DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors

NOTICE OF SPECIAL MEETING

TIME: 6:00 p.m.

DATE: Monday, November 30, 2015

PLACE: Regular Meeting Place
7051 Dublin Boulevard, Dublin, CA

AGENDA

(NEXT RESOLUTION NO. 94-15) (NEXT ORDINANCE NO. 338)

Our mission is to provide reliable and sustainable water and wastewater services to the communities we serve in a safe, efficient and environmentally responsible manner.

BUSINESS:	**REFERENCE**	**Recommended Action**	**Anticipated Time**

1. CALL TO ORDER

2. PLEDGE TO THE FLAG

3. ROLL CALL – Members: Duarte, Halket, Howard, Misheloff, Vonheeder-Leopold

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

   At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight's agenda. Comments should not exceed five minutes. Speakers' cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment.

6. REPORTS

   A. Reports by General Manager and Staff
   - Event Calendar
   - Correspondence to and from the Board

   B. Agenda Management (consider order of items)

   C. Committee Reports
   Technical Affairs — November 17, 2015
   Financial Affairs — November 17, 2015

BUSINESS:		**REFERENCE**	**Recommended Action**	**Anticipated Time**
7.	APPROVAL OF MINUTES - Regular Meeting of *November 17, 2015*	Executive Services Supervisor	Approve by Motion	
8.	CONSENT CALENDAR - None			
9.	BOARD BUSINESS			
A.	Review and Discuss Drought Management Program	General Manager	Discuss & Provide Direction	5 min
B.	Hold Public Hearing: Determine if the Public Interest in Disclosure Clearly Outweighs the Public Interest in Nondisclosure of Street Addresses and Utility Usage Data with Customers who have Violated Water Use Limitations	General Manager	Approve by Resolution	15 min
C.	Select Investment and Funding Strategy - OPEB Biennial Valuation Report	General Manager	Approve by Motion	15 min
D.	Review Status of General Manager Recruitment Process	General Manager	Discuss & Provide Direction	10 min
E.	Selection of President and Vice President of the Board of Directors for 2016	Board of Directors	Approve by Motion	5 min

10. BOARDMEMBER ITEMS
- Submittal of Written Reports from Travel and Training Attended by Directors

11. ADJOURNMENT

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

November 17, 2015

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:04 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, and Director Georgean M. Vonheeder-Leopold.

District staff present: John Archer, General Manager/Treasurer; Dan McIntyre, Engineering Services Manager; 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 the Technical Affairs and Financial Affairs Committee meetings of the Dublin San Ramon Services District Board of Directors were held at 9:00 a.m., with attendees Directors Misheloff and Halket, and at 5:00 p.m., with attendees President Duarte and Director Vonheeder-Leopold respectively, today November 17, 2015. He also reported that shortly before this meeting the DSRSD Financing Corporation held the annual meeting. The Board of Directors of the DSRSD Financing Corporation is composed of the same members as the Board of Directors of the District. 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 Archer shared that the memorial service for Bettie "Sue" Rinde will be held this Saturday November 21 at 2:00 p.m. at the Sunny Glen Community Clubhouse in San Ramon. Sue was the mother of former District Boardmember Dawn Benson.

He also shared that the annual Tri-Valley Prayer Breakfast, sponsored by CityServe of the Tri-Valley, will be held on Monday November 23, 2015 at 7:30 a.m. at the DoubleTree Hotel in Pleasanton.

Director Misheloff entered the meeting at 6:05 p.m.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:06 p.m.
– There was no public comment received.

6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager Archer reported on the following:
  - o Staff is currently working on two Public Records Act requests. The Bay Area News Group has requested customer water use violations information. Staff will provide the response barring customer addresses, which is consistent with District past practice. Miller Starr Regalia law firm has requested a substantial amount of information regarding the Schaefer Ranch development.
  - o A DSRSD/Pleasanton Liaison Committee meeting has been scheduled for December 14, 2015 at 4:00 p.m. at the City of Pleasanton offices.
  - o The California Association of Sanitation Agencies winter conference will be held January 20-22, 2016 in Palm Springs.
  - o The Consumer Price Index (CPI) percent change has been reported and as a result, District employee salaries will be adjusted by 2.24%.
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
11/16/15	Email	Tim Sbranti	DSRSD Board Members	City Serve Board Breakfast	Announced at BOD meeting
11/16/15	Email	Peter MacDonald	Board Members of the Financial Affairs Committee – Directors Halket, Vonheeder-Leopold	Financial Affairs Committee Item	Presented at Financial Affairs Committee meeting

B. Agenda Management (consider order of items) – The Board agreed it was not necessary to hold Closed Session Item 11.A.

C. Committee Reports
None

7. APPROVAL OF MINUTES – Regular Meeting of *November 3, 2015*

Director Vonheeder-Leopold MOVED for the approval of the November 3, 2015 minutes. V.P. Howard SECONDED the MOTION, which CARRIED with THREE AYES, and TWO ABSTENTIONS (Duarte, Halket).

8. CONSENT CALENDAR

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

A. Authorize Task Order No. 1 for Professional Records Management Consulting Services with Records Control Services – Approved

B. Accept the Following Regular and Recurring Reports: District Financials, Warrant List, Upcoming Board Business and Unexpected Asset Replacement Requests – Approved

9. BOARD BUSINESS

A. Discuss Drought Management Program

General Manager Archer 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. 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 Archer reported that this is a monthly standing agenda item.

Operations Manager Gallagher reported on two new developments since the completion of tonight's report. Governor Brown issued an executive order expressing intent to extend water use limitations beyond the February 28, 2016 sunset date to October 2016, if the drought persists through January. Mr. Gallagher will participate in upcoming State Water Resources Control Board and Association of California Water Agencies (ACWA) response activities as this situation evolves. The District's current Plan still aligns with the Governor's actions so no impact is expected at this time.

Mr. Gallagher also reported that the residential fill station hours will be reduced to Tuesdays/Thursdays 10:00 a.m.-5:00 p.m., and Saturdays/Sundays 8:00 a.m.-2:00 p.m. as of November 16. He noted that staff received a very complimentary email from a user regarding the District fill stations, and reported that 28 million gallons of recycled water have been given away to residential users this calendar year, exceeding commercial usage.

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

Director Halket 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 Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

C. Confirm Calculation of Recycled Water Rate

General Manager Archer reported that Zone 7 Water Agency recently adopted a new treated water rate, including a Temporary Conservation Surcharge, which will be effective January 1, 2016. He recommended that, in light of this surcharge, the District review the calculation of its Recycled Water Rate, and confirm that the Zone's

DRAFT

surcharge be excluded, based on the Board's intention when this rate was originally established to exclude any drought surcharges. Mr. Archer recommended that this methodology be applied to the 2016 rate, as well as any future years in which this surcharge is adopted by Zone 7.

The Board and staff discussed the matter and confirmed the new rate, excluding the surcharge, will be $3.15 per cubic foot. They also discussed findings and suppositions of past and possible future cost analyses, including components of the District's rates.

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

Director Misheloff MOVED to adopt Resolution No. 93-15, confirming the method of calculation of the Recycled Water Rate under Chapter 4.40 of the District Code previously adopted by Resolution No. 11-13. V. P. Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

D. Accept Rate Stabilization Fund Annual Report and Direct Fund Transfer

General Manager Archer reported that auditors Badawi and Associates have completed their annual review of the financial statements and staff has submitted their analysis in the Rate Stabilization Fund Annual Report presented to the Board this evening. He recommends that the Board direct staff to transfer $2,614,200 from the Water Rate Stabilization fund to the Water Replacement fund. This recommendation is based on the District's Financial Reserves policy, which states that such a transfer be made if the Enterprise fund and corresponding Rate Stabilization fund exceed twelve months working capital, which is the case.

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

The Board and staff discussed the status of the current fund balances and the impact to these balances once the recommended fund transfer is made. In addition, the Board agreed that because the Water Replacement fund because is a ratepayer based fund, the recommended transfer will alleviate future burden for ratepayers when projects are required on the system.

V.P. Howard MOVED to accept Rate Stabilization Fund Annual Report and Direct Fund Transfer. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

E. Authorize and Direct the General Manager to Execute a Purchase Order with Andritz Separation, Inc., for Purchase of a Continuous Backwash Updraft Sand Filter for the DERWA Recycled Water Treatment Facility 6th Filter Project (CIP 16-R008)

Engineering Services Manager McIntyre reviewed this item reporting that the City of Pleasanton has expressed desire to proceed with and expedite the sixth sand filter expansion project based on the Agreement to Provide Recycled Water Treatment and Delivery Services as entered into last year with DERWA. Authorizing execution of the requested purchase order will enable pre-purchase of the filter equipment and satisfy Pleasanton's desire to have the filter on line to conform to completion of the initial stage of their recycled water distribution system project. DERWA recently declared a Community Drought Emergency and has requested the District expedite the project. Under statewide emergency regulations, DERWA and the District may expedite construction of the project by dispensing of CEQA and formal bidding requirements. Mr. McIntyre reported that this item was reviewed and approved by the three Boardmembers present at the November 3 Board meeting, but has been brought back tonight seeking the four affirmative votes required for approval of emergency actions.

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

Director Halket MOVED to authorize and direct the General Manager to execute a purchase order with Andritz Separation, Inc., for purchase of a continuous backwash updraft sand filter for the DERWA Recycled Water Treatment Facility 6th Filter Project (CIP 16-R008). Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS
None

11. CLOSED SESSION

A. NOT HELD - Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: Two cases.

12. REPORT FROM CLOSED SESSION
None

13. ADJOURNMENT

President Duarte adjourned the meeting at 6:29 p.m.

Submitted by,

Nicole Genzale
Executive Services Supervisor

Dublin San Ramon Services District
Summary & Recommendation

Agenda Item 9A

Reference	Type of Action	Board Meeting of
General Manager	Discuss and Provide Direction	November 30, 2015

Subject
Review and Discuss Drought Management Program

☐ Motion	☐ Minute Order	☐ Resolution	☐ Ordinance	☐ Informational	☒ Other
REPORT:	☒ Verbal	☐ Presentation	☒ Staff	J. Archer	☐ Board Member

Recommendation:

The General Manager recommends the Board of Directors receive comments from the public related to the District's Drought Management Program, discuss those as appropriate and, by Consensus, provide appropriate direction to staff and/or Board Committees for follow-up or action at this or a future Board meeting.

Summary:

On May 19, 2015 the Board updated the District's Drought Management Program by taking various actions that will run through the end of the State of Community Drought Emergency on February 29, 2016. On October 20, 2016 the Board made various changes to the Drought Management Plan that will be applicable in the fall and winter months through February 29, 2016. The elements of the current program include the following:

- Extended the Community Drought Emergency;
- Established Water Use Curtailment Goals;
- Adopted Water Use Limitations (various blanket exemptions approved October 20, 2015);
- Adopted Penalties and Enforcement Provisions;
- Adopted Water Shortage Rate Stage 2 (Adopted Stage 1 Water Shortage Rates on October 20, 2016);
- Approved a Wise Water User Credit for FYE 2016 (Suspended effective with the Stage 1 Water Shortage Rates);
- Approved an Enhanced Rebate Program (amended on June 16, 2015 and again on October 20, 2015);
- Endorsed the FYE 2016 Drought Response Action Plan; and
- Approved budget amendments for FYE 2016 related to Drought Management Activities.

The various aspects of the Drought Management Program affect all customers of the District in various ways. To be as open and transparent as possible, the Board wishes to allow the public an opportunity to address the Board on the various aspects of the Drought Management Program in a manner that can lead to a productive outcome. The public may always address the Board under the "Public Comment" portion of the Board agenda. However, for public comment made at that time, the Board is precluded from having substantive discussions in response to the public comment received. This agenda item allows the Board to engage in a substantive discussion of issues that may be raised by the public and also to provide staff or a Board Committee appropriate direction related to the Drought Management Program in a timely fashion. This item will be a standing item on the Board agenda throughout the duration of the Community Drought Emergency which is currently scheduled to expire on February 29, 2016.

Committee Review			**Legal Review**	**Staff Review**		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Executive	REVIEWED BY

ATTACHMENTS ☒ *None*

☐ Resolution	☐ Minute Order	☐ Task Order	☐ Staff Report	☐ Ordinance
☒ Cost $0	☐ Funding Source A. B.	Attachments to S&R 1. 2. 3.		

Dublin San Ramon Services District
Summary & Recommendation

Agenda Item 9B

Reference	Type of Action	Board Meeting of
General Manager	Public Hearing/Determine Public Interest	November 30, 2015

Subject
Hold Public Hearing: Determine if the Public Interest in Disclosure Clearly Outweighs the Public Interest in Nondisclosure of Street Addresses and Utility Usage Data with Customers who have Violated Water Use Limitations

☐ Motion	☐ Minute Order	☒ Resolution	☐ Ordinance	☐ Informational	☐ Other
REPORT:	☒ Verbal	☐ Presentation	☒ Staff	J. Archer	☐ Board Member

Recommendation:

The General Manager recommends the Board of Directors, by Resolution, determine by a 2/3 vote whether the public interest in disclosure clearly outweighs the public interest in nondisclosure of street addresses and utility usage data of customers who have violated water use limitations; a foundation for the Board's determination is presented in the attached Staff Report.

Summary:

Ordinance No. 336 adopted May 19, 2015, established various Water Use Limitations during the current Community Drought Emergency. Ordinance No. 337, adopted the same day, established enforcement procedures and penalties for violations of Ordinance No. 336. The District cited 48 customers for violating various Water Use Limitations during calendar year 2015.

The District recently received Public Records Act (PRA) requests from The San Francisco Chronicle and the Bay Area News Group (Contra Costa Times) essentially seeking the names, cities of residence, street addresses and utility usage data of customers who have been issued fines; copies of those PRA requests are included as Attachment 1. In accordance with the PRA, the District responded to each requestor by sending each a spreadsheet identifying the names and cities of residence of customers receiving citations, the date and amount of fine(s) issued, a description of the type of the violation, and certain billing information including the fine, and identifying the process and schedule for the determination of whether to release the remaining information requested. The District's response letters are included as Attachment 2. The PRA generally requires the release of names and cities of residence of customers who have "…used utility services in a manner inconsistent with applicable utility usage policies." However, home addresses, as described below, and utility usage data would be released only if not exempt and the Board determines that "…the public interest in disclosure …clearly outweighs the public interest in nondisclosure."

The District Code requires that this determination be made by the District Board at a noticed public hearing. As a courtesy to its customers, the District provided notification to each customer that the District has been requested to release the above information and that the Board would be considering the request at this meeting. The public hearing notice and the courtesy notice are included as Attachments 3 and 4 respectively. As of this writing, no District customers have provided written comments related to this matter nor has there been any follow up communication from either of the newspapers.

Finally, the PRA precludes the release of information for certain individuals, for example peace officers. To the extent that the District is aware that a customer falls under a protected category of the PRA that information has not and will not be released.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR J. Archer	DEPARTMENT Executive	REVIEWED BY

ATTACHMENTS ☐ *None*

☒ Resolution	☐ Minute Order	☐ Task Order	☒ Staff Report	☐ Ordinance

☒ Cost $0	☐ Funding Source A. B.	Attachments to S&R 1. PRA Requests Received 2. District Responses to PRA Requests 3. Public Hearing Notice 4. Courtesy Notice to Customers

STAFF REPORT

FOUNDATION FOR BOARD
DETERMINATION

The following is an analysis of the various records the District has been requested to release under the Public Records Act.

The Board must determine to release the requested data as required by the District Code for each requested record whether the ",,,public interest in disclosure of the information clearly outweighs the public interest in nondisclosure".

As required by the District Code, the determination must be made with a 2/3 majority of the Board (four votes). Failure to achieve a 2/3 majority in the vote means that the Board has not made the required finding and the requested information would not be released.

On the next page of this report is staff's analysis of balancing the "...public interest in disclosure of the information clearly outweighs the public interest in nondisclosure" following the District values of:

- Openness and transparency (which we fervently apply to all DISTRICT operations); and
- Protection of our customer's privacy.

Records Requests:

(1) San Francisco Chronicle Staff Writer Kurtis Alexander requested the following October 27, 2015:

"…the name, address, fine amount and type of violation for DSRSD customers who were fined since the beginning of July."

The District has provided a response to Mr. Alexander, providing him a spreadsheet of information on those who were fined. That information was provided on November 4, 2015.

(2) Bay Area News Group Reporter Denis Cuff requested the following in his email dated November 9, 2015:

1. Customers who were penalized during the hot summer months this year for excessive water use, or other violation of your rules.
2. I request the same information about excess users this year that already has been requested by any other new media organizations.
3. I request the names, addresses, of customers penalized by your district this year.
4. For those (customers) who used too much water, I request the gallons per day they consumed and how much of it was excess for the two billing cycles in the hot months, roughly June through September.
5. How (ed. much was) the amount of the violators bill and how much of it was a penalty.
6. For those who violated another district rule, I request the penalty and a basic description of what rule they violated.

The District has provided a response to Mr. Cuff, providing him a spreadsheet of information on those who were fined. That information was provided on November 18, 2015.

However, based on past practice, most recently on August 5, 2014, staff did not provide the address of those whose names were included, nor did we provide the actual usage of the customer.

Staff Analysis:

Item 1. Customer Street Address

Analysis

Names and city of residence have been already disclosed; disclosure of street addresses accomplishes no further public benefit and could jeopardize the privacy and safety of District customers, which runs the risk of encouraging District customers to fight enforcement activities rather than attempting to bring their usage into compliance, so the interest in disclosure does NOT clearly outweigh the interest in nondisclosure.

Staff Recommendation

DO NOT DISCLOSE

Item 2. Customer Consumption Data

Analysis

Staff has disclosed the specific reasons for the customer's fine. In those cases where customers used an amount in excess of the 4,480 gallon per week limit that fact was disclosed. Usage data for the full billing period is not related to the reason for the violation and disclosure of that amount may be confusing for those trying to understand the District's ordinance. Daily consumption information is not produced or measured by the District calculation of such data and may be misleading and confusing.

Staff Recommendation

DO NOT DISCLOSE

RESOLUTION NO.________

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT DETERMINING WHETHER THE PUBLIC INTEREST IN DISCLOSURE OF CERTAIN INFORMATION FOR WATER USE LIMITATION VIOLATIONS CLEARLY OUTWEIGHS THE PUBLIC INTEREST IN NONDISCLOSURE RELATED TO THE PUBLIC RECORDS ACT REQUESTS FROM THE SAN FRANCISCO CHRONICLE OF OCTOBER 27, 2015 AND BAY AREA NEWS GROUP OF NOVEMBER 9, 2015

WHEREAS, on May 19, 2015 the District Board of Directors declared a Community Drought Emergency that will remain in effect until the earlier of February 29, 2016 or when rescinded by the Board unless said Community Drought Emergency is extended by the Board of Directors; and

WHEREAS, on May 19, 2015 the District Board of Directors adopted Ordinance No. 336, which Ordinance established Water Use Limitations for District customers that were effective immediately and which will remain in effect until the end of the Community Drought Emergency; and

WHEREAS, on May 19, 2015 the District Board of Directors adopted Ordinance No. 337, which Ordinance established enforcement procedures for violations of the Water Use Limitations in Ordinance No. 336 including warnings, fines, the installation of flow restricting devices and service shutoff; and

WHEREAS, the Community Drought Emergency, Ordinance No. 336, and Ordinance No. 337 remain in effect; and

WHEREAS, on October 27, 2015 the District received a Public Records Act request from the San Francisco Chronicle requesting: *"…the name, address, fine amount and type of violation for DSRSD customers who were fined since the beginning of July"*; and

WHEREAS, on November 9, 2015 the District received a Public Records Act request from the Bay Area News Group (Contra Costa Times, et.al) requesting: "*(1) Customers who were penalized during the hot summer months this year for excessive water use, or other violation of your rules;(2) … the same information about excess users this year that already has been requested by any other new media organizations; (3) … the names, addresses, of customers penalized by your district this year; (4) For those who used too much water, … the gallons per day they consumed and how much of it was excess for* *the two billing cycles in the hot months, roughly June through September; (5)How the amount of the violators bill and how much of it was a penalty; (6) For those who violated another district rule, … the penalty and a basic description of what rule they violated"*; and

WHEREAS, with regard to customers who have violated the Water Use Limitations (other than the customer's name and city of residence, date and amount of fine(s) issued, a description of the type of the violation, and certain billing information including the fine, which information has already been released in response to the Public Records Act requests), the other information requested regarding those customers (home address and utility usage data) is pursuant to District policy to be released only upon a determination by the Board of Directors that the public interest in disclosure of the information clearly outweighs the public interest in nondisclosure; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, that:

1. For all requested information related to customer addresses and water usage data, the Board hereby determines that the public interest in disclosure of that information does not clearly outweigh the public interest in nondisclosure and as such shall not be provided as requested.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its special meeting held on the 30th day of November 2015, and passed by the following vote:

AYES:

NOES:

ABSENT:

____
Edward R. Duarte, President

ATTEST: ___________________________________
Nicole Genzale, District Secretary

Nicole Genzale

From: Alexander, Kurtis <KAlexander@sfchronicle.com>
Sent: Wednesday, October 28, 2015 8:24 AM
To: Nicole Genzale
Cc: Sue Stephenson
Subject: FW: penalties for customers not complying with water use limitations

Ms. Genzale,
I asked Sue yesterday for information on DSRSD customers who have been penalized for violating the agency's water conservation policies. This information is public record. Sue said I needed to go through you to get it.

Pursuant to my rights under the California Public Records Act (Government Code Section 6250) and the California Constitution, please provide me the name, address, fine amount and type of violation for DSRSD customers who were fined since the beginning of July. Sue indicated that there are about 36 customers.

Thank you, and feel free to contact me if you have questions about my request,
Kurtis

Kurtis Alexander
Staff Writer
(415) 777-6063
kalexander@sfchronicle.com
twitter: @kurtisalexander
San Francisco Chronicle | SFGATE

From: Sue Stephenson [mailto:stephenson@dsrsd.com]
Sent: Tuesday, October 27, 2015 6:21 PM
To: Alexander, Kurtis
Subject: penalties for customers not complying with water use limitations

Kurtis
First, I want to make the point that progressive discipline works. In 2014, when DSRSD was mandating a 25% reduction in water use, by the end of the calendar year, we had issued the following:

- 1,109 written warnings that the customer was exceeding water use limitations (most of these customers got the message and altered their behavior accordingly)
- 125, $250 fines (most of these folks got the message and reduced their water use)
- 11, $500 fines (most of these folks got the message and reduced their water use)
- 3, $1,000 fines (these were companies with out-of-state headquarters and I think their billing departments just kept paying the fines and never really reading our letters)
- 1 customer had their water flow restricted before they reduced their water use

This year, 2015, because our customers did so well reducing their water use last year, the state only mandated a 12% water reduction. I believe we're at 35%, almost 300% of what we need to do. Consequently, we have not needed to do much progressive discipline this year.
I can give you summary information regarding DSRSD water customers who have been penalized for exceeding water use limitations in the most recent months of 2015:

# of penalties	$250	$500	$1,000	Flow Restricted

July	6	0	0	0
August	6	4	3	0
September	5	2	0	0
October (as of 10.26.15)	7	3	0	0

I double-checked the numbers with our Customer Service Supervisor and you'll notice that the numbers I'm giving you today, vary from the numbers given to the state for July and August... I'm guessing that in July one penalty appealed to the Board and received an exemption, so they were removed from the list. Not sure why August is off by one... miscount.

As of today (and the number changes daily as people disconnect their water service when they move out of the area and new customers connect as they move into the area), DSRSD has 18,928 residential water accounts and less than 1% (150accounts) are out of compliance. However, that does not mean they are in violation of our water use limitations. Some of them have leaks which are excused if they deal with it quickly. Because of the AquaHawk software we implemented last summer, our customers are able to track their water use daily (and 41% do so which is a very high acceptance and use rate). Also, our Customer Service folks are able to track individual customer's water use and when they see a customer with a water use history complying with our limitations and then suddenly there's a spike in water use, that customer gets a quick phone call advising them to check their irrigation and we usually get praise and thanks for such a quick response, especially if they didn't realize they had a leak (and if they are not signed up with AquaHawk, they often do when they realize it's value).

That's all I can give you for now. If you want names and cities of residence of the customers we've penalized this year, you'll have to submit a Public Records Act request to our District Secretary, Nicole Genzale, Genzale@dsrsd.com .

Let me know if I can help you with anything else.

Sue Stephenson
Community Affairs Supervisor
Dublin San Ramon Services District
Phone: 925-875-2295
Fax: 925-829-1180
stephenson@dsrsd.com

From:	Denis Cuff <dcuff@bayareanewsgroup.com>
Sent:	Monday, November 09, 2015 12:18 PM
To:	Nicole Genzale
Subject:	request on records

Nicole Genzale
District Sectrary
Dublin San Ramon Services District

Dear Ms. Genzale:
I wish to submit a request under the California Public Records Act for information about your customers who were penalized during hot summer months this year for excessive water use, or other violations of your rules.
First, I request the same information about excess users this year that already has been requested by any other news media organizations. We trust you will provide this at the same time as it is provided to those other organizations.
Also, I request the names, addresses, of customers penalized by your district this year.
For those who used too much water, I request the gallons per day they consumed and how much of it was excess for the two billing cycles in the hot months, roughly June through September.
I also request how the amount of the violators' bill and how much of it was a penalty.
For those who violated another district rule, I request the penalty and a basic description of what rule they violated. Did they allow runoff on the street? Did they wash a car without a nozzle?
In regard to the addresses, I wish to point out that the East Bay Municipal Utility District has concluded that disclosing the addresses is an essential part of identifying violators.
Although our newspaper has a policy not to publish addresses either online or in print, we consider it important to know the address to identify the violator. Mix ups in identity can occur without knowing an address.
We request the information electronically rather than in paper form,
Please contact me if you have any questions about this request.

--
Denis Cuff
Reporter
Bay Area News Group (Contra Costa Times, San Jose Mercury News, Oakland Tribune)
925-943-8267
Twitter.com/deniscuff

Nicole Genzale

From:	Nicole Genzale
Sent:	Wednesday, November 04, 2015 5:20 PM
To:	'Alexander, Kurtis'
Cc:	John Archer; Carl Nelson (CNelson@bpmnj.com)
Subject:	Delivery: Public Records Act Request Response - Mr. Kurtis Alexander, SF Chronicle
Attachments:	PRA Response-K.Alexander SFChronicle 110415.pdf; Alexander-PRA Email Request 102815.pdf; DSRSD Water Violation Fines Issued 070115-103115-PRA Response SFChronicle 110415 .xlsx

Good afternoon, Mr. Alexander:

Please see the attached letter and materials in response to your Public Records Act request received October 27, 2015.

Thank you for your email this afternoon confirming your delivery preference of this response be made to you via email.

Thank you,

Nicole M. Genzale, CMC
Executive Services Supervisor/District Secretary
Executive Services, Management Division
7051 Dublin Blvd. Dublin, CA 94568

Direct: 925-875-2203 // Fax: 925-829-1180

Dublin San Ramon
Services District
Water, wastewater, recycled water

Dublin San Ramon Services District
Water, wastewater, recycled water

7051 Dublin Boulevard
Dublin, CA 94568-3018

ph: (925) 828-0515
fax: (925) 829-1180
www.dsrsd.com

November 4, 2015

Sent via Email to:
KAlexander@sfchronicle.com

Mr. Kurtis Alexander
Staff Writer
San Francisco Chronicle
901 Mission Street
San Francisco, CA 94103

Subject: Response to Your Public Records Act Request of October 27, 2015

Dear Mr. Alexander:

On October 28, 2015, the District received your Public Records Act request via an email sent to me seeking "*...the name, address, fine amount and type of violation for DSRSD customers who were fined since the beginning of July* ." Your request followed up on a telephone call with Sue Stephenson, Community Affairs Supervisor, October 27, 2015. On October 29, 2015, I contacted you via email to clarify the date range for the requested records and you confirmed via return email that the desired date range is July 1, 2015 - October 31, 2015.

We have conducted a search of the records that you requested. In an effort to respond to your request in a useful and timely fashion, we have prepared the spreadsheet, attached to the email transmitting this letter, containing information responsive to your request which includes the names, cities, fine amount and type of violation. The District Board is charged with balancing openness and transparency in its governance and operations with the privacy of its customers. Under the District Code, release of street addresses as requested is subject to District Board of Directors determination that the public interest in disclosure of this information clearly outweighs the public interest in nondisclosure.

The District Code requires payment of a fee for copies of public records (the direct cost of duplication) and also where programming and computer services are required. Because this record is being transmitted electronically, and no programming or computer services are required, there is no fee.

If you have additional questions, please feel free to contact me at (925) 828-0515.

Sincerely,

Nicole Genzale

NICOLE GENZALE
Executive Services Supervisor/District Secretary

Attachments to email – Public Records Act Email Request of October 28, 2015
Excel spreadsheet "DSRSD Water Violation Fines Issued 070115-103115"

cc: John Archer, DSRSD
Carl P.A. Nelson, General Counsel

H:\Exec\MGMT\GAMBLE\2015\Alexander\PRA Response-K.Alexander SFChronicle 110415.docx

Nicole Genzale

From: Alexander, Kurtis <KAlexander@sfchronicle.com>
Sent: Wednesday, October 28, 2015 8:24 AM
To: Nicole Genzale
Cc: Sue Stephenson
Subject: FW: penalties for customers not complying with water use limitations

Ms. Genzale,
I asked Sue yesterday for information on DSRSD customers who have been penalized for violating the agency's water conservation policies. This information is public record. Sue said I needed to go through you to get it.

Pursuant to my rights under the California Public Records Act (Government Code Section 6250) and the California Constitution, please provide me the name, address, fine amount and type of violation for DSRSD customers who were fined since the beginning of July. Sue indicated that there are about 36 customers.

Thank you, and feel free to contact me if you have questions about my request,
Kurtis

Kurtis Alexander
Staff Writer
(415) 777-6063
kalexander@sfchronicle.com
twitter: @kurtisalexander
San Francisco Chronicle | SFGATE

From: Sue Stephenson [mailto:stephenson@dsrsd.com]
Sent: Tuesday, October 27, 2015 6:21 PM
To: Alexander, Kurtis
Subject: penalties for customers not complying with water use limitations

Kurtis
First, I want to make the point that progressive discipline works. In 2014, when DSRSD was mandating a 25% reduction in water use, by the end of the calendar year, we had issued the following:

- 1,109 written warnings that the customer was exceeding water use limitations (most of these customers got the message and altered their behavior accordingly)
- 125, $250 fines (most of these folks got the message and reduced their water use)
- 11, $500 fines (most of these folks got the message and reduced their water use)
- 3, $1,000 fines (these were companies with out-of-state headquarters and I think their billing departments just kept paying the fines and never really reading our letters)
- 1 customer had their water flow restricted before they reduced their water use

This year, 2015, because our customers did so well reducing their water use last year, the state only mandated a 12% water reduction. I believe we're at 35%, almost 300% of what we need to do. Consequently, we have not needed to do much progressive discipline this year.
I can give you summary information regarding DSRSD water customers who have been penalized for exceeding water use limitations in the most recent months of 2015:

# of penalties	$250	$500	$1,000	Flow Restricted

July	6	0	0	0
August	6	4	3	0
September	5	2	0	0
October (as of 10.26.15)	7	3	0	0

I double-checked the numbers with our Customer Service Supervisor and you'll notice that the numbers I'm giving you today, vary from the numbers given to the state for July and August... I'm guessing that in July one penalty appealed to the Board and received an exemption, so they were removed from the list. Not sure why August is off by one... miscount.

As of today (and the number changes daily as people disconnect their water service when they move out of the area and new customers connect as they move into the area), DSRSD has 18,928 residential water accounts and less than 1% (150accounts) are out of compliance. However, that does not mean they are in violation of our water use limitations. Some of them have leaks which are excused if they deal with it quickly. Because of the AquaHawk software we implemented last summer, our customers are able to track their water use daily (and 41% do so which is a very high acceptance and use rate). Also, our Customer Service folks are able to track individual customer's water use and when they see a customer with a water use history complying with our limitations and then suddenly there's a spike in water use, that customer gets a quick phone call advising them to check their irrigation and we usually get praise and thanks for such a quick response, especially if they didn't realize they had a leak (and if they are not signed up with AquaHawk, they often do when they realize it's value).

That's all I can give you for now. If you want names and cities of residence of the customers we've penalized this year, you'll have to submit a Public Records Act request to our District Secretary, Nicole Genzale, Genzale@dsrsd.com .

Let me know if I can help you with anything else.

Sue Stephenson
Community Affairs Supervisor
Dublin San Ramon Services District
Phone: 925-875-2295
Fax: 925-829-1180
stephenson@dsrsd.com

Dublin San Ramon Services District Water Violation Fines Issued 7/1/15-10-31/15

City	Customer Name	$250 Fine Issue Date	$500 Fine Issue Date	$1000 Fine Issue Date	Total Charged July 1, 2015-October 31, 2015	Type of Violation
Dublin	BAO VO	7/16/2015			$250.00	Over 4,480 weekly limit, over irrigation limit
San Ramon	BRIAN GREEN	7/1/2015			$250.00	Over irrigation limit
Dublin	KRISTIN AVEN	9/2/2015	10/13/2015		$750.00	Over 4,480 weekly limit, over irrigation limit
San Ramon	PAM WALLACE	8/4/2015	8/15/2015		$750.00	Over 4,480 weekly limit, over irrigation limit
Dublin	PRITESH SHAH	7/15/2015			$250.00	Over 4,480 weekly limit, filled pool
Dublin	QUARRY LANE SCHOOL	7/22/2015	8/13/2015	8/24/2015	$1,750.00	Continuous running water, over irrigation limit
Dublin	RAM PROPERTIES	7/16/2015	8/11/2015	8/24/2015	$1,750.00	Continuous running water
San Ramon	RAMCHANDER NADIPALLY		8/4/2015		$500.00	Over 4,480 weekly limit, over irrigation limit
San Ramon	RICHARD MENDOZA	10/19/2015			$250.00	Continuous running water
San Ramon	TARUN BATRA	10/12/2015			$250.00	Over 4,480 weekly limit, over irrigation limit
Dublin	TOLL BROTHERS	7/6/2015			$250.00	Over 4,480 weekly limit
Dublin	PARMJEET VIRK			8/24/2015	$1,000.00	Over 4,480 weekly limit
Dublin	ELLEN WILLIAMS	8/25/2015	9/14/2015		$750.00	Over 4,480 weekly limit, over irrigation limit
Dublin	SOHAILA IBRAHIMI	9/14/2015			$250.00	Over 4,480, continuous running water
Dublin	PRAVEENA SARMA	8/26/2015			$250.00	Over 4,480 weekly limit, over irrigation limit
Dublin	JILL SANCHEZ STOKES	8/26/2015	9/14/2015		$750.00	Over 4,480 weekly consumption, continuous running water, over irrigation limitation
Dublin	BAHADOUR ZARRINGHALAM	8/31/2015			$250.00	Over 4,480 weekly limit, over irrigation limit
Dublin	MANOLIS TSAGARAKIS	9/10/2015			$250.00	Over 4,480 weekly limit, filled pool
Dublin	ANGELA MAROTTA	9/22/2015			$250.00	Over 4,480 weekly limit, filled pool
Dublin	SCOTT LIMING	10/13/2015			$250.00	Over 4,480 weekly limit, over irrigation limit
San Ramon	PAYAL MEHTA		10/5/2015		$500.00	Over 4,480 weekly limit, over irrigation limit
San Ramon	LILIANA TRUJILLO		10/5/2015		$500.00	Over 4,480 weekly limit, over irrigation limit
Dublin	RONALD TOWNSEND	10/12/2015			$250.00	Over 4,480 weekly limit, over irrigation limit
Dublin	JENNIFER NIELSEN	10/13/2015			$250.00	Over 4,480 weekly limit
Dublin	XIAOTLU SU	10/13/2015			$250.00	Over 4,480 weekly limit, over irrigation limit
Dublin	ELIZABETH VALDEZ	10/19/2015			$250.00	Over 4,480 weekly limit, over irrigation limit
Dublin	ENEA PROPERTIES CO., LLC	10/29/2015			$250.00	Over irrigation limit

Nicole Genzale

From:	Nicole Genzale
Sent:	Wednesday, November 18, 2015 6:01 PM
To:	'Dennis Cuff- Bay Area Newsgroup' (dcuff@bayareanewsgroup.com)
Cc:	John Archer; Carl Nelson (CNelson@bpmnj.com)
Subject:	Delivery: Public Records Act Request Response - Mr. Denis Cuff, Bay Area News Group
Attachments:	Public Records Request 2-Nov 2015 - Cuff-BayAreaNewsGrp. Ltr.pdf; request on records; Bay Area News Group PRA Request 110915.xlsx; Ordinance No. 336 - Limitations.pdf; Ordinance No. 337 - Penalties & Enforcement.pdf

Tracking:

Recipient	Delivery
'Dennis Cuff- Bay Area Newsgroup' (dcuff@bayareanewsgroup.com)	
John Archer	Delivered: 11/18/2015 6:01 PM
Carl Nelson (CNelson@bpmnj.com)	

Good evening, Mr. Cuff:

Please see the attached letter and materials in response to your Public Records Act email request received November 9, 2015.

Thank you,

Nicole M. Genzale, CMC
Executive Services Supervisor/District Secretary
Executive Services, Management Division
7051 Dublin Blvd. Dublin, CA 94568

Direct: 925-875-2203 // Fax: 925-829-1180

Dublin San Ramon
Services District
Water, wastewater, recycled water

Dublin San Ramon Services District
Water, wastewater, recycled water

7051 Dublin Boulevard
Dublin, CA 94568-3018

ph: (925) 828-0515
fax: (925) 829-1180
www.dsrsd.com

November 18, 2015

Sent via Email to:
dcuff@bayareanewsgroup.com

Mr. Denis Cuff, Reporter
Bay Area News Group
127 Spring Street
Pleasanton, CA 94566

Subject: Response to Your Public Records Act Email Request of November 9, 2015

Dear Mr. Cuff:

In response to your telephone request, which you followed up with your email request, both received on November 9, 2015, we provided an initial response by email the same day, including, as requested, an electronic copy (in Excel format) of the record entitled "DSRSD Water Violation Fines Issued 070115-103115."

This letter is a further response to your email request. In addition to the record identified above, we provide you with the following information, based on our Water Shortage Urgency Ordinances Nos. 336 and 337. Ordinance No. 336 established water usage restrictions during the current declared water shortage emergency.

1. *Customers who were penalized during hot summer months this year for excessive water use, or other violations of your rules.*

   We are interpreting the phrase "the hot summer months" to describe the period of June through September 2015 (as you noted in Item 4 of your email request). Customers who were fined for violation of any drought ordinance during that period of time are among those identified in the spreadsheet entitled "Bay Area News Group PRA Request 110915" attached to the November 18, 2015 email correspondence transmitting this letter. This spreadsheet lists all those penalized between January 1 and November 13, 2015.

2. *I request the same information about excess users this year that already has been requested by any other news media organizations.*

   As noted above, the information previously provided to the San Francisco Chronicle, the only "other news media organization" to have requested information about excess users this year, was provided to you on November 9, 2015.

3. *I request the names, addresses, of customers penalized by your district this year.*

   The spreadsheet provides the name and the city of all customers fined for any infraction of our Water Use Limitations During the Community Drought Emergency Ordinance (Ordinance No. 336) between January 1 and November 13, 2015. The District Board is charged with balancing openness and transparency in its governance and operations with the privacy of its customers. Under the District Code, release of street addresses as requested is subject to District Board of Directors determination that the public interest in disclosure of this information clearly outweighs the public interest in nondisclosure.

4. *For those customers who used too much water, I request the gallons per day that they consumed and how much of it was excess for the two billing cycles in the hot months roughly June through September.*

   The requested customer water usage information has not been included in the attached spreadsheet due to customer privacy concerns. Again, the District Board is charged with balancing openness and transparency in its governance and operations with the privacy of its customers. Under the District Code, release of water usage information as requested is subject to District Board of Directors determination that the public interest in disclosure of this information clearly outweighs the public interest in nondisclosure. The Board of Directors must make this determination at a noticed public hearing.

5. *How the amount of the violators' bill and how much of it was a penalty.*

   The attached spreadsheet includes the total bill amount and the penalty amount for each item.

6. *For those who violated another district rule, I request the penalty and a basic description of what rule they violated.*

   The attached spreadsheet identifies all penalties and a brief description of the nature of each related violation. Copies of Ordinances Nos. 336 and 337 are also provided for your reference.

The District Code requires payment of a fee for copies of public records (the direct cost of duplication) and also where programming and computer services are required. Because this record is being transmitted electronically, and no programming or computer services are required, there is no fee.

If you have any questions about the information provided, please do not hesitate to contact me.

Sincerely,

Nicole Genzale

NICOLE GENZALE
Executive Services Supervisor/District Secretary

Attachment to email:

- November 9, 2015 Public Records Act Email request from Denis Cuff
- Excel spreadsheet "Bay Area News Group PRA Request 110915"
- PDF Ordinances Nos. 336 and 337

cc: John Archer, DSRSD
Carl P. A. Nelson, General Counsel

From:	Denis Cuff <dcuff@bayareanewsgroup.com>
Sent:	Monday, November 09, 2015 12:18 PM
To:	Nicole Genzale
Subject:	request on records

Nicole Genzale
District Sectrary
Dublin San Ramon Services District

Dear Ms. Genzale:
I wish to submit a request under the California Public Records Act for information about your customers who were penalized during hot summer months this year for excessive water use, or other violations of your rules.
First, I request the same information about excess users this year that already has been requested by any other news media organizations. We trust you will provide this at the same time as it is provided to those other organizations.
Also, I request the names, addresses, of customers penalized by your district this year.
For those who used too much water, I request the gallons per day they consumed and how much of it was excess for the two billing cycles in the hot months, roughly June through September.
I also request how the amount of the violators' bill and how much of it was a penalty.
For those who violated another district rule, I request the penalty and a basic description of what rule they violated. Did they allow runoff on the street? Did they wash a car without a nozzle?
In regard to the addresses, I wish to point out that the East Bay Municipal Utility District has concluded that disclosing the addresses is an essential part of identifying violators.
Although our newspaper has a policy not to publish addresses either online or in print, we consider it important to know the address to identify the violator. Mix ups in identity can occur without knowing an address.
We request the information electronically rather than in paper form,
Please contact me if you have any questions about this request.

--
Denis Cuff
Reporter
Bay Area News Group (Contra Costa Times, San Jose Mercury News, Oakland Tribune)
925-943-8267
Twitter.com/deniscuff

Type	Customer Name	$250 Issue Date	$500 Issue Date	$1000 Issue Date	total fined in 2015	Notes	Balance due on bill with fine (1)
Dublin	ALAMO CREEK VILLAS HOA	5/27/2015			250.00	Continuous running water	$3,623.41
Dublin	AMREE JOHAL	1/6/2015			250.00	Exceeded weekly limit of 4,480 gallons	$512.16
Dublin	ANGELA MAROTTA	9/22/2015			250.00	Exceeded weekly limit of 4,480 gallons	$494.62
Dublin	BAHADOUR ZARRINGHALAM	8/31/2015			250.00	Exceeded weekly limit of 4,480 gallons	$660.15
Dublin	BAO VO	7/16/2015			250.00	Exceeded weekly limit of 4,480 gallons	$409.34
San Ramon	BRIAN GREEN	7/1/2015			250.00	Irrigating more often than allowed by Ordinance	$554.18
irrmtr	CALIFORNIA HIGHLANDS HOA			2/2/2015	1,000.00	Irrigating more often than allowed by Ordinance	$1,492.09
irrmtr	DOUGHERTY ROAD SHELL	5/13/2015			250.00	Irrigating more often than allowed by Ordinance	$605.50
irrmtr	DUBLIN BLVD ASSOCIATES	2/18/2015			250.00	Irrigating more often than allowed by Ordinance & leak	$1,282.71
irrmtr	DUBLIN SELF STORAGE	1/7/2015			250.00	Irrigating more often than allowed by Ordinance	$664.92
Dublin	ELIZABETH VALDEZ	10/19/2015			250.00	Exceeded weekly limit of 4,480 gallons	$494.82
Dublin	ELLEN WILLIAMS	8/25/2015	9/14/2015	11/3/2015	1,750.00	Exceeded weekly limit of 4,480 gallons	$833.98 - $2,167.15
Dublin	ENEA PROPERTIES CO., LLC	10/29/2015			250.00	Irrigating more often than allowed by Ordinance	not yet billed
othcom	GAWFCO ENTERPRISES INC	2/24/2015			250.00	Irrigating more often than allowed by Ordinance	$513.05
San Ramon	GENE HERRERA	2/6/2015			250.00	Exceeded weekly limit of 4,480 gallons	$665.80
irrmtr	GLENBOROUGH LLC MS#8	2/5/2015			250.00	Irrigating more often than allowed by Ordinance	$746.11
Dublin	JENNIFER NIELSEN	10/13/2015			250.00	Exceeded weekly limit of 4,480 gallons	$418.30
Dublin	JILL SANCHEZ STOKES	8/26/2015	9/14/2015		750.00	Exceeded weekly limit of 4,480 gallons	$756.14 - $729.30
Dublin	JINHO JEON	2/2/2015	2/25/2015	6/3/2015	1,750.00	Exceeded weekly limit of 4,480 gallons	$821.46 - $1,089.52 - $1,587.73
Dublin	KRISTIN AVEN	9/2/2015	10/13/2015		750.00	Exceeded weekly limit of 4,480 gallons	$1,081.98
Dublin	LA RAVE INVESTMENTS	4/8/2015			250.00	Exceeded weekly limit of 4,480 gallons & irrigating more often than allowed by Ordinance	$591.12
San Ramon	LILIANA TRUJILLO		10/5/2015		500.00	Exceeded weekly limit of 4,480 gallons	$856.02
Dublin	MANOLIS TSAGARAKIS	9/10/2015			250.00	Exceeded weekly limit of 4,480 gallons	$497.50

San Ramon	PAM WALLACE	8/4/2015	8/15/2015		750.00	Exceeded weekly limit of 4,480 gallons & irrigating more often than allowed by Ordinance	$1023.02 - $1039.21
Dublin	PARMJEET VIRK			8/24/2015	1,000.00	Exceeded weekly limit of 4,480 gallons	$1,567.30
San Ramon	PAYAL MEHTA		10/5/2015		500.00	Exceeded weekly limit of 4,480 gallons & irrigating more often than allowed by Ordinance	$906.06
Dublin	PRAVEENA SARMA	8/26/2015			250.00	Exceeded weekly limit of 4,480 gallons	$517.06
Dublin	PRITESH SHAH	7/15/2015			250.00	Exceeded weekly limit of 4,480 gallons	$511.50
Dublin	QUARRY LANE SCHOOL	7/22/2015	8/13/2015	8/24/2015	1,750.00	Continuous running water, irrigating more than 2 days per week	$5,138.73
Dublin	RAM PROPERTIES	7/16/2015	8/11/2015	8/24/2015	1,750.00	Continuous running water	$2,438.39 - $3425.89
San Ramon	RAMCHANDER NADIPALLY		8/4/2015		500.00	Exceeded weekly limit of 4,480 gallons	$872.70
San Ramon	RICHARD MENDOZA	10/19/2015			250.00	Continuous running water	not yet billed
Dublin	RONALD TOWNSEND	10/12/2015			250.00	Exceeded weekly limit of 4,480 gallons	$624.22
Dublin	SCOTT LIMING	10/13/2015			250.00	Exceeded weekly limit of 4,480 gallons	not yet billed
San Ramon	SHAPELL HOMES	3/3/2015	5/21/2015		750.00	Irrigating more often than allowed by Ordinance	$1664.63 - $1,663.91
San Ramon	SHAPELL HOMES	3/3/2015	5/21/2015		750.00	Irrigating more often than allowed by Ordinance	$1616.03 - $1,630.62
Dublin	SHEA HOMES	2/13/2015			250.00	Irrigating more often than allowed by Ordinance	$865.03
Dublin	SOHAILA IBRAHIMI	9/14/2015			250.00	Exceeded weekly limit of 4,480 gallons	$250.00
Dublin	SONIA GURUSIDDAIAH	6/23/2015			250.00	Exceeded weekly limit of 4,480 gallons	$545.49
San Ramon	SONIYA CHOPADA	5/5/2015			250.00	Continuous running water, hose filling pool	$337.10
recydu	STANFORTH HOLDING CO	5/27/2015			252.68	RECYCLED wtr running continuously	$5,683.29
Dublin	STRATEGIC RESTAURANTS ACQUISIT		1/9/2015		500.00	Irrigating more often than allowed by Ordinance	$3,205.16
San Ramon	TARUN BATRA	10/12/2015			250.00	Exceeded weekly limit of 4,480 gallons	$583.78
Dublin	TOLL BROTHERS	7/6/2015			250.00	Exceeded weekly limit of 4,480 gallons	$584.24
San Ramon	VILLAPASEO I OWNERS ASSOC	2/5/2015			250.00	Irrigating more often than allowed by Ordinance	$1,094.11
San Ramon	VILLAPASEO I OWNERS ASSOC	2/5/2015			250.00	Irrigating more often than allowed by Ordinance	$803.08

Dublin	XIAOTLU SU	10/13/2015			250.00	Exceeded weekly limit of 4,480 gallons	$700.54
sfres	ZABI MOHAMMADI	2/25/2015			250.00	Exceeded weekly limit of 4,480 gallons	$701.84

"(1) Multiple entries indicate multiple fines relative to the incidents noted in columns C,D and E.

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

WHEREAS, the State of California has and continues to experience record dry conditions, with 2013 being the driest year on record and 2014 receiving the lowest snowpack on record; and

WHEREAS, the Zone 7 Water Agency supplies all of the potable water currently available to the District for distribution and use by its customers; and

WHEREAS, Zone 7's primary sources of supplies normally include imported water from the State Water Project (80%) and local groundwater supplies originating from rainfall, runoff, and recharge (20%); and

WHEREAS, on January 17, 2014 California Governor Edmund G. Brown issued a Proclamation of a State of Emergency, and encouraged all Californians to reduce their water usage by 20%; and

WHEREAS, on January 29, 2014 the Zone 7 Water Agency issued a Proclamation of a Local Drought Emergency and authorized its General Manager to "establish appropriate levels of conservation consistent with the California State of Drought Emergency and local conditions," and

WHEREAS, on February 18, 2014 the District declared a State of Community Drought Emergency and established a goal of curtailing overall District water usage by twenty percent (20%) based on five percent (5%) curtailment of inside water use and forty percent (40%) curtailment of outside water use as compared to the same period in 2013; and

WHEREAS, on March 18, 2014 the City of Dublin declared a Local Drought Emergency which remains in effect; and

WHEREAS, on March 18, 2014 the City of Pleasanton approved an urgency ordinance amending its water conservation plan as needed to protect the immediate threat of the potentially significant drought to preserve public health and safety which remains in effect; and

WHEREAS, on February 24, 2014 the City of Livermore declared a Water Shortage Emergency which remains in effect; and

WHEREAS, on April 25, 2014 Governor Edmund G. Brown proclaimed a Continued State of Emergency in the State of California and ordered that California residents should refrain from wasting water, specifying many practices that waste water and directing urban water suppliers to implement drought response plans to limit outdoor irrigation and other wasteful water practices which proclamation remains in effect; and

WHEREAS, on May 5, 2014 the District Board of Directors declared that a State of Emergency has existed since February 18, 2014 and continues to prevail in the community served by the District by reason of the fact that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies now available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection as a result of the ongoing drought and the resulting reductions to and restrictions on the available water supply; and

WHEREAS, on December 2, 2014 the District Board of Directors declared that a State of Emergency has existed since February 18, 2014 and continues to prevail in the community served by the District by reason of the fact that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies now available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection as a result of the ongoing drought and the resulting reductions to and restrictions on the available water supply; and

WHEREAS, on March 2, 2015 the California Department of Water Resources announced that anticipated 2015 water allocations to the State Water Contractors (including Zone 7) will be only 20%; and

WHEREAS, on March 17, 2015 the State Water Resources Control Board adopted Emergency Regulations for Statewide Urban Water Conservation which among various actions mandated various Statewide water conservation practices; and

WHEREAS, on April 1, 2015 Governor Edmund G. Brown issued Executive Order B-29-15 which among actions directed the State Water Resources Control Board to impose various restrictions to achieve a Statewide 25% reduction in potable urban water use; and

WHEREAS, on April 15, 2015 the Zone 7 Water Agency accepted its 2015 Water Sustainability Report and adopted its Resolution No. 15-61 which lifted its Stage 2 water shortage status stating that it can meet 100 percent of requested deliveries in 2015 but which supported the extended and expanded Statewide water conservation efforts, to continue the local state of drought of emergency and to help water retailers achieve Statewide mandates; and

WHEREAS, the District has reviewed the Zone 7 Water Agency Water Sustainability Report (the "Sustainability Report") and concurs that the Sustainability Report indicates that the Zone 7 Water Agency can physically deliver one hundred percent (100%) of requested deliveries in 2015, but the District notes that over sixty percent (60%) of the water needed to meet that demand (28,300 AF of total demand of 46,700 AF) will originate as water removed from long-term storage under the control of the Zone 7 Water Agency which storage has been significantly depleted during the three immediate past years and which storage would be cumulatively depleted by thirty seven percent (37%) or 64,100 AF after 2015 deliveries and further notes that the ability to access much of the stored water, depends upon operation of the State Water Project export facilities throughout 2015 without curtailment or interruption which the Sustainability Report implicitly assumes will occur; and

WHEREAS, the District hereby finds that due to the uncertainty about the possible continuation of the drought into 2016 and beyond and the accompanying need to conserve, to the greatest extent possible, water held in storage by the Zone 7 Water Agency on behalf of the District and other Tri-Valley retail water agencies that it would be prudent for the Tri-Valley to significantly reduce water use below the amount originally requested for calendar year 2015 made in July 2014 by the District and by other Tri-Valley retail water agencies; and

WHEREAS, on May 5, 2015 the State Water Resources Control Board adopted Emergency Regulations for Statewide Urban Water Conservation which among various actions mandated various and additional Statewide water conservation practices including a system-wide 16% water use reduction in potable water use for the District in calendar year 2015 as compared to calendar year 2013; and

WHEREAS, on May 19, 2015 the District Board of Directors declared that a State of Emergency has existed since February 18, 2014 and continues to prevail in the community served by the District by reason of the fact that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies now available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection as a result of the ongoing drought and the resulting reductions to and restrictions on the available water supply.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Dublin San Ramon Services District as follows:

SECTION 1. PURPOSE AND AUTHORITY. The purpose of this Ordinance is to conserve the water supply of the District for the greatest public benefit with particular regard to public health and safety, fire protection, and domestic (indoor) use; to curtail system wide water usage in the District by sixteen percent (16%) overall as compared to the same period in calendar year 2013 as ordered by the State Water Resources Control Board on May 5, 2015 which reduction shall generally be accomplished through system wide curtailment of five percent (5%) of indoor water use and thirty three percent (33%) exterior water use to conserve water by enacting Water Use Limitations that are intended to preserve the District's ability to meet human health and safety needs with its limited water supply; to conserve a sufficient amount of water so that the demand for water does not exceed the supply, which otherwise would force the imposition of additional and/or stricter drought stage declarations, restrictions, or prohibitions; and to the extent necessary, reduce water use fairly and equitably. This Ordinance is adopted pursuant to the District's authority under Sections 350 et seq. and 71640 et seq. of the California Water Code, which derive in part from Section 2 of Article X of the California Constitution.

SECTION 2. EFFECT OF ORDINANCE.

(a) This Ordinance shall take effect immediately, shall supersede and control over any other ordinance or regulation of the District in conflict herewith, and shall remain in effect until the Community Drought Emergency has ended.

(b) The Water Use Limitations specified herein shall apply throughout the District's water service area.

SECTION 3. WATER USE LIMITATIONS.

(a) Prohibitions on Water Use. During the Community Drought Emergency, and to preserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, fire protection and where necessary to address an immediate health and safety need, the following uses of water are prohibited except to the extent allowed under Section 3 (d) "Exemptions" of this Ordinance:

(1) Any and all waste and/or unreasonable use of potable water as determined by the District.

(2) Any and all use of potable water in violation of DSRSD District Code Section 4.10.030 (G), including but not limited to:

(i) Waste through leakage of defective or inoperable plumbing, piping or other water-use equipment;

(ii) Gutter flooding;

(iii) Single pass cooling systems in new constructions;

(iv) Non-recirculating systems in a new conveyer car wash and commercial laundry systems;

(v) Non-recycling decorative water fountains;

(vi) The use of water suitable for potable domestic use for non-potable uses, including irrigation of cemeteries, golf courses, parks, highway landscaped areas, and industrial and irrigation uses, when suitable recycled water is available to an area, for which the District has recycled water purveyorship authority.

(3) Any and all use of potable water for outdoor lawn and landscaping watering and irrigation, except to the extent allowed by exemptions described herein (nursery stock and plants available for immediate sale at commercial establishments are not considered "landscaping").

(4) Any and all use of potable water for non-potable purposes, where and when the District is ready, willing and able to furnish recycled water from its recycled water distribution system, and recycled water is permitted to be applied to that use.

(5) Any and all use of potable water for soil compaction and dust control purposes.

(6) Cleaning, Washing, Maintenance:

(i) Any and all use of potable water for street sweeping, gutter flooding, sewer or storm drain cleaning and maintenance purposes or other similar uses;

(ii) Any and all use of potable water for hosing down or pressure washing driveways, sidewalks, walkways, patios, parking lots, tennis courts, or other impervious surfaces;

(iii) Any and all vehicle washing, including autos, trucks, boats, trailers, recreational vehicles, etc., except to those allowed by exemptions described herein;

(iv) Any and all use of potable water for cleaning the exteriors of buildings or homes including fences that surround those buildings and homes.

(7) Swimming Pools; Spas, and Water Themed Play Areas:

(i) Any and all use of potable water for filling of new swimming pools or spas;

(ii) Any and all use of potable water for refilling existing swimming pools or spas due to leaks, splash-out, and evaporative losses (i.e. "Topping Off");

(iii) Any and all uses of potable water as replacement water for existing water themed publicly owned "play areas" to recharge the play area with water due to leaks, splash-out, and evaporative losses (i.e. "Topping Off");

(iv) Any and all draining and subsequent refilling of existing swimming pools or spas, except where required for the protection of public health and safety, and upon the prior written approval of the District, which approval shall specify allowable refill times and rates.

(8) Any and all escape of potable water from pipe breaks or leaks after the customer has been notified of the probable existence of the break or leak by the District, or after the customer had or should have had reasonable knowledge of the pipe break or leak.

(9) Any and all use of potable water in any decorative fountain and/or other decorative water feature that is visible from areas accessible by the public.

(b) Restrictions on Water Use. During the Community Drought Emergency, and to preserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection the following water uses are restricted:

(1) Serving water in eating and drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars or other public places where food and drink are served and purchased unless in response to an unsolicited request by the customer;

(2) The use of water in the bathrooms and/or lavatories of all non-domestic water customers of the District unless water conservation messages are posted in appropriate and effective locations in the bathrooms and/or lavatories of said customers; and

(3) The failure of a hotel, motel or similar short term lodging facility to prominently display notice in each guestroom, using clear and easily understood language, that the guest of said lodging facilities has the option to choose not to have towels and linens laundered daily and the failure to honor the option exercised by a guest of said lodging facilities to not have their linens and towels laundered on a daily basis.

(c) General Prohibition and Restriction.

(1) The use of an unreasonable and/or inappropriate amount of potable water as determined by the District considering the use to which the water is being put, even if otherwise in conformance with the prohibitions and restrictions on water use herein, is a violation of this Ordinance.

(2) Residential customers who use water at the rate of more than 4,480 gallons per week (the volume equivalent of about 50 units per bimonthly billing period, which is approximately 50% in excess of the threshold for Tier 3 consumption) are hereby found to be using an unreasonable and/or inappropriate amount of water.

(3) Indoor residential use that does not exceed health and safety needs shall generally be considered to be reasonable and appropriate. The State of California has determined (*Central Valley Project and State Water Project - Drought Operations Plan and Operational Forecast (April 1, 2014 through November 15, 2014)*) that health and safety

uses are approximately 55 gallons per person per day. This usage approximately corresponds to Tier One (10 unit) usage in the District's rate schedules assuming between two and three persons per household.

(4) Commercial customers who use potable water for indoor uses at a rate of more than 95% of calendar year 2013 usage (as reasonably adjusted for increased occupancy or business) in a comparable period are hereby found to be using an unreasonable and/or inappropriate amount of water except where said indoor potable water use is used to maintain health and safety standards and/or used to comply with State of California or federal regulations.

(5) Irrigation with potable water that exceeds the lessor of a weekly application rate that is (a) more than 67% of calendar year 2013 usage in a comparable period or, (b) greater than fifty (50%) of the evapotranspiration rate needed for the customer's landscaping (for turf grass and for the purposes of this Ordinance this shall be equivalent to one half inch per week from June through September and three-eighths inch per week at other times of the year).

(d) Exemptions to Prohibitions and Restrictions. During the Community Drought Emergency, the following exemptions to the above listed prohibitions and restrictions are allowed:

(1) Outdoor Lawn and Landscaping Watering and Irrigation Exemptions (with the exception of irrigation with potable water of ornamental turf on public street medians which shall always be prohibited):

(i) Drip, bubblers, micro-sprayers or similarly high efficiency system watering and irrigation with potable water in accordance with the weekly irrigation schedule below and if no runoff to adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures; ponding; flooding or marshy conditions result;

(ii) Hand watering using a bucket, watering can or similar container with potable water in accordance with the weekly irrigation schedule below and without any direct connection to a potable water supply and if no runoff, ponding, flooding or marshy conditions result;

(iii) Hand watering or irrigation using a shut-off nozzle equipped hose with potable water only between the hours of 6:00 PM and 9:00 AM and, in accordance with the weekly irrigation schedule below, if no runoff, ponding, flooding or marshy conditions result;

(iv) Semiautomatic watering and irrigation with potable water using oscillating or rotating devices connected to a hose of flexible connection that can be easily moved only while under the continual direct observation of a customer, only between the hours of 6:00 PM and 9:00 AM, in accordance with the weekly irrigation schedule below, if no runoff, ponding, flooding or marshy conditions result;

(v) Watering and irrigation systems with potable water using permanent irrigation piping and sprinkler heads that are not controlled by a functioning automatic timing device only between the hours of 6:00 PM and 9:00 AM in accordance with the weekly irrigation schedule below, if no runoff, ponding, flooding or marshy conditions result;

(vi) Watering and irrigation systems with potable water using permanent irrigation piping and sprinkler heads that are controlled by a functioning automatic timing device only between the hours of 6:00 PM and 9:00 AM in accordance with the weekly irrigation schedule below, if no runoff, ponding, flooding or marshy conditions result;

(vii) Exterior irrigation with potable water of landscapes outside of newly constructed homes or buildings only between the hours of 6:00 PM and 9:00 AM in accordance with the weekly irrigation schedule below, if no runoff, ponding, flooding or marshy conditions result and only if delivered in a manner consistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development of the State of California;

(viii) Weekly Irrigation Schedule. These potable water irrigation exemptions shall apply only to the extent that the irrigation through any District water meter is no more frequently than two days per week, not on successive days and not during measurable rainfall or within 48 hours after measurable rainfall

(ix) Irrigation System Repair. Potable water may be used for watering or irrigation for very short periods of time for the express purpose of adjusting or repairing a potable irrigation system, as long as the system is continually and directly supervised by the owner or the owner's representative while the water is turned on.

(2) Cleaning, Washing, Maintenance Exemptions:

(i) Vehicle washing done by residential customers if accomplished using a hose with fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(ii) Vehicle washing at a commercial facility if accomplished using a hose fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(iii) Vehicle washing at commercial facilities or automobile dealerships, as long as the washing utilizes buckets or a self-contained washing system without any direct connection to a potable water supply;

(iv) Vehicle washing done at a commercial car wash facility that recirculates water;

(v) Cleaning building or home exteriors including the fences surrounding such buildings and homes if for the express purpose of preparing the exterior surfaces for repair and/or repainting, if done using a pressurized washing device equipped with a quick-acting positive shutoff nozzle;

(vi) Cleaning windows using potable water as long as a bucket or similar container is used, without any direct connection to a potable water supply.

(3) Swimming Pools, Spas and Water Themed Play Area Exemptions:

(i) "Topping off" of existing private swimming pools and spas (i.e. a pool or spa at a residence that is only available for use by the occupants and their guests) if the swimming pool or spa is covered to reduce evaporation when not in use, but only to the extent that the need for "Topping Off" is not due to leaks;

(ii) "Topping off" of existing semi-private swimming pools (i.e. a pool owned and professionally maintained by a home owner association, an apartment or condominium complex, or a membership club) if the pool is covered to reduce evaporation when not available for use, but only to the extent that the need for "Topping Off" is not due to leaks;

(iii) "Topping off" of existing semi-private spa (i.e., a spa owned and professionally maintained by a home owner association, an apartment or condominium complex, or a membership club) if the spa is covered to reduce evaporation when not available for use, but only to the extent that the need for "Topping Off" is not due to leaks;

(iv) "Topping off" of existing public swimming pools (i.e., a pool that is available for use by the public at large) if the swimming pool is covered to reduce evaporation when not available for use, but only to the extent that the need for "Topping Off" is not due to leaks;

(v) "Topping off" of existing water themed publically owned "play areas" to the extent that the need for "Topping Off" is not due to leaks, and then only to the extent that the need for "Topping Off" is related to evaporative losses or to splash-out occurring when the water themed play area is used on hot days;

(vi) The draining and subsequent refilling of swimming pools and spas if needed for the protection of public health and safety, but only upon the prior written approval of the District, which approval shall specify allowable refill times and rates.

(4) Decorative water features that, as of the effective date of this Ordinance, are in existence and which intentionally provide habitat for aquatic species.

(5) Notwithstanding anything in this Ordinance to the contrary, potable water may be used to actively irrigate or otherwise provide water to environmental mitigation projects in existence as of the effective date of this Ordinance and have been duly approved by regulatory authorities provided the project has active and valid permits.

(6) Notwithstanding anything in this Ordinance to the contrary, potable water may be used where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a State or Federal agency.

SECTION 4. APPLICATION PROCEDURE FOR EXEMPTIONS FROM WATER USE LIMITATIONS.

The exclusive procedure for consideration of written applications from customers for exemptions from these Water Use Limitations described herein will be as follows:

(a) A customer may submit a written application for an exemption from a Water Use Limitation to the District's Drought Coordinator. The application must be on the District's form and must include the customer name, account number(s), a description of the limitation from which the customer is seeking an exemption, the reason(s) why the exemption is requested, the justification for the exemption, and the specific actions the customer proposes to take to achieve a functionally equivalent level of water curtailment. If a Notice of Violation has been issued to the customer, the customer must first resolve the violation including the payment of any and all penalties and/or costs before the Drought Coordinator will consider an application for an exemption from a Water Use Limitation;

(b) The District Drought Coordinator will consider each application for a waiver of a Water Use Limitation based on the information provided by the customer in the application. The Drought Coordinator may grant an exemption of a particular Water Use Limitation if the application is deemed reasonable. An exemption shall not be granted if, in the opinion of the Drought Coordinator, doing so would endanger the public health and safety;

(c) A customer may appeal the Drought Coordinator's denial of an application for an exemption from a Water Use Limitation within ten (10) calendar days by submitting a written appeal to the Board of Directors on the District's form and specify the reasons why the customer disagrees with the Drought Coordinator's denial;

(d) If a previous application for an exemption of a Water Use Limitation has been denied, a new application for exemption of the same Water Use Limitation is not permitted and will not be considered.

SECTION 5. ADMINISTRATIVE IMPLEMENTATION. The General Manager is authorized and directed to establish appropriate administrative procedures consistent with the provisions of this ordinance and to take reasonable and appropriate action to fully implement the provisions of this ordinance.

SECTION 6. EXEMPTION FROM CEQA. The District Board of Directors finds that the actions taken in this Ordinance are exempt from provisions of the California Environmental Quality

Act of 1970 (CEQA) because they are immediate actions necessary to prevent or mitigate an emergency, as described in subdivision (b)(4) of Public Resources Code section 21080 and in section 15269(c) of the Guidelines promulgated under said Act and codified in Title 14 of the Code of California Regulations (CEQA Guidelines), and to assume the maintenance, restoration, or enhancement of a natural resource, as described in section 15307, of the CEQA Guidelines.

SECTION 7. SEVERABILITY. If any provision of this Ordinance is held to be invalid or unenforceable, that holding will not affect the remainder of the Ordinance, which shall remain in full force and effect.

SECTION 8. REPEAL OF ORDINANCE NO. 333. Ordinance No. 333 adopted on May 5, 2014 is hereby repealed in its entirety upon the effective date of this Ordinance.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 19th day of May 2015, by the following vote:

AYES: 5 - Directors Georgean M. Vonheeder-Leopold, Dawn L. Benson, Richard M. Halket, D.L. (Pat) Howard, Edward R. Duarte

NOES: 0

ABSENT: 0

Ed R Duarte

Edward R. Duarte, President

ATTEST:

Nancy G. Hatfield

Nancy G. Hatfield, District Secretary

CERTIFIED AS A TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN THE OFFICE OF DUBLIN SAN RAMON SERVICES DISTRICT
Secretary Nancy G. Hatfield

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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

WHEREAS, the State of California has and continues to experience record dry conditions, with 2013 being the driest year on record and 2014 receiving the lowest snowpack on record; and

WHEREAS, the Zone 7 Water Agency supplies all of the potable water currently available to the District for distribution and use by its customers; and

WHEREAS, Zone 7's primary sources of supplies normally include imported water from the State Water Project (80%) and local groundwater supplies originating from rainfall, runoff, and recharge (20%); and

WHEREAS, on January 17, 2014 California Governor Edmund G. Brown issued a Proclamation of a State of Emergency, and encouraged all Californians to reduce their water usage by 20%; and

WHEREAS, on January 29, 2014 the Zone 7 Water Agency issued a Proclamation of a Local Drought Emergency and authorized its General Manager to "establish appropriate levels of conservation consistent with the California State of Drought Emergency and local conditions"; and

WHEREAS, on February 18, 2014 the District declared a State of Community Drought Emergency and established a goal of curtailing overall District water usage by twenty percent (20%) based on five percent (5%) curtailment of inside water use and forty percent (40%) curtailment of outside water use as compared to the same period in 2013; and

WHEREAS, on March 18, 2014 the City of Dublin declared a Local Drought Emergency which remains in effect; and

WHEREAS, on March 18, 2014 the City of Pleasanton approved an urgency ordinance amending its water conservation plan as needed to protect the immediate threat of the potentially significant drought to preserve public health and safety which remains in effect; and

WHEREAS, on February 24, 2014 the City of Livermore declared a Water Shortage Emergency which remains in effect; and

WHEREAS, on April 25, 2014 Governor Edmund G. Brown proclaimed a Continued State of Emergency in the State of California and ordered that California residents should refrain from wasting water, specifying many practices that waste water and directing urban water suppliers to implement drought response plans to limit outdoor irrigation and other wasteful water practices which proclamation remains in effect; and

WHEREAS, on May 5, 2014 the District Board of Directors declared that a State of Emergency has existed since February 18, 2014 and continues to prevail in the community served by the District by reason of the fact that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies now available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection as a result of the ongoing drought and the resulting reductions to and restrictions on the available water supply; and

WHEREAS, on December 2, 2014 the District Board of Directors declared that a State of Emergency has existed since February 18, 2014 and continues to prevail in the community served by the District by reason of the fact that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies now available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection as a result of the ongoing drought and the resulting reductions to and restrictions on the available water supply; and

WHEREAS, on March 2, 2015 the California Department of Water Resources announced that anticipated 2015 water allocations to the State Water Contractors (including Zone 7) will be only 20%; and

WHEREAS, on March 17, 2015 the State Water Resources Control Board adopted Emergency Regulations for Statewide Urban Water Conservation which among various actions mandated various Statewide water conservation practices; and

WHEREAS, on April 1, 2015 Governor Edmund G. Brown issued Executive Order B-29-15 which among actions directed the State Water Resources Control Board to impose various restrictions to achieve a Statewide 25% reduction in potable urban water use; and

WHEREAS, on April 15, 2015 the Zone 7 Water Agency accepted its 2015 Water Sustainability Report and adopted its Resolution No. 15-61 which lifted its Stage 2 water shortage status stating that it can meet 100 percent of requested deliveries in 2015 but which supported the extended and expanded Statewide water conservation efforts, to continue the local state of drought of emergency and to help water retailers achieve Statewide mandates; and

WHEREAS, the District has reviewed the Zone 7 Water Agency Water Sustainability Report (the "Sustainability Report") and concurs that the Sustainability Report indicates that the Zone 7 Water Agency can physically deliver one hundred percent (100%) of requested deliveries in 2015, but the District notes that over sixty percent (60%) of the water needed to meet that demand (28,300 AF of total demand of 46,700 AF) will originate as water removed from long-term storage under the control of the Zone 7 Water Agency which storage has been significantly depleted during the three immediate past years and which storage would be cumulatively depleted by thirty seven percent (37%) or 64,100 AF after 2015 deliveries and further notes that the ability to access much of the stored water, depends upon operation of the State Water Project export facilities throughout 2015 without curtailment or interruption which the Sustainability Report implicitly assumes will occur; and

WHEREAS, the District hereby finds that due to the uncertainty about the possible continuation of the drought into 2016 and beyond and the accompanying need to conserve, to the greatest extent possible, water held in storage by the Zone 7 Water Agency on behalf of the District and other Tri-Valley retail water agencies that it would be prudent for the Tri-Valley to significantly reduce water use below the amount originally requested for calendar year 2015 made in July 2014 by the District and by other Tri-Valley retail water agencies; and

WHEREAS, on May 5, 2015 the State Water Resources Control Board adopted Emergency Regulations for Statewide Urban Water Conservation which among various actions mandated various and additional Statewide water conservation practices including a system-wide 16% water use reduction in potable water use for the District in calendar year 2015 as compared to calendar year 2013; and

WHEREAS, on May 19, 2015 the District Board of Directors declared that a State of Emergency has existed since February 18, 2014 and continues to prevail in the community served by the District by reason of the fact that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies now available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection as a result of the ongoing drought and the resulting reductions to and restrictions on the available water supply, and

WHEREAS, on May 19, 2015 the District Board of Directors adopted an urgency ordinance specifying Water Use Limitations that are to be effective during the Community Drought Emergency.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Dublin San Ramon Services District as follows:

SECTION 1. PURPOSE AND AUTHORITY.

The purpose of this Ordinance is to conserve the water supply of the District for the greatest public benefit with particular regard to public health and safety, fire protection, and domestic (indoor) use; to curtail system wide water usage in the District by sixteen percent (16%) overall as compared to the same period in calendar year 2013 as ordered by the State Water Resources Control Board on May 5, 2015 which reduction shall generally be accomplished through system wide curtailment of five percent (5%) of indoor water use and thirty three percent (33%) exterior water use to conserve water by enacting Water Use Limitations that are intended to preserve the District's ability to meet human health and safety needs with its limited water supply; to conserve a sufficient amount of water so that the demand for water does not exceed the supply, which otherwise would force the imposition of additional and/or stricter drought stage declarations, restrictions, or prohibitions; and to the extent necessary, reduce water use fairly and equitably. This Ordinance is adopted pursuant to the District's authority under Sections 350 et seq. and 71640 et seq. of the California Water Code, which derive in part from Section 2 of Article X of the California Constitution.

SECTION 2. EFFECT OF ORDINANCE.

(a) This Ordinance shall take effect immediately, shall supersede and control over any other ordinance or regulation of the District in conflict herewith, and shall remain in effect until the Community Drought Emergency has ended and all Water Use Violations have been finally resolved.

(b) The provisions of this Ordinance shall apply throughout the District's water service area.

SECTION 3. ENFORCEMENT ACTIONS.

(a) Violation of Water Use Limitations.

During the Community Drought Emergency, certain Water Use Limitations have been established by a separate Ordinance of the District. A District customer who intentionally or unintentionally violates any Water Use Limitation will be subject to the following penalties and enforcement provisions:

(1) When there is evidence that a customer is using water in a manner that appears likely to lead to a violation of a Water Use Limitation, that customer may be issued either an oral or written warning, at the discretion of the District. The warning will identify the possibility of an impending violation and specify what the customer must do to prevent the violation and a compliance schedule for preventing the violation. Oral warnings will occur via telephone call or a site visit by District staff. Written warnings will be in the form of a door hanger tag, a letter sent via postal carrier, or another functionally equivalent method. Notwithstanding the foregoing, a warning is not a prerequisite to the issuance of a Notice of Violation as below.

(2) For first violations, in accordance with Chapter 1.30 (ENFORCEMENT) of the District Code, including Section 1.30.030 (Penalties of increasing severity), residential customers will be subject to a penalty of $250 and commercial and irrigation customers will be subject to a penalty that is the larger of $250 or 10% of the comparable calendar year 2013 billing for the period during which the violation occurred. The violation and the assessment of the penalty will be communicated to the customer via a written Notice of Violation.

(3) For second violations, in accordance with Chapter 1.3 (ENFORCEMENT) of the District Code, including Section 1.30.030 (Penalties of increasing severity), residential customers

will be subject to a penalty of $500 and commercial and irrigation, customers will be subject to a penalty that is the larger of $500 or 20% of the comparable calendar year 2013 billing for the period during which the violation occurred. The violation and the assessment of the penalty will be communicated to the customer via a written Notice of Violation.

(4) For third violations, in accordance with Chapter 1.3 (ENFORCEMENT) of the District Code, including Section 1.30.030 (Penalties of increasing severity), residential customers will be subject to a penalty of $1,000 and commercial and irrigation customers will be subject to a penalty that is the larger of $1,000 or 40% of the comparable calendar year 2013 billing for the period during which the violation occurred. The violation and the assessment of the penalty will be communicated to the customer via a written Notice of Violation.

(5) For residential, commercial or irrigation customers, fourth and any subsequent violations, customers will be subject to reductions in the amount of water delivered to the customer, as determined by the District, at its sole discretion. The violation, and the amount of reduction and method by which the reduction will be achieved will be communicated to the customer via a written Notice of Violation.

A. If feasible and if sufficient to prevent a re-occurrence of the violation, as determined by the District at its sole discretion, a flow restrictor or other physical limitation will be installed on the customer's meter connection that will limit the flow of water to the home. If installed, the flow restrictor or other physical limitation will allow enough water to meet health and safety needs (i.e., most indoor water uses), but will limit the pressure and flow to a level that will not allow the Water Use Violation to continue.

B. If a flow restrictor or other physical limitation is not feasible or appropriate for any reason, as determined by the District at its sole discretion, or if a flow restrictor would allow the Water Use Violation to continue unabated, or if a flow restrictor would allow the delivery of quantities of water equivalent to the amount consumed by the activity giving rise to the Water Use Violation, then the customer's service connection will be disconnected from the District water system (i.e., by closing and locking the service valve and/or by physically removing the water meter).

C. Where feasible and appropriate, a door hanger tag will be left at the service location informing the occupants of the action taken and the steps that must be taken before the District will consider removing the physical limitation. Full payment of all outstanding penalties, fees, and costs and certification by the customer that the violation has been corrected and will not reoccur will be required before the physical limitation or other physical limitation will be removed or service restored.

SECTION 4. APPLICATION PROCEDURE FOR WAIVER OF VIOLATION.

The exclusive procedure for consideration of written applications for waivers of the violations of Water Use Limitations ("Waiver of Violation"), to avoid the enforcement actions described herein, will be as follows:

(a) A customer may submit a written application for a Waiver of Violation related to water use to the District's Drought Coordinator. The application must be on the District's form and must include the customer name, account number(s), a description of the water use for which the customer was cited, and a description of the reason(s) why a Waiver of Violation is requested and justification for the Waiver of Violation. If penalties and/or costs have been assessed, the application must be accompanied by a deposit in an amount specified in the enforcement action.

(b) The District Drought Coordinator will consider each application for a Waiver of Violation based on the customer's reason(s) for violating a Water Use Limitation and justification as presented. The Drought Coordinator may grant a one-time waiver of a particular violation if the customer's justification is deemed to be reasonable, and if the customer has mitigated or agrees to immediately mitigate the cause of the violation. If a Waiver of Violation is granted the deposit furnished by the customer shall be refunded.

(c) A customer may appeal a denial of an application for a Waiver of Violation within ten (10) calendar days by submitting a written appeal to the Board of Directors on the District's form and specify the reasons why the customer disagrees with the denial.

(d) If a Waiver of Violation for a specific type of violation has been previously granted, a further waiver of that same type of violation is not permitted.

SECTION 5. ADMINISTRATIVE IMPLEMENTATION.

The General Manager is authorized and directed to establish appropriate administrative procedures, including guidelines to be used by the District's Drought Coordinator when considering applications for waivers, consistent with the provisions of this ordinance, and to take reasonable and appropriate action to fully implement the provisions of this ordinance.

SECTION 6. EXEMPTION FROM CEQA.

The District Board of Directors finds that the actions taken in this Ordinance are exempt from provisions of the California Environmental Quality Act of 1970 (CEQA) because they are immediate actions necessary to prevent or mitigate an emergency, as described in subdivision (b)(4) of Public Resources Code section 21080 and in section 15269(c) of the Guidelines promulgated under said Act and codified in Title 14 of the Code of California Regulations (CEQA Guidelines), and to assume the maintenance, restoration, or enhancement of a natural resource, as described in section 15307, of the CEQA Guidelines.

SECTION 7. SEVERABILITY.

If any provision of this Ordinance is held to be invalid or unenforceable, that holding will not affect the remainder of the Ordinance, which shall remain in full force and effect.

SECTION 8. REPEAL OF ORDINANCE NOS. 334 AND 335.

Ordinance No. 334 adopted on May 5, 2014 and Ordinance No. 335 adopted on August 5, 2014 are hereby repealed in their entirety upon the effective date of this Ordinance.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 19th day of May 2015, by the following vote:

AYES: 5 - Directors Richard M. Halket, Dawn L, Benson, Georgean M. Vonheeder-Leopold, D.L. (Pat) Howard, Edward R. Duarte

NOES: 0

ABSENT: 0

Ed R Duarte
Edward R. Duarte, President

ATTEST:

Nancy G. Hatfield
Nancy G. Hatfield, District Secretary

CERTIFIED AS A TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN THE OFFICE OF DUBLIN SAN RAMON SERVICES DISTRICT
Secretary Nancy G. Hatfield

H:\Board\2015\05-19-15\9E Enforcement and Penalties\Water Shortage Enforcement ORD - Final.docx

MAY 20 2015

DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors

NOTICE OF PUBLIC HEARING ON WHETHER THE PUBLIC INTEREST TO BE SERVED BY DISCLOSING CERTAIN CUSTOMER RECORDS CLEARLY OUTWEIGHS THE PUBLIC INTEREST IN WITHHOLDING THOSE RECORDS PURSUANT TO GOVERNMENT CODE SECTIONS 6254.16, 6254.21 & 6254.24 AND DUBLIN SAN RAMON SERVICES DISTRICT CODE SECTION 1.40.060

DATE: *Monday, November 30, 2015*
TIME: *6:00 P.M.*
PLACE: *Dublin San Ramon Services District Boardroom*
7051 Dublin Boulevard, Dublin, California, 94568

NOTICE IS HEREBY GIVEN that on Monday, November 30, 2015, the Board of Directors of Dublin San Ramon Services District (DSRSD) is holding a public hearing during its Special Board Meeting (at the above time and place) to discuss whether to disclose communications with customers determined by the District to have violated water use limitations, whether to disclose the home addresses of such customers, whether to release water usage data for such customers, and if water usage data will be released, for what periods of time, all in response to requests made [from time to time] under the Public Records Act.

These determinations will be based on the evidence presented and made in accordance with Government Code sections 6254.16, 6254.21 & 6254.24 and Dublin San Ramon Services District Code Section 1.40.060.

By: Nicole Genzale
District Secretary

Dublin San Ramon Services District
Water, wastewater, recycled water

7051 Dublin Boulevard
Dublin, CA 94568-3018

ph: (925) 828-0515
fax: (925) 829-1180
www.dsrsd.com

October 30, 2015

Dear Water Customer:

Dublin San Ramon Services District has received a Public Records Act request from the San Francisco Chronicle, asking for the following information on customers who have been fined for violating our water use limitations (under the authority of the District's Water Use Limitations Ordinance No. 337): name, address, fine amount and type of violation. You are one of the District's customers who has been fined for violating our water use limitations during the period requested. The Public Records Act (Government Code Section 6250) requires the District to release the name and city of residence of customers we have fined. Therefore, we will be releasing your name, city of residence, and amount of fine on or near November 4, 2015. We will not be releasing your address, nor the specific reason you were fined, only that you violated the District's Water Use Limitations Ordinance No. 337. The information released is consistent with previous releases.

You are always welcome to comment to the Board via email, board@dsrsd.com, or you can comment via traditional letters sent to DSRSD Board of Directors, c/o Nicole Genzale, District Secretary, 7051 Dublin Blvd., Dublin, CA 94568.

You may contact the District Secretary at Genzale@dsrsd.com for information on all public records requests.

The District values openness and transparency in its governance and operations and also values the privacy of its customers. The Board balances those values within the requirements of the Public Records Act and the District Code.

Sincerely,

for BCM

BERT MICHALCZYK
General Manager

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Dublin San Ramon Services District

Summary & Recommendation

Agenda Item 9C

Reference	Type of Action	Board Meeting of
General Manager	Select Investment and Funding Strategy	November 30, 2015

Subject Select Investment and Funding Strategy - OPEB Biennial Valuation Report					
☒ Motion	☐ Minute Order	☐ Resolution	☐ Ordinance	☐ Informational	☐ Other
REPORT:	☒ Verbal	☒ Presentation	☒ Staff	J. Archer	☐ Board Member

Recommendation:

The General Manager recommends the Board approve, by Motion, to select investment Strategy 1 offered by California Employers' Retiree Benefit Trust Program (CERBT) and authorize funding of annual required contributions for FYE2016 and FYE2017 for the purposes of finalizing the biennial actuarial valuation report for Other Post-Employment Benefits (OPEB).

Summary:

The District is currently working with actuaries at Bickmore Risk Services to complete the required biennial actuarial valuation report for OPEB. Part of the valuation process is determining how funds in CERBT should be invested over the next valuation period and direct staff on funding contributions. A staff report outlining the investment strategies offered by CERBT is attached, along with a draft actuarial valuation report as of July 1, 2015 showing the annual required contributions for fiscal years ending June 30, 2016 and 2017 assuming the District stays with investment Strategy 1.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR K. Vaden	DEPARTMENT Admin Services	REVIEWED BY

ATTACHMENTS ☐ *None*				
☐ Resolution	☐ Minute Order	☐ Task Order	☒ Staff Report	☐ Ordinance
☒ Cost $0	☐ Funding Source A. B.	Attachments to S&R 1. 2. 3.		

STAFF REPORT

District Board of Directors
November 30, 2015

Other Post-Employment Benefits (OPEB) Biennial Valuation

BACKGROUND

In 2008, the District Board of Directors authorized entering into an agreement with CalPERS to participate in the California Employers' Retiree Benefit Trust Program (CERBT). CERBT is an irrevocable trust fund that administers and invests the funds contributed by the District to cover Other Post-Employment Benefits (OPEB) costs. In 2008, the District transferred $9.1 million to CERBT as the initial contribution to the CERBT trust fund for OPEB costs. Since then the District has made annual contributions to CERBT based on the required actuarial valuation reports that are prepared every two years by an actuary and submitted to CERBT.

The previous actuarial valuation report was prepared as of July 1, 2013, the funded ratio (the ratio of the Actuarial Value of Assets divided by the Actuarial Accrued Liability) was 101.5%.

DISCUSSION

Major Changes

The District is currently working with actuaries at Bickmore Risk Services to complete the required biennial actuarial valuation report for OPEB as of July 1, 2015. Major changes since the last valuation:

- CERBT changed the expected long term rates of return for the three investment strategies it offers:

Expected Long Term Rate of Return			
	Strategy 1	Strategy 2	Strategy 3
2013 valuation	7.61%	7.06%	6.39%
2015 valuation	7.28%	6.73%	6.12%

- The Actuarial Standard of Practice affecting valuation of retiree group benefits (ASOP 6) was amended to eliminate the community rating exemption for recognizing the liability commonly referred to as the "implicit subsidy liability". The insurance premiums that CalPERS charges are a weighted average rate; based on medical claims these rate are too high for younger workers and too low for the older workers. The amended accounting rules require us to compute GASB 45 costs using the "true cost" of the coverage. This "true cost" would be the average expected medical plan claims. The current valuation will show two distinct types of OPEB liability:
    - An "explicit subsidy liability" exists when the employer agrees to contribute directly toward retiree healthcare premiums.
    - An "implicit subsidy liability" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. Allowing retirees to continue medical coverage at the same premium rates charged for active employees is considered an implicit benefit subsidy under GASB 45.

Valuation Report as of July 1, 2015

For review and discussion purposes we requested that Bickmore Risk Services prepare a draft valuation report as of July 1, 2015 assuming that CERBT funds remain invested in Strategy 1 and that the District will contribute 100% of the Annual Required Contribution (ARC). (See Attachment 1)

OPEB Biennial Valuation Report – Explicit and Implicit Liabilities

Valuation reports prepared as of June 30, 2015 or later require that the valuation distinguish between explicit subsidy liabilities and implicit subsidy liabilities. Due to the District's prefunding of future OPEB obligations, even with the implicit liability factored in to the Actuarial Accrued Liability for the District, CERBT is 96.6% funded based on a discount rate of 7.28% (CERBT Strategy 1).

Subsidy	Explicit	Implicit	Total
Discount Rate	7.28%	7.28%	7.28%
Actuarial Accrued Liability	$ 18,172,440	$ 3,485,732	$ 21,658,172
Actuarial Value of Assets	20,917,103	-	20,917,103
Unfunded Actuarial Accrued Liability	(2,744,663)	3,485,732	741,069
Funded Ratio	115.1%	0.0%	96.6%

OPEB Biennial Valuation Report – Investment Strategy

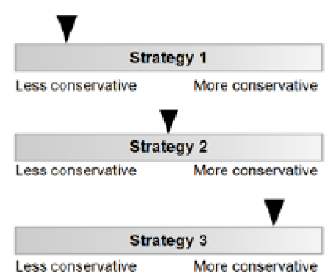
Part of the valuation process is directing the actuary on which investment strategy the District plans to invest funds with CERBT over the next two year cycle. CERBT offers three investment strategies with varying levels of risk.

Below is a recap of the investment allocation for each strategy offered by CERBT and a sliding scale that indicates the risk/volatility of each investment strategy.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	57%	40%	24%
Fixed Income	27%	39%	39%
Treasury Inflation-Protected Securities	5%	10%	26%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	3%	3%



Below is a summary of the return on investments (before expenses) for each CERBT strategy since inception:

Performance as of September 30, 2015						
Strategy	Fiscal YTD	1 year	3 year	5 year	Since Inception	Inception
1	-5.85%	-3.50%	5.54%	6.93%	3.32%	6/1/2007
2	-4.21%	-2.29%	4.49%	--	7.41%	10/1/2011
3	-2.85%	-1.24%	3.32%	--	5.23%	1/1/2012

Since entering into the agreement with CERBT in 2008 the District has always selected to have the funds invested using Strategy 1. Over the years the District has made contributions to the trust totaling $15.1 million, has earned $5.9 million on investments and has paid $0.1 million for administrative expenses.

The anticipated investment returns (strategies) directly impact the calculation of the actuarial accrued liability and the required annual contribution, it is important to understand the impact of the investment strategy selected. The higher the potential return the lower the annual required contribution. However, the higher risk strategy can also produce increased volatility and the losses in a down market can be greater in strategy 1 than in strategy 3. We requested that the actuary prepare a comparison of what the funded ratio and the annual required contribution would be for the District under the three different investment strategies. The results are as follows:

Discount Rate	7.28%	6.73%	6.12%
Actuarial Accrued Liability	$ 21,658,172	$ 23,299,150	$ 24,675,431
Actuarial Value of Assets	20,917,103	20,917,103	20,917,103
Unfunded Actuarial Accrued Liability	741,069	2,382,047	3,758,328
Funded Ratio	96.6%	89.8%	84.8%
Annual Required Contribution (ARC)	$ 935,578	$ 1,149,376	$ 1,322,106

OPEB Biennial Valuation Report – Funding Strategy

Also part of the valuation process is the commitment to the funding of OPEB costs. Ever since the District entered into an agreement with CERBT in 2008, we have funded 100% of the annual required contribution or more each year. The purpose of placing funds into CERBT is to reach a point where the trust is paying retiree premiums and the only required contribution by the District would be the Normal Cost (which is the cost of OPEB benefits attributable to the active employees' current year of service).

The draft valuation report we had prepared by Bickmore using a discount rate of 7.28% shows that we are at a point where it is reasonable to request reimbursement from the trust for a portion of the retiree benefit costs. FYE2016 ARC is calculated to be $935,579. The "true cost" of retiree benefits is estimated to be $1,058,036 ($781,678 paid premiums + $276,358 of implicit subsidy); which could result in a refund from the trust of $122,457.

Subsidy	Explicit	Implicit	Total
Annual Required Contribution (ARC) for FYE 2016	$ 482,937	$ 452,642	$ 935,579
Expected employer paid benefits for retirees	781,678	-	781,678
Current year's implicit subsidy credit	-	276,358	276,358
Expected contribution to OPEB trust	(298,741)	176,284	(122,457)
Expected net OPEB obligation at June 30, 2016	(12,201,523)	-	(12,201,523)

If the District chooses not to request a refund from the trust then the $122,457 would be added to the net OPEB asset on our books.

RECOMMENDATION

Based on the results noted above staff recommends that CERBT Investment Strategy 1 is selected for the upcoming two year valuation period and that the District fund the ARC for FYE2016 and FYE2017 as shown in the attached draft OPEB biennial valuation report.

Attachment 1: Bickmore Actuarial Report (Draft - OPEB biennial valuation report)
Attachment 2: 2015 OPEB Biennial Valuation Presentation

Bickmore

October 22, 2015

Mr. John Archer
Administrative Services Manager
Dublin San Ramon Services District
7051 Dublin Blvd.
Dublin CA 84568

Re: July 1, 2015 Actuarial Report on GASB 45 Retiree Benefit Valuation

Dear Mr. Archer:

We are pleased to enclose our report providing the results of the July 1, 2015 actuarial valuation of other post-employment benefit (OPEB) liabilities for Dublin San Ramon Services District (the District). The report's text describes our analysis and assumptions in detail. *Please consider this report a draft until the District has had an opportunity for review. Once any issues have been discussed and resolved, we will issue our final report.*

The primary purposes of the report are to develop the value of future OPEB expected to be provided by the District, the annual OPEB expense and other information to be reported in the District's financial statements for the fiscal years ending June 30, 2016 and June 30, 2017. The report is required to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust.

This report introduces an "implicit subsidy" liability, which was not previously required to be valued by the District under GASB 45. Discussion of this change is included in the report.

This valuation was prepared with the understanding that:

- The District will continue to follow its previously established policy of prefunding OPEB liabilities by contributing 100% of the total ARC or more each year.
- The District will continue to invest in CERBT Asset Allocation Strategy 1. The 7.28% discount rate used in this valuation is slightly lower than the 7.61% discount used in the prior valuation.
- There have been no changes to benefits since the 2013 valuation was prepared, other than eliminating dental benefits for current and future retirees hired after June 30, 2014.

We have based our valuation on employee data and plan information provided by the District, including the most recent PEMHCA resolutions on file with CalPERS. We encourage the District to review our description of the benefits in Table 3A to be comfortable that we have summarized these provisions correctly.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of the District's staff, who provided valuable information and assistance to enable us to perform this valuation. Please let us know if we can be of further assistance.

Sincerely,
Catherine L. MacLeod, FSA, EA, MAAA
Director, Health and Benefit Actuarial Service

5200 SW Macadam Ave, Suite 310, Portland, OR 97239 • 800.541.4591 • f. 855.242.8919 • www.bickmore.net

Table of Contents

DRAFT

A. Executive Summary

This report presents the results of the July 1, 2015 actuarial valuation of the Dublin San Ramon Services District (the District) other post-employment benefit (OPEB) programs. The purposes of this valuation are to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45) and to provide information to be reported to the California Employers' Retiree Benefit Trust (CERBT).

This report reflects the valuation of two distinct types of OPEB liability. Section C provides additional information about this.

- An "explicit subsidy" exists when the employer contributes directly toward retiree healthcare premiums. In this program, benefits include subsidized medical and/or dental coverage for eligible retirees.
- An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. Allowing retirees to continue medical coverage at the same premium rates as are charged for active employees is considered an implicit benefit subsidy under GASB 45.

How much the District contributes each year affects the calculation of liabilities. The District is prefunding its OPEB obligations by consistently making contributions greater than or equal to the Annual Required Contribution (ARC) each year. Trust assets are currently invested in the CERBT with Asset Allocation Strategy 1. While the 2013 valuation used a discount rate of 7.61%, this valuation was prepared using a 7.28% discount rate. This lower rate reflects a change in the projected long term rate of return on trust assets. Note that use of this rate is an assumption and is not a guarantee of future investment performance.

Exhibits presented in this report are based on the assumption that the results of this July 1, 2015 valuation will be applied in determining the annual OPEB expense for the fiscal years ending June 30, 2016 and 2017. Appendix 2 provides an updated development of the results to be reported for the fiscal year ending June 30, 2015, based on the July 1, 2013 valuation and on District contributions made between July 1, 2014 and June 30, 2015.

The Actuarial Accrued Liability and Assets as of July 1, 2015 are shown below:

Subsidy	Explicit	Implicit	Total
Discount Rate	7.28%	7.28%	7.28%
Actuarial Accrued Liability	$ 18,172,440	$ 3,485,732	$ 21,658,172
Actuarial Value of Assets	20,917,103	-	20,917,103
Unfunded Actuarial Accrued Liability	(2,744,663)	3,485,732	741,069
Funded Ratio	115.1%	0.0%	96.6%

The following summarizes results for the fiscal year ending June 30, 2016:

Subsidy	Explicit	Implicit	Total
Annual Required Contribution (ARC) for FYE 2016	$ 482,937	$ 452,642	$ 935,579
Expected employer paid benefits for retirees	781,678	-	781,678
Current year's implicit subsidy credit	-	276,358	276,358
Expected contribution to OPEB trust	(298,741)	176,284	(122,457)
Expected net OPEB obligation at June 30, 2016	(12,201,523)	-	(12,201,523)

Executive Summary
(Concluded)

Detailed results for the fiscal years ending June 30, 2016 and 2017 are shown in tables beginning on page 14. Additional information to facilitate OPEB reporting in the District's financial statements is provided in Appendix 3.

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to retain coverage for themselves and their dependents. Please note that this valuation has been prepared on a closed group basis; no provision is generally made for new employees until the valuation date following their employment.

The results of this valuation reflect, for the first time, an implicit subsidy liability for retirees prior to qualifying for Medicare. An exhibit comparing current valuation results to those from the prior valuation is provided on page 7, followed by a description of changes. An actuarial valuation is, by its nature, a projection and to the extent that actual experience is not what we assumed, future results will be different. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future medical premium rates or in the subsidy provided by the District toward retiree medical premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower returns on plan assets than were assumed; and
- Implementation of GASB 75, the new OPEB accounting standard. Many provisions are similar to those adopted in GASB 68 for defined benefit retirement plan liabilities, including a shift in reporting the unfunded OPEB liability from a footnote to the balance sheet.

Details of our valuation process and the disclosures required by GASB 45 are provided on the succeeding pages. The next valuation is scheduled to be prepared as of July 1, 2017 as required for continued participation in CERBT. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the District's financial statements and to provide the annual contribution information with respect to the District's current OPEB funding policy. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The District should consult counsel on these matters; Bickmore does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the District consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

B. Requirements of GASB 45

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. We understand that the District implemented GASB 45 for the fiscal year ended June 30, 2008.

For agencies with fewer than 200 members covered by or eligible for plan benefits, GASB 45 requires that a valuation be prepared no less frequently than every three years. However, participation in CERBT requires that valuations be performed every two years. GASB 45 disclosures include the determination of an annual OPEB cost. For the first year, the annual OPEB cost is equal to the annual required contribution (ARC) as determined by the actuary.

- If the District's OPEB contributions had been equal to the ARC each year, the net OPEB obligation would equal $0.
- If the District's actual contribution is less than (greater than) the ARC, then a net OPEB obligation (asset) amount is established. In subsequent years, the annual OPEB expense will reflect adjustments made to the net OPEB obligation, in addition to the ARC (see Tables 1B and 1D).

GASB 45 provides for recognition of payments as contributions if they are made (a) directly to retirees or beneficiaries, (b) to an insurer, e.g., for the payment of premiums, or (c) to an OPEB fund set aside toward the cost of future benefits. Funds set aside for future benefits should be considered contributions to an OPEB plan only if the vehicle established is one that is capable of building assets that are separate from and independent of the control of the employer and legally protected from its creditors. Furthermore, the sole purpose of the assets should be to provide benefits under the plan. These conditions generally require the establishment of a legal trust, such as the District's OPEB trust account with CERBT. Earmarked assets or reserves may be an important step in financing future benefits, but they may not be recognized as an asset for purposes of reporting under GASB 45.

The decision whether or not to prefund, and at what level, is at the discretion of the District, as are the manner and term for paying down the unfunded actuarial accrued liability. Once a funding policy has been established, however, the District's auditor may have an opinion as to the timing and manner of any change to such policy in future years. The level of prefunding also affects the selection of the discount rate used for valuing the liabilities.

C. Sources of OPEB Liabilities

General Types of OPEB

In general, post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are:

- Medical
- Vision
- Dental
- Life Insurance
- Prescription drug

Other possible post-employment benefits may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include vacation, sick leave[1] or COBRA payments which fall under other GASB accounting statements.

A direct employer payment toward the cost of OPEB benefits is referred to as an "explicit subsidy". In addition, if claims experience of employees and retirees are pooled when determining premiums, the retirees pay a premium based on a pool of members that, on average, are younger and healthier. For certain types of coverage, such as medical, this results in an "implicit subsidy" of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. Paragraph 13.a. of GASB 45 generally requires an implicit subsidy of retiree premium rates be valued as an OPEB liability.

For actuarial valuations dated prior to March 31, 2015, an exception existed for plan employers with a very small membership in a large "community-rated" healthcare program. Following a change in Actuarial Standards of Practice, GASB no longer offers this exception. *This change had a material impact on this valuation of the District's OPEB liability.*

OPEB Obligations of the District

The District provides continuation of medical and dental coverage to its retiring employees.

- **Explicit subsidy liabilities**: The District contributes directly to the cost of retiree medical and dental coverage, as described in Table 3A and liabilities for these benefits have been included in this valuation.
- **Implicit subsidy liabilities**: Employees are covered by the CalPERS medical program. The same monthly premiums are charged for active employees and for pre-Medicare retirees and CalPERS has confirmed that the claims experience of these members is considered together in setting these premium rates. We determine the implicit rate subsidy for pre-Medicare retirees as the difference between (a) projected retiree medical claim costs by age and (b) premiums expected to be charged for retirees. For details, see Table 4 and Addendum 1: Bickmore Healthcare Claims Age Rating Methodology.

  Different monthly premiums are charged for Medicare-eligible members and CalPERS has confirmed that only the claims experience of these Medicare eligible members is considered in setting these premium rates. We have assumed that this premium structure is adequate to cover the expected claims of these retirees and believe that there is no implicit subsidy of medical premiums for these members by active employees. We also believe that no implicit liability exists with respect to dental benefits provided to retirees, or that it is insignificant.

[1] When a terminating employee's unused sick leave credits are converted to provide or enhance a defined benefit OPEB, e.g., healthcare benefits, such converted sick leave credits should be valued under GASB 45.

D. Valuation Process

The valuation has been based on employee census data and benefits initially submitted to us by the District in July 2015 and clarified in various related communications. A summary of the employee data is provided in Table 2 and a summary of the benefits provided under the Plan is provided in Table 3A. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the District as to its accuracy. The valuation described below has been performed in accordance with the actuarial methods and assumptions described in Table 4.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over the employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service with the District to receive benefits.
- To the extent assumed to retire from the District, the probability of various possible retirement dates for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for 65 years or more.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "actuarial accrued liability" (AAL). The amount of future OPEB cost allocated for active employees in the current year is referred to as the "normal cost". The remaining active cost to be assigned to future years is called the "present value of future normal costs".

In summary:

Actuarial Accrued Liability	Past Years' Costs	$ 21,658,172
plus Normal Cost	Current Year's Cost	822,121
plus Present Value of Future Normal Costs	Future Years' Costs	4,859,991
equals Present Value of Projected Benefits	Total Benefit Costs	$ 27,340,284

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets is applied to offset the AAL. In this valuation, we set the Actuarial Value of Assets equal to the market value of assets invested in in the District's CERBT account. The market value reported as of June 30, 2015 was $20,917,103. The portion of the AAL not covered by assets is referred to as the unfunded actuarial accrued liability (UAAL).

E. Basic Valuation Results

The following chart compares the results of the July 1, 2015 valuation of OPEB liabilities to the results of the July 1, 2013 valuation.

Funding Policy	**Prefunding Basis**			
Valuation date	**7/1/2013**	**7/1/2015**		
Subsidy	Explicit	Explicit	Implicit	Total
Discount rate	7.61%	7.28%	7.28%	7.28%
Number of Covered Employees				
Actives	107	103	103	103
Retirees	68	73	30	74
Total Participants	175	173	133	177
Actuarial Present Value of Projected Benefits				
Actives	$ 13,501,169	$ 13,438,774	$ 3,636,857	17,075,631
Retirees	8,540,977	9,158,224	1,106,429	10,264,653
Total APVPB	22,042,146	22,596,998	4,743,286	27,340,284
Actuarial Accrued Liability (AAL)				
Actives	8,815,828	9,014,216	2,379,303	11,393,519
Retirees	8,540,977	9,158,224	1,106,429	10,264,653
Total AAL	17,356,805	18,172,440	3,485,732	21,658,172
Actuarial Value of Assets	17,609,101	20,917,103	-	20,917,103
Unfunded AAL (UAAL)	(252,296)	(2,744,663)	3,485,732	741,069
Normal Cost	684,567	635,232	186,889	822,121
Percent funded	101.5%	115.1%	0.0%	96.6%
Reported covered payroll	11,865,168	11,599,764	11,599,764	11,599,764
UAAL as percent of payroll	-2.1%	-23.7%	30.1%	6.4%

The funded ratio (the ratio of the Actuarial Value of Assets divided by the Actuarial Accrued Liability) is 96.6% as of July 1, 2015. Covered payroll as of July 1, 2015 was reported to be $11,599,764. The Unfunded Actuarial Accrued Liability, expressed as a percentage of payroll, is 6.4% as of this date.

Changes Since the Prior Valuation

Given the uncertainties involved and the long term nature of these projections, our prior valuation assumptions were not and are likely never to be exactly realized. Nonetheless, it is helpful to review why results are different than we anticipated.

In comparing results shown in the exhibit above, we can see that the Unfunded Actuarial Accrued Liability (UAAL) actually increased by roughly $993,000 between July 2013 and July 2015. Over this period, however, we anticipated changes, such as: additional costs accruing for active employees, present values increasing for the passage of time, some benefits paid to retirees, additional contributions, and earnings on trust assets.

Basic Valuation Results (Concluded)

The impact of that expected activity was an increase of $670,000 in the UAAL from $(252,000) to $418,000. Thus, the actual UAAL is $323,000 higher than expected.

The higher than expected UAAL is primarily a result of the following:

- A $3,486,000 increase in the AAL to begin recognizing the implicit subsidy of medical coverage for current and future retirees prior to becoming eligible for Medicare; in developing this liability, we added assumptions regarding expected claims cost by age and gender as well as expected future increases in medical premiums;
- A $720,000 increase in the AAL due to a change in discount rates used to develop the OPEB liability, from 7.61% to 7.28%;
- A $322,000 decrease in the AAL due to revised assumptions for future service and disability retirements based on the 2014 CalPERS retirement plan experience study covering City employees; we also modified the basis for projecting improvements in future mortality rates which results in longer life expectancies;
- A $394,000 decrease in the AAL due to a decrease in the percentage of married employees assumed to cover a spouse on a District medical plan in retirement, from 100% to 90%; and
- A $3,167,000 decrease in the UAAL from favorable plan experience relative to prior assumptions. Plan experience includes factors such as changes in plan membership, retiree elections and changes in medical premiums and limits on benefits other than previously projected. Plan experience also includes asset performance relative to the expected contributions and rate of return. While we did not perform a detailed analysis of the experience gain,
    - Increases on the District's maximum medical benefits (caps) were between 3% and 7% less than we projected in the 2013 valuation and account for about $680,000 of this difference.
    - Benefits for Medicare eligible retirees are generally not affected by the caps and the Supplemental plan premiums increased, on average, about 8% less than we projected over the prior two years. This accounts for about $1,000,000 of the favorable experience.
    - Actual plan assets were about $401,000 greater than projected, largely because the actual return on trust assets was closer to 8.7% per year, rather than the expected long term rate of return of 7.61% per year.
    - The remaining difference (about $1.1 million) is attributable to employee plan coverage or status changes (i.e., terminations, retirements, etc.) other than we projected during the prior two years.

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Funding Policy

The specific calculation of the ARC and annual OPEB expense for an employer depends on how the employer elects to fund these benefits. The funding levels can generally be categorized as follows:

1. *Prefunding* - contributing an amount greater than or equal to the ARC each year. Prefunding generally allows the employer to have the liability calculated using a higher discount rate, which in turn lowers the liability. In addition, following a prefunding policy does not build up a net OPEB obligation (or gradually reduces it to $0). Prefunding results in this report were developed using a discount rate of 7.28%.
2. *Pay-As-You-Go funding* – contributing only the amounts needed to pay retiree benefits in the current year; generally requires a lower discount rate.
3. *Partial prefunding* – contributing more than the current year's retiree payments but less than 100% of the ARC; requires that liabilities be developed using a discount rate that "blends" the relative portions of benefits that are prefunded and those not.

Determination of the ARC

The Annual Required Contribution (ARC) consists of two basic components, which have been adjusted with interest to the District's fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

The ARCs for the fiscal years ending June 30, 2016 and June 30, 2017 are developed in Tables 1A and 1C.

Decisions Affecting the Amortization Payment

The period and method for amortizing the AAL can significantly affect the ARC. GASB 45:

- Prescribes a maximum amortization period of 30 years and requires no minimum amortization period (except 10 years for certain actuarial gains). Immediate full funding of the liability is also permitted.
- Allows amortization payments to be determined (a) as a level percentage of payroll, designed to increase over time as payroll increases, or (b) as a level dollar amount much like a conventional mortgage, so that this component of the ARC does not increase over time. Where a plan is closed and has no ongoing payroll base, a level percent of payroll basis is not permitted.
- Allows the amortization period to decrease annually by one year (closed basis) or to be maintained at the same number of years (open basis).

Funding Policy Illustrated in This Report

It is our understanding that the District's policy for developing the ARC includes amortization of the unfunded AAL over a closed 30-year period initially effective July 1, 2007. The remaining period applicable in determining the ARC for the fiscal year ending June 30, 2016 is 22 years. Amortization payments are determined on a level percent of pay basis. The District has contributed amounts well in excess of the ARC in prior years, however, resulting in a sizable net OPEB asset as of June 30, 2015.

Funding Policy
(Concluded)

Funding of the Implicit Subsidy

The implicit subsidy liability created when expected retiree medical claims exceed the retiree premiums was described earlier in Section C. In practical terms, when the District pays the premiums for active employees each year, their premiums include an amount expected to be transferred to cover the portion of the retirees' claims not covered by their premiums. This transfer represents the current year's implicit subsidy. Paragraph 13.g. of GASB 45 allows for recognition of payments to an irrevocable trust *or directly to the insurer* as an employer's contribution to the ARC. We have estimated the portion of this year's premium payment attributable to the implicit subsidy and recommend netting this amount against the funding requirement for the implicit subsidy (see Tables 1B and 1D).

There is a larger question about whether or not the District will want to prefund the implicit subsidy liability or not. Some possible options include:

- Prefunding 100% of the ARC relating to both the explicit subsidy and implicit subsidy liabilities.
- Prefunding 100% of the ARC relating to both the explicit subsidy and implicit subsidy liabilities, but intentionally allocate the entire trust contribution to more quickly pay-off the explicit subsidy liability, rather than allocating any toward the implicit subsidy liability.
- Prefunding 100% of the ARC developed for the explicit subsidy liability, but financing the implicit subsidy liability on a pay-as-you-go basis. We believe this approach would require determining the implicit subsidy liability using a pay-as-you-go discount rate (e.g., 4% rather than the 7.28%).

We are available to review these options further with the District.

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F. Choice of Actuarial Funding Method and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method. The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the "incidence of cost". Methods that produce higher initial annual (prefunding) costs will produce lower annual costs later. Conversely, methods that produce lower initial costs will produce higher annual costs later relative to the other methods. GASB 45 allows the use of any of six actuarial funding methods; a brief description of each is in the glossary.

Factors Impacting the Selection of Funding Method

While the goal of GASB 45 is to match recognition of retiree medical expense with the periods during which the benefit is earned, the funding methods differ because they focus on different financial measures in attempting to level the incidence of cost. Appropriate selection of a funding method contributes to creating intergenerational equity between generations of taxpayers. The impact of potential new employees entering the plan may also affect selection of a funding method, though this is not a factor in this plan.

We believe it is most appropriate for the plan sponsor to adopt a theory of funding and consistently apply the funding method representing that theory. This valuation was prepared using the entry age normal cost method with normal cost determined on a level percent of pay basis. The entry age normal cost method often produces initial contributions between those of the other more common methods and is generally regarded by pension actuaries as the most stable of the funding methods and is one of the most commonly used methods for GASB 45 compliance.

Factors Affecting the Selection of Assumptions

Special considerations apply to the selection of actuarial funding methods and assumptions for the District. The actuarial assumptions used in this report were chosen, for the most part, to be the same as the actuarial assumptions used for the most recent actuarial valuations of the retirement plans covering District employees. Other assumptions, such as age related healthcare claims, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. We will continue to gather information and monitor these assumptions for future valuations, as more experience develops.

In selecting an appropriate discount rate, GASB states that the discount rate should be based on the expected long-term yield of investments used to finance the benefits. CERBT provides participating employers with three possible asset allocation strategies; a maximum discount rate is assigned to each of these strategies, which may be rounded or reduced to include a margin for adverse deviation. As requested by the District and permitted by CERBT where its asset allocation Strategy #1 is employed, the discount rate used in this valuation is 7.28%.

G. Certification

This report presents the results of our actuarial valuation of the other post employment benefits provided by the Dublin San Ramon Services District. The purpose of this valuation was to provide the actuarial information required for the District's reporting under Statement 45 of the Governmental Accounting Standards Board. The calculations were focused on determining the plan's funded status as of the valuation date, developing the Annual Required Contribution and projecting the Net OPEB Obligations for the years to which this report is expected to be applied.

We certify that this report has been prepared in accordance with our understanding of GASB 45. To the best of our knowledge, the report is complete and accurate, based upon the data and plan provisions provided to us by the District. We believe the assumptions and method used are reasonable and appropriate for purposes of the financial reporting required by GASB 45. The results may not be appropriate for other purposes.

Each of the undersigned individuals is a Fellow in the Society of Actuaries and Member of the American Academy of Actuaries who satisfies the Academy Qualification Standards for rendering this opinion.

Signed: October 22, 2015

Catherine L. MacLeod, FSA, FCA, EA, MAAA

Francis M. Schauer Jr., FSA, FCA, EA, MAAA

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Table 1

The basic results of our July 1, 2015 valuation of OPEB liabilities for the District calculated under GASB 45 were summarized in Section E. Those results are applied to develop the annual required contribution (ARC), annual OPEB expense (AOE) and the net OPEB obligation (NOO) or net OPEB asset (NOA) to be reported by the District for its fiscal years ending June 30, 2016 and June 30, 2017.

The ARC and AOE for the District's fiscal year ending June 30, 2015 were developed as part of the July 2013 valuation, but the financial statement for that period has not yet been finalized. We have illustrated what we anticipate will be reported for OPEB under GASB 45 as of June 30, 2015 and included this information in Appendix 2. We use the net OPEB asset projected from this Appendix as the starting point for developing the net OPEB asset as of June 30, 2016, shown in Table 1B.

Expected District Funding Levels: As noted earlier in this report, the development of the ARC reflects the assumption that the District will contribute at least 100% of the total ARC each year. If this understanding is incorrect or if actual District contributions differ by more than an immaterial amount, some of the results in this report will need to be revised.

The counts of active employees and retirees shown in Table 1C are the same as the counts of active and retired employees on the valuation date. While we do not adjust these counts between valuation dates, the liabilities and costs developed for those years already anticipate the likelihood that some active employees may leave employment forfeiting benefits, some may retire and elect benefits and coverage for some of the retired employees may cease. However, because this valuation has been prepared on a closed group basis, no potential future employees are included. We will incorporate any new employees in the next valuation, in the same way we included new employees hired after July 2013 in this July 2015 valuation.

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Table 1A
ARC Calculation for FYE 2016

The following exhibit restates the basic valuation results presenting earlier in Section E and, from these results, then develops the annual required contribution (ARC) for the fiscal year ending June 30, 2016.

Funding Policy	**Prefunding Basis**		
Valuation date	**7/1/2015**		
Subsidy	Explicit	Implicit	Total
For fiscal year beginning	7/1/2015	7/1/2015	7/1/2015
For fiscal year ending	6/30/2016	6/30/2016	6/30/2016
Expected long-term return on assets	7.28%	7.28%	7.28%
Discount rate	7.28%	7.28%	7.28%
Number of Covered Employees			
Actives	103	103	103
Retirees	70	30	74
Total Participants	173	133	177
Actuarial Present Value of Projected Benefits			
Actives	$ 13,438,774	$ 3,636,857	$ 17,075,631
Retirees	9,158,224	1,106,429	10,264,653
Total APVPB	22,596,998	4,743,286	27,340,284
Actuarial Accrued Liability (AAL)			
Actives	9,014,216	2,379,303	11,393,519
Retirees	9,158,224	1,106,429	10,264,653
Total AAL	18,172,440	3,485,732	21,658,172
Actuarial Value of Assets	20,917,103	-	20,917,103
Unfunded AAL (UAAL)	(2,744,663)	3,485,732	741,069
Normal Cost	635,232	186,889	822,121
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30
Remaining period (in years)	22	22	22
Determination of Amortization Payment			
UAAL	$ (2,744,663)	$ 3,485,732	$ 741,069
Factor	14.8306	14.8306	14.8306
Payment	(185,067)	235,037	49,970
Annual Required Contribution (ARC)			
Normal Cost	635,232	186,889	822,121
Amortization of UAAL	(185,067)	235,037	49,970
Interest to fiscal year end	32,772	30,716	63,488
Total ARC at fiscal year end	482,937	452,642	935,579
Projected covered payroll	$ 11,599,764	$ 11,599,764	$ 11,599,764
Normal Cost as a percent of payroll	5.5%	1.6%	7.1%
ARC as a percent of payroll	4.2%	3.9%	8.1%
ARC per active ee	4,689	4,395	9,083

Table 1B
Expected OPEB Disclosures for FYE 2016

The following exhibit develops the annual OPEB expense, *estimates* the expected OPEB contributions and *estimates* the net OPEB obligation as of June 30, 2016 based on the prefunding policy described in this report. Some of the entries in the table below should be updated after the close of the 2016 fiscal year to reflect the actual activity which occurred.

	Prefunding Basis		
Fiscal Year End	**6/30/2016**	**6/30/2016**	**6/30/2016**
Subsidy	Explicit	Implicit	Total
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 482,937	$ 452,642	$ 935,579
b. Interest on Net OPEB Obligation (Asset)	(887,860)	-	(887,860)
c. Adjustment to the ARC	882,214	-	882,214
d. **Annual OPEB Expense (a. + b. + c.)**	477,291	452,642	929,933
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	781,678	-	781,678
b. Estimated current year's implicit subsidy	-	276,358	276,358
c. Estimated contribution to OPEB trust	(298,741)	176,284	(122,457)
d. **Total Expected Employer Contribution**	482,937	452,642	935,579
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	(5,646)	-	(5,646)
Net OPEB Obligation (Asset), beginning of fiscal year	(12,195,877)	-	(12,195,877)
Net OPEB Obligation (Asset) at fiscal year end	(12,201,523)	-	(12,201,523)

In the table above, we assumed that the District's contributions would equal 100% of the total ARC of $935,579. This may require adjusting the contribution to (or refund from) the trust if actual retiree benefit payments are higher or lower than the estimate shown above. We also assumed that the District would take credit for the current year's implicit subsidy as an OPEB contribution toward the implicit subsidy ARC.

Notes on calculations above:

- Interest on the net OPEB obligation (or asset), shown above in item 1.b. is equal to the applicable discount rate (7.28%) multiplied by the net OPEB obligation (or asset) at the beginning of the year.
- The Adjustment to the ARC, shown above in item 1.c., is always the opposite sign of the net OPEB obligation or asset and exists to avoid double-counting of the amounts previously expensed but imbedded in the current ARC. This adjustment is calculated as *the opposite of* the net OPEB obligation (or asset) at the beginning of the year, plus interest on that amount (item 1.b.) with the sum then divided by the same amortization factor used to determine the ARC for this year (see the prior page for these factors).

Table 1C
ARC Calculation for FYE 2017

In the following exhibit, the July 1, 2015 valuation results have been adjusted (rolled forward) one year based on the underlying actuarial assumptions. These results are used to develop the amortization payment and the annual required contribution (ARC) for the fiscal year ending June 30, 2017.

Funding Policy	**Prefunding Basis**		
Valuation date	**7/1/2015**		
Subsidy	Explicit	Implicit	Total
For fiscal year beginning	7/1/2016	7/1/2016	7/1/2016
For fiscal year ending	6/30/2017	6/30/2017	6/30/2017
Expected long-term return on assets	7.28%	7.28%	7.28%
Discount rate	7.28%	7.28%	7.28%
Number of Covered Employees			
Actives	103	103	103
Retirees	70	30	74
Total Participants	173	133	177
Actuarial Present Value of Projected Benefits			
Actives	$ 14,355,841	$ 3,871,295	$ 18,227,136
Retirees	9,104,540	940,944	10,045,484
Total APVPB	23,460,381	4,812,239	28,272,620
Actuarial Accrued Liability (AAL)			
Actives	10,290,653	2,722,686	13,013,339
Retirees	9,104,540	940,944	10,045,484
Total AAL	19,395,193	3,663,630	23,058,823
Actuarial Value of Assets	22,141,127	176,284	22,317,411
Unfunded AAL (UAAL)	(2,745,934)	3,487,346	741,412
Normal Cost	655,877	192,963	848,840
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30
Remaining period (in years)	21	21	21
Determination of Amortization Payment			
UAAL	$ (2,745,934)	$ 3,487,346	$ 741,412
Factor	14.4053	14.4053	14.4053
Payment	(190,620)	242,088	51,468
Annual Required Contribution (ARC)			
Normal Cost	655,877	192,963	848,840
Amortization of UAAL	(190,620)	242,088	51,468
Interest to fiscal year end	33,871	31,672	65,543
Total ARC at fiscal year end	499,128	466,723	965,851
Projected covered payroll	$ 11,976,756	$ 11,976,756	$ 11,976,756
Normal Cost as a percent of payroll	5.5%	1.6%	7.1%
ARC as a percent of payroll	4.2%	3.9%	8.1%
ARC per active ee	4,846	4,531	9,377

Table 1D
Expected OPEB Disclosures for FYE 2017

The following exhibit develops the annual OPEB expense, *estimates* the expected OPEB contributions and *estimates* the net OPEB obligation as of June 30, 2017 based on the prefunding policy described in this report. Some of the entries in the table below should be updated after the close of the 2017 fiscal year to reflect the actual activity which occurred.

	Prefunding Basis		
Fiscal Year End	**6/30/2017**	**6/30/2017**	**6/30/2017**
Subsidy	Explicit	Implicit	Total
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 499,128	$ 466,723	$ 965,851
b. Interest on Net OPEB Obligation (Asset)	(888,271)	-	(888,271)
c. Adjustment to the ARC	908,680	-	908,680
d. **Annual OPEB Expense (a. + b. + c.)**	519,537	466,723	986,260
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	842,043	-	842,043
b. Estimated current year's implicit subsidy	-	296,234	296,234
c. Estimated contribution to OPEB trust	(342,915)	170,489	(172,426)
d. **Total Expected Employer Contribution**	499,128	466,723	965,851
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	20,409	-	20,409
Net OPEB Obligation (Asset), beginning of fiscal year	(12,201,523)	-	(12,201,523)
Net OPEB Obligation (Asset) at fiscal year end	(12,181,114)	-	(12,181,114)

In the table above, we assumed that the District's contributions would equal 100% of the total ARC of $965,851. This may require adjusting the contribution to (or refund from) the trust if actual retiree benefit payments are higher or lower than the estimate shown above. We also assumed that the District would take credit for the current year's implicit subsidy as an OPEB contribution toward the implicit subsidy ARC.

For details on how item 1.b., Interest on the beginning of year net OPEB obligation and item 1.c., Adjustment to the ARC, are calculated, please refer to the notes below Table 1B.

Table 2
Summary of Employee Data

The District reported 103 active employees; of these, 81 are currently participating in the medical program while 22 employees were waiving coverage as of the valuation date. Age and service information for the reported individuals is provided below:

Distribution of Benefits-Eligible Active Employees								
Current Age	**Years of Service**						**Total**	**Percent**
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25							0	0%
25 to 29	1	1					2	2%
30 to 34		1	1				2	2%
35 to 39	1	5	5	2			13	13%
40 to 44	1	2	7	5	1		16	16%
45 to 49	1	3	3	6	2	1	16	16%
50 to 54	1	1	11	5	6	4	28	27%
55 to 59		2	7	4	1	2	16	16%
60 to 64			1	4	2	1	8	8%
65 to 69			1				1	1%
70 & Up						1	1	1%
Total	5	15	36	26	12	9	**103**	**100%**
Percent	5%	15%	35%	25%	12%	9%	**100%**	

	July 2013 Valuation	July 2015 Valuation
Annual Covered Payroll	$11,865,168	$11,599,764
Average Attained Age for Actives	49.3	49.4
Average Years of Service	10.0	10.4

There are also 71 retirees and 3 surviving spouses currently receiving benefits under this program. Their ages are summarized in the chart below.

Retirees by Age		
Current Age	**Number**	**Percent**
Below 50	0	0%
50 to 54	4	5%
55 to 59	6	8%
60 to 64	23	31%
65 to 69	15	20%
70 to 74	9	12%
75 to 79	8	11%
80 & up	9	12%
Total	**74**	**100%**
Average Attained Age for Retirees:		68.4

Table 2- Summary of Employee Data (Continued)

Retiree benefits provided by the District vary based on employment group and date of employment. In this report, we refer to Tier 1 members as those covered by the PEMHCA Equal Contribution resolutions and Tier 2 members as those cover by the PEMHCA Vesting resolutions. The following section (Table 3A) provides descriptions of these resolutions and benefits.

These two charts summarize the numbers of Tier 1 and Tier 2 members. The first shows the numbers of active and retired in each tier. The second chart shows the number in each tier for each of 6 employment groups.

Participants by Tier			
Group	**Actives**	**Retirees**	**Total**
Tier 1	20	41	61
Tier 2	83	33	116
Total	**103**	**74**	**177**

Participants by Group and Tier							
Tier	**Board**	**Classified**	**Confidential**	**Mid Mgmt**	**Professional**	**Senior Mgmt**	**Total**
Tier 1	4	42	1	9	2	3	61
Tier 2	1	73	3	10	22	7	116
Total	**5**	**115**	**4**	**19**	**24**	**10**	177

While there are limits on monthly benefits paid by the District, the overall plan cost does vary, to some extent, on the particular plans selected by the retiree. This chart summarizes the number of active and retired employees in each medical plan as of the valuation date.

Counts by Medical Plan			
Plan Name	**Active**	**Retired**	**Total**
Anthem HMO Select: Bay	11	1	**12**
Anthem HMO Select: Sacramento		1	**1**
Anthem HMO Traditional: Bay	7		**7**
Blue Shield Access+: Bay	2	6	**8**
Blue Shield Access+: Other NorCal		4	**4**
Blue Shield NetValue: Bay Area		2	**2**
Kaiser: Bay	44	20	**64**
Kaiser: LA		1	**1**
Kaiser: OOS		2	**2**
Kaiser: Other NorCal	1		**1**
Kaiser: Sacramento		1	**1**
PERS Choice: Bay	15	12	**27**
PERS Choice: OOS		7	**7**
PERS Choice: Sacramento		2	**2**
PERS Select: Bay	1		**1**
PERS Select: Other NorCal		1	**1**
PERSCare: Bay		7	**7**
PERSCare: OOS		2	**2**
PERSCare: Other SoCal		1	**1**
Waived	22	4	**26**
Total	**103**	**74**	**177**

Table 2- Summary of Employee Data (Concluded)

The following is a reconciliation of the number of active employees and retirees included in the July 1, 2013 valuation of the District plan with those included in the July 1, 2015 valuation:

Reconciliation of District Plan Members Between Valuation Dates						
Status	Covered Actives	Waiving Actives	Covered Retirees	Dental Only Retirees	Covered Surviving Spouses	Total
Number reported as of July 1, 2013	80	27	61	4	3	175
New employees	9	1				10
Terminated employees	(2)	(2)				(4)
New retiree, elected coverage	(8)	(1)	9			0
New retiree, waiving coverage		(1)		1		0
Previously covered, now waiving	(2)	2				0
Previously waiving, now covered	4	(4)				0
Deceased or dropped coverage			(3)	(1)		(4)
Number reported as of July 1, 2015	**81**	**22**	**67**	**4**	**3**	**177**

We observe that the total population increased just slightly during the past two years, with a net increase of only 2 active employees (about 1%), and a net increase of 6 retirees (about 9%).

There were 10 new retirements reported between July 1, 2013 and June 30, 2015.

- 1 of these new retirees was a Tier 1 employee, who elected to continue coverage in the District's medical plans and the dental plan.
- The other 9 were Tier 2 employees. Of these, 8 have continued both medical and dental coverage through the District; 1 elected dental coverage only, however, retains the option to re-join the medical program during any future open enrollment period.

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Table 3A
Summary of Retiree Benefit Provisions

OPEB provided: The District has indicated that the only OPEB provided are medical and dental insurance coverage.

Access to CalPERS medical coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for a CalPERS service retirement or approved disability retirement. CalPERS service retirement requires attainment of age 50, or age 52 if a miscellaneous PEPRA employee, and 5 years of State or public agency service.

If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement or during any future open enrollment period. Coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

Unless covered by a vesting resolution, the employee must commence his or her retirement warrant within 120 days of terminating employment with the District to be eligible to continue medical coverage through the District and be entitled to the employer subsidy described below. Unless covered by a vesting resolution with at least 20 years of service for the District or qualifying for a disability retirement, an employee cannot terminate employment before meeting the age condition and be entitled to receive benefits.

Benefits paid by the District: As a condition of participation in the CalPERS medical program, the District is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued.[2] A surviving spouse and other eligible dependents may also be entitled to a District contribution.

The District currently maintains two different types of resolutions with CalPERS defining the level of the District's contribution. The resolutions apply to those eligible for coverage (as described above) based on an employee's hire date and employment group as follows:

Group	Change Date
Confidential	9/24/2007
Classified	6/1/2006
Mid Management	8/7/2007
Professional	1/1/2004
Senior Management	1/1/2004
Board Members	7/18/2006

Retirees hired before the change dates (Tier 1 retirees) are covered by an 'equal contribution method' resolution, i.e., the District contributes the same amount for retirees as is contributed for similarly situated active employee coverage.

[2] The exception is where an employee retires under CalPERS from the District and is covered by a PEMHCA Vesting Resolution (referred to in this report as a Tier 2 employee) but where the retiree does not work a minimum of 5 years for the District and/or has less than 10 years or CalPERS membership.

Table 3A- Summary of Retiree Benefit Provisions (Continued)

For Tier 1 retirees, the District contributes *the lesser of*:

- 100% of the medical premiums for employees and their eligible covered dependents; and
- The Maximum Contribution. The Maximum Contribution each year is the greater of: (1) the Tier 1 Caps for the year, and (2) 80% of the current year's Base Plan premiums

  Tier 1 Caps for each year are equal to the Base Plan premiums set in 2007 plus 60% of the increase between the 2007 Base Plan premiums and the current year's Base Plan premiums.

  Base Plan premiums each year are *the greater of*:

  a) the lowest cost HMO; and
  b) The lowest cost PPO plan, offered by CalPERS and available in Alameda County.

  The Tier 1 Caps for 2016 are shown in the chart below:

Tier 1 Caps by Coverage Level for 2016			
	Ee Only	Ee +1	Family
2016	$ 627.20	$ 1,254.40	$ 1,630.80

The Base Plan premiums for 2016 are shown in the chart below:

PERS Select Bay Area			
Year	Ee Only	Ee +1	Family
2016	$730.07	$1,460.14	$1,898.18

Retirees hired on or after the change dates (Tier 2 retirees) are covered by PEMHCA 'vesting' resolutions. Under these resolutions, the District's contribution toward retiree medical benefits is determined as *the lesser of:*

- 100% of the medical plan premiums for the retiree and any eligible dependents; and
- The vesting formula maximum benefits (caps) *multiplied by* the vested percent, based on the retiree's years of CalPERS membership. The vesting formula (Tier 2) caps and the vested percentages are shown in this chart.

Tier 2 Caps by Coverage Level for 2016			
Year	Ee Only	Ee +1	Family
2016	$705.00	$1,343.00	$1,727.00

Years of Qualifying Service	Vested Percent	Years of Qualifying Service	Vested Percent
Less than 10	0%	15	75%
10	50%	16	80%
11	55%	17	85%
12	60%	18	90%
13	65%	19	95%
14	70%	20 or more	100%

Table 3A- Summary of Retiree Benefit Provisions (Concluded)

Tier 2 retiree benefits – continued:

- Unlike retirees hired prior to the change date, those covered by the vesting resolution who complete at least 20 years of service with the District are entitled to these subsidized medical benefits even if terminating employment prior to reaching age 50.
- Employees hired prior to the change dates may make a one-time irrevocable election to be covered by the vesting resolution in lieu of the equal contribution resolution.
- The District covers 100% of the dental premiums for retirees hired prior to July 1, 2014. The 2016 monthly dental plan premium rates for active and retired employees are shown below:

Monthly Dental Premiums			
	Ee	Ee + 1	Family
2016	$ 57.40	$ 104.00	$ 167.90

Current premium rates: The 2016 CalPERS monthly medical plan rates in the Bay Area rate group are shown in the table below. If different rates apply where the member resides outside of this area, those rates are reflected in the valuation, but not listed here. The additional CalPERS administration fee is assumed to be separately expensed each year and has not been projected as an OPEB liability in this valuation.

Bay Area 2016 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
Plan	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Anthem HMO Select HMO	$721.79	$1,443.58	$1,876.65	*Not Available*		
Anthem HMO Traditional HMO	855.42	1,710.84	2,224.09	*Not Available*		
Blue Shield Access+ HMO	1,016.18	2,032.36	2,642.07	*Not Available*		
Blue Shield NetValue HMO	1,033.86	2,067.72	2,688.04	*Not Available*		
Health Net SmartCare	808.44	1,616.88	2,101.94	*Not Available*		
Kaiser HMO	746.47	1,492.94	1,940.82	297.23	594.46	1,042.34
UnitedHealthcare HMO	955.44	1,910.88	2,484.14	320.98	641.96	1,215.22
PERS Choice PPO	798.36	1,596.72	2,075.74	366.38	732.76	1,211.78
PERS Select PPO	730.07	1,460.14	1,898.18	366.38	732.76	1,170.80
PERSCare PPO	889.27	1,778.54	2,312.10	408.04	816.08	1,349.64

Table 3B
General CalPERS Annuitant Eligibility Provisions

The content of this section has been drawn from Section C, Summary of Plan Provisions, of the State of California OPEB Valuation as of June 30, 2014, issued December 2014, to the State Controller from Gabriel Roeder & Smith. It is provided here as a brief summary of general annuitant and survivor coverage.

Health Care Coverage

Retired Employees

A member is eligible to enroll in a CalPERS health plan if he or she retires within 120 days of separation from employment and receives a monthly retirement allowance. If the member meets this requirement, he or she may continue his or her enrollment at retirement, enroll within 60 days of retirement, or enroll during any Open Enrollment period. If a member is currently enrolled in a CalPERS health plan and wants to continue enrollment into retirement, the employee will notify CalPERS and the member's coverage will continue into retirement.

Eligibility Exceptions*:* Certain family members are not eligible for CalPERS health benefits:

- Children age 26 or older
- Children's spouses
- Former spouses
- Disabled children over age 26 who were never enrolled or were deleted from coverage
- Grandparents
- Parents
- Children of former spouses
- Other relatives

Coordination with Medicare

CalPERS retired members who qualify for premium-free Part A, either on their own or through a spouse (current, former, or deceased), must sign up for Part B as soon as they qualify for Part A. A member must then enroll in a CalPERS sponsored Medicare plan. The CalPERS-sponsored Medicare plan will pay for costs not paid by Medicare, by coordinating benefits.

Survivors of an Annuitant

If a CalPERS annuitant satisfied the requirement to retire within 120 days of separation, the survivor may be eligible to enroll within 60 days of the annuitant's death or during any future Open Enrollment period. Note: A survivor cannot add any new dependents; only dependents that were enrolled or eligible to enroll at the time of the member's death qualify for benefits.

Surviving registered domestic partners who are receiving a monthly annuity as a surviving beneficiary of a deceased employee or annuitant on or after January 1, 2002, are eligible to continue coverage if currently enrolled, enroll within 60 days of the domestic partner's death, or enroll during any future Open Enrollment period.

Surviving enrolled family members who do not qualify to continue their current coverage are eligible for continuation coverage under COBRA.

Table 4
Actuarial Methods and Assumptions

Valuation Date	July 1, 2015
Funding Method	Entry Age Normal Cost, level percent of pay[3]
Asset Valuation Method	Market value of assets
Long Term Return on Assets	7.28%
Discount Rate	7.28%
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year, used only to allocate the cost of benefits between service years
Assumed Wage Inflation	3.0% per year; used to determine amortization payments if developed on a level percent of pay basis
General Inflation Rate	2.75% per year

The demographic actuarial assumptions used in this valuation are generally based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011. The representative mortality rates were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008 and then projected forward 6 years using Bickmore Scale 2014 to year 2014. Rates for selected age and service are shown below and on the following pages.

Mortality Before Retirement

Representative mortality rates for 2014 are shown in the charts below.

These rates were then adjusted on a generational basis by Bickmore Scale 2014 to anticipate future mortality improvement.

In laymen's terms, that means mortality is projected to improve each year until the payments anticipated in any future year occur.

CalPERS Public Agency Miscellaneous Non-Industrial Deaths		
Age	Male	Female
15	0.00020	0.00015
20	0.00028	0.00018
30	0.00051	0.00027
40	0.00070	0.00047
50	0.00147	0.00103
60	0.00340	0.00201
70	0.00619	0.00408
80	0.01157	0.00918

[3] The level percent of pay aspect of the funding method refers to how the normal cost is determined. Use of level percent of pay cost allocations in the funding method is separate from and has no effect on a decision regarding use of a level percent of pay or level dollar basis for determining amortization payments.

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Table 4 - Actuarial Methods and Assumptions (Continued)

Mortality After Retirement

Representative mortality rates for 2014 are shown in the charts below. The rates were then adjusted on a generational basis by Bickmore Scale 2014 to anticipate future mortality improvement.

Healthy Lives

CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement		
Age	Male	Female
40	0.00103	0.00085
50	0.00475	0.00480
60	0.00785	0.00481
70	0.01541	0.01105
80	0.04556	0.03271
90	0.14423	0.10912
100	0.32349	0.29541
110	0.97827	0.97516

Disabled Lives

CalPERS Public Agency Disabled Miscellaneous Post Retirement Mortality		
Age	Male	Female
20	0.00548	0.00339
30	0.00717	0.00469
40	0.00887	0.00565
50	0.01594	0.01192
60	0.02530	0.01363
70	0.03394	0.02460
80	0.07108	0.05326
90	0.16458	0.14227

Termination Rates

For miscellaneous Tier 1 employees: sum of CalPERS Terminated Refund and Terminated Vested rates for miscellaneous employees – Illustrative rates

Attained	Years of Service					
Age	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0946	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0868	0.0749	0.0000	0.0000
30	0.1606	0.1055	0.0790	0.0668	0.0581	0.0000
35	0.1537	0.0987	0.0711	0.0587	0.0503	0.0450
40	0.1468	0.0919	0.0632	0.0507	0.0424	0.0370
45	0.1400	0.0849	0.0554	0.0427	0.0347	0.0290

For miscellaneous Tier 2 employees: sum of Terminated Refund and Terminated Vested rates for miscellaneous employees until 20 years of service; refund rates only after 20 years of service – Illustrative Rates

Attained	Years of Service					
Age	0	5	10	20	25	30
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.0946	0.0000	0.0000	0.0000	0.0000
25	0.1674	0.0868	0.0749	0.0000	0.0000	0.0000
30	0.1606	0.0790	0.0668	0.0000	0.0000	0.0000
35	0.1537	0.0711	0.0587	0.0045	0.0000	0.0000
40	0.1468	0.0632	0.0507	0.0037	0.0024	0.0000
45	0.1400	0.0554	0.0427	0.0029	0.0017	0.0011

Table 4 - Actuarial Methods and Assumptions (Continued)

Service Retirement Rates

For miscellaneous employees hired before 1/1/2013: CalPERS Public Agency 2.7% @ 55 – Illustrative rates

Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0040	0.0090	0.0140	0.0350	0.0550	0.0950
55	0.0760	0.1010	0.1250	0.1650	0.2050	0.2650
60	0.0690	0.0930	0.1160	0.1540	0.1920	0.2500
65	0.1340	0.1740	0.2150	0.2700	0.3260	0.4010
70	0.1410	0.1830	0.2260	0.2830	0.3410	0.4180
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

For miscellaneous employees joining CalPERS on or after 1/1/2013: CalPERS Public Agency 2% @ 62 – sample rates

Current Age	Years of Service					
	5	10	15	20	25	30
52	0.0103	0.0132	0.0160	0.0188	0.0216	0.0244
55	0.0440	0.0560	0.0680	0.0800	0.0920	0.1040
60	0.0616	0.0784	0.0952	0.1120	0.1288	0.1456
65	0.1287	0.1638	0.1989	0.2340	0.2691	0.3042
70	0.1254	0.1596	0.1938	0.2280	0.2622	0.2964
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

CalPERS Public Agency Miscellaneous Disability		
Age	Male	Female
20	0.00017	0.00010
25	0.00017	0.00010
30	0.00019	0.00024
35	0.00049	0.00081
40	0.00122	0.00155
45	0.00191	0.00218
50	0.00213	0.00229
55	0.00221	0.00179
60	0.00222	0.00135

Medicare Eligibility

Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.

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Table 4 - Actuarial Methods and Assumptions (Continued)

Healthcare Trend

Medical plan premiums and the PEMHCA Vesting formula caps are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2016	Actual	2021	5.50%
2017	7.50%	2022	5.00%
2018	7.00%	2023	4.50%
2019	6.50%	2024	4.50%
2020	6.00%	2025 & later	4.64%

Dental premiums are assumed to increase by 4.5% annually.

Participation Rate

Active employees: 100% of eligible employees are assumed to elect medical coverage in retirement, regardless of whether they have medical or dental coverage through the District currently. Those currently participating are assumed to remain in the current plan selected; those not yet participating are assumed to elect coverage in the Kaiser Bay Area region plan.

Retired participants: Existing medical plan elections are assumed to be maintained until the retiree's death.

Spouse Coverage

Active employees: 85% are assumed to be married and 90% of married future retirees are assumed to elect coverage for their spouse in retirement. Surviving spouses are assumed to retain coverage until their death. Husbands are assumed to be 3 years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to be maintained until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

Spouse gender is assumed to be the opposite of the employee.

Dependent Coverage

An existing election for coverage of dependent children is assumed to continue until the youngest child is age 26.

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Table 4 - Actuarial Methods and Assumptions (Continued)

Development of Age-related Medical Premiums	Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in Bickmore's Age Rating Methodology provided in Addendum 1 to this report. Representative claims costs derived from the dataset provided by CalPERS for retirees not currently covered or not expected to be eligible for Medicare appear in the chart on the following page. All current and future Medicare-eligible retirees are assumed to be covered by plans that are rated based solely on the experience of Medicare retirees. Therefore, no implicit subsidy is calculated for Medicare-eligible retirees.

Changes Since the Prior Valuation:

Discount rates	*Funded rate*: decreased from 7.61% to 7.28%
Assumed Wage Inflation	Decreased from 3.25% to 3.0%
General Inflation Rate	Decreased from 3.0% to 2.75%
Demographic assumptions	Rates of assumed mortality, termination, disability and retirement rates were updated from those provided in the CalPERS 2010 experience study report to those provided in the CalPERS 2014 experience study report. Rates of mortality were updated to the rates in the midpoint year of the CalPERS 2014 experience study (2008), then projected on a generational basis by Bickmore Scale 2014.
Spouse Coverage	The percentage of future retirees assumed to be married remains at 85%, but the percentage of these married future retirees assumed to cover their spouse in retirement was decreased from 100% to 90%.
Age-Related Medical Premiums	We implemented a model for developing age-related medical premiums based on research and data sponsored by the Society of Actuaries.

Table 4 - Actuarial Methods and Assumptions (Concluded)

The chart below summarizes the expected monthly claims by medical plan and gender for selected ages.

Expected Monthly Claims by Medical Plan for Selected Ages										
	Male					Female				
	50	53	56	59	62	50	53	56	59	62
Blue Shield Access+: Bay Area	$ 865	$ 1,020	$ 1,185	$ 1,358	$ 1,544	$ 1,072	$ 1,178	$ 1,267	$ 1,369	$ 1,509
Blue Shield Access+: Other Northern California	723	852	990	1,134	1,290	896	984	1,058	1,144	1,261
Blue Shield NetValue: Bay Area	862	1,017	1,181	1,353	1,538	1,068	1,173	1,263	1,364	1,504
HMO: Bay Area	758	893	1,038	1,189	1,352	939	1,031	1,110	1,199	1,322
HMO: Sacramento	696	820	953	1,092	1,241	862	947	1,019	1,101	1,213
Kaiser: Bay Area	700	826	959	1,099	1,250	868	953	1,026	1,108	1,222
Kaiser: Los Angeles	527	621	722	827	940	653	717	772	834	919
Kaiser: Other Northern California	687	810	941	1,078	1,226	851	935	1,006	1,087	1,198
Kaiser: Sacramento	656	774	899	1,030	1,171	813	893	961	1,038	1,145
Kaiser: State Employer	610	720	836	958	1,089	756	831	894	966	1,065
PERS Choice: Bay Area	629	741	861	987	1,122	779	855	920	995	1,096
PERS Choice: Sacramento	602	710	825	945	1,075	746	820	882	953	1,051
PERS Choice: Out of State	414	488	567	650	739	513	563	606	655	722
PERS Select: Bay Area	727	857	995	1,141	1,297	901	989	1,064	1,150	1,268
PERS Select: Other Northern California	676	797	926	1,061	1,206	838	920	990	1,070	1,179
PERSCare: Bay Area	561	662	769	881	1,002	696	764	822	888	979
PERSCare: Other Southern California	470	554	643	737	838	582	639	688	743	820
PERSCare: Out of State	411	485	563	645	733	509	559	602	650	717

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Table 5
Projected Benefit Payments

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and future retirees (i.e., current employees expected to retire from the District). Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Table 4.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).

Projected Annual Benefit Payments										
	Explicit Subsidy						Implicit Subsidy			
	Medical			Dental			Medical			
Fiscal Year Ending June 30	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	Total
2016	$ 646,634	$ 56,233	$ 702,867	$ 73,769	$ 5,042	$ 78,811	$ 246,033	$ 30,325	$ 276,358	$ 979,225
2017	634,024	121,081	755,105	75,776	11,162	86,938	229,368	66,866	296,234	1,051,339
2018	629,194	195,349	824,543	77,792	17,815	95,607	208,230	118,350	326,580	1,151,123
2019	622,464	274,111	896,575	79,810	25,676	105,486	157,236	152,958	310,194	1,206,769
2020	624,730	356,349	981,079	81,815	33,503	115,318	117,859	204,962	322,821	1,303,900
2021	632,422	447,465	1,079,887	83,790	41,810	125,600	102,923	254,922	357,845	1,437,732
2022	635,853	538,405	1,174,258	85,718	51,118	136,836	84,231	275,697	359,928	1,534,186
2023	635,211	632,863	1,268,074	87,582	59,891	147,473	61,321	324,654	385,975	1,654,049
2024	641,129	729,611	1,370,740	89,361	69,085	158,446	71,373	364,216	435,589	1,806,329
2025	640,811	828,502	1,469,313	91,035	78,524	169,559	54,137	428,998	483,135	1,952,448

The amounts shown in the Explicit Subsidy section reflect the expected payment by the District toward retiree medical and dental premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date ("current retirees") and those expected to retire after the valuation date ("future retirees").

The amounts shown in the Implicit Subsidy section reflect the expected excess of retiree medical (and prescription drug) claims over the premiums expected to be charged during the year for retirees' coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.

Appendix 1A
Breakout of Valuation Results by Group: Explicit Medical

This chart breaks out the valuation results for explicit medical benefits for 6 employee groups for the fiscal year ending June 30, 2015.

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Appendix 1B
Breakout of Valuation Results by Group: Explicit Dental

This chart breaks out the valuation results for explicit dental benefits for 6 employee groups for the fiscal year ending June 30, 2015.

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Appendix 2
Expected Disclosures for Fiscal Year End June 30, 2015

The annual OPEB expense and net OPEB obligation for the fiscal year ending June 30, 2015 were projected in the July 1, 2013 valuation. Since that valuation was prepared, the District has adjusted and updated its payments toward retiree premiums and to the OPEB trust through June 30, 2015 and provided Bickmore with a copy of the OPEB information reported for the fiscal year ended June 30, 2014.

The following exhibit updates the development of the annual OPEB expense and net OPEB obligation, providing the information assumed to be reported in the District's financial statement for the fiscal year ending June 30, 2015.

Fiscal Year End	6/30/2015
1. Calculation of the Annual OPEB Expense	
a. ARC for current fiscal year	$ 742,560
b. Interest on Net OPEB Obligation (Asset) at beginning of year	(923,432)
c. Adjustment to the ARC	862,007
d. **Annual OPEB Expense (a. + b. + c.)**	681,135
2. Calculation of Expected Contribution	
a. Estimated payments on behalf of retirees	673,111
b. Estimated contribution to OPEB trust	69,449
c. **Total Expected Employer Contribution**	742,560
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	(61,425)
Net OPEB Obligation (Asset), beginning of fiscal year	(12,134,452)
Net OPEB Obligation (Asset) at fiscal year end	(12,195,877)

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Appendix 3
General OPEB Disclosure and Required Supplementary Information

The Information necessary to complete the OPEB footnote in the District's financial reports is summarized below, or we note the location of the information contained elsewhere in this report:

Summary of Plan Provisions:	See Table 3A
OPEB Funding Policy:	See Section F; details in Tables 1A and 1C
Annual OPEB Cost and Net OPEB Obligation:	See Table 1B and 1D
Actuarial Methods and Assumptions:	See Table 4
Funding Status and Funding Progress:	See Section E – Basic Valuation Results

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2011	$ 13,422,427	$ 16,524,031	$ 3,101,604	81.2%	$ 10,795,530	28.7%
7/1/2013	$ 17,609,101	$ 17,356,805	$ (252,296)	101.5%	$ 11,865,168	-2.1%
7/1/2015	$ 20,917,103	$ 21,658,172	$ 741,069	96.6%	$ 11,599,764	6.4%

To see these values separately for explicit and implicit subsidy liabilities, please refer to Section E of the report.

Required Supplementary Information:	Three Year History of Amounts Funded See chart below:

OPEB Cost Contributed

Fiscal Year Ended	Annual OPEB Cost	Employer OPEB Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2014	$ 636,890	$ 719,186	112.9%	$ (12,134,452)
6/30/2015	*$ 681,135*	*$ 742,560*	*109.0%*	*$ (12,195,877)*
6/30/2016	*$ 929,933*	*$ 935,579*	*100.6%*	*$ (12,201,523)*
6/30/2017	*$ 986,260*	*$ 965,851*	*97.9%*	*$ (12,181,114)*

To see separate values for explicit and implicit subsidy funding, refer to Tables 1B and 1D.

Italicized values above are estimates which may change if contributions are other than projected.

Addendum 1: Bickmore Healthcare Claims Age Rating Methodology

Both accounting standards (e.g. GASB 45) and actuarial standards (e.g. ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately the actuary is often required to perform these calculations without any underlying claims information. In most situations the information is not available, but even when available the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender to better approximate what the insurer might be expecting in actual claims costs.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant*. For example, a claims cost curve might show that if a 50 year old male has $1 in claims, then on average a 50 year old female has claims of $1.25, a 30 year old male has claims of $0.40, and an 8 year old female has claims of $0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Table 4 provides the source of information used to develop such a curve and shows sample relative claims costs developed for your plan.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Table 4.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop the underlying claims cost curve. These methodologies and assumptions can be found in the referenced paper cited in Table 4.

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Addendum 2: Bickmore Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principals in developing a credible mortality improvement model would include the following:

(1) Short-term mortality improvement rates should be based on recent experience.
(2) Long-term mortality improvement rates should be based on expert opinion.
(3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **Bickmore Scale 2014** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2014 Report, published in October 2014 and (2) the demographic assumptions used in the 2015 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published July 2015.

Bickmore Scale 2014 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2014 which has two segments – (1) historical improvement rates for the period 1951-2007 and (2) Scale MP-2014's best estimate of future mortality improvement for years 2008 and thereafter. The Bickmore scale uses the same improvement rates as the MP-2014 scale during the historical period 1951-2007. In addition, the Bickmore scale uses Scale MP-2014's best estimate of future mortality improvement for years 2008-2010. The Bickmore scale then transitions from the last used MP-2014 improvement rate in 2010 to the Social Security Administration (SSA) Intermediate Scale. This transition to the SSA Intermediate Scale occurs linearly over the 10 year period 2011-2020. After this transition period, the Bickmore Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2020-2038. The SSA's Intermediate Scale has a final step down in 2039 which is reflected in the Bickmore scale for years 2039 and thereafter. Over the ages 100 to 115, the SSA improvement rate is graded to zero.

Scale MP-2014 can be found at the SOA website and the projection scales used in the 2015 Social Security Administrations Trustees Report at the Social Security Administration website.

Glossary

Actuarial Accrued Liability (AAL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; see "Actuarial Present Value"

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future, it is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

Aggregate – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Annual Required Contribution (ARC) – The amount the employer would contribute to a defined benefit OPEB plan for a given year, it is the sum of the normal cost and some amortization (typically 30 years) of the unfunded actuarial accrued liability

Annual OPEB Expense – The OPEB expense reported in the Agency's financial statement, which is comprised of three elements: the ARC, interest on the net OPEB obligation at the beginning of the year and an ARC adjustment.

Attained Age Normal Cost (AANC) – An actuarial funding method where, for each plan member, the excess of the actuarial present value of benefits over the actuarial accrued liability (determined under the unit credit method) is levelly spread over the individual's projected earnings or service forward from the valuation date to the assumed exit date

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Entry Age Normal Cost (EANC) – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to the last age at which benefits can be paid

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Glossary (Continued)

Frozen Attained Age Normal Cost (FAANC) – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability (determined under the unit credit method) is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Frozen Entry Age Normal Cost (FEANC) – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability (determined under the entry age normal cost method) is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Financial Accounting Standards Board (FASB) – A private, not-for-profit organization designated by the Securities and Exchange Commission (SEC) to develop generally accepted accounting principles (GAAP) for U.S. public corporations

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board

Net OPEB Obligation (Asset) - The net OPEB obligation (NOO) represents the accumulated shortfall of OPEB funding since GASB 45 was implemented. If cumulative contributions have exceeded the sum of the prior years' annual OPEB expenses, then a net OPEB asset results.

Non-Industrial Disability (NID) – Unless specifically contracted by the individual Agency, PAM employees are assumed to be subject to only non-industrial disabilities.

Normal Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the chosen funding method; also called current service cost

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees' Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that medical insurance contributions for retired annuitants and paid for by a contracting Agency be equal to the medical insurance contributions paid for its active employees, and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Glossary
(Concluded)

Projected Unit Credit (PUC) – An actuarial funding method where, for each individual, the projected plan benefit is allocated by a consistent formula from entry date to assumed exit date

Public Agency Miscellaneous (PAM) – Actuarial assumptions used by CalPERS for most non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Trend – The healthcare cost trend rate, defined as the rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the actuarial value of plan assets

Unit Credit (UC) -- An actuarial funding method where, for each individual, the unprojected plan benefit is allocated by a consistent formula from entry date to assumed exit date

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility

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2015 OPEB Biennial Valuation

Attachment 2

Dublin San Ramon Services District

Water, wastewater, recycled water

Overview

- The District provides medical and dental coverage for retirees according to terms of the MOUs.
  - ✓Medical- All employees (vested and non vested)
  - ✓Dental - Employees hired prior to July 1, 2014
- In 2008 the District contracted with CERBT (California Employers' Retiree Benefit Trust) to provide OPEB fund administration.
  - ✓The Board previously directed the use of an independent third party trust.
- Previous actuarial valuation report prepared as of July 1, 2013 the funded ratio of the trust was 101.5%.

Major Changes

- CERBT changed expected long term rates of return on the investment strategies it offers

Expected Long Term Rate of Return			
	Strategy 1	Strategy 2	Strategy 3
2013 Valuation	7.61%	7.06%	6.39%
2015 Valuation	7.28%	6.73%	6.12%

Major Changes

- Actuarial change (ASOP 6) to recognize age in calculating overall liability
  - ✓ **Explicit subsidy** liability exists when the employer agrees to contribute directly toward retiree healthcare premiums.
  - ✓ **Implicit subsidy** liability exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage.

(Allowing retirees to continue medical coverage at the same premium rates charged for active employees is considered an implicit benefit subsidy under GASB 45)

July 1, 2015 OPEB Valuation Report

Based on assumption the District will remain with CERBT investment strategy 1

As of July 1, 2015 total funded ratio is 96.6%

Subsidy	Explicit	Implicit	Total
Discount Rate	7.28%	7.28%	7.28%
Actuarial Accrued Liability	$ 18,172,440	$ 3,485,732	$ 21,658,172
Actuarial Value of Assets	20,917,103	-	20,917,103
Unfunded Actuarial Accrued Liability	(2,744,663)	3,485,732	741,069
Funded Ratio	115.1%	0.0%	96.6%

CERBT Asset Allocation Strategies

	Strategy 1	Strategy 2	Strategy 3
Expected Long Term Rate of Return*	7.28%	6.73%	6.12%
Standard Deviation of Expected Returns	11.74%	9.32%	7.14%

All CERBT asset allocation strategies share the same public market asset classes

- Allocation strategies differ only to the extent to which they participate in each of the asset classes

* Uses Annual General Inflation Rate Assumption of 2.75%

CERBT Asset Classes

Asset Classification	Investment Management	Strategy 1	Strategy 2	Strategy 3
Global Equity	Passive MSCI All Country World Index	57%	40%	24%
Fixed Income	Active Barclays Capital Long Liability Index	27%	39%	39%
Global Real Estate (REITs)	Passive FTSE EPRA/NAREIT Developed Liquid Index	8%	8%	8%
Treasury Inflation Protected Securities	Active Barclays Capital Global Real: US TIPS Index	5%	10%	26%
Commodities	Active S&P GSCI Total Return Index	3%	3%	3%

July 1, 2015 OPEB Valuation Report

Comparison of funding ratio and ARC under each investment strategy

Discount Rate	7.28%	6.73%	6.12%
Actuarial Accrued Liability	$ 21,658,172	$ 23,299,150	$ 24,675,431
Actuarial Value of Assets	20,917,103	20,917,103	20,917,103
Unfunded Actuarial Accrued Liability	741,069	2,382,047	3,758,328
Funded Ratio	96.6%	89.8%	84.8%
Annual Required Contribution (ARC)	$ 935,578	$ 1,149,376	$ 1,322,106

July 1, 2015 OPEB Valuation Report

FYE2016 Annual Required Contribution (ARC) with assumption of investment strategy 1

Subsidy	Explicit	Implicit	Total
Annual Required Contribution (ARC) for FYE 2016	$ 482,937	$ 452,642	$ 935,579
Expected employer paid benefits for retirees	781,678	-	781,678
Current year's implicit subsidy credit	-	276,358	276,358
Expected contribution to OPEB trust	(298,741)	176,284	(122,457)
Expected net OPEB obligation at June 30, 2016	(12,201,523)	-	(12,201,523)

- FYE2016 ARC is calculated to be $935,579.
- “True Cost” of retiree benefits is estimated to be $1,058,036 ($781,678 paid premiums + $276,358 of implicit subsidy)
- Results in ability to request refund from the trust of $122,457

Recommendation

Staff Recommends:

- The District continue with CEBT Investment Strategy 1 for the Actuarial Valuation Report prepared as of July 1, 2015.

- The District fund the Annual Required Contribution for FYE2016 and FYE2017 as recommended by the actuary.

Dublin San Ramon Services District
Summary & Recommendation

Agenda Item 9D

Reference	Type of Action	Board Meeting of
General Manager	Discuss and Provide Direction	November 30, 2015

Subject
Review Status of General Manager Recruitment Process

☐ Motion	☐ Minute Order	☐ Resolution	☐ Ordinance	☒ Informational	☒ Other
REPORT:	☒ Verbal	☐ Presentation	☒ Staff	J. Archer	☐ Board Member

Recommendation:

The General Manager recommends the Board of Directors discuss the status of the process to fill the General Manager vacancy and, by Consensus, provide appropriate direction.

Summary:

The November 3, 2015 retirement of General Manager Bert Michalczyk created a vacancy, which is being filled on an interim basis by John Archer, Administrative Services Manager. The District has contracted with Heather Renschler, President and Chief Executive Officer of Ralph Andersen & Associates, to conduct the search. This item has been added to the agenda to discuss the status of the recruitment process to fill the permanent General Manager position, and to provide direction to staff and Ms. Renschler regarding selections steps for project planning purposes. A copy of the draft job announcement brochure has been included for reference in this discussion (Attachment 1).

The tentative schedule proposed for the recruitment and selection process is being recommended as follows:

1. Advertising period: December 1, 2015 to January 22, 2016
2. Candidate List Presented to the Board of Directors: Regular meeting of the Board on February 2, 2016 (Closed Session)
3. Candidate Interviews with Board of Directors: Regular meeting of the Board on February 16, 2016 (Closed Session)
4. Second Interviews/Staff Interviews (if requested by Board): Regular meeting of the Board on March 1, 2016 (Closed Session)
5. Direction to Negotiator- General Manager Contract: Regular meeting of the Board on March 15, 2016 (Closed Session)
6. Approve General Manager Contract: Regular meeting of the Board on April 5, 2016 (Open Session)

All meeting dates reflected above are regularly-scheduled board meetings. This timeline could be accelerated if the Board desires special meetings to be scheduled for this purpose.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR John Archer	DEPARTMENT Executive	REVIEWED BY

ATTACHMENTS ☐ *None*

☐ Resolution	☐ Minute Order	☐ Task Order	☐ Staff Report	☐ Ordinance
☒ Cost $0	☐ Funding Source A. B.	Attachments to S&R 1. Draft General Manager Job Announcement Brochure 2. 3.		

Dublin San Ramon Services District

general manager

APPLY BY JANUARY 22, 2016

Recruitment Services Provided by
Ralph Andersen & Associates

Water, Wastewater, Recycled Water

Organizational Overview

The Dublin San Ramon Services District (DSRSD) is an independent special district founded in 1953. Serving more than 171,000 people, the District provides water, recycled water, and wastewater treatment and resource recovery services to residents, businesses, industries, and governmental agencies. Specifically, the District provides: potable and recycled water service to Dublin and the Dougherty Valley area of San Ramon; wastewater collection, treatment, and resource recovery to Dublin and southern San Ramon; and wastewater treatment and resource recovery to Pleasanton (via contract).

The District has 113 full-time employees and its operating budgets for fiscal years 2016 and 2017 are $52.9 and $53.8 million respectively. A ten-year capital improvement program encompasses 117 projects and has a budget of $136.2 million, which includes a two-year CIP budget of $44.6 million for 54 projects. The District manages a 17 million gallon per day capacity wastewater treatment plant, 205 miles of sanitary sewers, 307 miles of potable water pipelines, and 62 miles of recycled water pipelines. The District operates a recycled water system, owned by a regional partnership, which is permitted to produce 9.7 million gallons per day. Engineering staff are working on a master plan to expand the recycled water system's capacity to 16 million gallons per day. DSRSD customers used 883 million gallons of recycled water in fiscal year 2015, mostly for landscape irrigation, representing 26% of total water sales. The District also operates the regional wastewater disposal system.

The District is governed by an elected five-member Board of Directors who serve four-year terms. The Board retains the services of the General Manager as the Chief Executive Officer of the District. The General Manager implements Board policies and oversees the business of the District through three departments: Administration, Engineering, and Operations. Since the District's founding in 1953, there have been seven General Managers, with the most recent retiring in November after serving in the position for more than 14 years and a total of 25 with the organization.

The District has received both local and national recognition. In September 2015, the California Local Agency Formation Commission honored the District and five neighboring agencies with its "Government Leadership Award" for working together on regional governance initiatives. In 2014, the District received the California Association of Sanitation Agencies (CASA) "Technological Innovation and Achievement Award" and the WateReuse California "Community Outreach and Public Education Program of the Year Award" for implementing the state's first residential recycled water fill station to help the Bay Area conserve water during the drought. In 2014, the District received the Special District Leadership Foundation's "Transparency Certificate of Excellence." In 2012, the District received the "Organizational Excellence Award" from CASA for organizing and implementing the Bay Area Chemical Consortium as a way to reduce chemical costs needed for operating water treatment plants. The District has also been a state-recognized Certified Green Business through the Alameda County Green Business Program since 2004.

The Position

The General Manager is an at-will position appointed by and receiving broad policy direction from the Board of Directors. This position is directly responsible for all affairs of the District including administration, operations, engineering, and related support activities as well as serving as Security Officer and Employer-Employee Relations Officer. The General Manager is charged with successfully utilizing both internal and external resources to forward the mission of the District and to achieve District objectives and goals. Additionally, the General Manager serves as a highly visible representative of and advocate for the District within the service area, region, state, and nation.

Other key responsibilities of the General Manager include:

- Oversight of and responsibility for the sustainable and reliable execution of water, wastewater, and recycled water service to the District's service area and integration with external partners.
- Assuming responsibility for the efficient functioning of District operations through leadership of subordinate senior management staff and for ensuring conformance with applicable statutes, regulations, policies, and ethical standards.
- Dealing with a spectrum of growth and development issues (as a result of policy decisions made by service area cities) including short- and long-term capital programs, political influences, developers, other non-government organizations, and other stakeholders.
- Advising the Board regarding all District matters impacting employees, community representatives, and other government agencies.
- Monitoring and analyzing legislation and regulations that could impact District operations and representing the District to community organizations and other government agencies at the local, state, and federal level.
- Preparing complex administrative and financial reports and recommendations for the Board of Directors including operating and capital budgets and financial planning policies.
- Developing and implementing District-wide strategic plan, policies, programs, goals, and objectives as directed by the Board. Responsible for District wide goal-setting, performance management, and evaluation of program effectiveness.
- Representing the District through active participation in various water/wastewater industry organizations, conferences, and trainings on a regional and statewide basis to advocate District interests and maintain awareness of industry developments.
- Serving as the Employer-Employee Relations Officer governing organization employer-employee relations, all personnel matters including labor relations (four unions), disciplinary matters, and succession planning.
- Active involvement and civic engagement in support of the Board and the District as a leader in the region.

The Ideal Candidate

The ideal candidate for General Manager of DSRSD will possess many of the following personal and professional attributes:

- Known as a credible leader who creates a working environment that is supportive of staff, allows for employees to grow and flourish in their positions, and develops teamwork among staff;
- A visionary who will help to guide the District in current and future endeavors such as development in nearly built communities while yet continuing to ensure reliable and sustainable water resources and other services;
- Consensus builder, facilitator, and seen as a "go-to" resource in all endeavors;
- Able to effectively, passionately, and boldly lead a highly technical organization with vigor and enthusiasm complemented with a proven track record of success in the administration of a full range of organizational issues.

"We provide reliable and sustainable water and wastewater services in a safe, efficient, and environmentally responsible manner."

- Have an extensive knowledge and understanding of California water issues, water re-use, and wastewater treatment operations with a commitment to conservation and industry best practices;
- Be politically astute with the sensitivity and ability to operate in a politically charged environment working toward mutually beneficial solutions;
- Be innovative, creative, and possess an entrepreneurial management style to provide executive leadership to a public sector organization;
- Possess a high level of integrity and honesty;
- Be a gifted communicator, both orally and in writing, with the ability to present highly technical presentations with ease; and
- Maintain a fair and impartial approach to all communication with the Board of Directors.

In summary, the Board of Directors is seeking a highly qualified and experienced administrator who will oversee a well-run and highly technical organization with an engaging personal style. A sense of humor and ability to lead and connect with staff is very important to the Board and will serve the new General Manager well for years to come.

Qualifying Education and Experience

Any combination of education and experience that would provide the required knowledge and abilities is qualifying. A typical way to obtain the requisite knowledge and abilities would be:

A Bachelor's degree from an accredited college or university with major course work in engineering, business or public administration, or a related field; and at least ten (10) years of relevant professional experience including at least five (5) years of executive-level management experience within a government agency or the water/wastewater industry. A Master's or professional degree is preferred.

Compensation

This is a highly compensated executive level position (annual salary range is $216,896 - $271,988) and a mutually agreed upon salary will be negotiated with the selected candidate. This at-will position will be supported by a mutually agreeable negotiated employment contract that includes an excellent executive benefit package including CalPERS retirement (2.7% @ 55 formula for Classic Members; 2% @ 62 for New Members) and retiree medical (with vesting schedule). Candidates should be aware that the District does participate in Social Security. Further details on benefits may be obtained through Ralph Andersen & Associates or on the District's website.

Dublin San Ramon Services District
Water, wastewater, recycled water

To Be Considered

This is a ***confidential recruitment*** and will be handled accordingly throughout the various stages of the process. References ***will not*** be contacted until mutual interest has been established. This recruitment is considered open until final selection is made. Candidates are encouraged to ***apply by Friday, January 22, 2016***. It is anticipated that the most highly qualified candidates will be invited for an on-site interview with the full Board in February 2016. Selection and appointment is anticipated in late February or early March. The selected candidate would ideally join the District during April/May or a mutually agreed upon date. The Board of Directors wishes for a smooth transition and every effort will be made to ensure this happens. Candidates should be aware that the Interim General Manager (John Archer, Administrative Services Manager) is not a candidate for the position.

Electronic submittals are strongly preferred to Ralph Andersen & Associates at apply@ralphandersen.com and should include the following:

- Compelling cover letter;
- Comprehensive resume; and
- Current Salary.

Confidential inquiries are welcomed to Heather Renschler at (916) 630-4900. Candidates are also encouraged to further research the Dublin San Ramon Services District website at www.dsrsd.com.

Dublin San Ramon Services District is committed to equal employment opportunity.

Dublin San Ramon Services District

Summary & Recommendation

Agenda Item 9E

Reference	Type of Action	Board Meeting of
Board of Directors	Elect Officers	November 30, 2015

Subject					
Selection of President and Vice President of the Board of Directors for 2016					
☒ Motion	☐ Minute Order	☐ Resolution	☐ Ordinance	☐ Informational	☐ Other
REPORT:	☐ Verbal	☐ Presentation	☐ Staff	E. Duarte	☒ Board Member

Recommendation:

It is recommended that the Board, by separate Motion for each officer, select first the President and then the Vice President of the Board and that these appointments become effective immediately and run through the next selection of Board officers scheduled for December 2016.

Summary:

Each year, typically at the first meeting in December, but in an election year at the first meeting after the new Board is seated, the Board elects from its members its President and Vice President for the ensuing term. The Board has adopted a policy on the election of its officers, a copy of which is attached. In accordance with that policy, Vice President Howard would be next in line for the office of President and Director Halket would be next in line for the office of Vice President.

Also, attached for your information is a summary of recent Board officers.

Traditionally, the term for the officers begins immediately upon the Board's action in this matter and runs through the next selection of officers which selection would occur in December 2016.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Executive	REVIEWED BY

ATTACHMENTS ☐ *None*				
☐ Resolution	☐ Minute Order	☐ Task Order	☐ Staff Report	☐ Ordinance
☒ Cost $0	☐ Funding Source A. B.	Attachments to S&R 1. Policy P100-15-2 Election and Rotation of Board Officers 2. Listing of Recent Board Officers 3.		

Dublin San Ramon Services District
Water, wastewater, recycled water

Policy

Policy No. P100-15-2	**Type of Policy:** Board Business
Policy Title: Election and Rotation of Board Officers	
Policy Description: Election of Board President and Vice President on District Board	

Approval Date: 4/7/2015	**Last Review Date:** 2015
Approval Resolution No.: 19-15	**Next Review Date:** 2019
Rescinded Resolution No.: 45-04	**Rescinded Resolution Date:** 8/17/2004

It is the policy of the Board of Directors of Dublin San Ramon Services District:

1. The election of Board officers, (President, Vice President), shall take place annually: The President shall be elected first, the Vice President second, each by separate motion.

2. The election of Board officers shall occur on:
   a. In an election year, at the first regular Board Meeting after elected Board members are sworn in.
   b. In a non-election year, at the first regular Board meeting in December.

3. The President and Vice President must have been elected to the Board of Directors rather than appointed.

4. Eligibility for the office of President and Vice President occurs twelve (12) months following first election to the Board of Directors. (Assuming continuous service since first election.)

5. <u>PRESIDENT</u>:

   a. The Vice President is the President-elect under normal rotation.

   b. The elected member who has served the longest on the Board (in continuous service) without ever serving as President and who meets the requirements Nos. 3 and 4 above, shall rotate to the Presidency.

   c. If all elected members of the Board have been President, the elected member who has served the longest on the Board (in continuous service) since last being President, and who

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meets the requirements Nos. 3 and 4 above, shall rotate to the Presidency.

6. VICE PRESIDENT:

   a. When the position of the President is filled the elected member next in line shall be rotated to the position of Vice President in accordance with criteria 6(b) and 6(c).

   b. The elected member of the Board of Directors who has served longest on the Board (in continuous service) without ever serving as President and who meets requirements Nos. 3 and 4 above, shall rotate to the Vice Presidency.

   c. If all elected members of the Board have been President, the elected member who has served the longest on the Board (in continuous service) since last being President, and who meets requirements Nos. 3 and 4 above, shall rotate to the Vice Presidency.

7. If no member meets criteria 3, 4, 5, or 3, 4, and 6, or if there are members whose eligibility criteria are the same, then succession shall be determined by which member has served longest on the Board (in continuous service). If a tie still exists, the elected member who received the greatest number of votes at their last election shall be given preference in the rotation.

Attachment 2 to S&R
Listing of Recent Board Officers

RECENT BOARD OFFICERS		
YEAR	**PRESIDENT**	**VICE PRESIDENT**
2015	Duarte	Howard
2014	Vonheeder-Leopold	Duarte
2013	Benson	Vonheeder-Leopold
2012	Halket	Benson
2011	Howard	Halket
2010	Hansen	Howard
2009	Scannell	Hansen / Ford
2008	Halket	Scannell
2007	Howard	Halket
2006	Hansen	Howard

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