

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

December 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, Director Richard M. Halket, and Director Dawn L. Benson participated in the meeting from an alternate teleconference location at 170 Kai Ala Drive, Lahaina, Maui, Hawaii 96761. 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

General Manager Michalczyk reported that District Secretary Hatfield would have the pleasure of giving President Georgean Vonheeder-Leopold the oath of office for her next four-year term on the Board of Directors. Once Director Dawn Benson returns from Hawaii, her oath of office will be administered.

District Secretary Hatfield administered the oath of office to President Vonheeder-Leopold.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:03 p.m.
6. REPORTS
 - A. Reports by General Manager and Staff
 - Event Calendar – General Manager Michalczyk reported on the following:
 - o It is raining outside and he hopes to see more!
 - Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject
11/26/14	Letter	Joan Buchanan – Assembly Member, Sixteenth District	Board of Directors	Leaving Office

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

C. Committee Reports

Tri-Valley Water Agency Liaison
Personnel

November 17, 2014
November 18, 2014

Directors felt the available staff reports adequately covered the matters considered at committee meetings.

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

President Vonheeder-Leopold stated that all Directors had before them on the dais the proposed revisions to Item 9.B from the November 18, 2014 meeting minutes, and Director Benson stated she had received them.

Director Halket MOVED for approval of the November 18, 2014 minutes with the proposed revisions to Item 9.B. Director Benson SECONDED the MOTION, which CARRIED with each Director voting AYE.

8. CONSENT CALENDAR

Director Halket requested to remove Item 8.A from the Consent Calendar.

Director Halket MOVED for approval of Items 8.B & 8.C on the Consent Calendar. Director Howard SECONDED the MOTION, which CARRIED with each Director voting AYE.

- A. REMOVED - Adopt CEQA Addendum to EIR for Component 2 of the Recycled Water Expansion Phase 1 - Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009)

Director Halket expressed his excitement about this agenda item. He stated that anytime this agency can expand the recycled water system it is a good thing.

Director Halket MOVED to adopt Resolution No. 77-14 adopting the CEQA addendum to the San Ramon Valley Recycled Water Program Environmental Impact Report for Component 2 of the Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities project (CIP 15-R009). Director Benson SECONDED the MOTION.

President Vonheeder-Leopold concurred with Director Halket that the amount of potable water savings will be enormous at the Alameda County facilities.

The MOTION CARRIED with each Director voting AYE.

- B. Upcoming Board Calendar – Approved
C. Report of Checks and Electronic Disbursements Made – Approved

Date Range	Amount
10/27/2014 – 11/23/14	\$4,294,541.92

9. BOARD BUSINESS

A. Discuss Drought Management Program

General Manager Michalczyk explained that tonight the Board will be presented with a series of actions related to the drought moving toward Calendar Year 2015. Although some rain has started to fall, he stated that until a clearer picture emerges over the course of the winter, that prudence would prompt the Board to extend the various drought management actions that the Board adopted on May 5, 2014. Included in those actions were declaring an emergency, establishing Stage 3 Water Shortage rates, and establishing various customer service programs for District customers. Several of the current programs are set to specifically expire on December 31, 2014; others will automatically extend if the Board continues the State of Emergency. With the next several items, staff will request extensions to the declaration of a Community Drought Emergency and the extension of those programs that specifically expire on December 31, 2014. All actions would extend through June 30, 2015. If the status of the drought changes, either positively or negatively, then the Board can take actions as necessary at any time.

Director Halket asked if the cities of Pleasanton and Livermore have expirations to their programs and if they are taking similar actions.

Mr. Michalczyk responded that the community drought emergencies adopted by Livermore, Pleasanton and Zone 7 are such that they extend until terminated.

The Board did not have any further programmatic questions about the overall drought management plan.

B. Accept Water Supply and Demand and Drought Response Action Plan Status Reports

General Manager Michalczyk commented this item is the monthly status report to the Board on how the District's water supply and demand are progressing, as well as information on the various aspects of the drought.

The new water year began on October 1, 2014 and the area is now experiencing the first significant rainfall of the season. The storage level at Lake Oroville is frighteningly low at only 24% of capacity, and is lower than the 1976-1977 water year; hopefully this will begin to improve. The State Department of Water Resources made their first allocation for the year, but at only 10%. The community is performing very well with regard to conservation, with an average of 56 gallons per person per day being used.

Director Howard asked what fraction of the water that goes to Lake Oroville comes from snowmelt and how long it will take for this information to be known in Calendar Year 2015.

Mr. Michalczyk stated that all of the water in Lake Oroville essentially comes from snowpack, but he was unsure how that might exactly be calculated without additional research. He confirmed that the key variable to watch as the winter progresses is the snowpack data.

Director Howard speculated the full water picture may not be clear until May 2015.

Director Halket expressed his satisfaction with the press release that discussed turning off sprinklers during these cooler months.

V.P. Duarte MOVED to accept the Water Supply and Demand Report and the Drought Response Action Plan Status Report. Director Howard SECONDED the MOTION, which CARRIED with each Director voting AYE.

- C. Continue the State of Community Drought Emergency through June 30, 2015 and Rescind Resolution No. 26-14

General Manager Michalczyk reported this item is the center of the matters on tonight's agenda and it is to extend the Community Drought Emergency to June 30, 2015. That action will also extend the water use curtailment goal of 25% reduction. Additionally, adoption of this resolution will continue the water use limitations, the penalty and enforcement provisions, Stage 3 water rates and the enhanced customer rebate program. Mr. Michalczyk recommended the Board adopt this resolution and noted the Board will continue to receive monthly status reports on the water supply and demand and Drought Response Action Plan.

Director Howard MOVED to adopt Resolution No. 78-14 to Update and Declare the Continuing Community Drought Emergency and Rescind Resolution No. 26-14. Director Benson SECONDED the MOTION, which CARRIED with each Director voting AYE.

- D. Approve Wise Water User Credit for 2015

Financial Services Manager Archer reported the District has had a Wise Water User Credit program for part of the year in 2014 targeted at customers who used minimal amounts of water in both 2013 and 2014. A total of \$10,780 in credits was issued this year to 1,078 customers. This agenda item is to establish the same program for 2015. Due to the fact that payments would be distributed in FYE 2016, there is no budget adjustment proposed at this time.

Director Halket asked if the declared drought emergency expires, by chance, in January 2015, if this credit would be paid sooner.

Mr. Michalczyk stated that if the drought emergency were called off, appropriate credits would be made to customer accounts at that time.

Director Howard MOVED to adopt Resolution No. 79-14, establishing the 2015 Wise Water User Credit for low water consumption residential customers. V.P. Duarte SECONDED the MOTION, which CARRIED with each Director voting AYE.

E. Endorse 2015 Drought Response Action Plan

Operations Manager Gallagher reported this item is staff's recommendation to adopt a Drought Response Action Plan for 2015. The proposed plan includes essentially the same activities as the 2014 Drought Response Action Plan that staff has been implementing for the past seven months. The plan and associated activities include: public outreach, conservation assistance, enhanced rebates, expanded use of recycled water with the Alameda County facilities and western Dublin projects, continuation of the commercial truck loading station and residential recycled water program at the WWTP, continued implementation of the AquaHawk customer portal, continuation of the Wise Water User Credit program and residential irrigation adjustments. The 2015 Drought Response Action Plan also includes efforts to explore short-term water transfers, upgrading the emergency interties to be "semi-permanent," and continued efforts to encourage and support Zone 7's efforts to secure additional sources of water for the service area. The proposed activities described in the 2015 Drought Response Action Plan will extend through June 30, 2015.

President Vonheeder-Leopold asked if the plan takes into account some of the topics discussed by the Water Policy Roundtable group.

Operations Manager Gallagher responded that it does, and he added that staff is working to develop some creative ideas.

President Vonheeder-Leopold acknowledged the amount of staff time it will take to pursue some of these activities.

General Manager Michalczyk agreed the drought has taken additional staff time, and as a result, several other tasks and projects had to be reprioritized.

Director Howard asked if AquaHawk is being funded strictly using the drought emergency budget, or is it funded as a permanent program.

Financial Services Manager Archer explained AquaHawk is permanent at the District and normal annual expenses will be handled through the operating budget.

Mr. Gallagher mentioned that some of this year's enhancements to AquaHawk functionality were paid for using drought emergency funds.

Director Benson asked some questions about the budget for the drought emergency and, in particular, if there will be more funding for school programs and outreach.

Mr. Archer answered her questions regarding the budget numbers.

Mr. Gallagher noted funding for the drought emergency is the subject of the next agenda Item 9.F.

V.P. Duarte MOVED to endorse the 2015 Drought Response Action Plan. Director Howard SECONDED the MOTION, which CARRIED with each Director voting AYE.

F. Amend FYE 2015 Operating Budget Related to District Drought Response

Financial Services Manager Archer reported the purpose of this item is to request an amendment to the budget to fund drought activities. In response to a question from Director Benson, Mr. Archer stated the proposed spending includes some substantial money for temporary staff working at the recycled water facility at the WWTP, permanent conversion of potable water to recycled water, emergency intertie work, and advertising and outreach. This is a request for \$150,000 and would be funded from increased revenue from the Stage 3 water shortage rates.

In response to Director Benson's interest in school program materials, General Manager Michalczyk noted the District has sufficient school related materials in stock and money in its normal operating budget, so no additional funding is proposed between January and June 2015 for this purpose.

President Vonheeder-Leopold confirmed that the District still has plenty of school education materials in stock.

Director Howard MOVED to adopt Resolution No. 80-14, amending the FYE 2015 Operating Budget related to the District drought response. Director Benson SECONDED the MOTION, which CARRIED with each Director voting AYE.

G. Selection of President and Vice President of the Board of Directors for 2015

President Vonheeder-Leopold opened the floor for nominations for the 2015 Board of Directors.

Director Howard MOVED to NOMINATE Director Duarte as the 2015 Board President. Director Benson SECONDED the MOTION, which CARRIED with each Director voting AYE.

Director Benson MOVED to NOMINATE Director Howard as the 2015 Board Vice President. Director Duarte SECONDED the MOTION, which CARRIED with each Director voting AYE.

President Vonheeder-Leopold MOVED that the 2015 Board President and Vice President nominations be affirmed by Acclamation. Director Benson SECONDED the MOTION, which CARRIED with each Director voting AYE.

Director Vonheeder-Leopold then passed the gavel to President Duarte who presided over the remainder of the meeting.

10. BOARDMEMBER ITEMS

President Duarte reported he attended the San Ramon City Council meeting on November 25, 2014 along with Director Benson, Mr. Michalczyk and Mr. Gallagher. At that meeting they gave an informative drought update which was well received and appreciated by their staff.

Director Benson reported she also attended the San Ramon City Council meeting on November 25, 2014. On November 19, 2014 she, along with Financial Analyst Herman Chen and Assistant General Counsel Maddow, attended the EBMUD drought rate committee meeting at the Castro Valley Library. She conveyed the appreciation expressed by EBMUD Director Frank Mellon who thanked the DSRSD District Board and staff for their partnership in DERWA. She also mentioned an article in the Honolulu Star newspaper regarding Rancho Santa Fe and their minimal conservation of 1.5% during the drought.

President Duarte presented former President Vonheeder-Leopold a beautiful plaque of appreciation and service for her leadership at the District during 2014.

Director Vonheeder-Leopold thanked the Board for all of their assistance this past year. She also thanked staff for their support.

11. CLOSED SESSION

At 6:41 p.m. the Board went into Closed Session.

A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957
Title: General Manager

12. REPORT FROM CLOSED SESSION

At 6:58 p.m. the Board came out of Closed Session. President Duarte announced that there was no reportable action.

13. ADJOURNMENT

President Duarte adjourned the meeting at 6:59 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary