

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

April 5, 2022

Pursuant to the authorizations provided by Government Code Section 54953(e), and local county health orders issued to address the COVID-19 pandemic, the Board meeting was held via Teams Teleconference. The District Boardroom was closed to the public. The public could observe and comment by electronic means as described on Page 4. As required by the Brown Act, all votes were taken by roll call vote due to the attending Directors participating via teleconference.

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:01 p.m. by President Halket.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Richard M. Halket, Vice President Marisol Rubio, Director Arun Goel, Director Georgean M. Vonheeder-Leopold, and Director Ann Marie Johnson.

District staff present: Dan McIntyre, General Manager; Carol Atwood, Administrative Services Director/Treasurer; Steve Delight, Engineering Services Director/District Engineer; Douglas E. Coty, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:02 p.m. No public comment was received.

6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS) – President Halket recommended that Item 8.F be taken as the last item in open session to ensure a smoother transition from Director Vonheeder-Leopold’s recusal from Item 8.F to Closed Session Item 10. The Board agreed with his recommendation. He also stated that Closed Session Item 10.A may not be needed if Item 7.D is approved on the Consent Calendar. Lastly, he advised that Director Goel may depart the meeting early.

7. CONSENT CALENDAR

Director Vonheeder-Leopold MOVED for approval of the items on the Consent Calendar.
Director Johnson SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

7.A. Approve Regular Meeting Minutes of March 15, 2022 – Approved

7.B. Approve Change Order No. 3 for the WWTP SCADA Improvements Project (CIP 05-3206)
– Approved – Resolution No. 13-22

7.C. Affirm No Changes to the Use of Onsite Wastewater Treatment Systems Policy – Approved

7.D. Tentative Agreement with the Stationary Engineers, Local 39 for Successor Memorandum of Understanding (MOU) for the Period December 13, 2021, through December 21, 2025 – Approved – Resolution No. 14-22

- 7.E. Approve Health Insurance Contribution for Calendar Year 2022 for Local 39 Employees – Approved – Resolution No. 15-22
- 7.F. 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. 5-22 – Approved – Resolution No. 16-22

8. BOARD BUSINESS

- 8.A. Approve a Minor Revision to the Agreement with the City of Livermore and the City of Pleasanton for a Temporary Joint Residential Recycled Water Fill Station

Engineering Services Director Delight reviewed the item for the Board. The Board and staff discussed the proposed agreement revision to increase the annual fill station user fee (from \$100 to \$150) by Pleasanton's City Council to help defray operational costs. They further discussed potential effects of implementing a higher user fee, and the operational and per-gallon costs to both the District and fill station users.

Vice President Rubio MOVED to Approve a Minor Revision to the Agreement with the City of Livermore and the City of Pleasanton for a Temporary Joint Residential Recycled Water Fill Station. Director Goel SECONDED the MOTION, which CARRIED with THREE AYES and TWO NOES (Halket, Vonheeder-Leopold) per roll call vote.

- 8.B. Approve Amendment to the Capital Improvement Program Ten-Year Plan and Two-Year Budget for Fiscal Years 2022 and 2023 to Increase the Joint Temporary Recycled Water Fill Station Project (CIP 22-R026) Budget, and Award Construction Agreement to Marshall Brothers Enterprises, Inc. for the Joint Temporary Recycled Water Fill Station Project (CIP 22-R026)

Engineering Services Director Delight reviewed the item for the Board. The Board and staff discussed the substantially higher bid received from the lowest responsive bidder in comparison to the engineer's estimate, and the potential impacts the higher project cost could have on partner agency participation and the project timeline. The Board supported amending the project budget, but opted to take no action on the award of contract at this time, and directed staff to bring that matter back to the Board on April 19 for further consideration.

Director Vonheeder-Leopold MOVED to Approve Resolution No. 17-22, Approving an Amendment to the Capital Improvement Program Ten-Year Plan and Two-Year Budget for Fiscal Years Ending 2022 and 2023 to Increase the Joint Temporary Recycled Water Fill Station Project (CIP 22-R026) Budget, and Further Determining that this Action Specifically Does Not Include the Award of Contract at this Time. Director Johnson SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

- 8.C. Public Hearing: Establish Water Capacity Reserve Fees and Rescind Resolution No. 38-16

President Halket announced the item and declared the Public Hearing open. He asked for the staff presentation.

Financial Services Manager Herman Chen reviewed the item for the Board. He gave a presentation showing the proposed fees and historical fee adjustments from 2016 to 2021. The presentation was added to the website as supplementary materials. He also introduced consultant Mr. Shawn Koorn, Associate Vice President of HDR Engineering, Inc., who conducted the District’s Draft 2022 Water Capacity Reserve Fee Study. Mr. Chen reported that one developer inquiry (not a protest) was responded to by staff prior to tonight’s public hearing:

“Hi Carol: I am reaching out to you regarding a few questions on the proposed fees. Herman Chen is also listed as a contact but I cannot find his email address on the DSRSD website. I assume the current fee study is posted online. I just want to review to get some background info. What have been the capacity fees each year since the current fee study was adopted (2016, 17, 18, 19, 20, 21)? Has each increase been at the ENR construction cost index increase? What happens when there is a index decline? Thanks, Doug Doug Chen, RCE, LS, Discovery Builders” (March 12, 2022)

*“Hello Mr. Chen,
The District’s rate and fee studies including the draft water capacity reserve fee study are available on the DSRSD website at [Rates & Fees | Dublin San Ramon Services District \(dsrzd.com\)](https://www.dsrzd.com/Rates%20&%20Fees). The following table summarizes water capacity reserve fees for a 5/8” meter since FYE16. Also included in the table is the ENR CCI for the corresponding fiscal year. Overall water capacity reserve fee adjustments have historically been slightly less than the cost construction index.*

	FYE16	FYE17	FYE18	FYE19	FYE20	FYE21
	12,407	12,763	12,865	13,104	13,335	13,707
variance (%)	-	2.87%	0.80%	1.86%	1.76%	2.79%
CCI (%)	-	3.55%	1.19%	2.72%	2.56%	4.01%

I don’t recall CCI ever going negative, but in the event that it does, staff would likely bring an adjustment to reduce the water capacity reserve fee to the District Board for consideration. Please let me know if you have any further questions. Thanks, Herman” (March 13, 2022)

“Herman: Thank you for your prompt response. I do have the March 2022 Capacity Fee Report (draft), but could not find the current fee study (adopted 2016 study, I believe). Yes, the index does not typically decline year-over-year, and when it does happen, the decline is minor. I use the CA DGS CCI (which uses the ENR CCI for San Francisco and Los Angeles). When the index does decline, it usually follows a period of sharp increases (as we are now experiencing). From your response, it appears that this situation would be handled on a case by case basis – that makes sense. Again, then you for getting back to me. Thanks, Doug” (March 15, 2022)

President Halket inquired if there were any comments from the public. There was no public comment received. President Halket declared the Public Hearing closed.

The Board and staff discussed the method for calculating the five-year fee schedule and the implementation of such increases on an annual basis.

Director Vonheeder-Leopold MOVED to Adopt Resolution No. 18-22, Establishing Water Capacity Reserve Fees Under Sections 3.70.010.A and 3.70.010.B of the District Code and Rescind Resolution No. 38-16. Vice President Rubio SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

- 8.D. Approve Continuation of District's State of Emergency in Response to COVID-19 Pandemic by General Manager and Find that the Need for the District's State of Emergency Still Exists

General Manager McIntyre reviewed the item for the Board. The Board and staff discussed returning to in-person Board meetings on April 19, barring changes to current pandemic conditions.

Vice President Rubio MOVED to Approve Continuation of District's State of Emergency in Response to COVID-19 Pandemic by General Manager and Find that the Need for the District's State of Emergency Still Exists. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

- 8.E. Award Construction Agreements to Con-Quest Contractors, Inc., DPI, Inc., West Valley Construction Company, Inc., and McGuire and Hester for the On-Call Water System and Sewer System Repairs, FYE 2023–2025 (CIP 19-W004) Project, and Authorize the General Manager to Exercise up to Two One-Year Option Terms to the Construction Agreements

Engineering Services Director Delight reviewed the item for the Board. The Board expressed support for contracting with four contractors to address the planned and emergency infrastructure repair needs. For clarity, General Counsel Coty explained that the staff recommendation for the Board to formally reject the fifth bid for non-compliance is a requirement of the Public Contract Code.

Vice President Rubio MOVED to Approve the Award of Construction Agreements to Con-Quest Contractors, Inc., DPI, Inc., West Valley Construction Company, Inc., and McGuire and Hester for the On-Call Water System and Sewer System Repairs, FYE 2023–2025 (CIP 19-W004) Project, and Authorize the General Manager to Exercise up to Two One-Year Option Terms to the Construction Agreements. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

- 8.F. Approve Health Insurance Contribution for Calendar Year 2022 for Board of Directors

Director Vonheeder-Leopold stated, “I am recusing myself from any participation in any discussions, decisions, or voting on the Health Insurance Contribution for Calendar Year 2022 for Board of Directors, Item 8.F, to ensure that I neither influence nor attempt to influence another member of the DSRSD Board regarding any matters pertinent to the item, consistent with applicable provisions of the Government Code, because I receive health benefits as a retired Boardmember of Dublin San Ramon Services District. I will now disconnect from the public meeting and rejoin when the Board has finished discussion of this item.”

Director Vonheeder-Leopold departed the Board meeting at 6:59 p.m. before Item 8.F. She returned to the meeting at approximately 7:06 p.m. after discussion of Item 8.F.

Administrative Services Director Atwood reviewed the item for the Board. She clarified, for the record, that the rate year shown in the second to last paragraph on page two of the staff report (page 165 of the agenda packet) should show 2021 rather than 2022.

Vice President Rubio MOVED to Approve the Calendar Year 2022 Health Insurance Contribution for Active Boardmembers and Annuitants, and to Approve Reimbursement Retroactively to January 2022 to be Consistent with the Employee Bargaining Group Contracts. Director Johnson SECONDED the MOTION, which CARRIED FOUR AYES and ONE ABSENT (Vonheeder-Leopold) per roll call vote.

9. REPORTS

9.A. Boardmember Items

- 9.A.1. Joint Powers Authority and Committee Reports
DSRSD/City of Pleasanton Liaison – March 22, 2022
DERWA – March 28, 2022

President Halket invited comments on recent JPA/committee activities. Directors felt the available staff reports adequately covered the many matters considered at the JPA/committee meetings and made a few comments about some of the JPA/committee activities. Director Goel stated, for the record, that the Pleasanton representatives made some interesting statements about things that may be coming DSRSD's way regarding the recycled water program.

- 9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors – None

- 9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

Director Johnson requested an item be scheduled for an upcoming meeting regarding progress of, and Board actions related to, the City of Pleasanton's Costco project. General Manager McIntyre confirmed that the Board's previous approval of an easement is all that was required by DSRSD, and that staff will include interesting updates in General Manager Reports or Board meetings.

9.B. Staff Reports

- 9.B.1. Event Calendar – General Manager McIntyre reported on the following:
- The Dublin State of the City Address will be held on Wednesday, April 20 at 11:30 a.m. at the Shannon Community Center.
 - A Tri-Valley Water Liaison Committee meeting will be held on Tuesday, April 26 at 4 p.m. at the City of Dublin's Civic Center.
 - DSRSD will host a Tri-Valley Chamber of Commerce Network Mixer with cities of Dublin, Pleasanton, and San Ramon Chambers on Wednesday, April 27 from 5 p.m. – 7 p.m. at the District Office.
 - The ACWA Spring Conference will be held Wednesday, May 4 to Thursday, May 5 in Sacramento.
 - A special Board meeting will be held on Tuesday, May 10 at 6 p.m.

- 9.B.2. Correspondence to and from the Board on an Item not on the Agenda – None

Director Goel departed the meeting at 7:05 p.m.

10. CLOSED SESSION

At 7:06 p.m. the Board went into Closed Session.

10.A. NOT HELD – Conference with Labor Negotiators Pursuant to Government Code Section 54957.6

Agency Negotiators: Dan McIntyre, General Manager
Carol Atwood, Administrative Services Director

Employee Organizations: Stationary Engineers, Local 39

Additional Attendees: Douglas E. Coty, General Counsel

10.B. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6

Agency Designated Representative: Douglas E. Coty, General Counsel

Unrepresented Employee: General Manager

11. REPORT FROM CLOSED SESSION

At 7:19 p.m. the Board came out of Closed Session. President Halket announced that there was no reportable action.

12. ADJOURNMENT

President Halket adjourned the meeting at 7:20 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary