

AGENDA

NOTICE OF REGULAR MEETING

TIME: 6 p.m.

DATE: Tuesday, October 3, 2023

PLACE: Regular Meeting Place
7051 Dublin Boulevard, Dublin, CA
www.dsrds.com

Our mission is to protect public health and the environment by providing reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and fiscally responsible manner.

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL – Members: Goel, Govindarao, Halket, Johnson, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
 - 4.A. New Employee Introductions
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight’s agenda. Comments should not exceed five minutes. Speaker cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment. Written comments received by 3 p.m. on the day of the meeting will be provided to the Board.
6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS)
7. CONSENT CALENDAR

Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board or the public prior to the time the Board votes on the Motion to adopt.

 - 7.A. Approve Regular Meeting Minutes of September 19, 2023
Recommended Action: Approve by Motion
 - 7.B. Approve Special Meeting Minutes of September 26, 2023
Recommended Action: Approve by Motion
 - 7.C. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the LAVWMA Livermore Interceptor Pipeline and Find that the Need for the LAVWMA Livermore Interceptor Pipeline Emergency Still Exists
Recommended Action: Approve by Motion

8. BOARD BUSINESS

- 8.A. Receive Presentation on Future Regulations to Reduce Nutrient Discharges to San Francisco Bay
Recommended Action: Receive Presentation
- 8.B. Review and Discuss a Customer's Request for a One-time Exception to the Utility Billing Leak Adjustments Policy
Recommended Action: Discuss and Approve by Motion

9. REPORTS

9.A. Boardmember Items

- 9.A.1. Joint Powers Authority and Committee Reports
DERWA Board Meeting of September 25, 2023
- 9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors
- 9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

9.B. Staff Reports

10. CLOSED SESSION

- 10.A. Public Employee Appointment Pursuant to Government Code Section 54957
Title: General Manager

11. REPORT FROM CLOSED SESSION

12. ADJOURNMENT

All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection during business hours by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.

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

September 19, 2023

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6 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, Vice President Ann Marie Johnson, Director Arun Goel, Director Dinesh Govindarao, and Director Richard M. Halket.

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; 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

4.A. New Employee Introductions

Erin Steffen, Public Affairs Program Administrator

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:03 p.m.

Speaker: Ms. Rose Allen (Power of Attorney for a Dublin resident) – Ms. Allen addressed the Board and explained she is requesting a bill reduction due to a leak on behalf of a District customer.

6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS) – At the conclusion of Item 8.B discussion, General Manager McIntyre recommended the Board hold Closed Session Item 10.B due to an attendee’s time constraint. The Board agreed to take Closed Session 10.B after Item 8.B. and return to open session to hold Items 9 and 10.A.

7. CONSENT CALENDAR

Director Govindarao MOVED for approval of the items on the Consent Calendar. Director Goel SECONDED the MOTION, which CARRIED with FIVE AYES.

7.A. Approve Regular Meeting Minutes of September 5, 2023 – Approved

7.B. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the LAVWMA Livermore Interceptor Pipeline and Find that the Need for the LAVWMA Livermore Interceptor Pipeline Emergency Still Exists – Approved

- 7.C. Affirm No Changes to Drug Free Workplace, Inspections for Prohibited Materials and District Property, Relations, and Salary Plan Policies – Approved

Director Govindarao inquired about the Department of Transportation (DOT) regulations referenced in the policy. Special Assistant to the General Manager Gallardo explained the District follows the DOT's drug testing regulations requiring a five-panel test.

- 7.D. Adopt Revisions to Rules and Regulations Governing Employer-Employee Organization Relations and Rescind Resolution No. 18-19 – Approved – Resolution No. 39-23

- 7.E. Approve Proclamation Celebrating October 7–15, 2023 as Water Professionals Appreciation Week – Approved

8. BOARD BUSINESS

- 8.A. Affirm No Changes to Consolidated Water Enterprise Fund Policy

Administrative Services Director Atwood reviewed the item for the Board. She also provided information to address a recent Board request for staff to evaluate segregating potable and recycled water enterprises into separate funds.

Ms. Atwood explained that the operational costs for both water and recycled water services are consolidated in Water Operations (Fund 600), per the Consolidated Water Enterprise Fund policy. The District's current practice of a single consolidated potable and recycled water enterprise is consistent with the majority of water districts based on a recent poll through the California Special District Association (CSDA) and follows best practice. Creating a separate recycled water fund would double the number of funds to manage (from four to eight) and would necessitate the substantial restructuring of administration and infrastructure established in the 1990's when the District integrated recycled water. In addition, the methodology to calculate capacity reserve fees would change and current Water Fund debt would need to be separated out. She reported that the logistical changes are possible, but would result in no benefit to the District. Any revenue benefit would be impermissible since the water rates are developed based on cost of service principles set forth in the California Government Code and Proposition 218. The District is legally mandated to calculate charges based on actual cost of service as reflected under our current rate scenario.

The Board and staff discussed a potential need to revisit the policy should potable reuse water projects come online. Staff explained that Zone 7 Water Agency (Zone 7), the District's water wholesaler, would lead such a project and build the cost into the rate charged to the District. At present, no projects are anticipated to occur within the four-year policy review cycle. The policy review could be expedited if circumstances present any potential impacts.

Director Halket MOVED to Affirm No Changes to the Consolidated Water Enterprise Fund Policy. Director Goel SECONDED the MOTION, which CARRIED with FIVE AYES.

8.B. Receive Presentation on Water Rates and Provide Direction for the 2024 Water Cost of Service Study and Rate Policies and Guidelines Policy

Management Analyst II Corinne Ferreyra reviewed the item for the Board and gave a presentation, 2024 Water Rates: Policy Direction (handed out to the Board), that was added to the website as supplementary materials providing an overview of the following:

- Background
- Current Rate Structure
- Policy Discussion
 1. Zone 7 Wholesale Cost
 2. Fixed & Variable Cost Ratio
 3. 2024 Retail Rate Adjustment
- Next Steps

The Board and staff discussed various aspects of the presentation and the policy options.

Policy #1: Zone 7 Wholesale Rate

(2023 fixed charge to DSRSD is \$8.4 million)

Four (4) options were presented; the bolded option is the staff recommendation:

1. Collect 30% of Zone 7 fixed charge as a separate Zone 7 fixed charge.
- 2. Collect 100% of Zone 7 fixed charge as a separate Zone 7 fixed charge.**
- 3a. Continue current practice of blending Zone 7 fixed and variable charges as a separate Zone 7 cost of water charge (status quo).
- 3b. Blend Zone 7 wholesale water costs into the DSRSD retail rate.

The Board and staff discussed various scenarios and risks pertaining to these options, the user classes and possible impacts to each one, the various approaches to equitability, and potential impacts of pending legislation that could further reduce per capita water use. General Counsel Coty further noted that the District's cost of service has to be allocated in such a way that no user subsidizes another customer class; in this, the law looks at equity a little differently. Rate creation is based on how much water is used and what costs are going into the water purchased. The Board has flexibility in how to shape the rates. Zone 7 follows Proposition 26 and must meet a proportionality threshold, much like DSRSD follows Proposition 218 and cannot subsidize another user.

The Board noted that Zone 7 changed its methodology from a variable rate to a fixed charge in 2016. The Board requested staff provide the Zone 7 and DSRSD revenue actuals from the last six years. The Board and staff also discussed how the Zone 7 retailers collect the Zone 7 fixed charge – City of Livermore collects 100%, City of Pleasanton is considering collecting 22% at this evening's Council meeting, and DSRSD currently blends the fixed and variable charges.

Policy #2: Fixed vs. Variable Cost Ratio for DSRSD's Retail Water Rates

(Fixed cost is based on meter size; variable cost is based on per hundred cubic feet consumed)

Three (3) options were presented; the staff recommendation is dependent on the option selected for Policy #1:

1. Reallocate the District's fixed and variable charges to 30%/70%.

2. Reallocate the District's fixed and variable charges to 30%/70% in addition to separating Zone 7's fixed and variable charges.
3. Continue the District's current fixed and variable charges allocation of 20%/80% (status quo).

Policy #3: 2024 Retail Rate Adjustment

Two (2) options were presented; the bolded option is the staff recommendation:

1. **Forego a rate adjustment on January 1, 2024, and make new rates effective March 1, 2024.**
2. Implement a rate adjustment on January 1, 2024, and make new rates effective July 1, 2024.

Ms. Ferreyra concluded the presentation and reviewed the proposed steps and timeline to complete the policy revision, conduct the 2024 Water Cost of Service Study, and complete rate adoption. General Manager McIntyre confirmed that the schedule is flexible, should the Board desire additional time to consider the policy updates.

The Boardmembers expressed their initial impressions and concerns regarding the policy options presented, and conveyed they were not yet prepared to determine the policy revisions. The Board directed staff to bring the item back to the Board in two to four weeks with the following additional information:

- A comparison of DSRSD and Zone 7 revenue actuals from the last six years;
- The coinciding dollar amounts of the increase/decrease percentages shown in the user class bill impact tables;
- A list of pros and cons for each option; and
- An option under Policy #2's Staff Recommendation B to reallocate District charges to 30%/70% with a 30% collection of the Zone 7 fixed charge as a separate Zone 7 fixed charge.

9. REPORTS

9.A. Boardmember Items

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

The Board confirmed that the next DERWA Board meeting will be held next Monday, September 25, at 6 p.m.

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

Director Govindarao reported that he gave a Water Conservation presentation to the Dublin Rotary Club meeting on Wednesday, September 6, with Engineering Services Director Delight and Senior Engineer Irene Suroso. He summarized the activities and discussions at the meeting, and thanked staff for doing an outstanding job. He did not submit a written report.

President Vonheeder-Leopold submitted a written report to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the

Alameda County Special Districts Association Chapter meeting on Wednesday, September 13, hosted by the Fairview Fire Protection District at the Hayward Area Recreational and Park District. 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

Director Halket requested that an item be placed on a future agenda to consider and discuss the customer request received this evening regarding a bill reduction due to a leak.

9.B. Staff Reports – None

10. CLOSED SESSION

The Closed Session items were held out of order as recommended by the General Manager.

At 7:54 p.m. the Board went into Closed Session 10.A.

10.A. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): (one case)

At 7:36 p.m. the Board went into Closed Session 10.B.

10.B. Public Employee Appointment – Pursuant to Government Code Section 54957
Title: General Manager

11. REPORT FROM CLOSED SESSION

At 8:38 p.m. the Board came out of Closed Session 10.A. President Vonheeder-Leopold announced that there was no reportable action.

At 7:49 p.m. the Board came out of Closed Session 10.B. President Vonheeder-Leopold announced that there was no reportable action.

12. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 8:38 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary

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

September 26, 2023

1. CALL TO ORDER

A special meeting of the Board of Directors was called to order at 6 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, Vice President Ann Marie Johnson, Director Arun Goel, Director Dinesh Govindarao, and Director Richard M. Halket.

District staff present: Dan McIntyre, General Manager; and Nicole Genzale, Executive Services Supervisor/District Secretary.

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

5. REPORTS

5.A. Boardmember Items

5.A.1. Submittal of Written Reports for Day of Service Events Attended by Directors

President Vonheeder-Leopold submitted a written report to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the California Association of Sanitation Agencies Strategic Planning Session in Lafayette on Sunday, September 24 and Monday, September 25, 2023. She summarized the activities and discussions at the meeting. She also gave an overview of the activities at the DERWA Board meeting held on Monday, September 25, 2023.

6. CLOSED SESSION

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

6.A. Public Employee Appointment Pursuant to Government Code Section 54957
Title: General Manager

7. REPORT FROM CLOSED SESSION

At 7:04 p.m. the Board came out of Closed Session. President Vonheeder-Leopold announced that there was no reportable action.

8. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 7:04 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary



TITLE: Approve Continuation of Emergency Action Procurement by General Manager for Repair of the LAVWMA Livermore Interceptor Pipeline and Find that the Need for the LAVWMA Livermore Interceptor Pipeline Emergency Still Exists

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Motion, a continuation of the Emergency Action as declared in Board Resolution Nos. 22-23 and 36-23 and find that there exists a need for continuing the LAVWMA Livermore Interceptor Pipeline Emergency which the Board last confirmed on September 19, 2023.

DISCUSSION:

From late 2022 through March of 2023, a series of severe winter storms characterized as “atmospheric rivers” struck California bringing damaging winds and historic precipitation. On February 9, 2023, District staff discovered that these storms had left a portion of LAVWMA’s Livermore Interceptor Pipeline and its associated manhole exposed in the Arroyo Mocho Creek, and caused significant erosion in the nearby creek bed and banks.

The LAVWMA’s Livermore Interceptor Pipeline serves the sole benefit of the City of Livermore, and as such, all costs (100 percent) associated with the repair of the pipeline will be allocated to the City of Livermore. In their most recent action on September 5, 2023, the District’s Board of Directors approved Resolution No. 36-23, confirming the District State of Emergency declared by the General Manager on June 12, 2023 and authorizing emergency action procurement for the repair of the LAVWMA Livermore Interceptor Pipeline. Per Public Contract Code 22050, the Declaration of the District State of Emergency shall be reviewed by the Board of Directors at every regular meeting to determine, by a four-fifths vote, that there is a need to continue the emergency action.

To date, five task orders have been issued to Carollo Engineers and DPI, Inc. for engineering design services, construction services and construction management services totaling \$1,976,263 and a total of \$157,978.97 has been spent. Additional task orders, purchase orders, and/or other contracts are expected to be awarded in the near term for property acquisition and additional construction services.

Final design drawings were received September 13, 2023, and staff is actively engaging with DPI, Inc. on constructability review, material selection and procurement, and construction costs. Staff currently anticipates construction to begin in early October. In parallel with the design effort, staff also continues to work with property owners on negotiating property rights for the new pipeline easements and right-of-entry permits, coordinating with respective agencies for the acquisition of environmental permits and encroachment permits, pursuing funding assistance through the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES), and procuring long lead-time materials including large-diameter piping and valves.

To ensure the project can meet the aggressive project schedule, staff recommends the Board of Directors find the need to continue the State of Emergency declared by the General Manager on June 12, 2023. Expedited action, including the emergency procurement of construction materials, equipment, construction services, and construction management services, is necessary to mitigate any additional damage to the pipeline and avoid the potential discharge of treated wastewater effluent to the Arroyo Mocho Creek. A four-fifths vote is necessary to extend the emergency.

Originating Department: Engineering and Technical Services	Contact: K. Castro/S. Delight	Legal Review: No
Financial Review: Not Required	Cost and Funding Source: \$5,000,000 to be reimbursed by LAVWMA	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		



TITLE: Receive Presentation on Future Regulations to Reduce Nutrient Discharges to San Francisco Bay

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation on future regulations to reduce nutrient discharges to the San Francisco Bay.

SUMMARY:

The District has a Strategic Goal and Action Item to “Meet or exceed regulatory requirements while preparing for the future regulatory landscape - Collaborate with partner agencies to monitor regulatory requirements and explore potential compliance and mitigation strategies.” Since 2014, the San Francisco Bay Regional Water Quality Control Board (Water Board) has governed nutrient discharges from wastewater treatment plants (WWTPs) to the San Francisco Bay (Bay) through a nutrient watershed permit. The Bay Area Clean Water Agencies (BACWA), a joint powers agency, is currently negotiating the third nutrients watershed permit with the Water Board, which is expected to be issued in June 2024. As a result of the algae blooms that occurred during the summers of 2022 and 2023, the Water Board has informed BACWA that it intends to require nitrogen load reductions in the new permit. On October 3, Jacqueline Zipkin, the East Bay Dischargers Authority (EBDA) General Manager and BACWA Vice Chair will provide a presentation to the DSRSD Board on the 2024 Watershed Permit negotiations and potential nutrient requirements facing BACWA member agencies.

BACKGROUND:

While the loads of nutrients such as nitrogen and phosphorus to the San Francisco Bay are higher than other estuaries, the Bay has historically been very resilient and negative impacts of nutrient enrichment have not occurred. Scientists believe this resilience to stem at least in part from high turbidity (i.e., the Bay is cloudy), which blocks the light that phytoplankton need to grow; presence of filter-feeding clams, which reduce phytoplankton concentrations; and strong tidal mixing, which reduces nutrient concentrations.

Over the last decade, concerning trends have caused the scientific and regulatory community to question whether the Bay’s resilience is weakening. Dams in upstream watersheds have decreased the Bay’s turbidity by trapping sediments and clam populations have been on the decline. At the same time, climate conditions are changing.

To begin to proactively address these nutrient-related risks, Bay Area wastewater agencies, through BACWA, have participated since 2012 in a positive collaboration with a wide variety of stakeholders to implement a Nutrient Management Strategy that focuses on conducting scientific research and modeling to determine the effects of nutrients on the Bay ecosystem, and protective levels of nutrient loading going forward. Based on scientific understanding, nitrogen is the primary nutrient of concern in the Bay, since limiting its concentration can limit algal growth. Research also shows that reducing nitrogen to the Bay during the dry season appears to have the greatest impact on the Bay, since during the dry season there is more sunlight available for algal growth, and less flushing of the Bay.

BACWA worked closely with the Water Board to negotiate a watershed permit for nutrients, which was issued in 2014 and reissued in 2019. The current permit contains the following key elements:

- Influent and effluent monitoring and continued annual regional reporting
- Increased funding for scientific research
- A regional assessment of the feasibility and cost for reducing nutrients through multi-benefit nature-based solutions, including wetlands and horizontal levees

Originating Department: Office of the General Manager	Contact: J. Lee	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: N/A	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		
		10 of 15

- A regional assessment of nutrient reductions through water recycling
- Inclusion of load targets for 2024
- Recognition of agencies implementing early action projects that will reduce nutrient loads during this permit term

In late July of 2022, public reports started noting discoloration in the Bay, particularly around the Oakland estuary and Lake Merritt, a tidally influenced impoundment. Scientists identified the cause to be a harmful algae bloom, which ultimately spread throughout the deep channels of the Central Bay and into the South Bay. The algae species was identified as *Heterosigma akashiwo*, which has been observed intermittently in various locations around the Bay over the past 20 years, after first being detected here in 2002. *Heterosigma akashiwo* can be toxic to fish, although the nature of that toxicity is not well understood. In addition, the bloom caused unprecedented decreases in dissolved oxygen in the Bay. These effects combined to cause significant fish kills around the Bay in areas the bloom was observed.

While it is unclear exactly what triggered this bloom, its timing did correspond with a prolonged period of unusually clear skies in the Bay Area, making available more light than usual for photosynthesis. Scientists believe that the bloom was nitrogen limited, meaning that nitrogen loads to the Bay sustained the bloom and likely contributed to its extent and duration. This conclusion, along with the increased media attention garnered by the event, has led to public and political pressure on wastewater agencies and on the regulators, particularly the Water Board, to act quickly to reduce nutrient loads to the Bay, with a goal of preventing or lessening the impact of future blooms. Another less consequential recurrence of the algae bloom occurred in 2023.

DISCUSSION:

BACWA and the Water Board are currently negotiating the third nutrient watershed permit, which is expected to be issued in June 2024. Prior to summer 2022, it had been anticipated that the 2024 Watershed Permit would include dry season nitrogen load caps based on current performance. However, due to the algae blooms that occurred in the summer of 2022 and 2023, the Water Board has informed BACWA that it intends to require nitrogen load reductions in the 2024 Watershed Permit. The requirements to reduce nutrients would apply only during the dry season (May to October).

Since 2014, the District has been anticipating the potential for future nutrient regulations. The 10-year Capital Improvement Program includes a future \$42.5 million project to add additional facilities at the DSRSD WWTP to remove nutrients. However, with the Water Board's primary interest in reducing nutrient discharges during the dry season, DSRSD may be well positioned to meet future nutrient requirements through water recycling.

On average, approximately 11 million gallons per day of wastewater flows to the DSRSD WWTP. In partnership with neighboring agencies, the District recycles between 60 to 80% of total wastewater flows between May through October. Therefore, expansion of the District's recycled water program could provide multiple benefits, including further reducing nutrient loading to the Bay, improving water resiliency, and minimizing capital investments at the WWTP needed to address future nutrient regulations.



TITLE: Review and Discuss a Customer’s Request for a One-time Exception to the Utility Billing Leak Adjustments Policy

RECOMMENDATION:

Staff recommends the Board of Directors review and discuss a customer’s request for a one-time exception to the Utility Billing Leak Adjustments policy and approve, by Motion, Option #3 to allow the outstanding balance to be paid in a lump sum upon the next transfer of the property by waiving a 12-month payment plan limitation.

SUMMARY:

At the September 19, 2023, Board meeting, Ms. Rose Allen addressed the Board on behalf of a District customer and requested the Board consider an additional bill reduction due to a leak, after the District had already issued a \$1,000 credit, the maximum adjustment allowed under the Utility Billing Leak Adjustments policy. Staff is presenting three options for Board consideration, representing three levels of adjustment.

DISCUSSION:

The Utility Billing Leak Adjustments policy (P400-23-1) was last revised by the Board on February 7, 2023. The purpose of the policy is to authorize the General Manager to make utility billing leak adjustments related to excess consumption arising from leaks on the customer side of the meter. It is available once every three years to residential customers in good standing provided the customer takes prompt and reasonable action to correct the leak. The maximum allowed adjustment is \$1,000 once every three years.

A customer had a major water leak under her house. After several attempts to contact the customer, the District notified her that the water would be shut off until the leak could be repaired. The customer gave permission to do so and contacted a plumber to repair the leak. Due to excessive standing water under the residence, the leak could not be repaired. The residence was without water for approximately one month until the leak was fixed.

The customer faces significant and extenuating health and competency issues. Through discussions with the customer’s representative, Ms. Rose Allen (Power of Attorney), staff believes these issues resulted in the customer’s problems communicating with the District and having the leak timely repaired. Upon learning of this situation, Customer Services staff worked with the customer’s representative to turn on the water to fix the leak, reversed all interest and penalties, and processed a leak adjustment for the maximum amount, \$1,000, per the Utility Billing Leak Adjustments policy.

At the September 19, 2023, Board meeting, Ms. Allen requested the Board consider additional adjustments to the customer’s account. Adjustments to the account have been as follows:

Billing for 6/30/23	\$7,088.42
Reversed: Late Penalty 7/1/23 Billing	(677.46)
Reversed: Late Penalty 5/1/23 Billing	(528.97)
Reversed: Late Penalty 3/1/23 Billing	(313.84)
Maximum Leak Adjustment	(1,000.00)
Customer Payment	(1,000.00)
	\$3,568.15

Ms. Allen has made a good faith payment on the account of \$1,000, leaving an outstanding balance of \$3,568.15, and has requested that the District waive the outstanding balance. Due to the non-routine and highly unusual circumstances

Originating Department: Administrative Services	Contact: C. Atwood	Legal Review: Yes
Financial Review: Yes	Cost and Funding Source: \$3,568.15 from cell tower revenue in Water Rate Stabilization (Fund 605)	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Utility Billing Leak Adjustments policy	
		12 of 15

surrounding this customer's situation and the leak, staff recommends the Board consider the following options regarding the outstanding balance of \$3,568.15:

Option #1 – Follow the existing Utility Billing Leak Adjustments policy, under which the customer has already received the maximum leak adjustment of \$1,000.

Option #2 – Approve a one-time exception to the Utility Billing Leak Adjustments policy and forgive up to the total outstanding balance, \$3,568.15.

Option #3 – Authorize staff to work with the customer on a payment plan under the Discontinuation of Residential Water Service for Nonpayment policy (P400-21-1) that would allow the outstanding balance of \$3,568.15 to be paid in a lump sum upon the next transfer of the property. This option would require the Board to waive the policy's limitation that a payment plan may not exceed 12 months.

Staff recommends the Board approve Option #3 as a reasonable accommodation to the customer given the unusual circumstances of this request.



Policy

Policy No.: P400-23-1	Type of Policy: Finance
Policy Title: Utility Billing Leak Adjustments	
Policy Description: Authorize the General Manager to Approve Utility Billing Leak Adjustments	
Approval Date: 2/7/2023	Last Review Date: 2023
Approval Resolution No.: 4-23	Next Review Date: 2027
Rescinded Resolution No.: 43-17	Rescinded Resolution Date: 8/15/2017

The purpose of this policy of the Board of Directors of Dublin San Ramon Services District is to authorize the General Manager to make utility billing leak adjustments related to excess consumption arising from leaks on the customer side of the meter.

Adjustments are subject to the following:

Adjustments shall be made only when all of the following are true:

- The account is a residential customer who is individually metered.
- The account is in good standing.
- There is no evidence that the excessive use was due to the intentional or negligent act by the customer.
- In the event of a leak, the customer took prompt and reasonable action to ascertain the cause and correct it.
- In the event of a leak, verifiable confirmation is received that the leak has been repaired.
- No adjustment shall be made when the loss is covered by the customer's insurance or when a claim can be filed under a warranty of any sort (new home, remodel, etc.).

The amount of any adjustment shall be subject to and limited by the following:

- The amount of excessive use shall be determined by the District.
- Adjustments are limited to only the water portion of the bill (except as noted below).
- No adjustment shall be made when the excessive consumption is the result of a malfunctioning, or not properly maintained, water softener system.

Limitations and Exceptions:

- The maximum credit adjustment allowed per customer, per year, is \$1,000.
- One credit adjustment may be granted per account in a three-year period.
- The General Manager shall have discretion in adjusting a non-residential customer's flow-based sewer bill if it can be reasonably determined that the water caused by the leak did not flow into the collection system.

Policy No.: P400-23-1

Policy Title: Utility Billing Leak Adjustments

Reporting:

A report will be presented to the Board if total credits provided in any fiscal year exceed \$25,000.

Administration:

The General Manager shall develop rules and procedures in furtherance of this policy.