

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

August 4, 2015

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by President Edward R. Duarte.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Edward R. Duarte, Vice President D.L. (Pat) Howard, Director Richard M. Halket, Director Dawn L. Benson, and Director Georgan M. Vonheeder-Leopold.

Recusals:

Director Vonheeder-Leopold - Item 9.F Director Vonheeder-Leopold stated that she would recuse herself from any participation in any discussions, decisions, or voting on the Health Insurance Contribution for Calendar Year 2016 for Board of Director, Item 9.F, to ensure that she neither influence nor attempt to influence another member of the DSRSD Board regarding any matters pertinent to the item, consistent with applicable provisions of the Government Code, because she receives health benefits as a retired Boardmember of Dublin San Ramon Services District.

Director Vonheeder-Leopold departed from the Boardroom at approximately 6:45 p.m. before Item 9.F. She returned to the Board meeting at 6:53 p.m. after the conclusion of discussion of Item 9.F.

Director Halket – Items 9.F and 8.A

Item 9.F - Director Halket stated that although he was not legally required to recuse himself from participation in any discussions, decisions, or voting on the Health Insurance Contribution for Calendar Year 2016 for Board of Director, Item 9.F, that he was choosing to do so since he is a recipient of health care through the District as a current Boardmember.

Item 8.A - Director Halket stated that he would recuse himself from Item 8.A. (taken out of order after Item 9.F) Award Construction Agreement for Component 2 of the Recycled Water Expansion Phase 1 Distribution to West Dublin - Onsite Conversions Project (CIP 15-R009) to Valley Crest Landscape Maintenance, Inc., stating he lives within 500 feet of a District project site.

Director Halket departed from the Boardroom at approximately 6:45 p.m. before discussion of Item 9.F. began. He returned to the Board meeting at 6:55 p.m. after the conclusion of discussion of Items 9.F and 8.A.

V.P. Howard – Item 8.A V.P. Howard stated that he would recuse himself from Item 8.A (taken out of order after Item 9.F) Award Construction Agreement for Component 2 of the Recycled Water Expansion Phase 1 Distribution to West Dublin - Onsite Conversions Project (CIP 15-R009) to Valley Crest Landscape Maintenance, Inc., stating he lives within 500 feet of a District project site. V.P. Howard departed from the Boardroom at approximately 6:52 p.m. before discussion of Item 8.A began. He returned to the Board meeting at 6:55 p.m. after the conclusion of discussion of Item 8.A.

District staff present: Bert Michalczyk, General Manager; Dan McIntyre, Engineering Services Manager; John Archer, Administrative Services Manager/Treasurer; Dan Gallagher, Operations Manager; Doug Coty, Assistant General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

President Duarte announced that a Financial Affairs Committee meeting of the Dublin San Ramon Services District Board of Directors was held at 5:15 p.m. today August 4, 2015; Directors Halket and Vonheeder-Leopold attended this meeting. Pursuant to Government Code section 54952.3, no Director will receive any compensation or stipend for participating in more than one meeting on this date, as further specified in DSRSD Policy P100-14-2, Day of Service.

Mr. Daniel Smith, Director of Operations Services at City of Pleasanton, presented an authorization letter and prepayment check for \$475,000 to proceed with the Pleasanton Recycled Water Project with DERWA. He stated that the City was awarded a \$5.2M Proposition 1 bond grant for the project's funding. Mr. Smith thanked the District and District staff for the hard work and cooperation extended to Pleasanton to get the project to this point. He announced his upcoming retirement and so encouraged the agencies' continued cooperative efforts for project success. Mr. Jim Bewley, DERWA Authority Manager, shared that Richard Sykes, EBMUD Director of Water & Natural Resources, regretted his absence tonight but expressed his pleasure with Mr. Smith's announcement.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:10 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 A celebration for the West Dublin Recycled Water Pipe Expansion project will held at the Shannon Community Center on Wednesday, August 12, 2015 at 10:30 a.m.

Dublin - Onsite Conversions Project (CIP 15-R009) to Valley Crest Landscape Maintenance, Inc. – Approved – Resolution No. 67-15

Engineering Services Manager McIntyre stated that staff recommends award of the agreement for onsite conversions associated with this project and reported this will affect 35 customer sites.

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

Director Benson MOVED to Award Construction Agreement for Component 2 of the Recycled Water Expansion Phase 1 Distribution to West Dublin - Onsite Conversions Project (CIP 15-R009) to Valley Crest Landscape Maintenance, Inc. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with THREE AYES, TWO ABSENT (Halket, Howard).

- B. Award Construction Agreement for the Secondary Clarifier No. 3 Rehabilitation Project (CIP 14-S013) to NMI Industrial Holdings, Inc. – Approved – Resolution No. 61-15
- C. Approve First Amendment to the 457(b) Plan Administration Agreement with Nationwide Retirement Solutions – Approved – Resolution No. 62-15

9. BOARD BUSINESS

- A. Discuss Drought Management Program

General Manager Michalczyk reported that this is a standing agenda item intended for discussion by the Board, staff and the public on the District’s Drought Management Program.

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. Public Hearing: Adopt Engineer’s Report and Direct Levy of Annual Assessments in the Dougherty Valley Standby Charge District 2001-1 for Fiscal Year 2015-2016

Administrative Services Manager Archer introduced this annual item explaining the assessment is levied to cover estimated costs of providing water service to the Dougherty Valley. The levy is a pass through the District facilitates on behalf of Zone 7 as the Zone cannot charge customers in Contra Costa County. The assessments are placed on the tax roll for qualifying properties once the Engineer’s Report is adopted.

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 Howard MOVED to adopt Resolution No. 63-15, adopting Engineer's Report and Directing the Levy of Annual Assessments in the Dublin San Ramon Services District Dougherty Valley Standby Charge District 2001-1 for Fiscal Year 2015-2016. Director Benson SECONDED the MOTION, which CARRIED with FIVE AYES.

- C. Approve an Operating Budget Increase and Updated Master Agreement with The Covello Group and Task Order for Construction Inspection Services

Engineering Services Manager McIntyre reported that due to the surge in new development and anticipated acceleration of projects in the near term, staff recommends approval of this item in order to supplement the District's heavily impacted construction inspection services during this high service demand period.

The Board briefly discussed the matter and agreed this was an appropriate use of outside resources.

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

Director Halket MOVED to adopt Resolution No. 64-15, approving an Operating Budget adjustment for Fiscal Year Ending 2016 for Construction Inspection Services, approving a Master Agreement for Consulting Services with The Covello Group, Inc., and authorizing the General Manager to execute a Task Order with The Covello Group, Inc., for development project Supplemental Construction Inspection Services. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

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

Engineering Services Manager McIntyre reviewed activities and discussions held at the fifth Tri-Valley Water Policy Roundtable (TVWPR) held on July 22, 2015. He reported that staff from the six participating agencies will meet tomorrow to formulate a framework for a community outreach engagement program for water supply issues, including Indirect Potable Reuse, as requested by elected officials.

Directors Vonheeder-Leopold and Halket attended the meeting and reported on the meeting activities and discussions as the District's elected representatives. Notably, the City of Pleasanton has volunteered to be the lead agency for community outreach efforts, including a survey, and determining community acceptance. Zone 7 is testing different portfolios, which includes IPR, and seems to be aligned with the retailers now. The meeting was very productive and resulted in a consensus from the participating agencies to begin outreach efforts. The Board and staff discussed District additional outreach and education opportunities

including demonstrations of the District's Reverse Osmosis facility when activated, and a possible Board tour of the Santa Clara Valley Water District facility.

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

The Board was supportive of the TVWPR Committee efforts and actions thus far, and agreed that public outreach efforts should begin.

- E. Approve Health Insurance Contribution for Calendar Year 2016 For Stationary Engineers Local 39, Professional, Mid-Management, Confidential and Senior Management Employees

Administrative Services Manager Archer presented the recommended health insurance premium contribution amounts for the District's contributions towards employee health care. These monthly amounts are based on contractual requirements of the existing labor and Personal Services Agreements negotiated with staff, and rate increases from CalPERS. The rate increases vary by medical plan and may have some impact on open enrollment. The new rates will be effective January 1, 2016.

Director Halket thanked District employees for contributing to successful contract negotiations in 2007 during which they agreed to partner with the District to share health care costs.

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

Director Vonheeder-Leopold MOVED to adopt Resolution No. 65-15, approving the Employer's Contribution under the Public Employees' Medical and Hospital Care Act for Stationary Engineers Local 39, Professional, Mid-Management, Confidential, and Senior Management Employees. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

- F. Approve Health Insurance Contribution for Calendar Year 2016 for Board of Directors

Administrative Services Manager Archer stated there is currently no policy as to how the District determines Boardmembers' benefits. He noted that past practice has been to set those benefits at the same level as for employees of the District. He explained that the Board has the discretion to set any amount of its choosing. He reviewed the current and proposed rates. He stated that rates selected will also apply to the six (6) non-vested retired Boardmembers. Taking no action would result in the current rates remaining in effect.

V.P. Howard inquired as to other possible options and what the District's intent may be concerning benefit and contribution levels looking forward. After brief discussion by the Board and staff, the Board referred this matter to the Administrative Affairs Committee for further fact finding and discussion.

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

V.P. Howard MOVED to adopt Resolution No. 66-15, approving the Employer's Contribution under the Public Employees' Medical and Hospital Care Act for Board of Directors at the same rates as approved for employees. Director Benson SECONDED the MOTION, which CARRIED with THREE AYES, TWO ABSENT (Halket, Vonheeder-Leopold).

10. BOARDMEMBER ITEMS

President Duarte and Director Vonheeder-Leopold both reported they attended a meeting of water agency leaders on Friday, July 31 at the Regional Wastewater Treatment Plant, and a "Defeat the Drought Expo" on Saturday, August 1 at the Dublin Fill Station. They reported that both events, hosted by Congressman Eric Swalwell, were well attended and summarized the activities and discussions held. Director Vonheeder-Leopold submitted a written report to Executive Services Supervisor Genzale.

Director Benson reported that her family attended the "Defeat the Drought" event and had shared positive feedback.

11. CLOSED SESSION

At 7:00 p.m. the Board went into Closed Session.

- A. Public Employee Performance Evaluation – Pursuant to Government Code Section 54957
Title: General Manager

12. REPORT FROM CLOSED SESSION

At 7:42 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 7:43 p.m.

Submitted by,

Nicole Genzale
Executive Services Supervisor