

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

**January 3, 2017**

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6 p.m. by President Richard Halket.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

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

District staff present: Dan McIntyre, General Manager; Carol Atwood, Administrative Services Manager/Treasurer; Steven Delight, Senior Engineer-Supervisory; Jeff Carson, Operations Manager; Carl P.A. Nelson, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

General Manager McIntyre reported that due to a conflict with Board attendance at the CASA conference, the January 17 Board meeting will be cancelled. If there is any business that comes up this evening, necessitating a meeting be held, an alternate date will be scheduled.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m. No public comment was received.

6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
  - o The groundbreaking ceremony for the DERWA Recycled Water Treatment Plant Phase 2 expansion project will be held January 25 at 10 a.m. at the Regional Wastewater Treatment Plant, rain or shine. Elected officials from surrounding and partner agencies have been invited and many agency staff are expected to attend.
  - o DSRSD will host the East Bay Leadership Council - Water Task Force on January 17 at Dublin City Hall Regional Room at 8:15 a.m. The group will discuss potable reuse and recycled water collaboration in the Tri-Valley. DSRSD, Zone 7, and City of Pleasanton staff will make presentations.
- Correspondence to and from the Board on an Item not on the Agenda - None

B. Joint Powers Authority and Committee Reports – None

C. Agenda Management (consider order of items) – No changes were made.

7. APPROVAL OF MINUTES – Regular Meeting of December 20, 2016

Director Howard MOVED for the approval of the December 20, 2016 minutes. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

Director Duarte requested that Item 8.C be removed for discussion. The Board took Consent Calendar Items 8.A and 8.B and passed these items first.

Director Howard MOVED for the approval of Items 8.A and 8.B on the Consent Calendar. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

- A. Establish the 2017 Process and Schedule for Performance Assessments of Board Appointees General Manager and General Counsel, and Suspend Performance Assessments for Treasurer and District Secretary – Approved
- B. Adopt Resolution of the Board of Directors of Dublin San Ramon Services District Authorizing Investment of District Monies in the Local Agency Investment Fund and Rescinding Resolution No. 9-03 – Approved – Resolution No. 1-17
- C. REMOVED - Authorize Task Order No. OC-9 with Carollo Engineers, Inc. for Engineering Design Services for WWTP Anaerobic Digester No. 4 (CIP 07-3203) – Approved

Director Duarte inquired about the proposal submitted by Carollo Engineers, Inc. (Carollo) for completion of the additional design work needed. He shared his concern that the cost and hours proposed has been overstated, considering 90% of the design work has previously been completed.

The Board and staff discussed the history of the project, the work previously done by Carollo, and the current proposal to complete the necessary review and remaining 10% design work. Staff explained that structural requirements may have changed and need to be reviewed, in addition to completion of the remaining design work. The Board expressed its desire for the project to move forward while advising staff to be cautious and thorough on the negotiation, review and monitoring of accumulated project consultant costs on a project such as this, as familiarity can be reached with consultants working with the District which could result in some complacency when negotiating future proposals.

Director Howard MOVED to Authorize Task Order No. OC-9 with Carollo Engineers, Inc. for Engineering Design Services for WWTP Anaerobic Digester No. 4 (CIP 07-3203). Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Howard called a POINT of ORDER to confirm he moved for the approval of Items 8.A and 8.B on the Consent Calendar, as he meant to. District Secretary confirmed he so MOVED and this is reflected as such in the recording of the Motion.

9. BOARD BUSINESS

- A. Public Hearing: Consider Adopting Water Rates under Chapter 4.40 of the District Code and Rescinding Resolution Nos. 11-13 and 14-13

President Halket announced the item and declared the Public Hearing open.

Administrative Services Manager Atwood reviewed the item for the Board, noting that Zone 7's recently approved rate structure includes a new fixed and variable component, and will affect their billing method to the District. This action has precipitated the District's proposed water rate increase being presented this evening. She advised that the District conducted its proper due diligence in noticing the proposed changes, including the required Proposition 218 notices that were distributed to District customers advising them of the proposed increase.

There were no comments from the public.

The Board and staff discussed the proposed rate increase and the process by which the District conducts this pass-through cost on behalf of Zone 7. General Counsel Nelson also stated that the District is obligated to revisit automatic adjustments such as the Consumer Price Index (CPI) increase every five years, and that this item addresses that. They also discussed the handling of possible future Zone 7 rate adjustments, and the schedule of upcoming rate studies. Staff clarified that this action authorizes the District to increase its rate portion by the 2.67% CPI change and the new Zone 7's billing method to the District. This is the second of three years of a Zone 7 increase that was noticed in fall of 2015. Staff confirmed that the District's retail rates and the Zone's wholesale rates are currently off cycle with one another. General Counsel Nelson also affirmed that in this case, it was not necessary for the District to conduct a rate study because Zone 7 conducted the study and this is simply a pass-through to the District.

Director Duarte MOVED to close the Public Hearing. Vice President Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

President Halket announced that a determination about whether there is a successful majority protest needs to be made prior to the Board's deliberation on the water rate proposal. The Board's policy on Proposition 218 Receipt, Tabulation and Validation of Written Protests provides that written protests submitted to District by mail, fax, email, or dropped off (except during the Public Hearing) must have been received or withdrawn by close of business (5 p.m.) today; the policy allows the receipt of written protests delivered in person through the close of the Public Hearing. He asked if anyone present who has not yet done so wishes to submit or withdraw a written protest. Hearing no public comment and not receiving additional written protests, President Halket then asked District Secretary Genzale to state how many apparent written protests were received.

District Secretary Genzale responded that in accordance with the Board policy "Proposition 218 Receipt, Tabulation and Validation of Written Protests," a total of five (5) apparent written protests have been received.

President Halket announced that the total number of apparent written protests totaled five (5). In order for a protest to be deemed successful, a majority of the District's 20,871 parcels, or 10,645 protests, must have been submitted; therefore, the protest is unsuccessful and under the policy there is no need for the District Secretary to validate the apparent written protests. The Board may now proceed with its deliberations on the water rate proposal."

Director Misheloff MOVED to adopt Resolution No. 2-17, Establishing Water Rates Under Chapter 4.40 of the District Code and Rescinding Resolution Nos. 11-13 and 14-13. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

- B. Approve the Sole Source Purchase and Authorize the General Manager to Execute a Purchase Order with Evoqua Water Technologies LLC for Purchase of DERWA Microfiltration Membrane Replacement

General Manager McIntyre explained that a revised resolution that includes clarifying language regarding the sole source determination has been distributed to the Board. He then introduced Operations Manager Carson who reviewed the item for the Board and presented a sample of the microfiltration membrane currently in use, and proposed for purchase per this item, for the Board's reference.

The Board and staff discussed the unique microfiltration membrane technology, its design life of typically 8 to 10 years, and product cost. Mr. Carson reported the District's membranes have reached nine years in service due to the District's optimization of the process to sustain the life of the product, and has produced desired results. Staff confirmed that the cost of this product is shared with the DERWA Joint Powers Authority. Mr. Carson also reported that the District will realize a cost savings due to District staff having the expertise to install the product, versus the manufacturer completing the installation.

Director Misheloff MOVED to adopt Resolution No. 3-17, as revised, Approving a Sole Source Purchase and Authorizing Execution of a Purchase Order with Evoqua Water Technologies LLC (Evoqua), for Procurement of Microfilter Membranes for the DSRSD/DERWA Recycled Water Treatment Facility (CIP 16-R010). Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

- C. Approve Board Committees and Joint Powers Authority Assignments for Calendar Year 2017

President Halket reviewed the item for the Board and explained the proposed assignments mirror the 2016 assignments since they worked so well and provided Boardmembers an even distribution of workload representing the District's three Committees and two Joint Power Authorities.

Director Howard MOVED to Approve Board Committees and Joint Powers Authority Assignments for Calendar Year 2017. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

- D. Receive Annual Briefing Related to District Governance (Brown Act, Public Records Act and Conflict of Interest)

General Counsel Nelson addressed the Board and gave a presentation and update on the Ralph M. Brown Act, the Public Records Act, and Conflict of Interest, all of which the District and Directors are subject to follow. Mr. Nelson provided a handout containing pertinent updates. Updates regarding the Brown Act included the requirement for an oral report of executive compensation actions, website agenda posting requirements, and doubling of allotted time for public speakers utilizing a translator. Updates regarding the Public Records Act included non-disclosure of certain personal employee information, allowance for directing requestors to the agency's or municipality's website to obtain posted records, and a new two-year retention for Proposition 218 written protests. Updates regarding the Political Reform Act include amendment of use of public funds by candidates seeking elective office, and development of online filing by the Secretary of State. The Fair Political Practices Commission (FPPC) saw 37 regulation modifications including certain travel destination disclosures, an increase in the gift limit from \$460 to \$470, and an updated Conflict of Interest Code biennial review process. Mr. Nelson also shared other updates including a water conservation bill that added an update to the Water Code for excessive water use, requirement for signage for single-use all-gender toilet facilities, and mobile devices operation while driving.

The Board thanked Mr. Nelson for his presentation.

- E. Accept Process and Schedule for the 2017 Update to the District's Five-Year Strategic Plan

General Manager McIntyre reviewed the item for the Board.

The Board and staff discussed the proposed process, schedule, and approach to crafting the next edition of the Strategic Plan (Plan). The Board agreed that a streamlined Plan presenting high-level, strategic goals while reducing the level of detailed work plan items to support such goals, was desirable, as the Plan has historically been voluminous. Staff will further streamline the Plan by creating a task list to gather and track work plan items that are better identified as regular, recurring core staff duties – not strategic in nature. The Board also agreed that though the Plan should be significantly pruned, and the Board's role is not to manage day-to-day operations, there is a desire for increased opportunity to learn by some Boardmembers. Staff will consider how this could be accomplished. The Board also agreed that with the recent emphasis on most District business being brought directly before the full Board, rather than to Committees, the Board has the advantage for broader discussion before the viewing public.

Director Duarte MOVED to Accept Process and Schedule for the 2017 Update to the District's Five-Year Strategic Plan. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS

President Halket wished all a Happy New Year!

11. ADJOURNMENT

President Halket adjourned the meeting at 7:12 p.m.

Submitted by,

Nicole Genzale, CMC  
Executive Services Supervisor