

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

November 5, 2013

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by President Dawn L. Benson. Boardmembers present: President Dawn L. Benson, Vice President Georgan M. Vonheeder-Leopold, Director Edward R. Duarte, Director D.L. (Pat) Howard, and Director Richard M. Halket. District staff present: Bert Michalczyk, General Manager; Rhodora Biagtan, Principal Engineer - Supervisory; 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 – None.
 - Correspondence to and from the Board

Date	Format	From	To	Subject
10/24/13	Letter via USPS	John Garamendi, Member of Congress	Dawn Benson, President	A Water Plan for All of California

- B. Committee Reports

External Affairs	October 17, 2013
Wastewater	October 21, 2013

President Benson 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.

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

7. APPROVAL OF MINUTES – Regular Meeting of *October 15, 2013* and Special Meeting of *October 22, 2013*

V.P. Vonheeder-Leopold MOVED for the approval of the October 15, 2013 minutes. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Howard MOVED for the approval of the October 22, 2013 minutes. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

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

- A. Approve First Amendment to Agreement for Treasurer Services by and between Livermore-Amador Valley Water Management Agency (LAVWMA) and Dublin San Ramon Services District – Approved – Resolution No. 49-13
- B. DAFT Rehabilitation (CIP 06-3103): Approve Capital Improvement Program Budget Adjustment – Approved – Resolution No. 50-13
- C. Upcoming Board Calendar – Approved
- D. Report of Checks and Electronic Disbursements Made – Approved

Date Range	Amount
09/23/13 – 10/27/2013	\$ 6,763,487.49

9. BOARD BUSINESS

- A. First Reading: Introduction of Ordinance Incorporating Provisions for Eliminating Expiration of and Vesting of Capacity Rights and Establishing Time of Payment of Water and Wastewater Capacity Reserve Fees into District Code Chapters 3.10, 3.20, 3.50, 3.60, and 3.70

President Benson read aloud the title of the ordinance.

V.P. Vonheeder-Leopold MOVED to WAIVE the reading of the Ordinance Incorporating Provisions for Eliminating Expiration of and Vesting of Capacity Rights and Establishing Time of Payment of Water and Wastewater Capacity Reserve Fees into District Code Chapters 3.10, 3.20, 3.50, 3.60, and 3.70. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

Principal Engineer Biagtan explained that to mitigate adverse impacts to the economic recovery, the District Board has expressed its desire to address the expiration of water and wastewater capacity rights. The District’s Code currently

sets forth that capacity rights expire three years after issuance of the permit or purchase of the capacity and then the fees are forfeited if not connected to the system. The fees are collected prior to the issuance of the construction permit and normally that happens before the first building is constructed.

Ms. Biagtan stated that in October, 2013 the Board took the first step in a two-step process to eliminate the provision associated with the three-year expiration of capacity rights by approving a resolution that eliminated capacity rights expiration for builders who have purchased said rights in the past. In this second step, this addresses expiration of certificates of capacity rights that will be issued in the future. The ordinance will eliminate the three-year expiration provision so that capacity rights vest at building permit issuance or connection. The ordinance also changes the timing associated with payment for the capacity reserve fees so that it is at the time of building permit issuance instead of construction permit issuance. Finally, the ordinance includes language that allows the Board to set priorities if capacity is limited in the future. Ms. Biagtan stated that this ordinance has associated with it some impact to District finances. The revised payment timing will affect cash flow because fees will be collected in smaller increments and at a later time than under the current Code. Ms. Biagtan reported that all parties involved in active developments have been informed and invited to attend the meeting tonight.

President Benson invited public discussion. There was none.

Director Halket commented that he will support this action. He stated that he does not support reworking existing contracts “on the fly.” However, he stated that he has no problem with changing policy for the future. He agreed that this Code amendment makes sense.

President Benson stated that she believes that this process will work better for the District.

Director Howard expressed his support for the Code revision.

General Counsel Nelson called the Board’s attention to a typo on Exhibit 2, page 5 of 22, stating that the word “not” was missing on the second line. He noted that the sentence should read as follows to be consistent with the second reading of the Ordinance: “Notwithstanding any provision of this code to the contrary, no connection for any service provided by the District shall be made at any time the Board has determined that capacity is *not* available in its water system, its wastewater system, or both, or that such capacity will not be available at the time of vesting of capacity rights in accordance with Section 3.60.020.”

President Benson announced that this is the first reading of the Ordinance and that no action will be taken tonight.

General Manager Michalczyk stated that the second reading and the Board's consideration of the Ordinance will be scheduled for the November 19, 2013 meeting.

10. BOARDMEMBER ITEMS

Director Howard reported that he attended former Assistant General Manager/District Engineer Dave Requa's retirement party on October 24, 2013. He commented on the many people who worked with Dave over the span of his career and who expressed their appreciation.

Director Halket stated that DERWA gave a resounding applause for Mr. Requa and the Board approved a proclamation to present to him for his service.

Director Duarte reported that he attended his first Contra Costa County Special Districts Association meeting on October 21, 2013 at Central Contra Costa Sanitary District (CCCSD). He summarized the agenda items from the meeting.

V.P. Vonheeder-Leopold reported that she attended the Mayor's Summit in San Ramon on October 30, 2013. She commented on the several interesting projects underway in the Tri-Valley.

President Benson commented that she also attended the Mayor's Summit on October 30, 2013 and complimented the skillful moderator. She noted that the November Personnel and Wastewater Committee meetings are canceled.

11. ADJOURNMENT

President Benson adjourned the meeting at 6:14 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary