

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

September 16, 2014

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

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m.
6. REPORTS
 - A. Reports by General Manager and Staff
 - Event Calendar – General Manager Michalczyk reported on the following:
 - o On Sunday and Monday, October 19 – 20, 2014 ACWA will hold its Region 5 meeting in the Tri-Valley. Sunday afternoon features a tour of the Del Valle Pumping Plant and Dam and the Monday program will feature “Creative Approaches to Watershed and Reliability in the Tri-Valley” and be held at the Martinelli Event Center in Livermore.
 - o On November 18, 2014 at 7:00 p.m. District staff will make a presentation to the Dublin City Council focusing on a review of the 2014 drought. On November 25, 2014 a similar presentation will be made to the San Ramon City Council.
 - Correspondence to and from the Board on an Item not on the Agenda – None
 - B. Agenda Management (consider order of items) – General Manager Michalczyk noted that depending on the Board’s decision on Consent Calendar Item 8.A, the Closed Session Item 11.A may not be needed.
 - C. Committee Reports
None

7. APPROVAL OF MINUTES – Regular Meeting of September 2, 2014

Director Howard MOVED for the approval of the September 2, 2014 minutes. Director Benson SECONDED the MOTION, which CARRIED with THREE AYES, ONE ABSENT (Vonheeder-Leopold), ONE ABSTENTION (Halket).

8. CONSENT CALENDAR

Director Halket MOVED for approval of the items on the Consent Calendar. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Vonheeder-Leopold).

- A. Rejection of Claim – Mr. Philip Soo – Approved
- B. Award Construction Agreement to Advanced Industrial Services, Inc., for the Secondary Clarifier No. 4 Recoating (CIP 15-P002) – Approved – Resolution No. 62-14
- C. Approve Day of Service and Expense Reimbursement for Director Benson to Represent the District at the WaterSmart Innovations Conference and Exposition in Las Vegas, Nevada – Approved
- D. Authorize Travel to Las Vegas, Nevada for Clean Water Programs Specialist and Clean Water Environmental Compliance Inspector – Approved
- E. Approve Day of Service and Expense Reimbursement for Director Halket to Represent the District at the Water Education Foundation 2014 Northern California Water Tour – Approved
- F. Upcoming Board Calendar – Approved

9. BOARD BUSINESS

A. Discuss Drought Management Program

General Manager Michalczyk reminded Directors this is a standing agenda item for them to discuss the drought management program and to provide any input on that program, which they adopted on May 5, 2014. Staff believes the program is operating as planned. Mr. Michalczyk did not recommend any changes at this time to the program. He did however note the District, Zone 7, and Pleasanton ordinances call for outdoor residential irrigation to be scaled back to one day per week starting October 1, 2014. The City of Livermore and the California Water Service Company will continue to allow two days of irrigation per week through the end of the calendar year. He stated he is not too concerned with this difference as the various programs are not identical in every aspect but overall are functionally equivalent.

The Board did not direct staff to develop any changes to the program.

B. Support Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014

General Manager Michalczyk summarized that earlier this month the California legislature passed a near unanimous vote to put a revised water bond measure for \$7.545 billion on the November 4, 2014 ballot. The water bond is widely supported by the state and many local governmental agencies along with many environmental, labor and business groups throughout the state. The agenda materials include lists of supporters and opponents. Most recently, the Water Task Force of the East Bay Leadership Council took a support position that the full membership will consider later in September. Mr. Michalczyk clarified the Staff Report identified CASA as having already taken a support position; however, CASA formally took a support position just yesterday. The proposition will provide significant funding for the benefit of the general public throughout the state as well as direct local funding. Mr. Michalczyk recommended the District Board show their support for the passage of Proposition 1 and adopt a resolution.

Director Howard MOVED to adopt Resolution No. 63-14, declaring support for Proposition 1 and the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Director Halket SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Vonheeder-Leopold).

C. Authorize the Board President to Appoint a District Representative to Attend the September 27, 2014 Tri-Valley Retailer/Wholesaler Liaison Meeting and Discuss Various Water Policy Issues in Preparation for Meeting

General Manager Michalczyk explained this agenda item is comprised of two main issues. The first item is a procedural matter to allow the President and/or Vice President to appoint a delegate to attend the September 27, 2014 Tri-Valley Retailer/Wholesaler Liaison meeting. Typically, this meeting would be a Water Committee meeting. However, it is likely only President Vonheeder-Leopold of the Water Committee will be able to attend; the other member, not the alternate, cannot do so. Thus, there is a need to appoint another District delegate. Mr. Michalczyk stated the second purpose of the discussion is for the entire Board to discuss what it wishes to have its representatives place on the table at the Liaison meeting. He noted several possible issues were listed on the Summary and Recommendation sheet.

V.P. Duarte invited discussion.

Director Howard commented that it occurred to him this appointment should be made by the Board President, or in the absence, the Vice President and should include the September Tri-Valley Retailer/Wholesaler Liaison meeting and be expanded to cover any future liaison meetings through the end of the calendar year.

He added this might be an approach the new Board President makes annually for liaison meetings.

Mr. Michalczyk stated he will bring the latter part of Director Howard's suggestion forward at the December meeting when Committee member assignments are made.

Director Howard MOVED to authorize the Board President, or Vice President in the absence of the President, to appoint District Representatives to all liaison Committee meetings for the remainder of 2014 if the Alternate Committee Member cannot be present, and this includes attendance for the September 27, 2014 Tri-Valley Retailer/Wholesaler Liaison Meeting. Director Halket SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Vonheeder-Leopold).

Director Howard stated his motion was similar to creating an "alternate to the alternate" position.

Director Halket offered his thoughts and made several comments about issues he believes are related to the water status in the Valley. He believes the water supply is inadequate for the Valley with only one pipe into the Valley. He strongly believes the District must find ways to get more water into the Valley and noted the District has taken more of the brunt of the drought effects than others nearby. Director Halket also mentioned the matter of a growth moratorium that has been written about in the Independent newspaper, and he cautioned the Board on how they might speak about that topic with the press. A growth moratorium could potentially have many serious financial ramifications. He expressed concern about having to impose a debt surcharge as was necessary in past years. Director Halket also stated he was pleased Zone 7 is beginning to discuss debt financing versus a "prepay as you go" payment method for infrastructure.

Mr. Michalczyk mentioned the importance of there being an open and transparent process in the development of the new Zone 7 – DWR agreement; the Board concurred.

Director Benson commented that Zone 7 debt financing is a big issue and she believes it is obviously time to start looking for additional water supplies. She believes Zone 7 needs to have a plan that works for the whole Valley that includes water supply and reliability, growth management, finance and a policy that meets the entire needs of the Valley. She also stated her personal opinion is that now is the time for all District customers to be able to have a voice on the Zone 7 Board and for each retailer to have direct representation on the Zone 7 Board.

Director Halket urged that whoever attends the September 27, 2014 meeting concentrate on constructive and focused feedback and outcomes with regard to Zone 7. He advised thoughtfulness and caution in the discussions at this meeting regarding the important issues.

V.P. Duarte reminded the Board there were four District Directors in attendance at the last liaison meeting on August 27, 2014. He believes the District is being looked to for leadership and direction in the Valley water issues. The District is a major “sub player” to Zone 7, and V.P. Duarte does not think many people realize the role of Zone 7 and instead look to the District. V.P. Duarte stated he finds it almost unbelievable there is only one pipeline for this Valley that so many people depend upon and emphasized the importance for the Board to go forward and make the District’s unified position heard.

V.P. Duarte asked who would attend this meeting since the Water Committee Members and Alternate could not.

Director Halket volunteered to attend the meeting.

V.P. Duarte appointed Director Halket as the representative to attend the meeting.

10. BOARDMEMBER ITEMS

Director Benson reported she signed up to use recycled water for her yard. She challenged Directors to sign up to use recycled water too. She complimented those staffing the station at the Wastewater Treatment Plant.

11. CLOSED SESSION

Closed Session Item 11.A was unnecessary as the result of the approval of the Consent Calendar. General Counsel Nelson announced that Attendees for Closed Session Item 11.B are as listed below. At 6:27 p.m. the Board went into Closed Session.

- A. NOT HELD – 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 Philip Soo pursuant to the Government Claims Act (Government Code §§810-996.6)
- B. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
Agency Negotiators: Bert Michalczyk, General Manager
Unrepresented Employees: 1. Engineering Services Manager
2. Administration Services Manager
3. Operations Manager
Agency Negotiators: Bert Michalczyk, General Manager
Michelle Gallardo, Interim Organizational Services Manager
Additional attendees: General Counsel Carl P. A. Nelson

12. REPORT FROM CLOSED SESSION

At 7:05 p.m. the Board came out of Closed Session. V.P. Duarte announced that there was no reportable action.

13. ADJOURNMENT

V.P. Duarte adjourned the meeting at 7:06 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary