

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

December 4, 2018

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:03 p.m. by President Vonheeder-Leopold.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

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

Vice President Madelyne A. (Maddi) Misheloff was absent.

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

4. CLOSED SESSION

At 6:04 p.m. the Board went into Closed Session.

- 4.A. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
Agency Negotiator: Georgean Vonheeder-Leopold, Board Director
Carl P.A. Nelson, General Counsel
Unrepresented Employees: General Manager

General Manager McIntyre entered the closed session at 6:15 p.m.

5. REPORT FROM CLOSED SESSION

At 6:16 p.m. the Board came out of Closed Session. President Vonheeder-Leopold stated the Board's direction would become evident during the discussion of Item 10.A.

6. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

7. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:17 p.m. No public comment was received.

8. REPORTS

8.A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
 - o A community open house meeting will be held Wednesday, December 12 from 5 to 7 p.m. at the Alcosta Senior and Community Center in San Ramon, to learn about a recycled

water project with Contra Costa Central Sanitary District and East Bay Municipal Utility District.

- o A regular Board meeting will be held on Tuesday, December 18 at 6 p.m. and the swearing in of two DSRSD Boardmembers will be held beforehand at 5:30 p.m.
- o The January 1 Board meeting will be cancelled due to the New Year’s Day holiday.

- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
No date	Letter	Assemblywoman Catharine Baker	Director Vonheeder-Leopold & Director-elect Johnson	Congratulations	N/A
11/14/18	Letter	Dublin Chamber of Commerce	Director-elect Johnson	Congratulations	N/A
11/30/18	Letter	Director John Coleman, East Bay Municipal Utility District	Director Vonheeder-Leopold & Director-elect Johnson	Congratulations	N/A
12/3/18	Email	Brian Ponce, Kent Recovery Services	Board of Directors	Liquid Alum Refund/Class Action	N/A

- 8.B. Joint Powers Authority and Committee Reports – None
 Special LAVWMA – November 21, 2018
 Special DERWA – November 26, 2018

President Vonheeder-Leopold invited comments on recent JPA activities. Directors felt the available staff reports adequately covered the many matters considered at the JPA meetings and made a few comments about some of the JPA activities.

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

9. CONSENT CALENDAR

Director Howard MOVED for approval of the items on the Consent Calendar. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

- 9.A. Special Meeting Minutes of November 20, 2018 – Approved
- 9.B. Approve Director Attendance and Reimbursements for 2019 Meetings, Conferences, and Travel Expenses – Approved
- 9.C. Affirm No Changes to New/Revised Job Classification and Salary Policy – Approved
- 9.D. Approve the Salary Range for the New Water/Wastewater Systems Operator III – On-Call Classification and the Revised Water/Wastewater Systems Operator III/IV – On-Call Job Description – Approved – Resolution No. 55-18

10. BOARD BUSINESS

- 10.A. Authorize Execution of Amendment No. 3 to the Individual Agreement for Personal Services between Daniel B. McIntyre and Dublin San Ramon Services District

President Vonheeder-Leopold made the following verbal report: "Before discussing Agenda Item 10.A, a provision of the Brown Act requires that the Board "orally report a summary of [the] recommendation for [] final action on the ... salary [and other] compensation ... of a local agency executive," such as the General Manager. The recommendation is also summarized in the Summary & Recommendations for Agenda Item 10.A, and further details are available in the proposed Amendment to the Personal Services Agreement, which is included in the Agenda Packet. As is specified in the Summary & Recommendation, if the proposed Amendment is approved, the General Manager will receive a merit adjustment based on his performance review, and a cost-of-living adjustment. Thus, the recommendation is to increase the base salary for the General Manager by five percent (5%), including the cost-of-living adjustment, effective December 17, 2018."

General Counsel Nelson advised that the new base salary information, reflecting the approved increase of five percent, needs to be inserted on page 1 of the proposed Amendment No. 3, which is attached as exhibit A to the resolution.

Director Halket MOVED to adopt Resolution No. 56-18, Approving and Authorizing Execution of Amendment No. 3 to the Agreement for Personal Services between Daniel B. McIntyre and Dublin San Ramon Services District with the insertions of the new monthly base salary of \$24,167 and new annual base salary of \$290,004 on page 1 of Amendment No. 3, Article 1, Section 1 Base Salary, sub-section 1.1 Initial Base Salary. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

- 10.B. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 28-18

President Vonheeder-Leopold made the following verbal report: "The Legislature has added a provision to the Brown Act that requires that prior to taking final action on a salary schedule that includes local agency executives, which as defined includes the District's General Manager and the District's three Senior Managers, [t]he legislative body shall orally report a summary of [the] recommendation for ... final action on ... salary schedules ... of a local agency executive. The salary schedule that is before the Board in Item 10.B includes the increases in the respective salaries of the General Manager and the three Senior Managers as contained in their respective Personal Services Agreements as amended to date. The Board approved Amendment 3 to the General Manager's Personal Services Agreement this evening, following an oral report, in Item 10.A. The Board approved the three Senior Managers Personal Services Agreements, following an oral report, on November 7, 2017; the respective salary adjustments for the Senior Managers which are reflected in the Pay Schedule are as described in that report, which appears in the minutes of the November 7, 2017 Board meeting."

General Counsel Nelson advised that the new General Manager monthly base salary of \$24,167, as just approved in Item 10.A, as well as the related calculated biweekly pay rate amount, will need to be inserted on page 3 of exhibit A to the resolution (DSRSD Pay Schedule) in the cells showing "TBD" (eight lines down from the top of the schedule) prior to publication on the District's website.

Director Halket MOVED to adopt Resolution No. 57-18, Adopting a Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, with the new General Manager monthly base salary and bi-weekly pay rate amounts inserted, and Rescinding Resolution No. 28-18. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

- 10.C. Establish Local and Regional Wastewater Capacity Reserve Fees and Rescind Resolution Nos. 27-10 and 28-10

Financial Services Supervisor Herman Chen reviewed the item for the Board, and revisited key points made during the full presentation of this item at the November 4 Board meeting. He reported that regional fees are going down per the cost of service study. He reported that no public comment had been received in response to the District's outreach efforts (local newspaper publication, DSRSD website, letters to interested parties, presentation to City of Pleasanton). He confirmed that fees will remain the same if no action is taken by the Board this evening. The Board and staff briefly discussed certain aspects of the study including dewatering, plant expansion, and LAVWMA wet weather storage. The Board agreed the community and City of Dublin will be grateful for this reduction in cost.

Director Howard MOVED to adopt Resolution No. 58-18, Establishing Local and Regional Wastewater Capacity Reserve Fees under Section 3.70.010.C of the District Code and Rescinding Resolution Nos. 27-10 and 28-10. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

- 10.D. Accept Basic Financial Statements for the Year Ended June 30, 2018 with Independent Auditor's Report and Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018

Administrative Services Manager Atwood reviewed the item for the Board and introduced Mr. David Alvey from Maze and Associates, the consultant who completed the annual audit. Mr. Alvey provided an overview of the District's statements and reported the District received a clean opinion which is the highest level of assurance that an agency can receive. He highlighted the District's unusual foresight and planning in setting aside \$12 million in assets, resulting in a favorable position regarding post-employment health care benefits. He stated there were no findings regarding internal controls (material weakness/significant deficiency/other matters) and that the audit went smoothly. He thanked the District's Finance staff for their assistance.

The Board was pleased with the report and acknowledged the District has had several years of great economic expansion, but should continue to exercise caution per lessons learned from the most recent recession.

Director Halket MOVED to Accept Basic Financial Statements for the Year Ended June 30, 2018 with Independent Auditor's Report and Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

- 10.E. Approve Continuation of Emergency Action Procurement by General Manager for Repair of District Office and Find that the Need for the District Office Flooding Emergency Still Exists

Engineering Services Manager Zavadil reviewed the item for the Board. She recalled that the General Manager declared an emergency as the District's Emergency Manager due to the flooding of the District Office on November 11. She presented photographs showing the flood conditions, ongoing equipment removal and demolition, mold damage, and the now totally empty District Office building. She reported staff has been working with consultant ID Architecture regarding possible interior materials replacements and renovations before staff moves back into the building. Feedback from the architect will be received likely before the holiday. She reported reconnaissance of damage and issues are still ongoing to determine extent of damage. There are concerns about areas of the floor floating up creating elevation anomalies and vapor transfer within the structure. She reported that the cause of the flood has been determined to be a separated flange in the fire service line allowing the water out. Staff is also holding weekly meetings with the insurance adjuster.

Director Duarte MOVED to Approve Continuation of Emergency Action Procurement by General Manager for Repair of District Office and Find that the Need for the District Office Flooding Emergency Still Exists. Director Halket SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

10.F. Approve Proclamation Honoring Board Director Dwight L. (Pat) Howard upon His Retirement

President Georgan Vonheeder-Leopold reviewed the item for the Board and presented retiring Director Howard, on behalf of the Board and staff, with an engraved plaque recognizing his "...devoted leadership to the community and steadiness in the face of the Great Recession and the Great Drought of 2014, and his dedication to expanding regional water recycling." General Manager McIntyre further announced that a ceremony to dedicate the District's dredge as the "USS Howard" in Director Howard's honor, followed by a congratulatory dinner, will be held in the near future.

Director Halket MOVED to Approve a Proclamation Honoring Board Director Dwight L. (Pat) Howard upon His Retirement. Director Duarte SECONDED the MOTION, which CARRIED with THREE AYES, ONE ABSTENTION (Howard), and ONE ABSENT (Misheloff).

11. BOARDMEMBER ITEMS

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

Director Howard thanked the public for the opportunity to serve on the DSRSD Board of Directors.

Director Halket stated that it has been a pleasure to work with Director Howard.

Director Duarte submitted a written report to Executive Services Supervisor Genzale. He reported he attended a public meeting hosted at East Bay Municipal Utility District's San Ramon maintenance facility on October 17 regarding recycled water pump station R3000 in the Dougherty Valley in San Ramon. He summarized the activities and discussions at the meeting.

- Request New Agenda Item(s) Be Placed on a Future Board of Committee Agenda – None

12. CLOSED SESSION

At 7:04 p.m. the Board went into Closed Session.

- 12.A. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case

Executive Services Supervisor Nicole Genzale left the closed session at 7:42 p.m.

- 12.B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
Name of Case: Dublin Unified School District

13. REPORT FROM CLOSED SESSION

At 7:54 p.m. the Board came out of Closed Session. President Vonheeder-Leopold announced that there was no reportable action for Item 12.A. Pursuant to subdivision (2) of section 54957.1 approval was given to General Counsel to take appropriate action to defend the District in the litigation for Item 12.B.

14. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 7:55 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary