

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

June 18, 2019

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:03 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; Steven Delight, Acting Principal Engineer – Supervisory; Jeff Carson, Operations Manager; Robert B. Maddow, Assistant General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:04 p.m. No public comment was received.

6. REPORTS

6.A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre had nothing to report.
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
6/4/19	Letter	Mike Meredith	Director Georgean Vonheeder-Leopold	Full Service General Contractor for Commercial Projects – Available for Acquisition	N/A
6/4/19	Email	East Bay Regional Park District	Board	Community Survey	N/A

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

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

7. CONSENT CALENDAR

Director Halket MOVED for approval of the items on the Consent Calendar. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Vonheeder-Leopold subsequently stated that she is abstaining from approval of item 7.A. as she was absent from the June 4 Board meeting.

7.A. Regular Meeting Minutes of June 4, 2019 – Approved

7.B. Accept the Following Regular and Recurring Reports: Warrant List and Unexpected Asset Replacement – Approved

8. BOARD BUSINESS

8.A. 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

Acting Principal Engineer Delight reviewed the item for the Board. He reported that mechanical, electrical, and plumbing drawings have been received from the District’s subcontractors and that the architect is compiling them for submittal to the City of Dublin this week.

Vice President 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 Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Johnson inquired about the necessity to approve this emergency item at every meeting, and asked if there was an alternative procedure. General Manager McIntyre and Assistant General Counsel Maddow explained that in order for the District to continue operating under expedited emergency procurement procedures, and avoid repair and renovation delays, it is legally required that the Board reaffirm and declare a continuing emergency at each regularly held Board meeting. The Board may discontinue the emergency declaration if proceeding with the project at a slower pace is acceptable.

8.B. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the Jeffery G. Hansen Water Recycling Plant and Find that the Need for Electrical Power Supply Failure Emergency Still Exists

Operations Manager Carson reviewed the item for the Board. He reported the repairs on the west side of the facility have been completed, and the facility was brought back online yesterday. Staff is now preparing for making similar repairs on the east side of the facility. He confirmed the project costs will come under the \$1,000,000 emergency repair budget approved by DERWA.

Director Vonheeder-Leopold MOVED to Approve Continuation of Emergency Action Procurement by General Manager for Repair of the Jeffrey G. Hansen Water Recycling

Plant and Find that the Need for the Electrical Power Supply Failure Emergency Still Exists. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

8.C. Public Hearing: Consider Establishing Water Rates under Chapter 4.40 of the District Code and Rescinding Resolution No. 2-17

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

Financial Services Supervisor Herman Chen reviewed the item and provided the Board a short presentation and handout that highlighted the item's key information.

The Board and staff discussed and clarified certain aspects of the proposed budget regarding projected customer bill impacts, the exclusion of Zone 7 Water Agency's (DSRSD's water wholesaler) 2020 and 2021 rate adjustments so as to reflect only DSRSD rate impacts, and the recommended discontinuation of a tiered water rate structure. Staff further explained the misconception that tiered rates provide an incentive for conservation, and that they have not resulted in a significant change in customer behavior. The Tri-Valley agencies have reported virtually no difference in conservation realized, even though some agencies had tiered rates and others did not. Staff also clarified that the District's use of a tiered rate structure is no longer an option due to a 2015 ruling in the City of San Juan Capistrano water rate lawsuit that decided agencies cannot charge customers different rates when they receive the same service which carry the same cost. DSRSD has a single supply source, thus the cost to customers for service is the same and it must apply this principle of proportionality to its customers.

Director Halket stated for the record that a late arriving protest was received during this meeting, prior to the close of the public hearing, and needs to be counted in the total apparent protests received. Assistant General Counsel Maddow confirmed the count of apparent protests received should now be updated from five (5) to six (6).

President Misheloff inquired if there were any comments from the public. There was no public comment received.

Director Vonheeder-Leopold MOVED to close the Public Hearing. Director Johnson SECONDED the MOTION, which CARRIED with FIVE AYES. President Misheloff declared the Public Hearing closed.

District Secretary Genzale stated that in accordance with the Board policy "Proposition 218 Receipt, Tabulation and Validation of Written Protests," a total of six (6) apparent written protests have been received through the end of the public hearing held this evening. She also reported that the District has 27,391 parcels, and that in order to have a successful majority protest, 13,696 validated protests must have been received. The Board deemed the protest unsuccessful and proceeded with its deliberations.

Director Vonheeder-Leopold MOVED to adopt Resolution No. 21-19, Establishing Water Rates Under Chapter 4.40 of the District Code and Rescinding Resolution No. 2-17. Director Johnson SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.D. Approve the Levy of the Dougherty Valley Incremental State Water Project Charge in the Dougherty Valley Standby Charge District 2001-1 for Non-governmental Parcels on the Contra Costa County Property Tax Roll and for Government Potable Water Customers on Utility Bills

Financial Analyst Mayette Bailey reviewed the item and provided the Board a short presentation and handout that highlighted the item's key information.

The Board and staff discussed that the standby charge amount is determined by the State Water Project, which passes the cost along to Zone 7, which passes it along to DSRSD, thus it is a non-negotiable cost. They discussed the inequity of this cost as Dougherty Valley customers pay a flat assessment, whereas Zone 7 charges Dublin customers based on assessed property values. Staff advised the incremental charge line item on the water bill and tax roll will use the same nomenclature.

Director Vonheeder-Leopold MOVED to adopt Resolution No. 22-19, Approving to Levy the Dougherty Valley Incremental State Water Project Charge in the Dougherty Valley Standby Charge District (DVSCD) 2001-1 for Non-Governmental Parcels on the Contra Costa County Property Tax Roll and for Government Potable Water Customers on Utility Bills. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

9. BOARDMEMBER ITEMS

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

Director Vonheeder-Leopold submitted written reports to Executive Services Supervisor Genzale. She reported that she attended the Executive Committee meeting of the Alameda County California Special Districts Association (ACSDA) chapter on Wednesday, June 12 at the Castro Valley Sanitary District, and the California Association of Sanitation Agencies Board of Directors teleconference meeting on Thursday, June 13. She summarized the activities and discussions at the meetings.

Director Duarte requested the Boardmembers attend the joint California Special Districts Association (CSDA) chapter meeting being hosted by the Alameda County and Contra Costa County chapters on Monday, July 15 at 9:30 a.m. at the Amador Rancho Community Center, Bella Vista Room, in San Ramon.

Director Halket reported that he will be travelling the week of July 15 and will not be able to attend the joint CSDA meeting, nor the July 16 Board meeting.

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

10. CLOSED SESSION

At 6:51 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

- 10.B. Public Employee Performance Evaluation Pursuant to Government Code Section 54957
Title: General Manager

11. REPORT FROM CLOSED SESSION

At 8:11 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 8:11 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary