

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

June 2, 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 Georgean 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
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m. – 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 Due to there being no business to transact, there may not be a need for the Board to hold the July 7, 2015 meeting. Staff will keep the Board informed on this matter.
 - Correspondence to and from the Board on an Item not on the Agenda – None
 - B. Agenda Management (consider order of items) – No changes were made
 - C. Committee Reports - None
7. APPROVAL OF MINUTES – Regular Meeting of *May 19, 2015*

Director Vonheeder-Leopold MOVED for the approval of the May 19, 2015 minutes.
Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.
8. CONSENT CALENDAR

President Duarte removed Item 8.G from the Consent Calendar for discussion.

Director Halket MOVED for approval of Items 8.A – 8.F on the Consent Calendar. V.P. Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

- A. Name Representative and Alternate Representative to the Alameda County Special Districts Association – Approved
- B. Approve Operating Budget Adjustment for Fiscal Year Ending 2015 Related to Implementing the Terms of the Sixth Supplemental Agreement between DSRSD and City of Pleasanton – Approved – Resolution No. 37-15
- C. Approve Operating Budget Adjustment for Fiscal Year Ending 2015 Related to Early Payoff of Note and Security Agreement with Bank of America, N.A. – Approved – Resolution No. 38-15
- D. Approve Operating Budget Adjustment for Fiscal Year Ending 2015 Related to Pay Down of the District's Current Unfunded Liability in the California Public Employees Retirement System – Approved – Resolution No. 39-15
- E. Adopt Revised Financial Reserves Policy and Rescind Resolution No. 73-14 – Approved – Resolution No. 40-15
- F. Adopt Revised Budget Accountability Policy and Rescind Resolution No. 64-11 – Approved – Resolution No. 41-15
- G. REMOVED - Authorize General Manager to Execute a Purchase Order with Ovivo USA, LLC for Purchase of a Clarifier Mechanism

President Duarte stated he was happy the District planned to prepurchase the equipment for this project. However, he expressed concern if the equipment did not arrive timely from the manufacturer that this would create a tight construction schedule for the contractor. He wanted to ensure the District would be fair to the contractor in this possible circumstance.

Engineering Services Manager McIntyre assured President Duarte he would talk with Ovivo about this concern.

Director Vonheeder-Leopold MOVED to authorize the General Manager to execute a purchase order with Ovivo USA, LLC (Ovivo) for purchase of a clarifier mechanism in the amount of \$550,120. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

9. BOARD BUSINESS

- A. Discuss Drought Management Program

General Manager Michalczyk reported this agenda item is a standing agenda item to give the public and Board an opportunity to freely chat about the District's Drought Management Program. This item also gives the Board a chance to give staff any direction that may be appropriate related to the program.

Mr. Michalczyk gave the Board a short briefing starting with the Governor's most recent emergency proclamation issued April 1, 2015 and eventually how part of that order may affect the drought rebate program the Board approved on May 19, 2015. He stated he believes the Board's intent for the \$150 enhanced rebate program for irrigation based controllers was for individual homeowners to be the recipients of the rebates and not applicable to developers who are building new units.

The Directors agreed with Mr. Michalczyk's assessment of the Board's intent for administration of the irrigation based controllers rebate program.

Mr. Michalczyk stated he will bring this matter back to the Board to clarify their intent at a future meeting.

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

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

B. Public Hearing: Approve Capital Improvement Program Ten-Year Plan for Fiscal Years Ending 2016 through 2025 and Adopt Two-Year Budget for Fiscal Years Ending 2016 and 2017

Engineering Services Manager McIntyre presented the Capital Improvement Program Ten-Year Plan for Fiscal Years Ending 2016 through 2025 and adopt Two-Year Budget for Fiscal Years Ending 2016 and 2017. He reported only minor changes were made from the documents presented to the Board on May 5, 2015. The few changes included shifting money that would not be spent in FYE 2015 to 2016, as well as adding illustrations to the documents. He invited questions from the Board.

President Duarte declared the Public Hearing open.

Hearing no comments from the public, Director Halket MOVED to CLOSE the Public Hearing. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Halket MOVED to adopt Resolution No. 42-15, approving the Capital Improvement Program Ten-Year Plan for Fiscal Years Ending 2016 through 2025 and adopting the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2016 and 2017 and he also complimented staff on the new and improved

style of the documents. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

C. Public Hearing: Adopt Operating Budgets for Fiscal Years Ending 2016 and 2017

Administrative Services Manager Archer presented the Fiscal Years Ending 2016 and 2017 Operating Budgets. He mentioned there were a few changes made to the documents from those presented to the Board on May 5, 2015. Some of those changes include: 1) incorporation of budget adjustments for FYE 2016 approved by the Board after May 5; 2) the regional bank payment was removed from FYEs 2016 and 2017 because the Board authorized payment of the outstanding debt before the end of FYE 2015; 3) the cost for water was incorrectly reflected and was increased; 4) the purchase of a truck was added to FYE 2016 because there was inadequate time to purchase it in FYE 2015; 5) an increase to banking fees; 6) the negotiated payment for the Sixth Supplemental Agreement with the City of Pleasanton; and, 7) other minor miscellaneous adjustments. Mr. Archer reported that overall the budget numbers still look satisfactory. He invited any questions from the Board.

President Duarte declared the Public Hearing open.

Hearing no comments from the public, Director Halket MOVED to CLOSE the Public Hearing. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

V.P. Howard MOVED to adopt Resolution No. 43-15, adopting the Annual Operating Budgets for Fiscal Years Ending 2016 and 2017. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

D. Award Construction Agreement for Component 2 of the Recycled Water Expansion Phase 1 - Distribution to West Dublin Project (CIP 15-R009) to McGuire and Hester and Authorize Task Order No. 9 with HDR Engineering, Inc.

Before commencing with this agenda item Director Vonheeder-Leopold stated that the District's Engineering Department has advised that her residence is located within 500 feet of a portion of the District project entitled Component 2 of the Recycled Water Expansion Phase 1 – Distribution to West Dublin Project (CIP 15-R009), which is the subject of this Agenda Item. She reported that District General Counsel advised that under a Fair Political Practices Commission (FPPC) regulation that became effective on January 1, 2015, she is not allowed to participate in the Board's decision on this project unless she has received written advice from the Commission based on its determination that there are sufficient facts to indicate that there will be no reasonably foreseeable measurable impact on her residence. Since she did not receive any such written advice, she reported she would recuse herself from any participation in this item.

Director Halket stated that the District's Engineering Department has advised him that his residence is located within 500 feet of a portion of the District project titled Component 2 of the Recycled Water Expansion Phase 1 – Distribution to West Dublin Project (CIP 15-R009), which is the subject of this Agenda Item. He stated the District's General Counsel advised that under a Fair Political Practices Commission (FPPC) regulation that became effective on January 1, 2015, he is not allowed to participate in the Board's decision on this project unless he has received written advice from the Commission based on its determination that there are sufficient facts to indicate that there will be no reasonably foreseeable measurable impact on his residence. Since he did not receive any such written advice, he recused himself from any participation in this item.

Director Halket also commented for the record that he believes the 500 foot rule is extremely poor public policy and is not workable, particularly when the FPPC only meets one time per month to be able to provide a ruling to an elected official on his/her decision making capabilities as it relates to participating in the decision-making on projects.

Directors Vonheeder-Leopold and Halket departed from the Boardroom at approximately 6:20 p.m.

Project Manager Steve Delight gave the Board a summary of the subject project that will install approximately 16,500 feet of recycled water pipe in west Dublin and provide for the conversion of 40 sites west of I-680 from potable to recycled water. Recycled water represents 20% of the District's water sales last year. Contractor McGuire and Hester submitted the lowest responsible responsive bid and HDR Engineering, Inc., will provide construction management services for the project.

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

Director Benson MOVED to: 1) adopt Resolution No. 44-15, approving and authorizing execution of Agreement with McGuire and Hester, for construction of Component 2 of the Recycled Water Expansion Phase 1 – Distribution to West Dublin (CIP 15-R009); and, 2) to authorize by MOTION the General Manager to execute Task Order No. 9 with HDR Engineering, Inc., for Construction Management and Inspection Services in an amount not to exceed \$483,030. V.P. Howard SECONDED the MOTION, which CARRIED with THREE AYES, TWO ABSENT (Vonheeder-Leopold, Halket).

10. BOARDMEMBER ITEMS

Director Vonheeder-Leopold returned to the Board meeting at 6:26 p.m.

Director Vonheeder-Leopold gave a verbal report and submitted a written report about EBMUD Director John Coleman's hosted breakfast meeting she attended on May 20, 2015.

She also reported attending the change in command ceremony for Lt. Col. Gerdes at Camp Parks.

Director Benson reported she also attended EBMUD Director Coleman's breakfast meeting on May 20, 2015.

11. ADJOURNMENT

President Duarte adjourned the meeting at 6:30 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary