

**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 President Duarte and Director Misheloff, and at 5:00 p.m., with attendees Directors Halket and 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

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 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