

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

June 16, 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

General Manager Michalczyk presented a Certificate of Appreciation which the District received from the City of Dublin for outstanding service contribution and support of Dublin Pride Week 2015. He thanked the Public Information Division and Engineering Services Department staff members for their efforts to staff a water conservation information table and publicize a Bay-friendly garden and conservation workshop.

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 He will make a presentation at tonight’s Dublin City Council meeting at 7 p.m related to the 2015 Drought.
 - o He will also make essentially the same presentation to the San Ramon City Council on June 23 at 7 p.m.
 - o There is no business slated for the regular Board meeting scheduled for July 7 so the meeting will be canceled.
 - o The next Tri-Valley Water Policy Roundtable Committee meeting will be hosted by City of Livermore on Wednesday, July 22, 2015 at 5:00 p.m., with the location still to be determined. Directors Halket and Vonheeder-Leopold are the DSRSD representatives. If they cannot attend, all other Boardmembers are alternates and can fill in. Alternates are welcome to attend and listen to the

discussion, but if they wish to participate, please let staff know so they can prepare the additional noticing as required by the Brown Act.

- o The Association of California Water Agencies has started its nominating process for its President and Vice-President for 2016 and 2017. Any Boardmembers interested in being nominated should advise the General Manager before July 15. A resolution of support is required and the item would need to be scheduled for the Board’s consideration.
 - o Operations Manager Gallagher reported that the second residential recycled water fill station located on Dublin Blvd. is expected to have a “soft launch” opening by, end of week. Staff will notify current registered users via email.
- Correspondence to and from the Board on an Item not on the Agenda

| Date | Format | From | To | Subject | Response Date |
|---------|--------|-----------------|------------------|---|---------------|
| 6/12/15 | Letter | Marcie Schwartz | DSRSD Management | Water Restrictions (Home Hot Water Systems) | 6/15/15 |

The Board discussed aspects of hot water systems and the possibility of including them in the District’s Enhanced Rebate Program. It was determined that this suggestion will be brought back at a future Board meeting.

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

C. Committee Reports - None

7. APPROVAL OF MINUTES – Regular Meeting of *June 2, 2015*

VP Howard MOVED for the approval of the June 2, 2015 minutes. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

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

A. Revise Enhanced Rebate Program for Water Efficient Devices and Appliances and Lawn Replacements to Limit its Applicability to Devices that are Not Otherwise Mandated and Rescind Resolution No. 30-15 – Approved – Resolution No. 45-15

B. Approve Agreement with Dublin Unified School District (DUSD) for Conversion to Irrigation with Recycled Water – Approved – Resolution No. 46-15

C. Approve New Water/Wastewater Systems Lead Operator Job Description and Salary and Abolish Water/Wastewater Systems Operator V and VI Job Descriptions – Approved – Resolution No. 47-15

- D. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 7-15 – Approved – Resolution No. 48-15
- E. Accept Report Recommending No Changes to Certain Personnel Policies – Approved
- F. Rescind Employment Eligibility Verification Policy and Resolution No. 58-07 – Approved – Resolution No. 49-15
- G. Rescind Family and Medical Leave Policy and Resolution No. 63-07 – Approved – Resolution No. 50-15
- H. Rescind Reasonable Accommodations (ADA) Policy and Resolution No. 57-07 – Approved – Resolution No. 51-15
- I. Rescind School Leave Policy and Resolution No. 65-07 – Approved – Resolution No. 52-15
- J. Adopt Revised Prohibition against Harassment, Discrimination and Retaliation Policy and Rescind Resolution No. 53-11 – Approved – Resolution No. 53-15
- K. Rescind Web Site Policy and Resolution No. 18-11 – Approved – Resolution No. 54-15
- L. Authorize General Manager to Execute Purchase Orders with PAX Water Technologies for the Water Distribution System Water Quality Improvements Project (CIP 15-W017) – Approved
- M. Accept the Following Regular and Recurring Reports: District Financial Statements, Warrant List and Upcoming Board Business – Approved
- N. Approve Casting District Vote in the California Special Districts Association (CSDA) 2015 Election for Representative to the Board of Directors for Region 3, Seat A – Approved
- O. Approve Telecommunications Site Lease Agreement with New Cingular Wireless PCS, LLC, for Telecommunications Facility to be located at Reservoir R20 – Approved – Resolution No. 55-15

9. BOARD BUSINESS

A. Discuss Drought Management Program

General Manager Michalczyk reported that this is a standing agenda item intended for discussion on the District's Drought Management Program. He reported that program updates were recently made per the actions the Board took at the May 19, 2015 meeting. An additional update in the Enhanced Rebate Program was also approved this evening, (Item 8.A on the Consent Calendar), to ensure that certain rebates are made available only where not already specified by law.

Mr. Michalczyk then presented a summary of the Wise Water User Credit and the Board discussed possible scenarios pertaining to how a possible change in the water supply shortage rates, a discussion which will be held this evening under Item 9.C, could affect the Wise Water User Credit, which is currently \$2.00 per month. The discussion concluded that the matter will be brought back for further discussion at a future board meeting if the Board decides to change the rate stage under Item 9.C.

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. 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 stated the District, year-to-date, is still achieving nearly 30% conservation from 2015 to 2013 levels, with 20% - 40% savings each week due to fluctuating weather. The District recently received a new allocation from the State Water Resources Control Board (SWRCB) which calls for 12% required conservation, down from 16%. The SWRCB also recently issued a rule-making proposal for one element of the Governor's Executive order, which is to mandate conservation pricing, which staff believes the District already has in place. The SWRCB also issued a draft model landscaping ordinance which the District forwarded on to the cities of Dublin and San Ramon.

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

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

C. Activate Stage 1 Water Supply Shortage Rates and Rescind Resolution No. 28-15

Administrative Services Manager Archer introduced the item recommending the reduction of Stage 2 Water Supply Shortage Rates to Stage 1. In addition, staff recommended that, if approved, the Stage 1 rates be activated retroactive to May 19, 2015 for ease of billing administration.

Mr. Archer explained that last week the State Water Regional Control Board (SWRCB) posted an update to the required water conservation for California water suppliers. The District's required water conservation target for 2015 had been reduced to 12% from the 2013 level, compared to the 16% reduction previously required, based on revised water conservation information staff provided. The District is currently conserving almost 30%. If the Board approves Stage 1 rates, Customer Services staff is prepared to make the necessary billing adjustments, retroactive to May 19, to recalculate billing for impacted accounts. He stated that the Stage 1 rates are in line with the District's targeted savings and would not overcharge accounts achieving the targeted reductions.

The Board discussed the recommendation noting in particular the relationship between the District's current Drought Management Program, including the current Stage 2 rate, and impacts to consumer behavior regarding actual conservation and targeted conservation. The Boardmembers cautioned against sending a mixed message to consumers and the community as a whole at the onset of the hottest time of the year if the rate stage is changed again, particularly when water use and water resources will be highly unpredictable. Boardmembers also observed that the District may need to consider conserving more than the reduced conservation requirement of 12% as a safeguard against the risk of possible depletion of ground reserves by Zone 7. Director Howard inquired if there was any reason the District could not strive to conserve more. General Counsel Nelson concurred that the District can elect to conserve more than the required 12%.

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

There was no formal action taken; with no action, rates will remain at Stage 2.

The Board expressed its desire to reconsider its adopted Drought Management Program at the conclusion of summer.

D. Approve Transfer of \$175,000 from the Water Expansion Fund to the Water Rate Stabilization Fund

Administrative Services Manager Archer reported that per the Water Expansion Fund Management policy adopted by the Board last year, an annual year-end review of the Water Expansion and Water Rate Stabilization Funds is to be conducted to determine if a portion of the Temporary Infrastructure Charge (TIC) can be repaid to the benefit of ratepayers. The required year-end review has been

completed. He referred to the tables included with the agenda item showing an analysis of planned and stressed development based on the policy criteria. He noted that for planned development, 2017 is slightly under target, which was already expected. For stressed development, 2023 shows as a negative period, which staff felt is far enough into the future to warrant the proposed transfer, which is minimal but will reflect the Board's continued commitment to repay the TIC. The transfer amount will be reviewed again next year when anticipated development and capacity fees have come in and when the Water Master Plan is complete which will allow a more precise forecast of capital spending needs from the Water Expansion Fund.

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

Director Halket MOVED to adopt Resolution No. 56-15, approving a Transfer of \$175,000 from the Water Expansion Fund to the Water Rate Stabilization Fund. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

E. Determine District Position on California Budget Trailer Bill 825: Public Water Systems Consolidation

General Manager Michalczyk reported that the State budget was approved on June 15, 2015 and is now on the Governor's desk awaiting signature, which must be done within a 14-day period. He explained that after the completion of the budget, the California Department of Finance reviews the approved expenditures and proposes budget implementation language which are called "Trailer Bills." One such is California Budget Trailer Bill 825: Public Water Systems Consolidation. This bill is controversial with both ACWA and CSDA opposing it. The bill would authorize the State Water Resources Control Board (SWRCB) to consolidate public water districts if a water district fails to provide an adequate and safe water supply. This would arguably benefit several small central valley communities which have depleted water supply and limited financial resources.

Mr. Michalczyk stated that he and Director Vonheeder-Leopold discussed the bill extensively last week after she learned of it at an Alameda County Special District Association (ACS DA) Board meeting. She requested that the matter be placed on the Board agenda for consideration of a District position. If the Board opposes the bill, a letter will be written conveying the District's position, per the Board's Legislative Advocacy policy. The bill is scheduled to be voted on by the California legislature on June 18, 2015. An updated version of the bill provided in the agenda packet has been provided to the Board tonight for review.

The Board discussed the proposed bill and voiced concerns regarding what is considered to be an adequate and safe water supply, the possible impacts to DSRSD, LAFCo's involvement in assisting impacted agencies, and the SWRCB's authority should the bill pass.

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

Director Vonheeder-Leopold MOVED that the District OPPOSE the California Budget Trailer Bill 825 – Public Water Systems Consolidation in accordance with the District’s Legislative Advocacy Policy. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES and ONE NAY (Howard).

F. Affirm No Changes to Candidates’ Statement Costs Policy (P100-13-3)

District Secretary Hatfield reported that this policy was brought before the Board for review on May 19, 2015. At that time, a question was raised related to a suggestion to perhaps charge incumbents a greater deposit amount for a candidate statement so as to encourage non-incumbents to seek elective office. At that time General Counsel was directed to research the matter.

General Counsel Nelson reported that while there is no legal prohibition against charging differing amounts as was suggested, he noted, however, that the public could view it as unfair and the District could be at increased risk if challenged. Accordingly, he stated that he could not recommend such a change to the policy.

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

Director Vonheeder-Leopold MOVED to affirm that the Candidates’ Statement Costs policy should remain status quo. V.P. Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

G. Approve Proclamation Honoring Nancy Gamble Hatfield - Retiring District Secretary and Executive Services Supervisor of Dublin San Ramon Services District

General Manager Michalczyk stated that this was a very special evening in that it is Nancy Hatfield’s last Board meeting before her retirement. He stated that he is very pleased to recommend that the Board approve a proclamation honoring and thanking her for her 26-years of loyal service to the District.

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

Director Benson MOVED to approve Proclamation Honoring Nancy Gamble Hatfield – Retiring District Secretary and Executive Services Supervisor of Dublin San Ramon Services District. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS

Director Vonheeder-Leopold reported she attended the Dublin Chamber of Commerce Economic Development Committee meeting on June 4, 2015. Presentations were made

regarding projects underway at the city, including several vested residential developments, water supply concerns, traffic congestion, and general plan amendments. She stated that she also attended the ACSDA Board meeting and discussed the 2015 dinner, the March 24, 2016 dinner planning, approval of proposed bylaws, new legislative staff, and possible changes to the dues structure.

Director Benson reported she brought in copies of the Castro Valley Forum and San Leandro Times newspapers which include articles highlighting the District's recycled water program. Her husband, Greg Benson, writes for these publications. She reported that she will be out of the country during much of the month of July.

President Duarte adjourned the meeting in memory of long-time District Principal Engineer Garry Lee who passed away earlier this month. He shared that he met Garry at the Employee Recognition Event hosted by the Board of Directors in 2013 and they had a nice conversation getting acquainted. The District Board and staff will truly miss this gentleman. President Duarte asked for a moment of silence to honor our friend and colleague Garry Lee.

11. ADJOURNMENT

President Duarte adjourned the meeting at 6:55 p.m.

Submitted by,

Nicole Genzale
Executive Services Supervisor