

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

March 18, 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: Bert Michalczyk, General Manager; Judy Zavadil, Principal Engineer-Supervisory; 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 The regular Board meetings in April are scheduled for April 1 and 15; however, there may be reason to hold a special meeting related to drought decisions later in the month on April 22 instead of or in addition to the April 15 meeting. Directors agreed to hold the April 22 date open on their calendars for a possible meeting. V.P. Duarte mentioned he would not be available to attend a meeting on April 22.
 - o Principal Engineer-Supervisory Judy Zavadil is attending tonight’s meeting in place of Interim Engineering Services Supervisor Rhodora Biagtan.
 - o Mr. Michalczyk noted that he and Operations Manager Gallagher would be departing from the meeting earlier so they could attend the City of Dublin Council meeting to make a presentation on the water supply. President Vonheeder-Leopold and Director Benson will also be attending that meeting.
 - Correspondence to and from the Board

Date	Format	From	To	Subject
3/7/14	USPS	Brian Conway	Dublin San Ramon Services District	Request postponement of claim before DSRSD Board

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

General Manager Michalczyk mentioned that there was a copying error with the materials for Consent Calendar Item 8A - Notice of Rejection of Claim – Mr. Brian Conway, and Attachments 2 and 3 were inadvertently omitted from the agenda packet. The materials were distributed this evening and available before the Board at the dais.

Mr. Michalczyk stated that there would not be a need for the Closed Session (Item 11.A) if the Board does not wish to be briefed by General Counsel related to Consent Calendar Item 8.A.

C. Committee Reports

Special External Affairs
Wastewater

March 4, 2014

March 12, 2014

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

7. APPROVAL OF MINUTES – Regular Meeting of *March 4, 2014* and Special Meeting of *March 5, 2014*

Director Benson MOVED for the approval of the March 4, 2014 minutes. V.P. Duarte SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Halket).

Director Howard MOVED for the approval of the March 5, 2014 minutes. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Halket).

8. CONSENT CALENDAR

V.P. Duarte MOVED for approval of the items on the Consent Calendar. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Halket).

A. Notice of Rejection of Claim – Mr. Brian Conway – Approved

B. Review Purchasing Policy – Approved

C. Review Surplus Personal Property Policy – Approved

D. Adopt Revised Capital Financing and Debt Management Policy and Rescind Resolution No. 43-10 – Approved – Resolution No. 16-14 and Rescind Resolution No. 43-10

E. Upcoming Board Calendar – Approved

9. BOARD BUSINESS

A. Accept Water Supply Report through February 28, 2014

General Manager Michalczyk gave an updated water supply outlook and conservation report to the Board. Although there has been a slight amount of rainfall in March, the dry conditions continue to persist. The snowpack is also at about 20% of normal. As of this date, other local agencies have implemented mandatory and recommended curtailments ranging from 10-25%. Mr. Michalczyk concluded his presentation stating that in approximately late April or early May, depending on the hydrological conditions, the Board will need to consider instituting drought rates and mandatory measures focused on outside water curtailment.

Operations Manager Gallagher mentioned that a District team is looking at possible routes for recycled water to western Dublin and also noted other activities in preparation for drought conditions. District staff is still encouraging Dublin High School to use recycled water on their baseball fields as is used at other local high schools.

The Board voiced their strong support for use of recycled water at the local high school ball fields and volunteered their assistance where necessary in this effort.

V.P. Duarte MOVED to accept the Water Supply Outlook and Conservation Report. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Halket).

B. Receive Briefing of PERS Actuarial Report for Dublin San Ramon Services District

Financial Services Manager Archer gave a presentation on the funding status of the District's retirement plan. The Public Employees Retirement System (PERS) gives an annual update to all plan participants. The District's employees participate in the Miscellaneous 2.7% at 55 (years of age) risk pool. The risk pool is made up of 181 agencies with the same retirement formula and who have 100 employees or less at enrollment. CalPERS does not allow agencies to leave the risk pool to become stand-alone plans even though they may later exceed the 100 employee threshold. Mr. Archer explained the actuarial valuation of the pension plan lags behind the statistical data by two years (the valuation for FY14-15 is based on 2012 data). Most of the plan benefits (67%) are funded by investment earnings, the balance by employer and employee contributions. District employees currently pay 10% of their salary for retirement benefits. In FY14-15, the employer rate will be 14.691% (that number is net of the 2.0% employee contribution covering a part of the District's cost). 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.

Staff recently informed the Board that the OPEB (retiree medical liability) was 100% funded as of July 1, 2013. The current CalPERS actuarial valuation as of June 30, 2013 indicates the pooled pension fund is 72.5% funded.

The Board discussed various aspects of the presentation materials and information.

C. Discuss Tri-Valley Utility Coordination and Integration Study Report and March 5, 2014 Meeting

General Manager Michalczyk noted this agenda item has no specified action but rather is a discussion of the March 5, 2014 Tri-Valley Utility Coordination and Integration Study Report meeting. Mr. Michalczyk requested the Board also provide staff with further direction on how they want to proceed with regard to the study and meeting outcome, e.g., hold future discussions at committee meetings and/or special Board meetings.

President Vonheeder-Leopold commented that four out of the five District Directors attended the March 5 meeting and are the same Directors present at this evening's meeting (Director Halket was unable to attend the March 5 meeting and is absent from the meeting tonight). President Vonheeder-Leopold expressed how surprised she was at the direction the March 5 meeting took. She thought the other agencies were uncomfortable with spending additional dollars on future studies. She suggested the District Board hold a workshop to further discuss this topic and consider proposed alternatives cited in the report.

V.P. Duarte agreed with President Vonheeder-Leopold. He noted that General Manager Michalczyk gave the External Affairs Committee a good briefing before the March 5 meeting so he was not too surprised about resistance from other agencies to take additional steps. He stated it was clear to him consolidation of agencies is a long time into the future due to politics and "turf protection." He believes there is an overlap of services and improvements can be made. He fully supported the reciprocal services agreements.

Director Howard noted that he was an observer at the March 5 meeting and was disappointed as he got the same impressions as President Vonheeder-Leopold and V.P. Duarte that the collective attitude among the agencies is to leave things alone even though he believes there could be real potential savings by taking some actions. Director Howard mentioned that this surrounding community is still benefiting from a growth period and that much of the money received is from the developers and some money should be used to fund valuable studies.

Director Benson mentioned that there was no data to confirm potential savings if local agencies consolidated to reduce some administrative services or managerial positions.

Directors agreed to hold a workshop discussion on the integration and coordination of services in the coming weeks.

10. BOARDMEMBER ITEMS

V.P. Duarte reported that on March 6, 2014 Operations Manager Dan Gallagher and Carol Mahoney from Zone 7 gave an excellent and well-received presentation to the San Ramon Rotary Club. He plans to contact the Dougherty Valley Rotary Club to extend the same presentation to their group.

Director Benson thanked Community Affairs Supervisor Sue Stephenson, Graphics Designer Joyce Chang and Information Systems Technician II Ken Woofter for their participation in the St. Patrick's Day parade.

President Vonheeder-Leopold commented that she received a letter from Alameda County LAFCo requesting assistance in funding for their 2014 annual staff workshop in April. That request will be referred to the External Affairs Committee for consideration. She also reported that she attended the East Bay Leadership Council presentation on the Bay Delta Conservation Plan (BDCP) and was very surprised that there is a lack of support for the plan.

11. 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 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

12. REPORT FROM CLOSED SESSION

13. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 6:52 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary