

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

May 19, 2015

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 Georgan M. Vonheeder-Leopold. District staff present: Bert Michalczyk, General Manager; Dan McIntyre, 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

Three students from Dublin and San Ramon were honored by the Dublin San Ramon Services District Board of Directors for their award-winning science fair projects. The students were winners of the Excellence in Water Research award. The awards were created in 2013 by 19 water and wastewater agencies in Alameda and Contra Costa counties to recognize outstanding student projects in the world of water.

Alameda County Science & Engineering Fair Winner:

In the Junior Division of the Alameda County Science and Engineering Fair, Neil Chatterjee was the runner up for the Excellence in Water Research award. An eighth grader at Quarry Lane Middle School in Dublin, Neil, presented his project that explored how organic detergents materially decrease the cost of wastewater treatment. His teacher, Mr. Johann Ripfel, sponsored the project. Neil received a \$300 cash award and Mr. Ripfel received \$100.

Contra Costa County Science & Engineering Fair Winners:

In the Junior Division of the Contra Costa County Science and Engineering Fair, Arshia Mehta and Rishita Wairagade were the first place winners for the Excellence in Water Research award. Seventh graders at Gale Ranch Middle School, in San Ramon, Arshia and Rishita explained their project that explored a low cost, portable water filter. Their teacher, Ms. Barbara Weisbrod, sponsored their project. Each student received a \$250 cash award and Ms. Weisbrod received \$100.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:26 p.m.

Mr. Patrick Clancy addressed the Board and gave a demonstration of his water saving device known as “Well Worth It,” watering wells for trees and shrubs.

6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager Michalczyk reported on the following:
 - o At the May 13, 2015 Alameda County Special Districts Association (ACSDA) meeting, the Association voted and adopted new bylaws. Due to timing constraints, the General Manager cast the District’s vote in favor of the revised bylaws, which contain clarifying language and other non-substantive changes. ACSDA will require members to have an appointed delegate to vote on behalf of each organization. They also use Rosenberg’s Rules of Order for conducting their meetings excepting that all motions must receive a Second to be considered. Since the District’s Board Guidelines reference Rosenberg’s Rules of Order staff will research whether this could also be an issue for the District. Directors agreed they want a Second required when taking an action. Director Vonheeder-Leopold noted the ACSDA bylaws also added an at-large seat to the Executive Board.
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
5/7/15	Email	Peggie Davis	President Duarte	Insurance Company Liaison	Email response sent by staff 5/13
5/12/15	Email	Ramona Krausnick	President Duarte cc: BOD	Enhanced Lawn Rebates	Email response sent by staff on 5/21
5/19/15	Email	Norm Lewandowski	Board	Future Water Restrictions	Email response sent by staff on 5/21

B. Agenda Management (consider order of items) – Closed Session Item 11.A was taken before Item 5 – Public Comment. Closed Session Item 11.C was taken before Item 11.B.

C. Committee Reports

Tri-Valley Water Policy Roundtable Committee

May 13, 2015

General Manager Michalczyk noted any discussion about the Committee meeting could be taken this evening under Item 9.N on the agenda.

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

Director Vonheeder-Leopold cited a correction on page 11 under Boardmember Items stating the “welcome baskets” were specifically for new Camp Parks’ residents.

Director Halket MOVED for the approval of the May 5, 2015 minutes with the suggested amendment. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

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

- A. Approve the Fifth Edition of the District's Five-Year Strategic Plan - Investing for Reliable and Sustainable Service FYE 2016 - 2020 and Endorse the Strategic Work Plan for FYE 2016 and FYE 2017 – Approved – Resolution No. 25-15
- B. Approve Dublin Apartment Properties, LLC Areawide Facility Agreement for Construction of Major Infrastructure Facilities Pertaining to 7544 Dublin Boulevard – Approved – Resolution No. 26-15
- C. Accept the Following Regular and Recurring Reports: District Financial Statements, Warrant List, and Upcoming Board Business – Approved

9. BOARD BUSINESS

- A. Review and Discuss Drought Management Program

General Manager Michalczyk reported this is a standing agenda item intended for discussion on the District's Drought Management Program. He explained that tonight the Board will have several items to consider and act upon related to the drought under Items 9.B through 9.J. The same set of drought related items were presented to the Board in 2014. At the May 5, 2015 Board meeting, several substantive items were discussed in preparation of tonight's discussion and associated actions.

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

The Board did not take any action under this item and then proceeded to address the many drought related items.

- 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 this is a standing agenda item. He reported that on May 5, 2015 the State Water Resources Control Board (SWRCB) considered and passed drought regulations in response to the Governor's Executive Order. There was nothing of substance that came out of the SWRCB's actions that

will require changes to the direction also set forth on May 5, 2015 by the District Board and which will be considered tonight.

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

Director Halket wanted to confirm that the SWRCB mandate applies to retailers and not wholesalers.

Mr. Michalczyk confirmed this as correct.

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. V.P. Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

- C. Continue the State of Community Drought Emergency through February 29, 2016 and Rescind Resolution No. 78-14

In response to the Governor's Executive Order, General Manager Michalczyk explained that this item is to extend the State of Community Drought Emergency through February 29, 2016. The District is required to achieve system-wide water use curtailment of 16% in 2015 as compared to usage in 2013. This can be achieved by a 33% system-wide outdoor curtailment and a 5% system-wide indoor curtailment. He noted that in 2014 the District had to achieve a 25% system-wide water use curtailment. The difference between 2015 and 2016 will allow the District to use Stage 2 drought rates rather than Stage 3 rates, as was the case in 2014.

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

Director Benson MOVED to adopt Resolution No. 27-15, update and declare the Continuing Community Drought Emergency and Rescind Resolution No. 78-14. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

- D. Hold Public Hearing: Adopt Urgency Ordinance for Water Use Limitations and Repeal Ordinance No. 333

President Duarte read aloud the title of the Urgency Ordinance.

Director Halket MOVED to WAIVE the reading of the Urgency Ordinance of Dublin San Ramon Services District adopting Water Use Limitations during the Community Drought Emergency and Repeal of Ordinance No. 333. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

President Duarte declared the Public Hearing open.

Operations Manager Gallagher summarized the following points related to the revised water use restrictions:

- Irrigation will be limited to two days per week per meter year round.
- Drip irrigation will now permit bubblers and micro-sprayers but their use will be limited to two days per week.
- Hand watering with a bucket or can will be limited to two days per week.
- District residential customers will be limited to 4,480 gallons per week.
- Hotels must post notices in all guest rooms stating that towel and linen washing is optional.
- Commercial users are limited to 95% of 2013 usage for indoor use.
- Irrigation customers are limited to 67% of 2013 usage for the same period.
- Home vehicle washing will be allowed with a shut off nozzle.
- Commercial vehicle washing will be allowed with a shut off nozzle.
- Ornamental turf on public street medians cannot be irrigated with potable water.
- Pressure washing of fences for painting or repair is allowed.
- Irrigation of landscaping for new construction must comply with the California Building Standards Commission and the Department of Housing and Community Development.

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

Director Halket MOVED to close the Public Hearing. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Vonheeder-Leopold MOVED to adopt Ordinance No. 336 an Urgency Ordinance of Dublin San Ramon Services District adopting Water Use Limitations during the Community Drought Emergency and Repeal of Ordinance No. 333. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

- E. Hold Public Hearing: Adopt Urgency Ordinance for Penalties and Provisions for the Enforcement of Water Use Limitations and Repeal Ordinance Nos. 334 and 335

Operations Manager Gallagher summarized the following points related to the revised enforcement ordinance for non-residential customers:

- First violations will be a \$250 fine or 10% of the 2013 billing for the same period.
- Second violations will be a \$500 fine or 20% of the 2013 billing for the same period.
- Third violations will be a \$1,000 fine or 40% of 2013 billing for the same period.

President Duarte read aloud the title of the Urgency Ordinance.

V.P. Howard MOVED to WAIVE the reading of the Urgency Ordinance of Dublin San Ramon Services District adopting Penalties and Provisions for the Enforcement of Water Use Limitations during the Community Drought Emergency and Repeal of Ordinance Nos. 334 and 335. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

President Duarte declared the Public Hearing open.

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

Director Halket MOVED to close the Public Hearing. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Halket MOVED to adopt Ordinance No. 337 an Urgency Ordinance of Dublin San Ramon Services District adopting Penalties and Provisions for the Enforcement of Water Use Limitations during the Community Drought Emergency and Repeal of Ordinance Nos. 334 and 335. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

F. Adopt Stage 2 Water Supply Shortage Rates and Rescind Resolution No. 27-14

Administrative Services Manager Archer reported this item is to adopt revised water rates. The District currently has Stage 3 water rates in effect and this action is to rescind Resolution No. 27-14 and change the rates from Stage 3 rates to Stage 2 water supply shortage rates, which is more in alignment with the 16% water reduction target. The agenda materials show the change in the rates that will continue to send a price signal to customers. The Stage 2 rates will continue to provide \$145,000 for funding of customer information and outreach efforts.

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

Director Halket MOVED to adopt Resolution No. 28-15, declaring a Stage 2 Water Supply Shortage under Chapter 4.10 of the District Code, and further clarifying Resolution No. 11-13 and Rescind Resolution No. 27-14. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

G. Adopt Wise Water User Credit for Fiscal Year Ending 2016

Administrative Services Manager Archer explained this item was to continue on with the Wise Water User Credit for customers through February 29, 2016. At the May 5, 2015 Board meeting, Directors expressed their support to continue with this \$2 per month credit for applicable customers.

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

Director Halket MOVED to adopt Resolution No. 29-15, establishing the FYE 2016 Wise Water User Credit for Low Water Consumption Residential Customers. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

H. Revise Enhanced Rebate Program for Water Efficient Devices and Appliances and Lawn Replacements and Rescind Resolution No. 29-14

Operations Manager Gallagher reported this item is a recommendation for a revised rebate program for water efficient devices and appliances. The main changes have to do with lawn replacements. When discussed with the Board on May 5, 2015, Directors requested an increase to the rebate amount. This updated program will allow for single family homes to receive up to \$0.50 per square foot with a \$500 maximum rebate. Businesses and multi-family facilities will be eligible for \$0.50 per square foot with a \$3,000 maximum rebate. A minimum of 250 square feet of lawn must be removed to qualify for participation in the program.

Directors asked questions about the District's program and Zone 7's rebate program. The Zone 7 rebate program is in addition to the District's. If a business desires to remove a larger section of lawn, they can come to the Board and make a direct request for program participation.

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

Director Benson MOVED to adopt Resolution No. 30-15, continuing an Enhanced Rebate Program for identified Water Saving Devices and Appliances and Specified Landscape Conversions and Rescind Resolution No. 29-14. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

I. Endorse FYE 2016 Drought Response Action Plan

Operations Manager Gallagher presented the FYE 2016 Drought Response Action Plan summarizing the expanded use of recycled water and the extension and expansion of recycled water facilities.

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

Director Halket MOVED to accept the FYE 2016 Drought Response Action Plan. V.P. Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

J. Amend FYE 2016 Operating Budget Related to District Drought Response

Administrative Services Manager Archer explained this item is to amend the FYE 2016 budget that still has to be approved by the Board on June 2, 2015. In response to the Stage 2 drought rates approved tonight, this item will provide \$145,000 in funding for the Drought Response Action Plan.

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

Director Benson MOVED to adopt Resolution No. 31-15, adjusting the FYE 2016 Operating Budget. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

- K. Approve Sixth Supplemental Agreement to the Agreement for Wastewater Disposal Services between District and City of Pleasanton Related to the Disposition of Outstanding Clean Water Revival Issues and Funding for Recycled Water Facilities

General Manager Michalczyk presented the sixth amendment to the Agreement for Wastewater Disposal Services between the District and the City of Pleasanton that was originally signed on November 2, 1992. He described this agreement as a landmark moment between the District and City and then summarized the highlights of the agreement including that it provides: 1) Resolution to all outstanding issues regarding the Clean Water Revival (CWR) project; 2) Authorizes the transfer of \$2,311,713 from the Regional Expansion Fund to the Water Expansion Fund representing value to the Regional Expansion Fund of the District's year-round use of recycled water; and 3) Authorizes the remittance of \$1,124,098 to Pleasanton for the value to the Regional Expansion Fund of Pleasanton's year-round use of recycled water.

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

Director Vonheeder-Leopold expressed her strong support for this action and her satisfaction with the very good working relationship that has now developed with the City of Pleasanton.

Director Vonheeder-Leopold MOVED to adopt Resolution No. 32-15, approving Sixth Supplemental Agreement to Agreement for Wastewater Disposal Services between City of Pleasanton and Dublin San Ramon Services District. V.P. Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

- L. Award Agreement and Take Associated Actions for the Construction of Water and Recycled Water SCADA Improvements Project (CIP 09-6101)

Engineering Services Manager McIntyre invited Principal Engineer – Supervisory Judy Zavadil to summarize various aspects of the second largest CIP project to be awarded this fiscal year.

Ms. Zavadil addressed the Board and gave an update on the Supervisory Control and Data Acquisition (SCADA) improvements CIP project describing details and benefits of the work to be completed. SCADA allows staff to remotely monitor and control the District's water system assuring that proper water storage levels, pressures and flows are continuously maintained throughout the water system. Water and Recycled Water SCADA Improvements were recommended in the 2010 SCADA Master Plan and then design was delayed until 2013 due to the economic

downturn. This project will upgrade the obsolete Field Operations Division system that has been anticipated by District staff for some time. Ms. Zavadil acknowledged in the audience District employees, Sr. Electrical Engineer - Supervisory Maurice Atendido, Sr. Instrumentation & Controls Technician Jerry Miller, and Water/Wastewater Systems Operator IV Darin Winton who all have a strong interest in completion of this particular CIP project. Ms. Zavadil completed her presentation listing the prospective Board actions.

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

Director Halket MOVED to:

- 1) Adopt Resolution No. 33-15, approving categorical exemption for the Water and Recycled Water SCADA Improvements Project (Project) and authorizing and directing the filing of a Certificate of Determination of Exemption;
 - 2) Adopt Resolution No. 34-15, approving a budget adjustment to the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2014 and 2015 to increase the project budget for Water and Recycled Water SCADA Improvements Project (CIP 09-6101);
 - 3) Adopt Resolution No. 35-15, approving and authorizing execution of Agreement to Glenmount Global Solutions CA, for construction of the Water and Recycled Water SCADA improvements and authorize the General Manager to approve construction change orders up to 10% of the total construction contract amount, not to exceed \$372,700 and directing return of Security Deposits; and
 - 4) Adopt Resolution No. 36-15, authorizing the General Manager to execute Task Order No. 2 to Master Agreement with Arcsine Engineering for Project Design and Construction Management Services in an amount not to exceed \$910,000.
- Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

M. Discuss Candidates' Statement Costs Policy (P100-13-3)

District Secretary Hatfield initiated the Board's discussion on review of Candidates' Statement Costs policy. She explained review of this policy coincides with post-election cycles. Since the District is a multi-county agency, candidates may choose to have a candidate statement published in one, both, or neither Contra Costa or Alameda Counties; the policy sets forth that a fixed deposit amount of \$450 for a statement is required to be paid in each county if a statement is published. Any amount in excess of the \$450 is paid by the District. The counties calculate an estimated deposit for a candidate statement for citizens seeking a District Board seat, which is then finalized after the election when final costs are determined.

In 2014, an election was not held due to the absence of challengers to the two Directors' seats on the Board. As a result, there were no final candidate statement costs determined, but the estimated deposits were set at \$262.50 and \$1,297, for Contra Costa and Alameda Counties, respectively. Ms. Hatfield suggested the Board discuss and consider if they want to make changes to this policy. If changes

are directed, staff will return to a future meeting with a revised policy for Board consideration.

Directors Howard, Duarte, and Benson expressed their support of the policy in its current form.

Director Halket suggested Directors consider another a change in the policy whereby an incumbent would be charged a greater deposit for his/her candidate statement than a challenger to encourage non-incumbents to seek office.

V.P. Howard asked if that scenario would be legal.

General Counsel Nelson stated he would do some research to confirm or deny that possibility.

Director Vonheeder-Leopold commented that having to pay for a candidate statement can make it very difficult for lower income people to run for office. She mentioned the argument for not having to raise money to seek elected office. She stated for the record she liked the old policy in existence in the 1990's under which the District would pay one hundred percent of the cost for the candidate statement for all candidates; that made it possible and fair for anyone from any economic background to easily run for office. She stated the required deposit amount of \$450 is a considerable amount of money to have to pay.

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

General Manager Michalczyk confirmed the Board's direction to determine if it is legal or not to set policy to charge differing amounts for candidate statements for incumbents and challengers. If it is determined that it is not legal to do so, then the policy will be considered status quo and no changes will be made to the policy. If it is legally possible to do so, then this matter will be brought back to the Board for further discussion.

N. Discuss Tri-Valley Water Policy Roundtable Activities on Water Reliability and Water Recycling

Engineering Services Manager McIntyre reviewed the last Tri-Valley Water Policy Roundtable meeting held May 13, 2015 in the District's Boardroom. He discussed the several consensus items and discussion topics including the unanimous support that the Tri-Valley agencies should continue to work in collaborative ways. The next meeting will be targeted for July 2015.

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

Directors discussed aspects of the meeting, including the governance issue that was identified as a priority for future discussion. The Directors agreed that they should

strongly support projects and enter into collaborative agreements for indirect potable reuse projects as endorsed by all elected officials at the Roundtable meeting.

10. BOARDMEMBER ITEMS

Director Vonheeder-Leopold reported that she attended the May 7, 2015 Dublin Chamber of Commerce Economic Development meeting and summarized issues discussed at that meeting. She also reported that she will be on the upcoming California Association of Sanitation Agencies (CASA) ballot as a candidate for the CASA Board of Directors.

Director Benson reported she will attend EBMUD Director John Coleman’s breakfast tomorrow morning. She also complimented Mr. Michalczyk on an update he gave on the District’s AquaHawk system to the water task force chaired by Mr. Bob Whitley. She also noted if the GoodBoardWork subscription is good value, then she would like to continue to receive it.

11. CLOSED SESSION

At 6:11 p.m. the Board went into Closed Session for Item 11.A.

- 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.

At 7:54 p.m. the Board went into Closed Session for Items 11.B. and 11.C.

- B. Public Employee Performance Evaluation – Pursuant to Government Code Section 54957; Title: District Secretary
- C. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
 - Agency Negotiators: Bert Michalczyk, General Manager
Michelle Gallardo, Interim Organizational Services Manager
 - Employee Organization: Mid-Management Employee’s Bargaining Unit (MEBU)
 - Additional Attendee: General Counsel, Carl P.A. Nelson

12. REPORT FROM CLOSED SESSION

At 6:25 p.m. the Board came out of Closed Session for Item 11.A. President Duarte announced that there was no reportable action.

At 8:14 p.m. the Board came out of Closed Session for Items 11.B and 11.C. President Duarte announced that there was no reportable action.

13. ADJOURNMENT

President Duarte adjourned the meeting at 8:15 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary