

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

February 17, 2015

A regular meeting of the Board of Directors was called to order at 6:42 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, Administrative Services Manager/Treasurer; Dan Gallagher, Operations 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) – There was no public comment received.
6. REPORTS
 - A. Reports by General Manager and Staff
 - Event Calendar – General Manager Michalczyk reported on the following:
 - o On Friday, February 20, 2015 at 9:00 a.m. there will be a tour at the WWTP with Pleasanton Councilmembers Karla Brown and Kathy Narum along with Directors Benson and Howard. That group constitutes a DSRSD/Pleasanton Liaison Committee meeting and as such, an agenda will be posted for that meeting. If another Boardmember wanted to attend, that would result in a Special Board meeting and a different format for posting. No other Directors than committee members stated that they planned to attend.
 - o On Sunday and Monday, March 22-23, 2015 the ACWA Region 5 meeting will be held at the Santa Clara Valley Water District. The program will focus on their Silicon Valley Advanced Water Purification Center.
 - o On March 26, 2015 the ACSDA will hold their 25th Anniversary Annual Dinner.
 - o Tonight is the last Board meeting Ms. Biagtan will attend in her Interim Engineering Services Manager capacity. Mr. Michalczyk commended and thanked her for serving in this role for many months.
 - o General Counsel Nelson announced that under Government Code section 54592.3 of the Brown Act, the District's Day of Service policy does not permit the payment of more than one stipend per day to the Board. Since the

Board held a Special meeting prior to this Regular meeting, Directors will receive payment for attending only one meeting today.

- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject
2/3/15	Email	Sashi Gaddam	DSRSD Customer Service and Board Members	Account setup charges

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

- C. Committee Reports

Tri-Valley Water Policy Roundtable Ad Hoc Committee - February 5, 2015

Directors discussed highlights of this meeting at the special meeting held earlier this evening.

7. APPROVAL OF MINUTES – Regular Meeting of *February 5, 2015*

Director Halket MOVED for the approval of the February 5, 2015 minutes. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

Director Halket 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 – Farmers Insurance as Subrogee for Mr. Shihchen Chang – Approved

- B. Accept the Following Regular and Recurring Reports: District Financial Statements, Warrant List and Upcoming Board Business – Approved

9. BOARD BUSINESS

- A. Discuss Drought Management Program

General Manager Michalczyk reported the District continues to operate essentially the same Drought Management Program in 2015 as it did in 2014. Staff is planning to return to the Board in the April to May timeframe with possible changes to the program depending on the water supply situation that will exist after the wet season. Currently, the Drought Management Program expires on June 30, 2015.

No members of the public addressed the Board on this topic.

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 reported that in 2015 year-to-date the District is operating below water demand levels compared to 2014, as customer awareness has increased over time. Recent storms helped improve the water supply some, but more significant storms would be very helpful. He reported that the District very recently received a preliminary and conditional approval of the District's treated water deliveries from Zone 7; the approval is for a continuation of the water availability pattern from 2014. A final delivery approval will not be made until at least the April timeframe.

No members of the public addressed the Board on this topic.

Director Vonheeder-Leopold MOVED to accept the Water Supply and Demand Report and the Drought Response Action Plan Status Report and find that the need for the Community Drought Emergency Still Exists. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

C. Asset Management Program and the Development of the 10-Year and 2-Year Capital Improvement Program

Engineering Services Manager Biagtan explained that in advance of the Board's review of the 10-Year and 2-Year Capital Improvement Programs (CIPs), staff wanted to give the Board an Asset Management Program presentation to show how the program is incorporated into the preparation of the 10-Year and 2-Year CIPs.

Principal Engineer-Supervisory Garry Lee gave a presentation titled "Asset Management and CIP Development." He explained the importance of the District's assets and noted the values (excluding replacement value):

- Local Sewer - \$31 million;
- Water Distribution - \$146 million; and
- Regional (WWTP) - \$144 million.

He highlighted the fact that much of this value is located in utilities underground.

No members of the public addressed the Board on this topic.

The Board discussed that in the future they will be looking harder at the District's reserve funds and how to plan for large rehabilitation and replacement of assets as that becomes necessary. The Board expressed appreciation for the staff presentation.

D. Coordination between Land Use Planning Agencies and Water Supply Agencies for Water Service to New Development

General Manager Michalczyk gave a presentation titled “Water Supply Planning – How DSRSD Plans for Water Service to Proposed Projects.” As an outgrowth of a question from Director Vonheeder-Leopold about how the drought and water supply planning interact, this presentation was developed to explain the different roles and responsibilities of the District, the various land use planning agencies (Dublin, San Ramon, and to a lesser degree Alameda and Contra Costa Counties) and LAFCo in this process. He noted that the District will prepare an Urban Water Master Plan this year which will reflect new information about water supply reliability.

No members of the public addressed the Board on this topic.

The Board discussed the interactive process as it relates to the Dublin Aquatic Park that is now under construction and the water supply needed for that project. Mr. Michalczyk stated the District and the City have had discussions about this project in regard to the water supply. He noted the District’s water limitations ordinance would prohibit, without specific Board approval, filling the new swimming facilities. However, that ordinance is set to expire on June 30, 2015 unless there is Board action to extend it.

The Board discussed the interactive process as it relates to planning and providing water service to new development noting any water supply curtailment or suspension for new development must be done Valley-wide for it to have any affect. No direction was given to staff to address the matter further.

10. BOARDMEMBER ITEMS

Director Vonheeder-Leopold submitted reports and summarized the following meetings:

- She attended the Dublin Chamber of Commerce Economic Development meeting held at the Dublin Civic Center on February 5, 2015. Mr. David Stark, Director of Governmental Affairs, East Bay Realtors Association was the featured speaker.
- She attended the Alameda County Special District Association Executive Committee meeting on February 11, 2015 at the Castro Valley Sanitary District. Planning continues to be underway for the ACSDA Annual Dinner and 25th Anniversary celebration scheduled for March 26, 2015 at the Pleasanton Marriott. They are trying to secure Eric Swalwell as the featured speaker.
- She attended the Tri-Valley Water Policy Roundtable meeting on February 5, 2015 hosted by the City of Pleasanton.

11. CLOSED SESSION

Director Benson announced for the record that for Closed Session Item 11.C - Conference with Real Property Negotiator-Pursuant to Government Code Section

54956.8, Potential Water Supply Contract with Negotiating Parties of East Bay Municipal Utility District and Yuba County Water Agency, and as a Director of DSRSD and as a salaried employee of EBMUD, she will recuse herself from any participation in any discussions, decisions, and voting of any potential DSRSD water supply contract with EBMUD to ensure that she neither influences nor attempt to influence another member of the DSRSD Board regarding any matters pertinent to the contract, consistent with applicable provisions of the Government Code.

At 7:50 p.m. the Board went into 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 Farmers Insurance as Subrogee for Mr. Shihchen Chang pursuant to the Government Claims Act (Government Code §§810-996.6)

B. Conference Involving a Joint Powers Agency pursuant to Section 54956.96 (Livermore-Amador Valley Water Management Agency (LAVWMA))

Discussion will concern: Conference with Legal Counsel (Government Code 54956.9(d)(4)) Anticipated Litigation – Initiation of litigation

Number of potential cases: One case

Name of District representatives on LAVWMA Board: Director Benson, Director Howard

Other Attendees: Bert Michalczyk, General Manager
Dan Gallagher, Operations Manager
General Counsel Carl P. A. Nelson

At 7:54 p.m. Director Benson came out of Closed Session immediately prior to the commencement of Closed Session Item 11.C.

C. Conference with Real Property Negotiator-Pursuant to Government Code Section 54956.8
Property: Potential Water Supply Contract

Agency Negotiators: Bert Michalczyk, General Manager
Dan Gallagher, Operations Manager
John Archer, Administrative Services Manager
Carl P.A. Nelson, General Counsel
Robert B. Maddow, Assistant General Counsel

Negotiating Parties: East Bay Municipal Utility District and Yuba County Water Agency
Under Negotiation: Price and Terms

12. REPORT FROM CLOSED SESSION

At 8:15 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 8:16 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary