

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

June 6, 2023

1. CALL TO ORDER

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

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting: President Georgean M. Vonheeder-Leopold (teleconference location), Vice President Ann Marie Johnson, Director Dinesh Govindarao, and Director Richard M. Halket.

Director Arun Goel entered the meeting at 6:08 p.m. after the roll call was done during discussion of Item 8.A.

District staff present: Dan McIntyre, General Manager; Jan Lee, Assistant General Manager; Carol Atwood, Administrative Services Director/Treasurer; Steve Delight, Engineering Services Director/District Engineer; Maurice Atendido, Acting Operations Director; Michelle Gallardo, Special Assistant to the General Manager; Douglas E. Coty, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – General Manager McIntyre introduced Acting Operations Director Maurice Atendido.

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

6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS) – No changes were made.

7. CONSENT CALENDAR

General Counsel Coty announced his removal from the dais during consideration of the Consent Calendar due to Item 7.C concerning approval of his legal firm's contract.

Director Halket MOVED for approval of the items on the Consent Calendar. Director Govindarao SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Goel) per roll call vote.

7.A. Approve Regular Meeting Minutes of May 16, 2023 – Approved

7.B. Adopt Revised Records Retention Schedule Policy, Renamed to Records Retention Policy, and Rescind Resolution No. 21-15 – Approved – Resolution No. 16-23

7.C. Approve Agreement with Bartkiewicz, Kronick & Shanahan for General Counsel Legal Services – Approved – Resolution No. 17-23

- 7.D. Approve Agreements with Jackson Lewis P.C. and Sloan Sakai Yeung & Wong LLP as Special Counsel for Labor and Employment Legal Services – Approved – Resolution No. 18-23

8. BOARD BUSINESS

- 8.A. Public Hearing: Approve the Annual Wastewater Service Charges Levy Report and Direct the Levy and Collection of Wastewater Service Charges on the 2023–2024 Alameda County and Contra Costa County Secured Property Tax Rolls

Vice President Johnson announced the item and declared the Public Hearing open. She asked for the staff presentation. Administrative Services Director Atwood reviewed the item for the Board.

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

Director Govindarao inquired if the significant rate increase for DERWA’s Demand charge (page 189 of agenda packet) was correct. Assistant General Manager Lee confirmed that the rate increase is correct as it reflects the current cost to treat backwash based on increased recycled water production and treatment facility process improvements. The new rate is supported by the 2023 Regional and Local Cost of Service Study completed in February of this year.

Director Halket MOVED to approve Resolution No. 19-23, Approving the Annual Wastewater Service Charges Levy Report and Directing the Levy and Collection of Wastewater Service Charges on the Alameda County and Contra Costa County Secured Property Tax Rolls for 2023-2024. President Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

- 8.B. Workshop: Receive Presentation on the Operating Budget for Fiscal Years Ending 2024 and 2025

Administrative Services Director Atwood and Assistant General Manager Lee reviewed the item for the Board and gave a presentation (handed out to the Board) that was added to the website as supplementary materials providing an overview of the following:

- DSRSD’s Business Enterprises
- Joint Powers Authorities (JPA)
- District Operating and Capital Funds
- Proposed FY24 and FY25 Operating Budget
- Revenues and Expenditures
- 10-Year Financial Planning Models
- Next Steps
- Proposed Operations Department Positions
- Other Agencies’ Water Rate Increases
- Bay Area Wastewater Services Charge Comparison

The Board and staff discussed various aspects of the proposed budget including:

- Capacity reserve fee projections
- Interest received on investments
- Staffing levels and phasing in new positions recommended in the 2023 Operations Workforce Study
- Key assumptions: increases to general inflation, personnel, energy, water and wastewater rates; level paydown of CalPERS pension and other post-employment benefits; 3% staff vacancy rate; modest growth within service area
- Implementation of aggressive chargebacks for staff time spent on Capital Improvement projects and JPA operations
- Downward trend in the Water fund due to unanticipated expenses, and possible corrective measures
- Energy master plan opportunities for cost savings
- Impacts from rising chemical, energy, and regulatory costs and new legislative requirements
- Timing of District contributions to future Zone 7 Water Agency projects
- Capitalization of assets
- Timing and completion of various fee studies including developer fees and new metering legislation

The Board suggested staff explore the feasibility of separating recycled water from water to create another enterprise. The Board also requested that staff add a footnote to the Water fund information explaining that course corrective strategies have been identified and will be assessed to meet the minimum reserve target. The Board recognized staff for delivering a thorough and high-quality budget proposal.

8.C. Workshop: Receive Presentation on the Capital Improvement Program (CIP) Ten-Year Plan for Fiscal Years 2024-2033 and Two-Year CIP Budget for Fiscal Years 2024 and 2025

Engineering Services Director Delight, Financial Analyst Corinne Ferreyra, and Senior Engineer Jason Ching reviewed the item for the Board and gave a presentation (handed out to the Board) that was added to the website as supplementary materials providing an overview of the following:

- Completed CIP Projects
- Capital Funding and Assets
- Expenditures by Fund projected in the Ten-Year Plan and Two-Year Budget
- Strategic Plan and the CIP (CIP supports 8 of 10 Strategic Plan goals)

The Board and staff discussed various aspects of the proposed CIP Plan and Budget including how fund minimum reserves are determined (set by policy) and can fluctuate due to changing circumstances, reimbursement for staff assistance on other agencies' projects, seeking out state and federal grant funding, and the significance of the Water System Replacement and Rehabilitation program and the Reservoir 10A and 20B projects that further the District's system resiliency and illuminate the Strategic Plan mission, vision and values. The Board did not have additional direction for staff. The Board thanked staff for delivering a great presentation.

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee Reports

LAVWMA – May 17, 2023

DSRSD/City of Dublin Liaison – May 22, 2023

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

9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors

President Vonheeder-Leopold submitted written reports to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the virtual California Association of Sanitation Agencies (CASA) Finance Committee meeting on May 18 and the virtual CASA Board of Directors meeting on May 24. She summarized the activities and discussions at the meetings.

Vice President Johnson submitted a written report to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the virtual California Special Districts Association Finance Committee meeting on May 31. She summarized the activities and discussions at the meeting.

9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda – None

Director Goel requested that the presentation recently made to the Board regarding 2018 conservation legislation Assembly Bill 1668 and Senate Bill 606 be included with the next General Manager Report to Board.

9.B. Staff Reports – None

9.B.1. Event Calendar

9.B.2. Correspondence from the Board

10. ADJOURNMENT

Vice President Johnson adjourned the meeting at 8:11 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary