

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

March 19, 2019

1. CALL TO ORDER

A special meeting of the Board of Directors was called to order at 6 p.m. by President Misheloff.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Madelyne A. (Maddi) Misheloff, Vice President Edward R. Duarte, Director Ann Marie Johnson, Director Richard M. Halket, and Director Georgean M. Vonheeder-Leopold.

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. SPECIAL ANNOUNCEMENTS/ACTIVITIES

New Employee Introduction:

Tony Leonardo, Construction Inspector I

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

6. REPORTS

6.A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
 - o Zone 7 Water Agency is holding a Groundbreaking Ceremony for the Patterson Pass Water Treatment Plant Upgrades and Ozonation Project on Wednesday, April 10.
 - o The DSRSD/Pleasanton Liaison Committee meeting will be hosted by City of Pleasanton Thursday, April 11.
 - o The Dublin State of the City Address will be at the Shannon Community Center Wednesday, April 17.
 - o The next Tri-Valley Water Liaison Committee meeting will be hosted by City of Pleasanton Wednesday, April 24.
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
2/28/19	Letter	California Association of Sanitation Agencies	Board of Directors	Thank you for Education Foundation donation	N/A

6.B. Joint Powers Authority and Committee Reports – None

6.C. Agenda Management (consider order of items) – General Manager McIntyre recommended the Board take Closed Session item 10.A ahead of item 7.A. The Board agreed with the recommendation. After item 8.D, Mr. McIntyre also inquired, due to the length of this evening's meeting, whether or not the Board wished to consider items 8.E and 8.F at a future meeting. The Board agreed to consider item 8.E as agendized, but defer item 8.F to a future special meeting.

7. CONSENT CALENDAR

General Manager McIntyre reported that a revised resolution for item 7.D has been distributed to the Board due to correction of the bid date cited. Director Duarte requested that item 7.D be removed for discussion. The Board agreed to remove item 7.D for discussion, and took Consent Calendar items 7.A, 7.B and 7.C and passed these items first.

Director Halket MOVED for approval of the items 7.A, 7.B, and 7.C on the Consent Calendar. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

7.A. Regular Meeting Minutes of March 5, 2019 – Approved

7.B. Accept the Following Regular and Recurring Report: Warrant List – Approved

7.C. Approve Increase to the Construction Change Order Contingency for the Anaerobic Digester No. 4 and FOG Receiving Facility Project (CIP 07-3203) – Approved – Resolution No. 12-19

7.D. REMOVED – Reject All Construction Bids for the Foul Air Line Rehabilitation Project (CIP 15-P018) – Approved – Resolution No. 13-19

Vice President Duarte asked for additional information regarding the bid rejection. Staff explained that the material error in the bid would be cause for an immediate change order should the current bid be accepted resulting in an increased project cost, and would likely see bid protests submitted by the unsuccessful bidders. Rebidding the project would be more practical from a cost and time perspective.

Vice President Duarte MOVED for approval of item 7.D, with the corrected resolution as noted, on the Consent Calendar. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

8. BOARD BUSINESS

8.A. Public Hearing: Receive Input from the Community Regarding Boundaries and Composition of Divisions to Be Established for Division-Based Elections Pursuant to Elections Code Section 10010, and Provide Direction

President Misheloff declared the Public Hearing open and asked for the staff presentation.

Executive Services Supervisor/District Secretary Nicole Genzale reviewed the item for the Board. She reported that this is the third of four required public hearings the District will hold

to transition from at-large to by-division based elections, that the public has an opportunity tonight to provide input on potential divisions, and that the Board has an opportunity to provide feedback on the division maps developed per the Board's direction on February 19. She explained the Board would be expected to select a division map and determine the order of division elections at the fourth public hearing on April 2. She introduced the District's independent demographer, Mr. Michael Wagaman of Wagaman Strategies.

Demographer Wagaman gave a presentation reviewing the transition process and timeline, the public input received as of the March 19 agenda publication, and the four draft map plans (identified as Yellow, Red, Green, Purple) that were created per the Board's direction at the February 19 meeting.

President Misheloff asked for any public comments.

Speaker: Ms. Helen (Dougherty Valley resident) – Ms. Helen expressed she strongly opposes the District's transition to by-division elections and asserted that Mr. Rafferty's demand is unnecessary and making the transition will harm the District and its customers by creating division within the service area.

Speaker: Mr. Scott Rafferty (Attorney representing Bay Area Voting Rights Initiative; issued demand letter to the District) – Mr. Rafferty commended the Board on their handling of the transition process, and restated he felt the transition would be beneficial to the District.

President Misheloff declared the Public Hearing closed.

After hearing public testimony, the Board discussed the four draft map plans developed by Mr. Wagaman. Directors expressed ideas and concerns regarding services represented in the divisions, using Interstate 680 as the boundary line in Contra Costa County (mirroring East Bay Municipal Utility District's ward map handed out to the Board by Director Johnson; she also shared the San Ramon Valley Unified School District's recently approved by-trustee area map for reference), and drawing horizontal boundaries across the service area. The Board also reiterated its concerns about the necessity of the CVRA legislation, the possible negative impacts to the District and its voters, the District's remarkable outreach efforts to inform its customers of the transition process, and its priority to protect the District financially by complying with this demand rather than lose hundreds of thousands of dollars to contest it. At the conclusion of its discussion, the Board directed Mr. Wagaman to keep the four existing maps for further consideration, and to also develop and present additional alternative maps for consideration at the fourth public hearing reflecting the following:

- Include Collection service in the Yellow and Red maps' Division 1;
- Use Interstate 680 freeway as the boundary between Divisions 2 and 3 in Contra Costa County in the Red and Green maps; and
- Develop a map that creates divisions east to west.

- 8.B. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the 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.

Director Johnson MOVED to Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.C. Receive Presentation and Accept Proposed DERWA (Dublin San Ramon Services District - East Bay Municipal Utility District Recycled Water Authority) Operations and Maintenance Budget for Fiscal Years Ending 2020 and 2021

Operations Manager Carson reviewed the item for the Board. He distributed a PowerPoint presentation to the Board highlighting the following areas for increases in the proposed DERWA budget: operations and maintenance needs to meet demands, distribution of labor between the partner agencies, and proposed labor requested to properly manage DERWA to meet increasing demands (maintaining facility improvements, managing distribution system storage, repairs and growth, and meeting new regulatory requirements). The DERWA Board of Directors will consider the proposed budget at its Board meeting Monday, March 25. DSRSD's share of the DERWA operating costs will be reflected in the budget proposal presented to the DSRSD Board on May 21. The Board did not have any comments or questions on this item.

- 8.D. Receive Briefing on DERWA (Dublin San Ramon Services District - East Bay Municipal Utility District Recycled Water Authority) Recycled Water Connection Moratorium

Engineering Services Manager Zavadil reviewed the item for the Board.

The Board inquired if the cities of Dublin and San Ramon had ordinances requiring developers to use recycled water, and if any users would be grandfathered in to receive recycled water service if a moratorium is established. Staff explained that per the District Code, recycled water is required to be supplied to users only if supply is available. East Bay Municipal Utility District's Phase 2 Expansion of its recycled water distribution system will be grandfathered in to receive service as construction is already underway, per grant funding for this purpose. The Board and staff also briefly discussed the DERWA partner agencies' current supply usage, the current shortage of overall supply, and coordinating supply storage with City of Pleasanton.

- 8.E. Receive Presentation on Water Supply, Storage, Conveyance, Quality and Conservation Policy

Engineering Services Manager Zavadil reviewed the item for the Board. She gave a PowerPoint presentation which was distributed to the Board that outlined the following policy matters: increase supply portfolio reliability; increase local control; reduce concentration risk; meet 100% of DERWA demands; develop local water facility to supplement the groundwater basin; diversify transmission system, reduce potable demand, enhance water quality; and discharge no treated wastewater to the Bay (except brine). She also explained the following policy objectives: seek grant opportunities, ensure equitable funding, and collaborate with other agencies.

The Board and staff discussed the status of City of Pleasanton adopting a similar policy, as well as what the capacity of the wastewater treatment plant might be once the Tri-Valley is at buildout. Staff confirmed capacity would be approximately 13.5 million gallons per day in an average year.

- 8.F. NOT HELD – Receive Presentation on the Strategic Plan 2019 Update and Provide Direction

The Board deferred the item to a special Board meeting to be held Tuesday, April 23 at 5 p.m.

9. BOARDMEMBER ITEMS

- Submittal of Written Reports for Day of Service Events Attended by Directors

Director Vonheeder-Leopold submitted a written report to Executive Services Supervisor Genzale. She reported she attended the California Association of Sanitation Agencies teleconference Board meeting on March 14, 2019. She summarized the activities and discussions at the meeting.

President Misheloff reported she will be absent from the April 16, 2019 Board meeting.

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

10. CLOSED SESSION

Items 10.A and 10.B were taken ahead of item 7.A.

At 6:03 p.m. the Board went into Closed Session.

- 10.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 Genzale, special counsel Ms. Robin Johansen, and independent demographer Mr. Wagaman left the closed session at 6:15 p.m.

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

11. REPORT FROM CLOSED SESSION

At 6:21 p.m. the Board came out of Closed Session. President Misheloff announced that there was no reportable action.

12. ADJOURNMENT

President Misheloff adjourned the meeting at 8:32 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary