



**DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors**

NOTICE OF REGULAR MEETING

TIME: 6:00 p.m.

DATE: Tuesday, September 6, 2016

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

AGENDA

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

	<u>Recommended Action</u>	<u>Anticipated Time</u>
1. <u>CALL TO ORDER</u>		
2. <u>PLEDGE TO THE FLAG</u>		
3. <u>ROLL CALL</u> – Members: Duarte, Halket, Howard, Misheloff, Vonheeder-Leopold		
4. <u>CLOSED SESSION</u>		
A. Conference with District’s Real Property Negotiators – Pursuant to Government Code Section 54956.8. Property: 11099 Brittany Lane, Dublin, Assessor’s Parcel Number 941-0100-007-54 Agency Negotiator: Dan McIntyre, General Manager Judy Zavadil, Engineering Services Manager Rhodora Biagtan, Principal Engineer – Supervisory Carl P.A. Nelson, General Counsel Negotiating Parties: N-Dublin Family Partnership Under Negotiation: Price, Terms and Conditions		5 min
B. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: One potential case.		5 min
C. Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: One potential case.		5 min

BUSINESS:

REFERENCE

		<u>Recommended Action</u>	<u>Anticipated Time</u>
D.	Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6 Agency Negotiators: Dan McIntyre, General Manager Unrepresented Employees: Assistant General Manager Administrative Services Manager Operations Manager Additional attendees: Carl P.A. Nelson, General Counsel		5 min
E.	Public Employee Performance Evaluation Pursuant to Government Code Section 54957 Title: District General Counsel		10 min
5.	<u>REPORT FROM CLOSED SESSION</u>		
6.	<u>SPECIAL ANNOUNCEMENTS/ACTIVITIES</u>		
7.	<u>PUBLIC COMMENT</u> (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.		
8.	<u>REPORTS</u>		
A.	<u>Reports by General Manager and Staff</u>		
	• Event Calendar		
	• Correspondence to and from the Board		
B.	Agenda Management (consider order of items)		
C.	<u>Joint Powers Authority and Committee Reports</u> None		
9.	<u>APPROVAL OF MINUTES</u> - Regular Meeting of <i>August 16, 2016</i>	Executive Services Supervisor	Approve by Motion
10.	<u>CONSENT CALENDAR</u> – None		
11.	<u>BOARD BUSINESS</u>		
A.	Approve Reimbursement to City of Dublin for the Recycled Water Pipeline Design and Installation under Task Order No. 6 to the Tri-Valley Intergovernmental Reciprocal Services Agreement	Engineering Services Manager	Approve by Motion 5 min

BUSINESS:

REFERENCE

			<u>Recommended Action</u>	<u>Anticipated Time</u>
B.	Receive Report from Staff Regarding the Potential Refinancing of the 2011 Water Bond	Administrative Services Manager	Receive Report	10 min
C.	Reject All Construction Bids and Approve Changes to Contractors' Insurance Coverage in Contract Documents for the DSRSD Field Operations Building Project (CIP 16-A005)	Engineering Services Manager	Approve by Resolution	10 min
D.	Receive Brown Act Briefing from District General Counsel	General Counsel	Receive Presentation & Discuss	10 min
E.	Adopt Resolution of Necessity for Utility Easement to Reservoir 3A	Engineering Services Manager	Adopt by Resolution	10 min

12. **BOARDMEMBER ITEMS**

- Submittal of Written Reports from Travel and Training Attended by Directors

13. **ADJOURNMENT**

All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection at the front desk of the District Office at 7051 Dublin Blvd., Dublin, during business hours, or by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.

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

August 16, 2016

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 Edward R. Duarte, Director Madelyne (Maddi) A. Misheloff, and Director Georgean M. Vonheeder-Leopold.

District staff present: Dan McIntyre, General Manager; John Archer, Administrative Services Manager/Treasurer; Dan Lopez, Interim Operations Manager; Carl P.A. Nelson, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. CLOSED SESSION

Deferred to end of meeting under Item 13.

A. Conference with District's Real Property Negotiators – Pursuant to Government Code Section 54956.8.

Property: 11099 Brittany Lane, Dublin, Assessor's Parcel Number 941-0100-007-54

Agency Negotiator: Dan McIntyre, General Manager
Judy Zavadil, Engineering Services Manager
Rhodora Biagtan, Principal Engineer – Supervisory
Carl P.A. Nelson, General Counsel

Negotiating Parties: N-Dublin Family Partnership

Under Negotiation: Price, Terms and Conditions

5. REPORT FROM CLOSED SESSION

Deferred to end of meeting under Item 14.

6. SPECIAL ANNOUNCEMENTS/ACTIVITIES

General Manager McIntyre reported that the California Association of Sanitation Agencies conference that he attended last week in Monterey went well. He also noted that the candidate filing period for the District Board of Directors seats currently up for election has been extended by five days for non-incumbents and so will expire tomorrow, August 17, at 5:00 p.m. An election will not be held if there are no non-incumbent filers by the deadline.

7. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:03 p.m.
There was no public comment received.

8. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
 - o The annual Dublin Chamber of Commerce BBQ will be held tomorrow at the Heritage Park and Museum.
 - o A letter from City of Dublin Mayor Haubert was received today regarding item 11.A.
- Correspondence to and from the Board on an Item not on the Agenda – None

- B. Agenda Management (consider order of items) – General Manager McIntyre recommended that Closed Session Items 4 and 5 be deferred to the end of the meeting under Items 13 and 14. The Board agreed to move the items as recommended.

C. Joint Powers Authority and Committee Reports

Special LAVWMA

August 15, 2016

President Howard invited comments on recent LAVWMA activities. Director Duarte shared highlights from the meeting, noting that City of Pleasanton is requesting Alameda County LAFCo give retroactive approval of extension of wastewater services, LAVWMA's operations coming in under budget this past year, and concern regarding development of a new Workday building in Pleasanton and the developer's discovery of two District water mains near its foundation. The Board and staff briefly discussed concerns regarding the water main matter, and the status of fees collection for the applicable DUE's (dwelling unit equivalents) in that LAVWMA service area. General Manager McIntyre stated he will include an update on the project and status of fees collection in an upcoming General Manager Report.

9. APPROVAL OF MINUTES – Regular Meeting of August 2, 2016

Director Vonheeder-Leopold MOVED for the approval of the August 2, 2016 minutes. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSTENTION (Misheloff).

10. CONSENT CALENDAR

Director Duarte MOVED for approval of the item on the Consent Calendar. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

- A. Accept the Following Regular and Recurring Reports: Water Supply and Conservation, Warrant List, and Upcoming Board Business – Approved.

11. BOARD BUSINESS

- A. Videotaping Board Meetings (CIP 16-A004)

General Manager McIntyre introduced Community Affairs Supervisor Sue Stephenson who reviewed the item for the Board, including a background of the approved project, the boardroom's current videotaping capabilities and constraints, and the four videotaping options presented in the item. She conveyed the current project funding will be adequate to conduct an assessment and design proposal, but will not be enough to fully fund the necessary improvements.

The Board and staff discussed the options in an effort to gain a basic understanding of what each could offer, as well as how far the current project budget of \$100,000 could support the improvement efforts. There is no operating budget currently appropriated for the project long-term since there is no definitive direction on what those improvements might be. The Board acknowledged that an enhancement of the boardroom's current broadcasting capabilities should be made and directed staff to have the design work done, expressing its understanding that additional funding will likely be necessary to complete the appropriate improvements, which will be based on the Board's determination at a future meeting.

Speaker: Dr. Marshall Kamena, President of Tri-Valley Community Television. Dr. Kamena presented the services offered by TVCTV and read a recommendation letter sent to the Board by City of Dublin Mayor David Haubert.

Director Vonheeder-Leopold MOVED to authorize staff to proceed with conducting the needs assessment to develop the cost for the audio and lighting improvements, and to report the results to the Board. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

The Board and staff then further discussed the various services offered by the options presented. Regardless of the option ultimately selected, the Board expressed a desire for quality, efficiency and cost effectiveness. The Board requested that staff continue to research the options presented using an "apples to apples" comparison approach and bring the additional information to the Board at a future meeting.

B. Adopt Revised Day of Service Policy and Rescind Resolution No. 9-14

General Manager McIntyre reviewed the item for the Board.

The Board and staff discussed the proposed changes. General Counsel Nelson explained the statute that directs the submittal of Boardmember Item written reports, and that it does not provide for exceptions if the report is late, nor does it direct verbal reports be made by board members at board meetings, however, they are useful for updating other Boardmembers and the public. They also discussed what is meant by a Boardmember attending an event in an "official capacity." The Board also discussed the reasoning for and process by which event attendance is annually approved in advance by the Board, and the Board's desire to make prudent decisions on what events are deemed compensable.

Director Duarte MOVED to adopt Resolution No. 52-16, Revising the Day of Service Policy and Rescinding and Rescinding Resolution No. 9-14. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

C. Adopt Revised District Safety Programs Policy and Rescind Resolution No. 74-07

General Manager McIntyre introduced interim Operations Manager Lopez who reviewed the item for the Board.

Vice President Halket MOVED to adopt Resolution No. 53-16, Revising the District Safety Programs Policy and Rescinding Resolution No. 74-07. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

D. Approve the FYE17 Legislative Advocacy Agenda

General Manager McIntyre introduced Community Affairs Supervisor Stephenson who reviewed the item for the Board. She also explained that BAB2E (Bay Area Biosolids to Energy) was inadvertently omitted and should be included on the proposed agenda.

The Board was in agreement with the proposed agenda and requested that any activity regarding the Delta should be approached cautiously.

Vice President Halket MOVED for approval of the FYE17 Legislative Advocacy Agenda, with the amendment to add an item for legislation of funding for BAB2E. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

12. BOARDMEMBER ITEMS

Director Duarte submitted a written report to Executive Services Supervisor Genzale. He reported that he attended the California Association of Sanitation Agencies (CASA) annual conference in Monterey last week. He summarized the activities and discussions at the meeting.

Director Vonheeder-Leopold submitted a written report to Executive Services Supervisor Genzale. She reported that she also attended the CASA annual conference in Monterey last week, as well as the CASA Board of Directors Meeting on August 11. She summarized the activities and discussions at the meetings.

13. CLOSED SESSION

At 7:14 p.m. the Board went into Closed Session.

Item 4 was held before Item 13.A.

A. Consultation with Dan McIntyre, Security Operations Manager
Pursuant to Government Code Section 54957 – Threat to Public Services or Facilities

B. Conference with Legal Counsel – Anticipated Litigation [Significant exposure to litigation]
Pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (Two cases)

(circumstances need not be disclosed pursuant to paragraph (1) of subdivision (e) of Government Code Section 54956.9)

14. REPORT FROM CLOSED SESSION

At 8:06 p.m. the Board came out of Closed Session. President Howard announced that there was no reportable action.

15. ADJOURNMENT

President Howard adjourned the meeting at 8:07 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor



Reference Engineering Services Manager	Type of Action Approve Reimbursement	Board Meeting of September 6, 2016
Subject Approve Reimbursement to City of Dublin for the Recycled Water Pipeline Design and Installation under Task Order No. 6 to the Tri-Valley Intergovernmental Reciprocal Services Agreement		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation	<input checked="" type="checkbox"/> Staff
REPORT:		J. Zavadil
		<input type="checkbox"/> Board Member

Recommendation:

Staff recommends the Board of Directors approve, by Motion, a reimbursement to the City of Dublin for the recycled water pipeline design and installation under Task Order No. 6 to the Tri-Valley Intergovernmental Reciprocal Services Agreement for \$140,247.

Summary:

In December 2014, the District, along with the cities of Dublin, Pleasanton, Livermore, and San Ramon, and the Zone 7 Water Agency, entered into the Tri-Valley Intergovernmental Reciprocal Services Agreement. The agreement facilitates the process of contracting for services, or sharing resources, materials, and personnel between the signatories.

During the design of the Recycled Water Expansion Phase 1 – Distribution to West Dublin Project (CIP 15-R009), the City of Dublin informed the District that it was going to install a storm drain along the same alignment as a section of the District’s planned recycled water pipeline. Since the storm drain work required other city driven improvements, staff agreed to have the city design and install the section of recycled water pipeline in the common project area on the District’s behalf. The work has been completed and the city has invoiced the District for payment of the work. There is adequate funding in the project budget.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR S. Delight	DEPARTMENT Engineering	REVIEWED BY JAZ
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$140,247	<input checked="" type="checkbox"/> Funding Source A. Water Replacement (610) - 35% B. Water Expansion (620) - 65%		Attachments to S&R 1. Task Order No. 6 2. City of Dublin Invoice 3.			

**Task Order No. 6 to Tri-Valley Intergovernmental Reciprocal Services
Master Agreement dated December 4, 2014
Requesting Agency: Dublin San Ramon Services District
Agency Completing the Task: City of Dublin**

Issue Date:	June 1, 2016
Project Name and Number (if applicable):	Recycled Water Expansion Phase 1 – Distribution to West Dublin (CIP 15-R009)
Task Description:	Installation of Pipeline Along San Ramon Road
Authorization Amount:	\$140,247.00
Cost Sharing Notes:	100% paid by DSRSD
Completion Date:	August 31, 2016

FOR AGENCY REQUESTING OR COMPLETING TASK (as applicable):

Project Manager Name & Signature:	Steve Delight (DSRSD) _____
Source of Funds:	Water Expansion (65%), Water Replacement (35%)
Account Number:	15-R009.constr.cip
Vendor & Purchase Order Number (if task is not performed by in-house staff):	N/A
Compensation Method:	Time and materials as per Agreement
Insurance Requirements:	As per Agreement; no special requirements
Scope of Work:	See Attachment "A"

Authorized by Requesting Agency:

Dan McIntyre, General Manager
Dublin San Ramon Services District

Date

Accepted by Agency Performing Work:

Chris Foss, City Manager
City of Dublin

Date

Attachment A to Task Order No. 6
Dublin San Ramon Services and City of Dublin
Tri-Valley Intergovernmental Reciprocal
Services Master Agreement Dated December 4, 2014
Scope of Work

Background

The City of Dublin (City) is going to replace a storm drain along San Ramon Road. The storm drain will be placed in the same alignment as a planned 8-inch recycled water pipe. In order to expedite installation and to avoid construction conflicts the City will include the installation of the 8-inch recycled water pipe in its project.

Description of work for this task order

The work shall include the final design and construction and testing of approximately 1675 linear feet of 8 inch recycled water pipeline. The location is in the bike path to the west from Shannon Ave to Silvergate. The work will include the pipeline and all appurtenances, testing, backfill, compaction, etc.

Agency Responsibilities

The City shall coordinate with DSRSD and the pipeline shall be constructed based on DSRSD standards and approved plans for the storm drain project. DSRSD staff shall review plans to ensure that specifications have been met for the project. DSRSD will be included in the pre-construction meeting. The City shall be the main point of contact between the Contractor and DSRSD.

Any change orders during construction shall be negotiated.

Timing

Construction will begin in July 2015 with an estimated date of completion of August 31, 2016.

Insurance

The Contractor shall name DSRSD its Board, agents and employees as additional insured. The City shall enforce its bonds on DSRSD's behalf for the pipeline portion of the work.

Cost and Compensation

The cost of the proposed work shall be determined by public bid, the DSRSD portion shall be a line item in said bid. Any change orders shall be negotiated with the contractor. DSRSD will reimburse the City for all costs related to the recycled water pipe.

This Task Order is based on the Tri-Valley Intergovernmental Reciprocal Services Master Agreement signed and dated on December 4, 2014. All other items not mentioned in this Task Order shall follow the Tri-Valley Intergovernmental Reciprocal Services Master Agreement and the associated requirements in Attachment B of the said agreement.



CITY OF DUBLIN
 100 CIVIC PLAZA
 DUBLIN, CA 94568-2658
 925-833-6640

INVOICE

000478 Attachment 2 to S&R
 Page 1 of 1

DATE	06/30/2016
ACCOUNT	90174
AMT DUE	140,247.00

DSRSD
 ATTN: RUDY PORTUGAL, PE
 7051 DUBLIN BOULEVARD
 DUBLIN, CA 94568

AMOUNT PAID _____



MAKE CHECKS PAYABLE TO CITY OF DUBLIN
 PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

CITY OF DUBLIN

DESCRIPTION	AMOUNT
Reimbursement DSRSD will reimburse the City for all costs related to the recycled water pipe. ST1212 DSRSD for San Ramon Road pipeline installation	140,247.00
Total Amount Due:	140,247.00

ACCOUNT NO. 90174

Net 30 Days

140,247.00

Please Remit to: CITY OF DUBLIN
 100 CIVIC PLAZA
 DUBLIN, CA 94568-2658



Reference Administrative Services Manager	Type of Action Receive Report	Board Meeting of September 6, 2016
Subject Receive Report from Staff Regarding the Potential Refinancing of the 2011 Water Bond		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	J. Archer
		<input type="checkbox"/> Board Member

Recommendation:

Staff recommends the Board of Directors receive a report pertaining to the potential refinancing of the 2011 Water Bond.

Summary:

Staff continues to investigate the possibility of refinancing the 2011 Water Bond. As part of its due diligence, staff is seeking the assistance and guidance of experts to assist the District in evaluating the financial terms and conditions of refinancing.

The refinancing involves: (1) financial evaluation of the potential debt offering, (2) developing disclosure documents by working with potential underwriters (Stifel) and a bond counsel (Jones Hall), and (3) making presentations to credit agencies (Standard and Poor’s and Fitch Group). As with past debt refinancing, staff believes it is prudent to hire a financial advisor to assist with the process outlined above. Debt issuance is a specialized field and a financial advisor protects the District to ensure that the transaction, the disclosures and the deals are all completed at a reasonable cost with the best interests of the District independently evaluated.

Staff issued 11 requests for qualifications (RFQ) for a potential investment advisor. As a result of the RFQ, three proposals were received and staff interviewed two firms. As a result of the interview process, staff has proceeded to hire Fieldman, Rolapp & Associates, led by Robert Porr, as the financial advisor on this debt transaction. Separately, Stifel, Nicolaus & Company, Incorporated, led by Anna Van Degna, has been contracted to provide underwriting services. Ms. Van Degna was part of the team involved in our previous transaction.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Admin Services	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input checked="" type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. 2. 3.				

STAFF REPORT



District Board of Directors
September 6, 2016

Potential Refinancing of the 2011 Water Bond

BACKGROUND

In June, the District was approached by Stifel, Nicolaus & Company, Incorporated (Stifel) about the potential to refinance the 2011 Water Bond. Stifel indicated that based on current borrowing conditions there would be a net savings from the refinancing due to lower long-term interest rates. The 2011 Water Bond would not be callable until 2021, but refinancing could be accomplished in anticipation of this call date. Administrative Services Manager, John Archer, verbally informed the Board that this matter would be further investigated and the Board would be updated as necessary. Staff asked the Board if there were any concerns with moving forward in the evaluation process. No concerns were expressed, however, Director Halket requested staff explain, prior to formal consideration, how refinancing could be accomplished when the debt is not callable until 2021.

DISCUSSION

The refinancing involves: (1) financial evaluation of the potential debt offering, (2) developing disclosure documents by working with potential underwriters (Stifel) and a bond counsel (Jones Hall), and (3) making presentations to credit agencies (Standard and Poor's and Fitch Group). As with past debt refinancing, staff believes it is prudent to hire a financial advisor to assist with the process outlined above. Debt issuance is a specialized field and a financial advisor protects the District to ensure that the transaction, the disclosures and the deals are all completed at a reasonable cost with the best interests of the District independently evaluated.

Staff issued 11 requests for qualifications (RFQ) for a potential investment advisor. As a result of the RFQ, three proposals were received and the staff interviewed two firms. As a result of the interview process, staff recommends hiring Fieldman, Rolapp & Associates (Fieldman Rolapp), led by Robert Porr, as the financial advisor on this debt transaction. The firm will only be paid if we complete the refinancing and would be paid from the proceeds of that refinancing. Once all agreements are in place we will ask Fieldman Rolapp to formally review the potential transaction with the Board.

Staff also has contracted with Stifel for underwriting services. Ms. Anna Van Degna of Stifel was a key staff on our previous debt transaction. Prior to giving any specific advice, Stifel requires that we sign a preliminary engagement letter (see attachment). This is a new Stifel internal requirement since the inception of the Municipal Advisor Rule (effective 7/1/2014). The letter allows Stifel, as our banker, to provide advice on the refinancing beyond what is general and factual in nature. No Board approval of this document is required at this time as the agreement is within staff authority. This agreement does not commit the District to proceed with any refinancing and states:

"This engagement letter is preliminary, nonbinding and may be terminated at any time by Issuer, without penalty or liability for any costs incurred by the underwriter, or Stifel. Furthermore, this engagement letter does not restrict Issuer from entering into the Issue with any other underwriters or selecting an underwriting syndicate that does not include Stifel."

The Board alone will ultimately approve any refinancing before any final transactions are contemplated. This approval will be requested by staff only after appropriate updates from staff and advice from the District's expert consultants at Fieldman, Rolapp and Stifel.

RECOMMENDATION

Staff recommends the Board of Directors receive a report pertaining to the potential refinancing of the 2011 Water Bond.

ATTACHMENT

Stifel Underwriter Engagement Letter



June 9, 2016

Dublin San Ramon Services District
7051 Dublin Blvd
Dublin, CA 94583

Re: Underwriter Engagement Relating to Potential Municipal Securities Transaction for the Refunding of the 2011 Water Revenue Refunding Bonds

Dear Mr. John Archer:

The Dublin San Ramon Services District (“Issuer”) and Stifel, Nicolaus & Company, Incorporated (“Stifel”) are entering into this engagement letter to confirm that they are engaged in discussions related to a potential issue of (or series of issuances of) municipal securities related to the Refunding of the 2011 Water Revenue Refunding Bonds (the “Issue”) and to formalize Stifel’s role as underwriter with respect to the Issue.

Engagement as Underwriter

Issuer is aware of the “Municipal Advisor Rule” of the Securities and Exchange Commission (“SEC”) and the underwriter exclusion from the definition of “municipal advisor” for a firm serving as an underwriter for a particular issuance of municipal securities. Issuer hereby designates Stifel as an underwriter for the Issue. Issuer expects that Stifel will provide advice to Issuer on the structure, timing, terms and other matters concerning the Issue.

Limitation of Engagement

It is Issuer’s intent that Stifel serve as an underwriter for the Issue, subject to satisfying applicable procurement laws or policies, formal approval by the Board of Issuer, finalizing the structure of the Issue and executing a bond purchase agreement. While Issuer presently engages Stifel as the underwriter for the Issue, this engagement letter is preliminary, nonbinding and may be terminated at any time by Issuer, without penalty or liability for any costs incurred by the underwriter, or Stifel. Furthermore, this engagement letter does not restrict Issuer from entering into the Issue with any other underwriters or selecting an underwriting syndicate that does not include Stifel.

Disclosures Required by MSRB Rule G-17 Concerning the Role of the Underwriter

The Issuer hereby confirms and acknowledges each of the following concerning the role that Stifel would have as an underwriter:

- (1) Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- (2) the underwriter’s primary role is to purchase securities with a view to distribution in an arm’s-length commercial transaction with the issuer and it has financial and other interests that differ from those of the issuer;

- (3) unlike a municipal advisor, the underwriter does not have a fiduciary duty to Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of Issuer without regard to its own financial or other interests;
- (4) the underwriter has a duty to purchase securities from Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- (5) the underwriter will review the official statement for Issuer's securities, and complete requisite due diligence, in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Disclosures Concerning the Underwriter's Compensation

The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the Issue. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Issue. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest Disclosures

Stifel has not identified any additional potential or actual material conflicts that require disclosure.

Disclosures Relating to Complex Municipal Securities Financing

Since Stifel has not recommended a "complex municipal securities financing" to Issuer, additional disclosures regarding the financing structure for the Issue are not required under MSRB Rule G-17.

However, if Stifel recommends, or if the Issue is ultimately structured in a manner considered a "complex municipal securities financing" to the Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and are reasonably foreseeable at that time.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

Sincerely,

Stifel, Nicolaus & Company, Incorporated

By: 

Name: Anna Van Degna

Title: Director

Issuer accepts and acknowledges the foregoing.

Accepted and Executed:

By: _____

Name: John Archer

Title: Administrative Services Manager

Date: _____



Reference Engineering Services Manager	Type of Action Reject All Bids/Approve Changes	Board Meeting of September 6, 2016
Subject Reject All Construction Bids and Approve Changes to Contractors' Insurance Coverage in Contract Documents for the DSRSD Field Operations Building Project (CIP 16-A005)		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	J. Zavadil
		<input type="checkbox"/> Board Member

Recommendation:

Staff recommends the Board of Directors, by Resolution, (1) reject all construction bids, and (2) approve changes to contractors' insurance coverage in the contract documents for the DSRSD Field Operations Building Project (CIP 16-A005).

Summary:

Strategic Work Plan Task 2.04.05 is to "secure, procure, or construct a permanent home for the Field Operations Corporation Yard." On March 22, 2016, the District purchased property located at 7035 Commerce Circle, Pleasanton, California for a Field Operations Corporation Yard. A contract to install improvements at the Commerce Circle site was advertised for bid on July 20, 2016 and four bids were received on August 5, 2016. The engineer's estimate was \$642,000. The bids received ranged from \$746,336 to \$1,058,000.

On August 10, 2016, the District Secretary received a timely filed bid protest from Omni Construction Services, Inc. The protest letter alleged that the three lowest bids were non-responsive. Southland Construction Management submitted a rebuttal to the bid protest per the contract documents on August 15, 2016. After performing due diligence on all four bids and conferring with General Counsel, staff has concluded that all four bids were non-responsive. Staff recommends that the board reject all bids. Staff intends to rebid the construction contract for the project as soon as possible following changes and updates to contract documents.

In accordance with the district's policy, Risk Management for District Agreements with Consultants and Contractors, staff also requests that the board approve changes to the insurance coverage for both the general contractor and subcontractors for this project. Staff proposes to lower the general contractor's and all subcontractors' commercial general liability (CGL) coverage from \$5,000,000 to \$2,000,000 per occurrence and automobile liability coverage from \$5,000,000 to \$1,000,000 per occurrence. This is in response to some questions and comments received from bidders during the pre-bid period.

Additional information on the project, bids received, and the requested change to insurance coverage are provided in the attached staff report.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR R. Mutobe	DEPARTMENT Eng Services	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input checked="" type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. 2. 3.			

STAFF REPORT



District Board of Directors
September 6, 2016

REJECT ALL CONSTRUCTION BIDS AND APPROVE CHANGES TO CONTRACTORS' INSURANCE COVERAGE IN CONTRACT DOCUMENTS FOR THE DSRSD FIELD OPERATIONS BUILDING PROJECT (CIP 16-A005)

RECOMMENDATIONS

Staff recommends the Board of Directors, by Resolution, (1) reject all construction bids, and (2) approve changes to contractors' insurance coverage in the contract documents for the DSRSD Field Operations Building Project (CIP 16-A005).

BACKGROUND

Strategic Work Plan Task 2.04.05 is to "secure, procure, or construct a permanent home for the Field Operations Corporation Yard." On March 22, 2016, the district purchased property located at 7035 Commerce Circle, Pleasanton, California for a Field Operations Corporation Yard. The property encompasses two acres of land and has a 27,340 square foot (sq. ft.) office/warehouse building. In late December 2015, the U.S. Army informed the district that it must vacate the existing corporation yard in the Parks Reserve Forces Training Area (Camp Parks) in Dublin, California, by September 30, 2016, thereby creating a tight schedule to ready the property for occupation and move Field Operations Division (FOD) personnel, materials, and equipment to the site.

To facilitate key FOD operations at Commerce Circle, staff completed several improvements at Commerce Circle during spring and summer 2016, including installation of security and access control systems, fencing and driveway gates, warehouse shelving and construction materials bins. Staff also contracted with ID/Architecture for the design of building renovations which include new locker rooms, a new mudroom and new water sample storage room, a new lobby, kitchen and break room, and trash enclosure.

Staff bid the DSRSD Field Operations Building Project (CIP 16-A005) in July 2016 and only one bid for \$925,000, over 40% higher than the engineer's estimate of \$642,000, was received. The board, upon staff's recommendation, rejected the bid.

FOD staff moved all equipment, materials, and supplies to the Commerce Circle site in August 2016 and FOD staff is temporarily occupying the unfinished office space on the second floor of the building. The FOD SCADA system is still located at Camp Parks and is scheduled for transition to the new site by September 26.

DISCUSSION

The contract to install improvements at 7035 Commerce Circle was re-advertised for bid on July 20, 2016, and four bids were received on August 5, 2016. The bids received are as follows, from lowest to highest:

1. Metcon-TI, Inc., Pleasanton, CA; Total Bid = \$746,336
2. Saboo, Inc., Brentwood, CA; Total Bid = \$891,000
3. Southland Construction Management, Pleasanton, CA; Total Bid = \$1,010,296
4. Omni Construction Services, Inc., Burlingame, CA; Total Bid = \$1,058,000

On August 10, 2016, the District Secretary received a timely filed bid protest from Omni Construction Services, Inc. (Omni). The protest letter alleged that the three lowest bids were non-responsive. Southland Construction Management (Southland) submitted a rebuttal to the bid protest per the contract documents on August 15, 2016.

Staff and General Counsel have reviewed all four bids and noted the following bid irregularities:

1. Metcon-TI, Inc. (Metcon) has an average Experience Modification Ratio, (EMR) of 1.1 exceeding the contract documents required EMR of 1.0. Because of this requirement, Metcon was non-responsive. Metcon also listed several subcontractors who were not listed as registered on the Department of Industrial Relations (DIR) webpage as of the date of the bid opening, although the district's specifications allow for replacing an unregistered subcontractor with a registered contractor, without materially changing the bid.
2. Saboo, Inc., failed to sign its bidder's bond, and was therefore non-responsive.
3. Southland was alleged to have non-DIR registered subcontractors in the bid protest; however, the district verified that the DIR allegation was incorrect. Southland's bid was deemed non-responsive because they failed to submit corporate paperwork per the bid proposal certificate in the contract documents.
4. Omni failed to comply with a 5% limit on mobilization costs in its bid. Staff also could not find several of Omni's listed subcontractors on the DIR registration webpage. For these reasons, Omni's bid was deemed non-responsive.

In ordinary circumstances, staff makes good faith efforts to waive minor irregularities and errors in the apparent responsible and lowest bid, by asking for additional paperwork and/or revisions for items that do not materially impact a bid. However, given the irregularities in each bid and the potential challenge to any accepted bid, staff recommends that all bids, again, be rejected by the board. Staff intends to rebid the construction contract for the project as soon as possible, following changes and updates to contract documents.

Staff also recommends that the board approve changes to the insurance limits for both the general contractor and subcontractors for this project. The district's policy, Risk Management for District Agreements with Consultants and Contractors, requires that general contractors and all subcontractors have commercial general liability (CGL) coverage and automobile liability coverage of \$5,000,000 per occurrence. The policy allows for a reduction in required coverage for instances that present reduced risk to the district with the approval of the board. Staff proposes to lower the general contractor's and all subcontractor's CGL coverage from \$5,000,000 to \$2,000,000 per occurrence and automobile liability coverage from \$5,000,000 to \$1,000,000 per occurrence. This request is in response to some questions and comments received from bidders during the pre-bid period.

Staff also intends to revise the EMR requirement in the existing contract documents. The EMR is a factor calculated by insurance companies and used as a multiplier on contractors' workers compensation insurance premiums. Many agencies use the EMR to help assess contractor safety. However, staff researched and found that EMR is not a good single-source indicator of contractor safety since it does not consider many other factors which impact a contractor's safety assessment and often penalizes smaller contractors with smaller payrolls. Research and papers indicate that a better approach is for agencies to ask for additional safety related paperwork in instances where a contractor's EMR exceeds 1.0.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REJECTING ALL CONSTRUCTION BIDS AND APPROVING CHANGES TO CONTRACTORS' INSURANCE LIMITS IN THE CONTRACT DOCUMENTS FOR THE DSRSD FIELD OPERATIONS BUILDING PROJECT (CIP 16-A005)

WHEREAS, the Board of Directors authorized the purchase of 7035 Commerce Circle in Pleasanton on October 20, 2015, the purchase of said property was finalized on March 22, 2016, and facility improvements are needed at said property to support the functions and responsibilities of the District's Field Operations Division; and

WHEREAS, on July 20, 2016, the District Secretary advertised for bid for the DSRSD Field Operations Building Improvements Project (CIP 16-A005) with an Engineer's Cost Estimate of \$642,000; and

WHEREAS, on August 5, 2016, pursuant to said advertisement, four bids were received ranging from \$746,336 to \$1,058,000 for the Project; and

WHEREAS, on August 10, 2016, the District Secretary received a timely filed bid protest from Omni Construction Services, Inc., challenging the three other bidders as being non-responsive; and

WHEREAS, on August 15, 2016, Southland Construction Management submitted a rebuttal to the bid protest; and

WHEREAS, staff and General Counsel have reviewed the bids and found that all four bids received were non-responsive; and

WHEREAS, the District's policy, Risk Management for District Agreements with Consultants and Contractors, allows for a reduction in required insurance coverage for instances that present reduced risk to the district with the approval of the District Board of Directors; and

WHEREAS, staff recommends lowering the general contractor's and all subcontractors' commercial general liability (CGL) coverage from \$5,000,000 to \$2,000,000 per occurrence and automobile liability coverage from \$5,000,000 to \$1,000,000 per occurrence for the DSRSD Field

Res. No. _____

Operations Building Improvements construction contract.

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) All bids for the DSRSD Field Operations Building Project (CIP 16-A005) are hereby rejected; and,
- 2) The required general contractor's and all subcontractors' commercial general liability (CGL) insurance coverage for the DSRSD Field Operations Building Project construction contract be \$2,000,000 per occurrence; and,
- 3) The required general contractor's and all subcontractors' automobile liability coverage for the DSRSD Field Operations Building Project (CIP 16-A005) construction contract be \$1,000,000 per occurrence for said construction contract.

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 6th day of September 2016, and passed by the following vote:

AYES:

NOES:

ABSENT:

D. L. (Pat) Howard, President

ATTEST: _____
Nicole Genzale, District Secretary



Reference General Counsel	Type of Action Receive Presentation and Discuss	Board Meeting of September 6, 2016
Subject Receive Brown Act Briefing from District General Counsel		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input checked="" type="checkbox"/> Verbal	<input checked="" type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	C. Nelson
		<input type="checkbox"/> Board Member

Recommendation:

Staff recommends the Board of Directors receive a Brown Act briefing from District General Counsel.

Summary:

District General Counsel Carl Nelson will provide a Brown Act briefing for the Board of Directors.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR General Counsel	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input checked="" type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. 2. 3.				



Reference Engineering Services Manager	Type of Action Adopt Resolution	Board Meeting of September 6, 2016
Subject Adopt Resolution of Necessity for Utility Easement to Reservoir 3A		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	J. Zavadil
		<input type="checkbox"/> Board Member

Recommendation:

Staff recommends the Board of Directors adopt a Resolution proclaiming the necessity of and authorizing eminent domain proceedings to acquire real property interest in Assessor’s Parcel Number 941-0100-007-54 at 11099 Brittany Lane in western Dublin for a utility easement to Reservoir 3A.

Summary:

The construction contract for DSRSD’s Supervisory Control and Data Acquisition (SCADA) project (CIP 09-6101) was awarded on May 19, 2015. A key component of the project is a new radio communication system linking the water system turnouts, pump stations, and reservoirs with a central SCADA server located at the new field operations building on Commerce Circle in Pleasanton. The project includes the installation of power to the District’s water reservoir at 11100 Brittany Lane in Dublin (Reservoir 3A), along with a mast and a radio antenna within its reservoir property.

The District requires a new utility easement for electrical and communication facilities. The proposed easement area is shown in Exhibit A of the Resolution. Staff commenced negotiations for the easement with the landowner in April 2016 while construction progressed and continues to negotiate with the landowner and the landowner’s counsel over appropriate compensation and easement language. Should negotiations fail to come to resolution by the Board meeting date, staff recommends that the Board exercise the District’s power of eminent domain for purposes of taking property, and adopt the resolution of necessity to ensure uninterrupted water system communications.

Additional background on the project, property negotiations, and the eminent domain process are provided in the attached staff report.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR R. Biagtan	DEPARTMENT Eng Services	REVIEWED BY J. Zavadil
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input checked="" type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> \$50,000 Est. Cost of Legal Proceeding	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. 2. 3.			

STAFF REPORT



District Board of Directors
September 6, 2016

Adopt Resolution of Necessity for Utility Easement to Reservoir 3A

BACKGROUND

The construction contract for the District’s Water and Recycled Water SCADA Improvements Supervisory Control and Data Acquisition (SCADA) Project (“Project”) was awarded and a CEQA categorical exemption for the Project was approved on May 19, 2015. A key component of the Project is a new radio communication system linking the water system turnouts, pump stations, and reservoirs with a central SCADA server providing control, monitoring, and alarming. The new communication system consists of an 18GHz radio backbone ring linking four reservoir sites and the new Field Operations Division (FOD) corporation yard. The other water system sites are connected to the backbone ring via 4.9GHz ‘spur’ radios.

The communication backbone ring will be installed one link at a time and individual water system site communications will be incrementally moved from the existing system to the new system as the ring is installed. The first link to be installed is between the SCADA servers at the new FOD corporation yard and the District’s reservoir off Brittany Lane, Reservoir 3A. This first link is not only critical to the progress of the Project but also to the district’s ability to vacate the current FOD corporation yard on Camp Parks prior to the September 30 deadline given by the U.S. Army. Several water system sites currently communicate with the existing SCADA server at Camp Parks. Radio communication at these sites must be redirected to the new system at Reservoir 3A before Camp Parks is vacated.

Reservoir 3A currently has solar power. Because of the criticality of Reservoir 3A to the new communication system, the Project design included the installation of permanent electrical power to the site. The design intended the electrical conduit to be installed in the existing District easement through the property at 11099 Brittany Lane, Dublin, Assessor’s Parcel Number 941-0100-007-54. During a preconstruction meeting for the conduit installation, the landowner asserted that the existing easement was only for water lines and not for power uses. The landowner verbally allowed the installation of the conduit on the condition that an easement be obtained prior to power being provided to the site.

The conduit was installed within the existing waterline and access road easements with the exception of approximately 100 feet where the conduit was rerouted in construction to have a more direct route and reduce the number of electrical junction boxes.

Staff engaged a surveyor to develop a legal description for a 15 foot wide utility easement which overlaps the existing water line and access road easements and also includes the portion of conduit installed outside the existing easements. The proposed utility easement area is shown in Exhibit A of the Resolution. In addition, staff obtained a valuation of \$2,000 for the easement from Associated Right of Way, a firm which assists public agencies in easement acquisitions. The proposed easement and valuation was provided to the landowner.

Staff also reviewed the original 1984 agreement (DSRSD A84-07) for the reservoir property purchase and water line and access road easements. The agreement stated the landowner would provide easements for the water main and appurtenances including telemetry associated with the water system. However, the wording on the easement filed with the county only explicitly covered water mains, leaving ambiguity of the District’s use of that easement for power. District standard language for waterline easements includes appurtenances to the

water distribution system; and power is an appurtenance that is needed to monitor, operate and control the District's water system.

Staff commenced negotiations with the landowner and the landowner's counsel over appropriate compensation and easement language in April 2016. Staff have not reached an agreement with the landowner. To assure the District can continue to move forward with the SCADA Project, staff commenced procedures that would allow the District to exercise its power of eminent domain for the purposes of taking property.

In accordance with the Code of Civil Procedure Section 1240.040, The District may exercise the power of eminent domain only if it has adopted a resolution of necessity. Prior to adopting a resolution of necessity the District is required to notice the landowner and provide a reasonable opportunity to appear and be heard on the matters referred to below. A notice of resolution of necessity was issued to the owner on July 29, 2016 to allow the owner the opportunity to prepare a written response prior to the August 16, 2016 regular Board meeting, when staff originally planned to bring a resolution of necessity to the Board. On August 11, 2016, at the request of the owner during negotiations, staff delayed presenting the resolution to the Board until September 6, 2016 in anticipation of resolving the matter before that Board meeting. On August 26, 2016, a notice was provided to the landowner allowing additional time to submit a written request to appear and question or object to the resolution of necessity.

The District may exercise the power of eminent domain to acquire property for a proposed project only if all of the following are established:

The public interest and necessity require the project. *The Water and Recycled Water SCADA Improvements project is required to provide reliable water service to the public for health and safety, and the project facilities located at Reservoir 3A require a reliable and continuous source of power, which can only be conveyed across (beneath) the surrounding property.*

The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. *A key component of the Project is the radio communications system. The radio system requires a clear line-of-sight between the District's water system facilities. The District's Reservoir 3A location in the western Dublin hills is uniquely visible from numerous District water system facilities. Locating a radio antenna at the Reservoir 3A site reduces the number of antennae required for the Project and precludes the need to acquire additional private land for radio communications.*

The radio communications facilities located at Reservoir 3A requires a reliable source of power. The Reservoir 3A property is surrounded on all sides by the landowner's property. The District has an existing waterline easement and an access road easement through the landowner's property to the reservoir property. The electrical conduit was located within the existing waterline easement to minimize impact to the landowner as the existing easement already precludes future development. The electrical conduit was located as close to the existing waterline as possible while maintaining the required separation between water and electrical utilities. An approximate 100 foot length of the electrical conduit was located outside the existing easement, principally to reduce the number of electrical utility vaults in the public right of way and to avoid open trenching in the landowner's access road. In addition, a portion of the 100 foot section was believed to be within an existing PG&E easement.

The radio communications facilities located at Reservoir 3A require permanent electrical service in continuous operation, which in turn requires permanent property rights. The easement width is the minimum reasonably required to accommodate maintenance and repair equipment and vehicles for the electrical service.

The property sought to be acquired is necessary for the project. *The District's Reservoir 3A is surrounded on all sides by the landowner's property. To extend power to the District's property, acquisition of permanent property rights in the form of an easement across landowner's property is necessary.*

RECOMMENDATION

Should negotiations fail to come to resolution by the September 6, 2016 Board meeting, staff recommends that the Board adopt the resolution of necessity to ensure uninterrupted communications with the water system and reliable water delivery to the District's customers.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT PROCLAIMING THE NECESSITY OF AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS TO ACQUIRE PORTIONS OF CERTAIN PROPERTY (NIELSEN) FOR A PERPETUAL EASEMENT FOR ELECTRICAL DISTRIBUTION AND COMMUNICATION FACILITIES TO SERVE THE RESERVOIR 3A SITE

WHEREAS, the Community Services District Law, Division 3 within Title 6 of the Government Code, specifically Subdivisions (d), (e), (m), and (n) of section 61060, provides for the acquisition by Dublin San Ramon Services District (“District” or “DSRSD”) of any real or personal property to hold, manage, occupy, dispose of, convey, and encumber the property, and to create a leasehold interest in the property for the benefit of the District; and

WHEREAS, the District provides water services essential to the public health and safety; and

WHEREAS, the District’s water storage and distribution system includes reservoirs, pump stations, and water turnouts are interconnected via a Supervisory Control and Data Acquisition (SCADA) communication system which provides monitoring, control, and alarming, and without which the District could not reliably operate and control its water storage and distribution system; and

WHEREAS, the purpose of the District’s Water and Recycled Water SCADA Improvements Project (CIP 09-6101) (“Project”), is to upgrade the SCADA communication system that is used to operate and control its water distribution system; and

WHEREAS, pursuant to the California Environmental Quality Act (Pub. Res. Code, 21000 et. seq.; “CEQA”), the “CEQA Guidelines” (14 Cal. Code of Regs 15000 et. seq.) and DSRSD’s Local CEQA Guidelines, on May 19, 2015, the DSRSD Board of Directors adopted Resolution No. 33-15, approving a Certificate of Determination of Exemption/Exclusion from

Res. No. _____

Environmental Review for the Project, and directing the filing of a Notice of Exemption; and

WHEREAS, the Project requires the installation of a permanent and continuous electrical power supply to the District's water reservoir at 11100 Brittany Lane in Dublin, California hereinafter described as "Reservoir 3A;" and

WHEREAS, the District's Reservoir 3A property is surrounded on all sides by property commonly known as 11099 Brittany Lane, Dublin, California, Assessor's Parcel Number 941-0100-007-54, hereinafter described as "Nielsen Property;" and

WHEREAS, the District has an existing waterline easement and an access road easement through the Nielsen Property to Reservoir 3A; and

WHEREAS, in accordance with Government Code Sections 7267.1 and 7267.2, the District initiated negotiations with the owner of the Nielsen Property in April 2016 to acquire an approximately 8,550 square foot easement for electrical distribution and communication facilities, of which 3,562 square feet are already burdened by portions of the existing water line and access easements; and

WHEREAS, because the necessary property rights had a low fair market value, the District prepared and provided a valuation in lieu of an appraisal in May 2016; and

WHEREAS, staff negotiated in good faith with the owner of record, but was not able to reach an agreement on compensation for the property rights; and

WHEREAS, pursuant to Code of Civil Procedure Section 1245.235, on July 29, 2016, on August 11, 2016, and on August 26, 2016, notice of an opportunity to be heard was given to each person shown on the last equalized county assessment role as the owner of such property, and the notices issued on August 11, 2016 and on August 26, 2016, allowed additional time to provide a written request to appear and question or object to the resolution of necessity; and

Res. No. _____

WHEREAS, a reasonable opportunity to appear and be heard on the matters referred to in Section 1240.030 was afforded to each such person as the owner of such property, pursuant to Code of Civil Procedure Section 1245.235; and

WHEREAS, Dublin San Ramon Services District is authorized to exercise the power of eminent domain for purposes of taking such property by Sections 1230.020, 1240.010, 1240.110, 1240.120 among others, of the Code of Civil Procedure.

NOW, THEREFORE, IT IS FOUND, DETERMINED AND 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, as follows:

1. The public welfare, convenience, interest, and necessity require the acquisition of certain real property in order to construct, operate, maintain, repair, and replace electrical distribution and communication facilities to serve the District's water distribution system. The real property and property interests to be acquired are described in Exhibit "A" attached hereto and by this reference made a part hereof.

2. The uses to which said property is to be put, i.e. to construct, operate, maintain, repair, and replace electrical distribution and communication facilities in support the District's SCADA communication system used to control its water storage and distribution system, are public uses authorized by law and said property is necessary for said uses.

3. Said facilities are planned and located in the manner that will be most compatible with the greatest public good and the least private injury.

4. The District's SCADA communication system requires a clear line-of-sight between the District's water system facilities. The District's Reservoir 3A location in the western Dublin hills is uniquely visible from numerous District water system facilities and

Res. No. _____

locating communications facilities at Reservoir 3A reduces the number of radio antennae required for the Project and precludes the need to acquire additional private land for radio communications.

5. The electrical distribution facilities were principally located within the existing waterline easement to minimize impact to the landowner, and the electrical conduit was located as close to the existing waterline as possible while maintaining the required separation between water and electrical utilities; an approximate 100 foot length of the electrical conduit was located outside existing easements to reduce the number of electrical utility vaults in the public right-of-way and to avoid open trenching within the road used to access the Nielsen property.

8. The real property is required for the construction, operation, maintenance, repair, and replacement of electrical distribution and communication facilities in support of the District's SCADA communication system and to accommodate maintenance and repair equipment and vehicles for those facilities, and is the minimum width reasonably required for such equipment and vehicles.

7. An offer pursuant to Section 7267.2 of the Government Code has been made to the owner of record.

8. The General Manager is authorized and directed to perform all acts necessary on behalf of the District for the acquisition of said interests in real property and do any and all things in connection with such proceedings as in his judgment may be necessary or convenient to the successful conclusion of said proceedings.

BE IT FURTHER RESOLVED that legal counsel for the District is hereby directed, empowered, required, and authorized:

A. To initiate, maintain, and prosecute in the name of the District, proceedings in the

Res. No. _____

Superior Court, State of California, County of Alameda, for the condemnation of that certain real property described in Exhibit "A" and to take all necessary steps for the condemnation of said real property and property interests in the name of Dublin San Ramon Services District.

B. To make application to said Court for an order fixing security in the way of a money deposit as said Court may direct to be made upon the taking of possession by the District, and permitting the District to take possession and use of said real property for said public use and purpose.

C. To make deposits of such security in such amount so fixed and determined in such manner as said Court may direct.

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 6th day of September 2016, and passed by the following vote:

AYES:

NOES:

ABSENT:

D.L. (Pat) Howard, President

ATTEST:

By: _____
Nicole Genzale, District Secretary

EXHIBIT "A"
UTILITY EASEMENT

REAL PROPERTY IN THE UNINCORPORATED AREA, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF THAT CERTAIN 393.79 ACRE TRACT DEEDED TO TILLIE NIELSEN, HAROLD NIELSEN, AND ROBERT JOHN NIELSEN, RECORDED JUNE 21, 1960 UNDER RECORDER'S SERIES NUMBER AR72037, RECORDS OF ALAMEDA COUNTY, DESCRIBED AS FOLLOWS:

BEING A STRIP OF LAND, 15.00 WIDE, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST EASTERLY CORNER OF PARCEL A AS DESCRIBED IN THE GRANT DEED TO DUBLIN SAN RAMON SERVICES DISTRICT, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, RECORDED OCTOBER 5, 1984 IN RECORDER'S SERIES NO. 84-202420, ALAMEDA COUNTY RECORDS, THENCE SOUTHWESTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL A SOUTH 64°20'55" WEST 45.02 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 50.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS SOUTH 74°18'36" EAST, THENCE SOUTHWESTERLY 60.32 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 69°07'11" TO **THE POINT OF BEGINNING**, SAID POINT BEING ON THE EASTERLY LINE OF PARCEL C (A 10.00 FOOT WIDE WATER LINE EASEMENT)AS DESCRIBED IN SAID GRANT DEED (84-202420); THENCE LEAVING SAID SOUTHERLY LINE OF PARCEL A AND ALONG SAID EASTERLY LINE OF PARCEL C SOUTH 00°32'56" WEST 460.54 FEET; THENCE LEAVING SAID EASTERLY LINE SOUTH 55°26'02" EAST 127.23 FEET, MORE OR LESS, TO A POINT ON THE EXTERIOR LINE OF TRACT 5073 (SAID LINE DELINEATED AS NORTH 56°47'55" EAST) AS FILED NOVEMBER 20, 1985 IN BOOK 158 OF MAPS AT PAGES 9 THROUGH 17, ALAMEDA COUNTY RECORDS.

THE SIDE LINES OF SAID 15.00 EASEMENT TO BE EXTENDED OR SHORTENED TO INTERSECT THE SOUTHERLY LINE OF SAID PARCEL A (84-202420) AND THE EXTERIOR LINE OF SAID TRACT 5073 (158 M 9).

A PORTION OF ASSESSOR'S PARCEL NUMBER 941-100-7-54.

ATTACHED HERETO IS A PLAT ENTITLED "EXHIBIT B" WHICH BY THIS REFERENCE IS MADE A PART HEREOF.

PREPARED BY:


DARRYL ALEXANDER, PLS 5071



PARCEL A
85-142739

PARCEL A
84-202420

NIELSEN
AR72037



S74°18'36"E (R)
POB

S64°20'55"W
45.02'
POC

$\Delta=69°07'11"$
 $R=50.00'$
 $L=60.32'$

EXHIBIT "B"
PLAT TO ACCOMPANY
LEGAL DESCRIPTION
RESERVOIR 3A
DUBLIN SAN RAMON SERVICES DIST.
JULY 2016 1"=80'

ALEXANDER &
ASSOCIATES INC.

SURVEYORS - PLANNERS - ENGINEERS
147 OLD BERNAL AVENUE, SUITE 10
PLEASANTON, CALIFORNIA
(925) 462-2255 (925) 462-8092 FAX

NIELSEN
AR72037

EX. 10' WLE

460.54' C/L

NEW 15' UTILITY EASEMENT

S 00°32'56" W

EX. 16' ROADWAY EASEMENT

S 55°26'02" E
127.23' C/L

N 56°47'55" E

TRACT 5073
(158 M 9)

BRITANY LN