

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

October 20, 2015

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:02 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 Madelyne Misheloff 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 Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

President Duarte reported that Administrative Affairs and Executive Committee meetings of the Dublin San Ramon Services District Board of Directors were held at 4:30 p.m. and 5:15 p.m., respectively, today October 20, 2015; V.P Howard and President Duarte attended these meetings. He stated that 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, and as further specified in DSRSD policy P100-14-2, Day of Service.

General Manager Michalczyk announced commendations received from various governmental representatives related to the Tri-Valley Heroes Award given to Dan and Rosalie Gallagher for their idea that the District provide recycled water to residents for home landscaping during the drought.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:03 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 October 21, 2015, Zone 7 Water Agency will hold a Board meeting to consider their water rates for 2016. Administrative Services Manager Archer sent a letter

to Zone 7 transmitting the District's final thoughts and concerns on their proposal as follow-up to President Duarte's letter sent earlier this month.

- o ACWA's Fall Conference will be held December 1-4, 2015 in Indian Wells, CA. Please inform District Secretary Genzale if interested in attending. The District is a finalist for a public outreach award.

- Correspondence to and from the Board

Date	Format	From	To	Subject	Response
10/1/15	Letter	Christopher L. Foss, City Manager, City of Dublin	Mr. Edward Duarte, President & Board of Directors	Support of Draft Water Supply, Storage, Conveyance, Quality, and Conversation Policy (Related to Item 9G)	None
10/9/15	Email	Rosalind Rogoff	Mr. Edward Duarte, President & Board of Directors	Bidding DSRSD Goodbye	None
10/14/15	Email	Bob & Peggy Siebenhaar, Siebe Innovations	Board of Directors	Request to demo an innovative water saving product	Board said material was sufficient without demonstration
10/16/15	Letter	Nelson Fialho, City of Pleasanton	Mr. Edward Duarte, President & Board of Directors	Support of Draft Water Supply, Storage, Conveyance, Quality, and Conversation Policy (Related to Item 9G)	None
10/16/15	Email	James Paxson, General Manager Hacienda	Bert Michalczyk	Comment letter on Zone 7's connection and water use fees	None
10/20/15	Email	James Paxson, General Manager Hacienda	Bert Michalczyk	Support of Draft Water Supply, Storage, Conveyance, Quality, and Conversation Policy (Related to Item 9G)	None

- B. Agenda Management (consider order of items) – General Manager Michalczyk recommended the Board take Items 11.A and 9.I, in that order, after the approval of the Consent Calendar. The Board agreed to do so. Item 11.D would not be needed if the Board approves Item 9.H.

C. Committee Reports

Administrative Affairs Committee
Executive Committee

October 20, 2015

October 20, 2015

The Board did not make comments pertaining to the meetings held.

7. APPROVAL OF MINUTES – Regular Meeting of *October 6, 2015*

Director Halket MOVED for the approval of the October 6, 2015 minutes. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

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

- A. Accept the Following Regular and Recurring Reports: District Financials, Warrant List, and Upcoming Board Business – Approved

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. The current program has proven to be effective, however, this evening staff will present recommended changes to certain programmatic items that Board previously directed staff to review. Those items will be presented as separate items on this evening’s agenda for the Board’s consideration.

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

The Board did not direct staff to develop further changes to the program outside of those to be considered this evening.

- 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 monthly standing agenda item. He reported that nothing substantive has occurred since the last monthly report to cause a recommended change in the declared community drought emergency, or the Drought Management Plan which is working as intended. He added that California has moved into a new water year as of October 1, 2015, with no telling what El Nino may or may not contribute. Last water year was one of California’s driest in terms of snow pack.

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

The Board briefly discussed the matter.

Director Misheloff 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

Administrative Services Manager Archer reviewed the item and stated that staff recommends activation of Stage 1 Water Supply Shortage Rates to better align with the District's revised mandated conservation goal of 12%, per the State Water Resources Control Board, which became effective May 19, 2015. Effective January 1, 2016, District rates will increase by the previously authorized 2.3% Consumer Price Index (CPI) increase. Staff recommends activation of the Stage 1 Water Supply Rates effective November 1, 2015.

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

The Board briefly discussed the matter.

V.P. Howard MOVED to adopt Resolution No. 85-15, activating Stage 1 Water Supply Shortage Rates under Chapter 4.40 of the District Code. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

D. Suspend or Adjust Wise Water User Credit for Fiscal Year Ending 2016

Administrative Services Manager Archer reviewed the item and reported this action is a follow-up to the activation of Stage 1 Water Supply Shortage Rates as this credit would no longer be necessary to encourage users to limit water use.

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

The Board briefly discussed the matter.

Director Halket MOVED to adopt Resolution No. 86-15, suspending the FYE 2016 Wise Water User Credit effective with the enactment of Stage 1 rates for low water consumption residential customers. V.P. Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

E. Revise Enhanced Rebate Program for Water Efficient Devices and Appliances and Lawn Replacements to Terminate Eligibility for Rebate for Replacement with Artificial Turf and Rescind Resolution No. 30-15

Operations Manager Gallagher reviewed the item and reported the proposed revision to the rebate program would exclude eligibility for rebate for artificial turf conversions for residential or commercial use. It has been determined that use of such turf is detrimental to the health of the soil it covers and is environmentally unfriendly. This revision would also make the District's program more consistent with Zone 7's current rebate program.

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

The Board briefly discussed the matter.

V.P. Howard MOVED to adopt Resolution No. 87-15, revising the Enhanced Rebate Program for identified water saving devices and appliances and specified landscape conversions and Rescind Resolution No. 30-15. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

- F. Approve Blanket Exemptions to Water Use Prohibitions for Filling of New Spas with a Volume not greater than 5,000 Gallons, for "Topping Off" Existing Pools and Spas, for Specialty Construction Purposes and for Pipeline Testing when Recycled Water is not Readily Available

Operations Manager Gallagher reviewed this item and the proposed exemptions the Board directed staff to prepare for the Board's formal consideration.

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

The Board discussed the proposed exemptions and concluded that approval of the exemptions shall be made with the removal of the two words "of new" in the part of the motion pertaining to the filling of spas – originally worded as "...Blanket Exemptions to Water Use Prohibitions for Filling of New Spas..."

Director Halket MOVED to approve Blanket Exemptions to Water Use Prohibitions for Filling Spas with a Volume not greater than 5,000 Gallons, for "Topping Off" Existing Pools and Spas, for Specialty Construction Purposes and for Pipeline Testing when Recycled Water is not Readily Available. V.P. Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

- G. Accept Long Term Alternative Water Supply Study and Adopt New Water Supply, Storage, Conveyance, Quality and Conservation Policy and Rescind Resolution No. 57-06

Engineering Services Manager McIntyre reviewed the respective backgrounds, extensive timelines and robust stakeholder engagement regarding the companion items of the District's Long Term Alternative Water Supply Study and New Water Supply, Storage, Conveyance, Quality and Conservation policy. Both items have been presented to the Board on four occasions for review, discussion and direction as they progressed to completion and presentation by staff for Board acceptance this evening. Mr. McIntyre also identified next steps and available opportunities with the approval of the study and new policy.

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

The Board discussed and praised the quality and impact of the completed study, and emphasized the District's desire to partner and collaborate with agencies who wish to work with the District, as the options presented in the study are meant to be collaborative and agency support is greatly appreciative to make progress.

Director Vonheeder-Leopold MOVED to adopt Resolution No. 88-15, accepting the District's Long Term Alternative Water Supply Study. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Vonheeder-Leopold MOVED to adopt Resolution No. 89-15, adopting the new Water Supply, Storage, Conveyance, Quality and Conservation Policy and Rescind Resolution No. 57-06. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

- H. Authorize Property Purchase from Johnson Drive Holdings I, LLC, for Field Operations Corporation Yard (CIP 16-A005)

Engineering Services Manager McIntyre introduced Principal Engineer Judy Zavadil to present this item to the Board. Ms. Zavadil explained the District's need for finding a permanent facility for the Field Operations Division (FOD), a division of the District that currently resides on an area of Camp Parks' property soon to be turned over to the City of Dublin for development. She gave a detailed presentation of the property, explained the environmental contingencies and remediation of hazardous materials currently underway by the current property owner, and the purported timeline for taking possession of the property should the Board approve this purchase and all contingencies be met.

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

The Board briefly discussed the matter.

V.P. Howard MOVED to adopt Resolution No. 90-15, authorizing the General Manager to execute a purchase and sale agreement with Johnson Drive Holdings I, LLC. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

- I. Discuss and Provide Direction on General Manager Job Description Update

Administrative Services Manager Archer introduced the item and reported that the General Manager job description has been updated as part of the process to prepare for the upcoming recruitment of the District's new General Manager. Staff surveyed nineteen other agencies to collect information with which to update the job description, which had not been updated since 1990.

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

The Board concluded the updated job description was well done and, after some discussion, directed staff to remove the Professional Engineer (P.E.) certification requirement.

- J. Approve Revised Board Committee Assignments for Remainder of Calendar Year 2015

President Duarte introduced the item and stated his recommendation to assign newly appointed Boardmember Madelyne Misheloff to the current vacant Board Committee representative positions for Administrative Affairs and Technical Affairs, and appoint President Duarte as the new representative for the current LAVWMA vacancy.

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

The Board briefly discussed the matter.

Director Halket MOVED to approve revised Board Committee assignments for the remainder of Calendar Year 2015. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS

Director Vonheeder-Leopold submitted a written report to Executive Services Supervisor Genzale. She stated that she attended Alameda County Special Districts Association (ACSDA) Executive Committee meeting on October 14, and today participated in the CASA Board conference call, EBMUD Director Frank Mellon's breakfast, and the ACWA Region 5 update meeting hosted at the District. She summarized the activities and discussions at the meetings.

President Duarte reported that he and General Manager Michalczyk attended the Contra Costa County Special Districts Association (CCSDA) meeting hosted by Central Contra Costa Sanitary District in Martinez yesterday. He summarized the activities and discussions at the meetings. He reminded staff and the Board that he will be unable to attend the November 3 Board meeting.

The Board congratulated General Manager Michalczyk on his upcoming retirement on November 2, 2015, and expressed their deep admiration and appreciation of his services over the last 25 years.

CLOSED SESSION

At 6:20 p.m. the Board went into Closed Session Item 11.A.

At 7:36 p.m. the Board went into Closed Session Item 11.B and 11.C.

- A. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
 - Agency Negotiators: John Archer, Administrative Services Manager
 - Unrepresented Employee: General Manager
 - Additional Attendees: Carl P.A. Nelson, General Counsel
Michelle Gallardo, HR Supervisor

- B. 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.
- C. Public Employee Performance Evaluation – Pursuant to Government Code Section 54957
Title: District General Counsel
- D. NOT HELD - Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8
Property: 7035 Commerce Circle, Pleasanton California
Agency Negotiator: Bert Michalczyk, General Manager
Dan Gallagher, Operations Manager
Dan McIntyre, Engineering Services Manager
Judy Zavadil, Principal Engineer - Supervisory
Carl P.A. Nelson, General Counsel
Peter McGaw, Environmental Counsel
Angela Cutting, Environmental Consultant
Negotiating Parties: Neuron Enterprises
Under Negotiation: Price, Terms and Conditions

12. REPORT FROM CLOSED SESSION

At 6:26 p.m. the Board came out of Closed Session Item 11.A. President Duarte announced that there was no reportable action.

At 8:14 p.m. the Board came out of Closed Sessions Item 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,

Nicole Genzale
Executive Services Supervisor