

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

December 16, 2014

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by President Edward R. Duarte. Boardmembers present: President Edward R. Duarte, Vice President D.L. (Pat) Howard, Director Richard M. Halket, Director Dawn L. Benson and Director Georgean M. Vonheeder-Leopold. 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

On behalf of the Association of California Water Agencies (ACWA), General Manager Michalczyk presented to the Board and staff the “2014 Outreach Award for Participation” in recognition for legislative outreach as the top agency in ACWA’s Region 5. Mr. Michalczyk, as a member of the State Legislative Committee for ACWA, congratulated them and gave the recognition plaque to President Duarte and District Public Information staff Sue Stephenson, Joyce Chang, Renee Olsen, and Lori Martin (absent).

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 finally raining, a good thing for the potable water supply, but on the wastewater side of the District’s business, that can bring challenges. He asked Operations Manager Gallagher to summarize the affect the wet weather is having on the District’s wastewater operations. Mr. Gallagher reported on the impact of recent storms on the WWTP stating that:
 - o The WWTP has experienced flows up to nearly three times normal at 30 mgd and is performing satisfactorily.
 - o LAVWMA has also operated without any issues during these recent storms.
 - o Unfortunately, prior to the storm, a cover crop of winter wheat was not planted in the DLD as in prior years. The DLD is now extremely wet, and as a result, it is unlikely that a crop will be planted this year.

- o The District has not experienced any collection system problems during the storms.
 - o A set of photographs was passed around showing the District's mascot Oscar the Otter and ACWA President John Coleman giving each other a "high-five" at the December ACWA conference. Oscar the Otter was there along with several other agency mascots and participated in a flash mob storming the ACWA opening breakfast session.
 - o If Directors are interested in attending the ACWA and/or CASA Washington, D.C. conferences in late February, they should contact the General Manager or District Secretary as soon as possible for travel arrangements to allow time for necessary Board approvals.
 - o The East Bay Leadership Council will hold their dinner on Thursday, January 22, 2015 at which the featured speakers include Honorable Ellen O. Tauscher, former Congresswoman and Under Secretary of State, and Karl Rove, former Deputy Chief of Staff and Senior Advisor to President George W. Bush.
 - o On behalf of staff, Mr. Michalczyk wished the Board a Happy Holiday Season!
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject
12/16/14	Letter	Andy Katz/President EBMUD BOD	DSRSD Boardmembers	Drought and Water Rates

B. Agenda Management (consider order of items)

Mr. Michalczyk mentioned the following:

- Item 8.B – There is a correction to the Summary & Recommendation sheet for approval of Director attendance at 2015 meetings and conferences; copies of the corrected Summary & Recommendation are before the Board. In order for a Director to be paid for a day of service for certain meetings for which a written report is required, District policy and State law requires Directors to submit written reports at the *next regular* Board meeting after the event, not 30 days following the event;
- Item 9.C – Committee Assignments 2015 – V.P. Howard identified two issues on the tables associated with that item which can be discussed during that agenda item. Revised tables are before the Board; and
- Item 11.A - Closed Session would only be required if the Board wanted to discuss Item 8.A on the Consent Calendar.

C. Committee Reports – None

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

Director Vonheeder-Leopold MOVED for the approval of the December 2, 2014 minutes. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

Director Benson MOVED for approval of the items on the Consent Calendar. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

- A. Rejection of Claim – J & A Solari, Inc. – Approved
- B. Approve Director Attendance at 2015 Meetings and Conferences – Approved
- C. Approve Director Reimbursements for Travel and Meetings for 2015 – Approved
- D. Notification of 2015 Ethics Training Opportunities for Boardmembers in Compliance with AB 1234 (Government Code Section 53235(f)) – Approved
- E. Approve Amendment No. 4 to Personal Services Agreement between Rhodora N. Biagtan and Dublin San Ramon Services District, Amendment No. 5 to Personal Services Agreement between John J. Archer and Dublin San Ramon Services District, and Amendment No. 5 to Personal Services Agreement between Michelle L. Gallardo and Dublin San Ramon Services District – Approved – Resolution No. 81-14, Resolution No. 82-14 and Resolution No. 83-14
- F. Approve Additional Budget Adjustment for Hypochlorite Tank Replacement Project (CIP 14-P027) – Approved
- G. Accept the Following Regular and Recurring Reports: November District Financial Statements, Unexpected Asset Replacement Request – Approved
- H. Upcoming Board Calendar – Approved

9. BOARD BUSINESS

- A. Discuss Drought Management Program

General Manager Michalczyk reviewed that on December 2, 2014 the Board extended the drought emergency to June 30, 2015. However, it has, of course, recently started raining. He expressed his hope that 2015 will be an easier year in terms of water and rainfall and the acute state of the drought will ease. The watershed the District receives water from has received 19.3 inches of rain during the first part of the water year that began on October 1, 2014, which is 40% of the rain in a normal water year. However, snowpack is only at 11% of the expected annual total and only 43% of average for this time of the year. Recent storms have been warm, thus the reason for more rainfall versus snowpack. The level of water in Lake Oroville has started to increase, but is still at one-third of normal capacity. The California Department of Water Resources has not updated its initial 10% delivery allocation for 2015 and Zone 7 has not yet approved the District's 2015 water request. Mr. Michalczyk added perspective by

reminding the Board that December 2012 was an extremely wet month, but it stopped raining in January 2013 and the drought ensued.

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

B. Adopt Debt Disclosure Policy

Financial Services Manager Archer explained that at a previous meeting on November 18, 2014 the Board approved and directed staff to self-report under the Municipality Continuing Disclosure Cooperative Initiative. This is an initiative of the Securities Exchange Commission regarding debt disclosures. The District's Bond Counsel Jones Hall strongly recommended their clients adopt a policy regarding the handling of debt disclosure. The policy sets forth the importance of continuing disclosure and receiving regular Board input, particularly when new debt is issued. The policy will formalize procedures already in place and designates the Treasurer as the coordinator for disclosures. Training on the policy is also required. The Treasurer will annually present what the District is disclosing; a key factor is the necessity to disclose any major events that have financial impact on future projections, e.g., credit ratings, changes in management, etc. There is also an annual disclosure required that will be completed in the financial statements. Mr. Archer recommended approval of the new policy.

Director Vonheeder-Leopold MOVED to adopt Resolution No. 84-14, adopting the new Debt Disclosure policy. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

C. Board Committees – Calendar Year 2015

President Duarte presented the proposed Board committee assignments for 2015 and invited discussion. Minor revisions on Attachments 1 and 2 were distributed to the Board.

The proposed Committees for 2015 are:

- Technical Affairs;
- Financial Affairs;
- Administrative Affairs;
- Executive; and
- Tri-Valley Water Policy Roundtable.

Director Vonheeder-Leopold discussed the possibility of adding an assignment for the Alameda County Special Districts Association (AC-SDA) so that it is clear who can cast the agency's votes. She mentioned she is already on the AC-SDA Executive Committee and possibly she could be the correct individual.

General Manager Michalczyk commented the District has an existing policy titled "Casting District Ballots" that should first be reviewed to determine how this matter

for AC-SDA should be addressed. If any tweaks are needed to the committee assignments (or the policy), those could certainly be made. He stated that he would review the policy.

Director Vonheeder-Leopold commented she likes the streamlined approach of the proposed District Board committees.

President Duarte commented he believes the proposed structure is flexible and will improve efficiency and save money with reduced meetings attended by Directors.

V.P. Howard noted that committee meetings normally will be scheduled before regular Board meetings. However, he mentioned when more involved matters such as District MOUs or rate studies occur, special committee meetings could be held at other times.

Director Benson asked Mr. Michalczyk if he could explain how this proposed committee structure was developed.

Mr. Michalczyk mentioned that after the Board adopted the revised Board Guidelines this past summer, the work of the committees and the number of committee meetings has decreased dramatically. As a result, he and President Duarte discussed proposals to reconfigure and streamline the committees from five to three and creating an Executive Committee. This configuration seemed like it would allow the business of the Board to function satisfactorily when committees were needed and avoid the need to cancel each committee every month. Mr. Michalczyk expressed his appreciation that when there is a need for additional time for a particular topic at a committee meeting, that Boardmembers would be flexible to schedule these.

Director Howard MOVED to approve the 2015 Committee structure, assignments and Mission Statements with minor modifications to rename the table titled “Liaison Committees JPA Assignments” to “Liaison and JPA Assignments” on Attachment 1 and to revise the “LAVWMA JPA Delegate” designation to read “LAVWMA JPA Delegate and Pleasanton Liaison” under the Executive Committee on page 2 of 3 on Attachment 2. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS

Director Halket wished everyone a “Merry Christmas and Happy New Year!” He mentioned he may have a conflict with attending the January 6, 2015 Board meeting due to business reasons.

V.P. Howard wished everyone safe holidays and Happy New Year!

Director Vonheeder-Leopold reported she attended the Executive Committee meeting as the at-large director for the Alameda County Special Districts Association (AC-SDA) on December 10, 2014. She discussed the upcoming program on January 14, 2015 to be hosted

by Castro Valley Sanitary District and held at the Castro Valley Library. On March 26, 2015 AC-SDA will host the annual banquet in celebration of its 25th year. She also mentioned the next Executive Committee meeting is scheduled for February 11, 2015. She wished everyone a happy holiday season!

Director Benson thanked staff for accommodating her to participate in the last Board meeting when she was out of town. She wished all a wonderful holiday season!

President Duarte thanked District staff, in particular Rhodora Biagtan, Dan Gallagher, Michelle Gallardo, and John Archer for stepping up this past year and responding wonderfully to the large impact of the drought, workload and changing priorities. President Duarte expressed his pleasure that under Mr. Michalczyk's guidance the District ended the year with recognition for the residential recycled water fill station program, water usage reductions, and stated there is much to be thankful for and proud of. On behalf of the Board and himself, he wished staff a very "Merry Christmas and Happy New Year!" He thanked all for a great job done this past year!

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 J & A Solari, Inc., pursuant to the Government Claims Act (Government Code §§810-996.6)

12. REPORT FROM CLOSED SESSION

13. ADJOURNMENT

President Duarte adjourned the meeting at 6:28 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary