

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

October 7, 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 Lopez, Senior Mechanical Engineer-Supervisory; 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 Mr. Dan Lopez, Senior Mechanical Engineer-Supervisory, is attending tonight’s meeting in place of Operations Manager Dan Gallagher.
 - o ACWA Region 5 will hold their quarterly meeting on Sunday and Monday, October 19 – 20, 2014 at the Martinelli Event Center in Livermore. If Directors are interested in attending, they are encouraged to notify District Secretary Hatfield or the General Manager.
 - o The ACWA state conference will be held in San Diego between December 2 – 5, 2014. If Directors are interested in attending, they are encouraged to notify District Secretary Hatfield or the General Manager.
 - o The Neighborhood Improvement Committee (NIC) meeting will be held on Monday, October 20, 2014 at 5:30 p.m. at the WWTP. Depending on the Directors who want to attend the meeting, the meeting may need to be noticed as a Committee or Board meeting. Mr. Michalczyk requested Directors let him know who plans to attend so any required Brown Act notices can be accomplished.
 - Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject
9/28/14	Email	Rosalind Rogoff	Sue Stevenson, Bert Michalczyk, Directors & Jill Duerig	Why we need the water bond
10/6/2014	Email	Kelly Watkins/ Constituent Services Representative/Eric Swalwell	President Georgan Vonheeder-Leopold/Board of Directors	Renaming ceremony of the Dublin Post Office Dublin / 'Jim' Kohnen Post Office

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

C. Committee Reports

Tri-Valley Water Agency Liaison

September 27, 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 *September 16, 2014*

General Counsel Nelson noted a correction under the Closed Session references on the September 16, 2014 minutes. The “Agency Negotiators” and the “Additional attendees” listed under Closed Session 11.A should actually have been listed under Closed Session Item 11.B.

Director Howard MOVED for approval of the September 16, 2014 minutes with a correction on page 5 under the Closed Sessions – Items 11.A and 11.B “Agency Negotiators” and “Additional attendees” references. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSTENTION (Vonheeder-Leopold).

8. CONSENT CALENDAR

V.P. Duarte requested Items 8.D & 8.G be REMOVED from the Consent Calendar for discussion.

Director Howard MOVED for approval of Items 8.A-C, E&F, and H-J on the Consent Calendar. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

A. Receive Information on Dublin San Ramon Services District’s Water Rates Annual Consumer Price Index (CPI) Adjustment - Approved

B. Approve Contributed Funds Agreement for the Recycled Water Expansion Project (CIP 15-R009) – Approved – Resolution No. 64-14

- C. Approve Job Descriptions for the Administrative Services Manager and Engineering Services Manager – Approved – Resolution No. 65-14
- D. REMOVED - Approve Revised Job Definition for Operations Manager Classification – Approved – Resolution No. 68-14

V.P. Duarte expressed his preference that when the District hires for this position in the future that they hire a registered professional engineer rather than a wastewater treatment operator. He believes the WWTP has many technical complexities, processes and equipment, and a registered engineer would be beneficial to the District because of these reasons.

[See Item 8.G below for the Motion.]

- E. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 56-14 – Approved – Resolution No. 66-14
- F. Review Fraud in the Workplace and District Security Policies – Approved
- G. REMOVED - Award Construction Agreement to Alaniz Construction, Inc. for the Reservoir Access Road Repairs (CIP 14-A018 & 15-W005) – Approved - Resolution No. 69-14

V.P. Duarte questioned why there was only one bidder for this project.

Project Manager Jackie Yee responded to his question and explained this may have been partially because of the name of the project. Several contractors attended the mandatory pre-bid meeting and many expressed the opinion that the project for a slurry seal may have been more suited for a subcontractor.

V.P. Duarte MOVED to approve Items 8.D & 8.G on the Consent Calendar. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

- H. Approve Tri-Valley Intergovernmental Reciprocal Services Master Agreement among the District and other Participating Governmental Entities in and around the Livermore-Amador Valley – Approved - Resolution No. 67-14
- I. Upcoming Board Calendar – Approved
- J. Report of Checks and Electronic Disbursements Made – Approved

Date Range	Amount
08/26/2014 – 09/28/14	\$5,627,702.89

9. BOARD BUSINESS

A. Discuss Drought Management Program

General Manager Michalczyk reported that this continues to be a standing item on the Board agenda to discuss and evaluate how the drought management program is progressing. The Board's declaration of the water shortage emergency is set to extend until December 31, 2014; however, additional data will be necessary for the Board to decide whether to extend that declaration. He also noted that on October 1, 2014 the Valley water retailers' irrigation rules have shifted from the summertime regulations. The District, City of Pleasanton, and Zone 7 rules allow a one day per week outside watering schedule. The City of Livermore and California Water Service Company still allow two days per week for outside irrigation. Plants are entering their dormant season and the weather is beginning to cool. He noted that the agencies' water use limitations are functionally similar but not identical; he does not recommend a change at this time.

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

General Manager Michalczyk explained this item is presented to the Board one time per month because California law requires them to assess the continuing need for the drought emergency. More detailed information related to the status of the drought and associated actions is reflected in the agenda item materials.

Mr. Michalczyk stated the service area is responding extremely well and conserving and there are no recommendations for changes at this time. One observation is the rebate incentives are not being widely taken advantage of, particularly for swimming pool and spa covers, and lawn conversions.

V.P. Duarte 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 Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

C. Take Position on Zone 7 Water Rates for Calendar Years 2015 and 2016

Financial Services Manager Archer made a short presentation on the proposed Zone 7 water rates for 2015 and 2016 and discussed the recent meetings and options presented. A special Zone 7 board meeting was held on October 1, 2014. On behalf of the District, Mr. Archer wrote and presented a letter to the Zone 7 Board of Directors at that meeting. It is very likely water rates will be adopted by the Zone 7 board at their October 15, 2014 meeting; accordingly, it is important for the DSRSD Board discussion this evening. The Zone 7 staff proposes three options as follows:

1) baseline-no water rate increase; 2) 3% CPI for both 2015 and 2016 with a reduction in Asset Management Program (AMP) transfers to \$7 million; and, 3) 7% increase for both 2015 and 2016.

Directors discussed their thoughts and opinions and possible responses to the proposed Zone 7 water rates for Calendar Years 2015 and 2016.

Director Halket MOVED that given the three options presented (0%, 3%, 7%), that the District can only support no more than a 3% per year baseline water rate increase for Calendar Years 2015 and 2016 provided there is a reduction in the Asset Management Program transfer from \$10.5M to \$7.0M. V.P. Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

D. Accept Various Regular and Recurring Reports and Provide Direction as to which Reports are Still Desired by the Board

General Manager Michalczyk reported that the purpose of this item is to see if the Board would be accepting of additional streamlining of presentation of regular and recurring reports to the Board and to Committees. He noted there are a number of reports the Board or Committees received either by request or by operation of Board policy, District Code, or State law. These reports inform the Board and the Committees and have the added benefit of maintaining the open and transparent culture for public access to the business of the District. Mr. Michalczyk explained this item has two parts. First, the Board is requested to accept, by Motion, the reports that would have been received and reviewed at Committee meetings prior to the adoption of new Guidelines in July regarding scheduling of Committee meetings. Next, the Board needs to determine the reports they continue to desire to receive and the intervals for presenting those reports.

Director Halket MOVED to: 1) accept the regular and recurring reports identified as the Strategic Work Plan Accomplishments; Board Committee Goals Status Reports; Employee Computer Loan Report; District Financial Report; Capital Outlay Budget Adjustments, i) Combo Vactor Truck (\$12,000), and ii) F150 Utility Vehicle (\$453); Capital Improvement Budget Adjustment (Res. 10 Rehabilitation \$45,000); and, Unexpected Asset Replacements (Intercooler Heat Exchanger \$11,651); and, 2) to place all regular reports that were previously directed to the Committees to now be placed on the Board meeting Consent Calendar following the appropriate schedule. Director Benson SECONDED the MOTION.

Mr. Michalczyk reminded the Board that the Board Guidelines allow the Board to refer any item back to a Committee if desired. He noted this new process would be a streamlining of presentation and information to the Board for regular and recurring items.

The MOTION CARRIED with FIVE AYES.

President Vonheeder-Leopold asked the Board what reports they still desire to receive.

After some discussion, Directors agreed to receive the designated reports on the schedule below. They decided to stop receiving the Employee Computer Loan Status Report and did not add to the list of reports or information to receive.

Ref.	Description	Frequency
A	Strategic Work Plan Accomplishments Report	Annually
B	Board Committee Annual Goal Status Report	
C	Employee Retention Statistics	
D	Outstanding Receivables Report	
E	Employee and Board Member Reimbursements greater than \$100	
F	Water Supply and Conservation Report	Monthly during drought Monthly during the winter season in non-drought years
G	District Financial Statements	Monthly except in July
H	“No Net Change” Operating Budget Adjustments	As they occur but no more frequently than monthly
I	Capital Outlay Budget Adjustments	
L	Capital Project Budget Adjustments	
K	Unexpected Asset Replacements	

10. BOARDMEMBER ITEMS

Director Howard requested at the next meeting the Board revisit the exemption granted to Valley Christian Center, specifically as it relates to what happens to their watering schedule effective October 1, 2014 and beyond in the context of the seasonal watering rules.

V.P. Duarte commented that he has lunch a few times per month with the City of San Ramon Mayor Bill Clarkson and an occasional Councilmember. He was very surprised their Council is not familiar with the District’s recycled water fill station supplying free recycled water to the community for residential irrigation during the drought.

President Vonheeder-Leopold mentioned she was out of town for the last Board meeting but has attended several other meetings. She attended the Saturday, September 27, 2014 Water Policy Roundtable Meeting in Livermore; the October 1, 2014 Zone 7 Special Board meeting; and the September 30, 2014 Department of Water Resources meeting in Sacramento to seek grant funding. She also attended the October 6, 2014 the City of Dublin Maintenance Corporation Yard Dedication and Open House Ceremony located on Scarlett Court in Dublin. President Vonheeder-Leopold submitted her written reports for the meetings she attended.

11. ADJOURNMENT

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

Submitted by,

Nancy Gamble Hatfield
District Secretary