

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

December 17, 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, 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
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) –6:02 p.m.
6. REPORTS
 - A. Reports by General Manager and Staff
 - Event Calendar – General Manager Michalczyk reported on the following:
 - o On Thursday, January 30, 2014 at 6 p.m. at the Dublin City Hall, the District along with Zone 7, and the Cities of Pleasanton and Livermore will sponsor a public meeting on the recently released California Water Action Plan. California Secretary of Resources John Laird will speak at the meeting. Mr. Michalczyk asked Directors to put that date on their schedules.
 - o ACWA held an election for its president and vice president at its recent conference. The election was uncontested for president and John Coleman was elected. The vice president election was contested and Kathleen Tiegs was elected over Peer Swan.
 - o The California Urban Water Conservation Council (CUWCC) recently held an election for several vacant seats on its Board of Directors, including Group 1 representatives from public water agencies. In the Southern Region there were three candidates running for two vacant Group 1 seats, so the election was contested. The CUWCC did not circulate the ballot until late November. Since the District did not hold the December 3 Board meeting, there was no time for the Board to consider the candidates before the election was held on December 12. Per the District policy, if the timing of an election is such that a committee and/or the Board cannot consider the matter, then the

General Manager is delegated the authority to cast the District's vote. For the Southern Region the District cast votes for Joe Berg from Municipal Water District of Orange County, and Jason Foster from the San Diego County Water Authority. The District also cast votes for Fiona Sanchez from Irvine Ranch Water District who ran unopposed for Board Chair, and Carrie Pollard from the Sonoma County Water Agency, who ran unopposed for a Coast Region seat. When the ballots were counted, Joe Berg and Tim Barr from Western Municipal Water District were elected to represent the Southern Region, and Mr. Foster did not win a seat for the South Region.

- o The District Office will close for business at noon on December 24 and 31 this year. These will not be paid holidays. Employees who choose to leave early on those days may take vacation time to do so. This practice helps avoid coverage issues and allows employees to spend a little more time with their families if they choose.
- o Dublin Mayor Tim Sbranti will present his annual State of the City address on Wednesday, January 29, 2014 at the Shannon Center. Directors interested in attending should contact District Secretary Hatfield for reservations.

- Correspondence to and from the Board – None.

B. Committee Reports
Personnel

December 17, 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 *November 19, 2013*

V.P. Vonheeder-Leopold MOVED for the approval of the November 19, 2013 minutes. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

President Benson removed Items 8.A & 8.B for discussion at the request of Director Halket.

Director Duarte MOVED for approval of Items 8.C – 8.J on the Consent Calendar. V.P. Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

A. REMOVED - Approve Director Attendance at 2014 Meetings and Conferences

Director Halket commented that historically the Board has approved out-of-state travel as a separate item, rather than as part of its blanket approval for both travel

expenses and a day of service as one item. He stated he was uncomfortable folding the Washington, D.C. conferences into a blanket approval that the Board gives annually for the sake of administrative ease. He stated that typically, out-of-state travel has required a separate item identifying the specific Director associated with the travel request. Director Halket also asked to know more about the proposed attendance at the East Bay Leadership Council, as he believes that group is more similar to a local chamber of commerce than a conference and, therefore, does not warrant a day of service payment for attending their events.

General Manager Michalczyk clarified that the proposed approval to attend the ACWA / CASA conferences held in Washington, D.C. in February is a one-time event in 2014.

Mr. Michalczyk explained that until 2009, the District was a member of the Contra Costa Council and that it discontinued its membership during the period of tight budget constraints. Since then, the organization changed its name to the East Bay Leadership Council (EBLC) and has expanded its membership to include businesses in the Livermore-Amador Valley, as well as in Contra Costa County. The District rejoined the organization in this fiscal year. In November, a few Directors were interested in attending a luncheon meeting hosted by the EBLC, at which Congressman Swalwell spoke. At that time, the Board chose to approve a day of service payment and expense reimbursement for that specific event. This is the reason for proposing the inclusion of both a day of service, as well as expense reimbursement, for the EBLC in 2014.

V.P. Vonheeder-Leopold MOVED to approve attendance by the Directors at any required in-person ethics training that satisfies ethics training requirements of AB 1234 and approve attendance by the Directors at meetings, conferences, training sessions or Committee or Board meetings on which the District Director is a member for the following organizations: Association of California Water Agencies (ACWA held in CA and February Washington D.C. Conference); California Association of Sanitation Agencies (CASA held in CA and February Washington D.C. Conference); California Special Districts Association (State & Alameda and Contra Costa County Chapters); WateReuse Association (State and National – when held in CA); California Sanitation Risk Management Authority (CSRMA); and East Bay Leadership Council (EBLC). Director Duarte SECONDED the MOTION.

Director Halket MOVED for a SUBSTITUTE MOTION to approve attendance by the Directors at any required in-person ethics training that satisfies ethics training requirements of AB 1234, and approve attendance by the Directors at meetings, conferences, training sessions or Committee or Board meetings on which the District Director is a member for the following organizations: Association of California Water Agencies (ACWA held in CA); California Association of Sanitation Agencies (CASA held in CA); California Special Districts Association (State & Alameda and Contra Costa County Chapters);

WateReuse Association (State and National – when held in CA); and the California Sanitation Risk Management Authority (CSRMA), noting that his Motion *excluded* from day of service payments the ACWA and CASA February conferences in Washington, D.C., and the East Bay Leadership Council (EBLC). Director Howard SECONDED the MOTION.

V.P. Vonheeder-Leopold noted that the Board just approved both actions last month.

Director Halket clarified that the East Bay Leadership Council (EBLC) day of service payment was a one-time authorization made in November and previously the Board has not approved out-of-state conference attendance under a blanket approval such as the one being made this evening. He stated that the EBLC is a group more similar to the chamber of commerce and paying for a lunch is acceptable, but not acceptable for a day of service payment because it is not a policy making group at which a DSRSD Board member participates in a deliberative discussion; it is more a meeting for informational purposes. Director Halket stated he supports sending Board or staff where necessary, provided the attendance makes business sense.

V.P. Vonheeder-Leopold agreed with Director Halket's comments but emphasized the value of interacting with those parties involved in the EBLC and that both public agencies and businesses compose that membership.

President Benson agreed the EBLC is not really a policy making group and that she understands the Directors' perspectives on this matter. She also agreed she could support separating the ACWA and CASA February Washington, D.C. conference approval as a separate motion.

Director Duarte stated that he had reevaluated his position and now supports Director Halket's opinion for approving the February CASA and ACWA conferences separately. He noted that having attended the conference last year, this is not a pleasure trip. It is purely for business and is hard work.

The MOTION CARRIED with FIVE AYES.

Director Halket then MOVED to pre-approve a day of service payment and Director attendance at the February ACWA and CASA conferences to be held in Washington, D.C., in 2014. V.P. Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FOUR AYES, ONE NAY (Halket).

V.P. Vonheeder-Leopold then MOVED to pre-approve a day of service payment for Director attendance at the East Bay Leadership Council meetings in 2014.

The MOTION FAILED for lack of a SECOND.

- B. REMOVED - Approve Director Reimbursements for Travel and Meetings for 2014

V.P. Vonheeder-Leopold MOVED to approve reimbursement for Director expenses incurred in connection with Director attendance at the following activities and/or events held in 2014: travel expenses associated with attendance at meetings noticed under the Brown Act; meetings of all organizations for which a Director is eligible for a day of service; Dublin and San Ramon Chamber of Commerce monthly lunch meetings and meetings of the East Bay Leadership Council (EBLC); and welcoming or retirement events for staff and elected officials of local agencies and organizations provided that such events are not partisan events. Director Halket SECONDED the MOTION.

Director Howard stated that after passing approval of a day of service payment in the previous item for attending the ACWA and CASA Washington, D.C., February conferences, Directors will also receive payment for their travel.

The MOTION CARRIED with FIVE AYES.

President Benson asked that the Director Travel and Expenses policy be reviewed in 2014 to possibly (a) incorporate some language to provide a nominal payment to a Director if he/she should stay with relatives or friends in lieu of the lodging and (b) use a per diem system instead of requiring Directors to submit receipts for out of pocket meal expenses. The Board referred this issue to the External Affairs Committee for review of the matter. Director Howard cautioned the External Affairs Committee to keep in mind the IRS rules when discussing the matter.

- C. Notification of 2014 Ethics Training Opportunities for Boardmembers in Compliance with AB 1234 (Government Code Section 53235(f)) – Approved
- D. Approve Time Extension for City of Dublin Unused Sewer Capacity Program and Rescind Resolution No. 66-11 – Approved – Resolution No. 57-13
- E. Accept Actuarial Valuation of the Other Post-Employment Benefit (OPEB) Programs as of July 1, 2013 – Approved
- F. Increase Local Sewer Replacement, Regional Sewer Replacement and Water Replacement Fund Expenditure Limits – Approved – Resolution No. 58-13
- G. Approve Adjustments to the FYE 2014 Capital Outlay Budget for the Replacement Panel for the WWTP Aeration Blower System and the Diesel Truck CARB Retrofit – Approved – Resolution No. 59-13
- H. Performance Bond Requirements in Technical Services Agreements – Approved
- I. Upcoming Board Calendar – Approved

J. Report of Checks and Electronic Disbursements Made – Approved

Date Range	Amount
10/28/13 – 11/24/2013	\$ 4,880,256.65

9. BOARD BUSINESS

A. Discuss the Draft Board Correspondence Policy

General Manager Michalczyk reported that Items 9.A and 9.B are two policies that work together. Item 9.A is the Board Correspondence policy and Item 9.B is the Boardmember Guidelines policy. Policies are typically reviewed every four years. The Board asked staff to return with the Board Correspondence policy a year after it was last revised in summer 2012 to address the electronic means of communication; and the Board wanted an update of how that system was working. The External Affairs Committee met multiple times on this policy and specifically discussed the electronic communications area of the policy further and came up with some recommendations because it has not been working smoothly.

Mr. Michalczyk explained that the Board Correspondence policy has been streamlined into suggested protocols when dealing with correspondence to and from a single Boardmember as opposed to correspondence to and from the entire Board. For instance, if one Director is communicating with a constituent, then the full Board does not need to participate or provide opinions with that specific communication. Mr. Michalczyk reminded Directors that they must all comply with the Public Records Act. In conclusion, Mr. Michalczyk noted that some additions have been made to the Board Guidelines policy relating to written communications and removed from the Board Correspondence policy. He asked if the Board wanted this policy returned to the External Affairs Committee for further revisions, or if it could be finalized and prepared for consideration and approval at an upcoming Board meeting in January or February.

Director Howard, a member of the External Affairs Committee, stated that they were interested in the Board's review and opinions of the proposed policy revisions.

President Benson discussed the topic of Directors having their own separate District email addresses.

Mr. Michalczyk explained that the District's current system does not easily accommodate Boardmember access to email; however, once the District's new website is in place in 2014, this should be resolved and email easily accessible by all Directors.

Director Halket expressed his full support for Directors to communicate freely with constituents, apart from the requirement of full Board input, and he believes this policy allows for this type of communication. He suggested the policy be returned and placed on the Consent Calendar.

Directors agreed to have the policy finalized as presented and returned to the full Board for consideration.

B. Discuss the Draft Guidelines for Conducting Dublin San Ramon Services District Business Policy

General Manager Michalczyk presented the draft Guidelines for Conducting Dublin San Ramon Services District Business policy (Guidelines) and stated that one of the main charges from the Board is to change the way the Committees conduct their work. This was the largest part of updating these guidelines. The External Affairs Committee wanted the document presented in draft form for discussion. If the proposed “Structural Changes to the Committee System” section are supported by the full Board (page 50 of 50), as well as the other proposed revisions, then the guidelines can be finalized and presented at a future meeting in January or February. Essentially, all agenda items will go directly to the Board first.

Mr. Michalczyk explained that in looking back a year, approximately 85% of agenda items that have gone to the Board seem like they could have gone to the Board first and bypassed Committee review because they were non-controversial and minimally discussed. With approval of these structural changes, all items will go to Board meetings first and then be referred back to the Committees only when requested by the Board. Mr. Michalczyk noted that there were approximately eight types of items that would continue to go first to Committee and then on to the Board. Those include items such as development of Committee Charters, labor relations matters, rate setting matters, etc.

Director Halket commented that he believes structural change to the Committee system is changing the default thinking: items will go to the Board and then referred to Committee, only if desired, rather than required. Committee review will be the exception rather than the norm.

Director Halket also emphasized the importance of the Board having the ability to comfortably transact its business while meetings are recorded and broadcast. He cited a recent example where it seemed to him that Directors felt compelled to stay in their seats at the dais while trying to closely study and consider the proposed District logos. He felt constrained when viewing the logos because he wanted to get up and move around the Boardroom to get a closer, better look at the artwork. He encouraged the Board to continue to conduct their business naturally as if the meeting was not being recorded.

Director Duarte commented that if the recording inhibits the Board from effectively doing their work, he sympathizes with Director Halket. He noted the importance of the recordings, as it makes the Board's business transparent.

V.P. Vonheeder-Leopold commented that eventually the recording technology will be improved and solve some of Director Halket's concerns.

President Benson referred the Board to page 49 of 50 titled "New Chapter – Electronic Devices" of the draft Guidelines where it discusses the District will not furnish District-owned devices. She wanted to understand why this was included in the policy. She noted that many city councils and boards do have devices issued to them. Her idea is that if Directors do not have to receive and review agenda packets in paper version they are becoming "green" and that is environmentally friendly. It will also reduce weekly courier costs to Directors.

Director Howard noted that this is a guideline and the text does not say "shall not" issue devices to Directors.

Mr. Michalczyk stated that on page 49 of 50 of the draft Guidelines, the second sentence in the first paragraph reads: "However, the District neither furnishes District-owned devices to Directors nor provides reimbursement for service contracts related to those devices." If the Board wants to have access to the internet on District-owned devices, they could put this on a future agenda for discussion and consideration. Directors agreed to remove that particular sentence.

Mr. Michalczyk told the Board that revisions to the Guidelines will take slightly longer to prepare and finalize for approval.

C. Selection of President and Vice President of the Board of Directors

Director Halket MOVED to NOMINATE Director Vonheeder-Leopold as the 2014 Board President. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Howard MOVED to NOMINATE Director Duarte as the 2014 Board Vice President. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

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

D. Standing Committees of the Board – Calendar Year 2014

President Vonheeder-Leopold presented the following Committee assignments for Calendar Year 2014. She tried to maintain continuity on each Committee by carrying over from 2013 to 2014 one of the Committee members.

Assignments by Committee			
Committee	Member 1	Member 2	Alternate
External Affairs	Duarte	Benson	Howard
Finance	Halket	Vonheeder-Leopold	Benson
Personnel	Benson	Duarte	Halket
Wastewater	Howard	Halket	Vonheeder-Leopold
Water	Vonheeder-Leopold	Howard	Duarte

Director Halket MOVED to approve the Standing Committees of the Board for Calendar Year 2014. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS

Director Howard wished everyone a happy, fun and safe holiday season!!

V.P. Duarte also wished everyone a happy holiday season!

Director Halket wished everyone a Merry Christmas and Happy Holiday season and thanked them for their patience with having his two sons attend the meeting this evening.

Director Benson reported that she attended the East Bay Leadership Council meeting on November 22, 2013 where Congressman Swalwell was the featured speaker. She mentioned some of the topics discussed and wished everyone blessed and happy holidays!

President Vonheeder-Leopold reported on an all day Cal Berkeley Landscape and Architectural department conference she attended November 20, 2013. The topic was the future of concrete tunnels. She thanked staff for a great year and wished them a Merry Christmas!

- Presentation for Outgoing President

President Vonheeder-Leopold thanked Director Benson for her year of service and accomplishments as Board President and then presented her with a customized recognition plaque.

11. CLOSED SESSION

At 6:56 p.m. the Board went into Closed Session.

- A. 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.

12. REPORT FROM CLOSED SESSION

At 7:08 p.m. the Board came out of Closed Session. President Vonheeder-Leopold announced that there was no reportable action.

13. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 7:09 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary