

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

December 15, 2015

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by President D.L. (Pat) Howard.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President D.L. (Pat) Howard, Vice President Richard M. Halket, Director Georgean M. Vonheeder-Leopold, Director Madelyne A. Misheloff, and Director Edward R. Duarte.

District staff present: John Archer, General Manager; 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

General Manager Archer reported the District received the 2015 Best in Blue award from the Association of California Water Agencies (ACWA) for achieving communications excellence for the Drought Outreach Program. The District also received thank you cards from Brownie Troop 33451, for the Wastewater Treatment Plant tour staff provided, and the Livermore Camera Club, for use of the Boardroom, which included a \$200 donation to the District.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:04 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:
 - The California Association of Sanitation Agencies (CASA) winter conference will be held January 20-22, 2016 in Palm Springs. President Howard and Director Vonheeder-Leopold will be attending. The 2016 CASA conferences in Sacramento and Washington D.C. should be considered based on the topics and programs offered.
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
December 2015	Card	Brownie Troop 33451	Dublin San Ramon Services District	Thank you for Wastewater Treatment Plant Tour	
December 7, 2015	Letter	Irene Jones, Livermore Valley Camera Club	Dublin San Ramon Services District	Thank you for use of Boardroom	To be discussed

B. Agenda Management (consider order of items) – General Manager Archer confirmed that Closed Session Item 11.A will not be held if Item 8.E is approved.

C. Committee Reports
None

7. APPROVAL OF MINUTES – Special Meeting of *November 30, 2015*

Director Vonheeder-Leopold MOVED for the approval of the November 30, 2015 minutes. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

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

A. Approve Director Attendance at 2016 Meetings and Conferences – Approved

B. Approve Director Reimbursements for Travel and Meetings for 2016 – Approved

C. Notification of 2016 Ethics Training Opportunities for Boardmembers in Compliance with AB 1234 (Government Code Section 53235 (f)) – Approved

D. Approve Amendment to the Capital Improvement Plan and Budget to Add the EBMUD-DSRSD Potable Water Intertie Upgrade Project – Approved - Resolution No. 94-15

E. Notice of Rejection of Claim – Mr. Daryl Alejandro – Approved

F. Accept the Following Regular and Recurring Reports: District Financial Statements, Warrant List and Upcoming Board Business – 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 and highlighted certain updates in the report. He also reported that the Department of Water Resources announced on December 1 an initial allocation of 10% for State Water Project customers, and mentioned the outlook for potential future water transfers as discussed with possible partner agencies at the recent ACWA conference.

Operations Manager Gallagher reviewed implications of Governor Brown's November Executive Order extending water restrictions to October 2016 if drought conditions persist through January 2016. He then gave an overview of the State Water Resources Control Board (SWRCB) workshop held December 7 regarding potential extension and modifications for 2016 conservation goals, and referenced the District's comment letter submitted to SWRCB December 2. Lastly, he provided an update on the recycled water project in west Dublin and addressed resolution of natural spring runoff near the Shannon Center.

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

Director Misheloff MOVED to accept the Water Supply and Demand Report and the Drought Response Action Plan Status Report and find that the need for the Community Drought Emergency Still Exists. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

C. Accept Financial Statements for Year Ended June 30, 2015 with Independent Auditors' Report

General Manager Archer reviewed the report and introduced Mr. Ahmed Badawi from the District's new auditing firm, Badawi & Associates.

The Board and staff discussed the information and findings in the report including new reporting for pensions and Joint Powers Authorities, the District's investment portfolio, and adjustments to be made to Notes #6A and #6B. The Board complimented Badawi & Associates for the high quality report produced, and requested that Public Information staff include the District's remarkable Other Post-Employment Benefits (OPEB) funding levels in the associated news release.

Mr. Badawi provided an overview of the audit, delivered his firms' report "Auditors' Communication with those charged with Governance," answered the Board's inquiries, and confirmed the necessary corrections in the report, as noted. Mr. Badawi complimented District staff for their work with his firm.

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

V.P. Halket MOVED to accept the Financial Statements for Year Ended June 30, 2015 with Independent Auditors' Report with adjustments to Notes #6A and #6B as discussed. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

- D. Authorize Task Order No. OC-19 to the Master Consulting Agreement with Carollo Engineers for Design Services for the DERWA Recycled Water Treatment Plant – Phase 2 (CIP 16-R014) and the DERWA Pump Station R1 – Phase 2 (CIP 16-R015)

Engineering Services Manager McIntyre reviewed the item and explained that the DERWA Recycled Water Treatment Plant and Pump Station will require expansion due to expectations of exceeding available capacity within two years. Approval of a task order for \$1,475,990 is required to proceed with the necessary design work for this expansion. Because the District's costs will exceed the current approved CIP budget, staff will request an increase prior to facility construction.

The Board and staff discussed the responses received for the Request for Proposal issued, and elements of the overall project.

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

Director Duarte MOVED to authorize the General Manager to execute Task Order No. OC-19 to the Master Consulting Agreement with Carollo Engineers in an amount not to exceed \$1,475,990 for design services for the DERWA Recycled Water Treatment Plant - Phase 2 (CIP 16-R014) and the DERWA Pump Station R1 - Phase 2 (CIP 16-R015). Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

- E. Approve Board Committees for Calendar Year 2016

President Howard explained the proposed Committee structure reduces the number of standing Committees from five to three while still providing Boardmembers two representative opportunities between the Committees and the District's two Joint Powers Authorities.

The Board and staff discussed the impacts and benefits of the proposed Committee structure, and the District's accomplishments in continually providing increased transparency through such adjustments.

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

V.P. Halket MOVED to approve the 2016 Committee structure, assignments and Mission Statements. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS

Director Misheloff suggested the Board consider streamlining current Board administrative support tasks to more efficiently utilize District staff time and resources. The Board agreed this matter shall be added for discussion at a future Board meeting.

President Howard and Director Duarte reported they attended the ACWA fall conference December 1- 3, 2015 in Indian Wells. They summarized the activities and discussions at the conference. President Howard submitted a written report to Executive Services Supervisor Genzale.

Director Vonheeder-Leopold reported that she attended the Alameda County Special Districts Association Executive Committee meeting on December 9, 2015. She summarized the activities and discussions at the meeting. She submitted a written report to Executive Services Supervisor Genzale.

11. CLOSED SESSION

At 7:09 p.m. the Board went into 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: One case. Receipt of claim from Daryl Alejandro pursuant to the Government Claims Act (Government Code §§810-996.6)
- B. Conference with Legal Counsel - Existing Litigation Pursuant to subdivision (d)(1) of Section 54956.9: (Hendrix; Cameron; Schroen; Under Seal v. Under Seal)
- C. Conference with Labor Negotiators– Pursuant to Government Code Section 54957.6
Agency Negotiators: John Archer, General Manager
Employee Organizations: 1. Mid-Management Employees Bargaining Unit
2. Professional Employees Bargaining Unit
3. Stationary Engineers, Local 39
Additional attendees: Michelle Gallardo, Human Resources Supervisor
Carl P.A. Nelson, General Counsel

12. REPORT FROM CLOSED SESSION

At 7:41 p.m. the Board came out of Closed Session. President Howard announced that there was no reportable action.

13. ADJOURNMENT

President Howard adjourned the meeting at 7:42 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor