuss Item 8.C on the Consent Calendar.

C. Committee Reports

Finance	August 19, 2014
Personnel	August 19, 2014
Tri-Valley Water Agency Liaison	August 27, 2014

Operations Manager Gallagher noted that the preparation of the minutes for the Tri-Valley Water Agency Joint Liaison Meeting held on August 27 are in progress and must be reviewed by the participating agencies before they can be presented for approval.

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

7. APPROVAL OF MINUTES – Regular Meeting of *August 19, 2014*

Director Benson asked to have the minutes corrected related to Item 9.D. Director Benson said that in the matter related to Valley Christian Center's (VCC) appeal of an exemption that staff denied, the Board stipulated that a condition of granting VCC's request for an exemption included a requirement that VCC reduce all of their zone times by 50% compared to the timer schedules provided with the appeal by Mr. Buffington. She pointed out that the minutes as written only mention VCC reducing their timers from 30 minutes to 15 minutes.

Director Howard MOVED for the approval of the August 19, 2014 minutes with the correction that an additional statement be added to the motion for Item 9.D on page 8 requiring a reduction of 50% to the original timer settings. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Halket).

8. CONSENT CALENDAR

V.P. Duarte requested to REMOVE Item 8.A from the Consent Calendar for discussion.

Director Howard MOVED for approval of Items 8.B – 8.F on the Consent Calendar. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Halket).

The Board thanked John Archer, Rhodora Biagtan and Michelle Gallardo for their service in fulfilling the interim senior management positions for the District and complemented the senior management team on their performance, especially during the drought crisis.

A. REMOVED – Adopt and Implement Labor Compliance Program for Projects Financed by Proposition 84 Grant Funding – Approved – Resolution No. 61-14

V.P. Duarte inquired about the Contractor Compliance and Monitoring Inc., organization identified in the item and asked how the organization is funded.

Engineering Services Manager Biagtan explained that Contractor Compliance and Monitoring Inc., (CCMI) is the consultant firm selected to assist the District navigate through labor compliance requirements. They would provide labor compliance reporting. The District would pay a fee of 0.5% of project construction costs to CCMI for these services.

V.P. Duarte stated that he believes, as a contractor who has done this type of work, that this is going to cost the District more than 0.5% of the construction cost, as open shop contractors increase costs and pass them along to the client as a result of this requirement. These program requirements are already included in the California Labor Code which provides for prevailing wages, and proper registration and utilization of apprentices. This legislation has been pushed through by organized labor over the last two years and is designed to either put open shop contractors out of business or exclude them from bidding and building public works projects. He stated that he is adamantly opposed to approving this item. He stated that he has 50 years of experience as an open shop contractor building public works projects, including projects for the District, and does not understand why an open shop contractor that already complies with the law and pays union scale and benefits should have to become a signatory on these types of projects. V.P. Duarte stated he believes the fee that the District must pay is blatant extortion and discrimination, and that Sacramento is owned lock, stock and barrel by organized labor. It angers him to see this requirement come before the Board.

Director Howard asked if the 0.5% fee for the consulting services of CCMI is a requirement in order to obtain the grant funds.

Ms. Biagtan confirmed that the District must adopt and implement a labor compliance program in order to be eligible to receive the grant funding, and the proposed contract with Contractor Compliance and Monitoring, Inc., would satisfy this requirement.

President Vonheeder-Leopold stated her agreement with V.P. Duarte, and expressed that the interest of unions often outweighs those they represent.

Director Benson stated that she has seen this situation drive the prices of projects up.

Director Howard inquired if there are any legal ramifications that the Board should be aware of regarding this agreement.

General Counsel Nelson stated that this is an agreement to track compliance with the law. This type of compliance used to be handled by the state, and a new law that was just passed requires contractors to register in order to be certified. This labor compliance program is a different way of funding this compliance. He confirmed that V.P. Duarte is correct that there is a big push for this and a lot of state money is tied into it.

President Vonheeder-Leopold stated that she would like the District to closely track the actual cost incurred compared to the 0.5% fee, and noted that she has seen effects of unions in other areas, such as the Assembly race that recently took place in this area.

Ms. Biagtan stated that the 0.5% fee for CCMI will be based on the bids that come in from the contractors.

V.P. Duarte stated that both open and closed shops are in opposition to this law.

Director Howard MOVED to approve staff's recommendation to Adopt and Implement a Labor Compliance Program for Projects Financed by Proposition 84 Grant Funding, with the correction of zero point five percent of the project construction cost as shown on the Summary & Recommendation. President Vonheeder-Leopold SECONDED the MOTION, which carried with THREE AYES, ONE NAY (Duarte), and ONE ABSENT (Halket).

- B. Trustworthy Electronic Content Management System (CIP 15-A006): Approve Master Agreement and Authorize Task Order No. 1 for Professional Consulting Services with Electronic Image Designers, Inc. – Approved – Resolution No. 57-14
- C. Approve Amendment No. 3 to Personal Services Agreement between Rhodora N. Biagtan and Dublin San Ramon Services District, Amendment No. 4 to Personal Services Agreement between John J. Archer and Dublin San Ramon Services District, and Amendment No. 4 to Personal Services Agreement between Michelle L. Gallardo and Dublin San Ramon Services District – Approved - Resolution No. 58-14, Resolution No. 59-14, and Resolution No. 60-14
- D. Approve Casting District Vote in the California Urban Water Conservation Council (CUWCC) 2014 Election for MOU Revision Ballot September 2014 – Approved
- E. Upcoming Board Calendar – Approved

F. Report of Checks and Electronic Disbursements Made – Approved

Date Range	Amount
07/29/2014 – 08/25/14	\$6,374,437.48

9. BOARD BUSINESS

A. Discuss Drought Management Program

Operations Manager Gallagher stated that we are currently still in a drought situation and there was nothing new to report at this time regarding this standing Board item. The Board did not direct staff to develop any changes to the drought management program.

B. Accept Water Supply and Demand and Drought Response Action Plan Status Reports and Find that the Need for the Community Drought Emergency Still Exists

Operations Manager Gallagher briefly reviewed the report, noting that any changes from the last report are indicated in the highlighted sections. He pointed out page 3 of 18 which shows a graphic of the three metrics used by the District to keep track of how the District is doing against this year's Zone 7 allocation. The District has been under the allocation since late June and the District has finally achieved 25% conservation as requested by Zone 7. He also reported that the District continues to see improved conservation by customers. At this time, 336 customers are signed up for the District's residential recycled water program which provides recycled water at a fill station at the Wastewater Treatment Plant. It is likely that the District will see the gallons of recycled water taken home by customers cross the 1 million gallon mark this weekend. Customers are hauling over 20,000 gallons a day from the recycled water fill station. The Board agreed that the program is a resounding success! Mr. Gallagher also reported that about 5,000 District customers have signed up for and are using the AquaHawk website, which provides account and water consumption information in real time to help customers monitor and better manage their usage.

Director Howard agreed that the AquaHawk website is a great tool and shared that he uses it frequently.

Director Howard MOVED to: (a) accept the Water Supply and Demand Report and the Drought Response Action Plan Status Report; and, (b) find that there still exists a need for continuing the Community Drought Emergency, which the Board declared on May 5, 2014. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Halket).

The Board then had a brief discussion on various points of interest in the report.

C. NOT HELD – Consider Appeal by Gregory Meyer of Staff Denial of an Exemption to Water Use Limitations

10. BOARDMEMBER ITEMS

Director Benson reported that she, as well as other Boardmembers and some District staff, attended the memorial service for former District Boardmember Tom McCormick on Friday, August 29, 2014. She expressed that it was a wonderful and heartfelt service.

Director Benson recommended that, in light of the proposed series of meetings to be held by the Tri-Valley Water Agency Joint Liaison, the participants might benefit from reading the Demand Management Advisory Committee report that was done by EBMUD on the water supply in October 2002. She also suggested that it would be helpful to arrange for a speaker to make a presentation and answer questions regarding Proposition 1, the proposed water bond. For this purpose she recommended Gary Breaux, who served on the water bond committee.

Director Howard reported that he attended the Tri-Valley Water Agency Joint Liaison Committee meeting hosted by the District on August 27, 2014. He noted that the meeting seemed to be more of an informational meeting regarding what agencies have already done about the drought, instead of looking to the future. He mentioned that City of Pleasanton Councilmember Karla Brown brought up the topic of establishing a building moratorium in the Tri-Valley. The meeting attendees agreed to add it as a discussion item for the next meeting. Director Howard suggested that each agency could give a presentation regarding the consequences of a building moratorium. Operations Manager Gallagher stated that as a result of that particular discussion, he has already reached out to Dublin City Manager Chris Foss and Assistant City Manager Linda Smith inviting the City to attend the next joint liaison meeting currently scheduled for Saturday, September 27, 2014.

V.P. Duarte reported that he, also, attended the Tri-Valley Water Agency Joint Liaison Committee meeting on August 27, 2014. He stated that the participating agencies all had glowing reports of water conservation by their customers. He also noted that a few well informed and eloquent speakers from the public, who spoke from the residents' perspectives, expressed that they are looking to the elected officials for leadership to guide the Tri-Valley into a better position than it has been in the last 50 years. V.P. Duarte also stated that we need to make our collective voices heard by local and state agencies and the Department of Water Resources regarding the long-term solution.

President Vonheeder-Leopold reported that she, too, attended the Tri-Valley Water Agency Joint Liaison Committee meeting on August 27, 2014. She noted that the speakers V.P. Duarte was referring to are Scott Raty, President/CEO of the Pleasanton Chamber of Commerce, and James Paxton, Executive Director of the Hacienda Business Association. She stated that after the retailer presentations were made, Zone 7 presented their thoughts about the future by looking at 2015, and that the Committee was seeking a longer term outlook. President Vonheeder-Leopold shared that there is a desire for Zone 7 to take a leadership role in exploring ideas to find other sources of water, but that perhaps Zone 7 does not see themselves as the solution. The District is viewed as the "little District that can" and may need to take the lead on this matter if Zone 7 will not. She stated that the City of Dublin needs to be at the table for the discussion regarding a building moratorium, and that the District cannot issue a building moratorium without suffering legal consequences as

long as Zone 7 says there is enough water. She indicated however, this will be irrelevant if we cannot find more water.

President Vonheeder-Leopold also reported that she attended the CASA Annual Conference in Monterey August 20-22, 2014 and felt slightly disappointed by the content as it seemed to be too technical for Directors. There was a vague presentation on the water bond and a follow-up session will be presented at the winter conference. CASA's Executive Director is also currently making some internal organizational changes in the way they operate. She submitted reports for both meetings. She reported that she will not be able to attend the September 16, 2014 Board meeting.

11. CLOSED SESSION

- A. NOT HELD – Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
Agency Negotiator: Bert Michalczyk, General Manager
Unrepresented Employees: 1. Interim Engineering Services Manager
2. Interim Financial Services Manager
3. Interim Organizational Services Manager
Additional attendees: General Counsel Carl P. A. Nelson
Michelle Gallardo, Interim Organizational Services Manager

12. REPORT FROM CLOSED SESSION

13. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 6:54 p.m.

Submitted by,

Nicole Genzale
Administrative Analyst I

For: Nancy G. Hatfield
District Secretary