

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

December 19, 2023

1. CALL TO ORDER

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

2. PLEDGE TO THE FLAG

3. ROLL CALL

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

District staff present: Jan Lee, Assistant General Manager; Carol Atwood, Administrative Services Director/Treasurer; Steve Delight, Engineering Services Director/District Engineer; Dan Gill, 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

Assistant General Manager Lee informed the Board that the District's contractor is onsite to test and monitor the audiovisual system during the meeting. She also announced that the reception for retiring General Manager McIntyre will be rescheduled from this evening.

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

6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS) – Assistant General Manager Lee recommended that Item 8.A be rescheduled due to General Manager McIntyre's absence. The Board agreed to defer the item to a future meeting.

7. CONSENT CALENDAR

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

7.A. Approve Meeting Minutes of December 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

8. BOARD BUSINESS

8.A. NOT HELD – Approve Proclamation Honoring Retiring General Manager Daniel McIntyre

- 8.B. Discuss and Approve Board Committee and Joint Powers Authority Assignments for Calendar Year 2024

Assistant General Manager Lee reviewed the item for the Board.

Director Halket MOVED to Approve Board Committee and Joint Powers Authority Assignments for Calendar Year 2024. Vice President Goel SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.C. Accept Annual Comprehensive Financial Report with Independent Auditor's Report for Fiscal Year Ended June 30, 2023, and Memorandum on Internal Control and Required Communications for Fiscal Year Ended June 30, 2023

Administrative Services Director Atwood reviewed the item for the Board. She introduced Ms. Whitney Crockett, a partner from Maze and Associates, the firm that conducted the audit. Ms. Crockett reported the District received a clean opinion which is the highest level of assurance that an agency can receive. She highlighted the sections in the report showing the opinion, changes from last year, and findings. She also complimented the efforts of the District's Financial Services staff. The Board and staff discussed various aspects of the report including the overall audit process, impacts from the District's recent financial system transition, and the best practice recommendation received regarding bank and utility billing reconciliations. The Board was pleased with the report.

Director Halket MOVED to Accept the Annual Comprehensive Financial Report with Independent Auditor's Report for Fiscal Year Ended June 30, 2023, and Memorandum on Internal Control and Required Communications for Fiscal Year Ended June 30, 2023. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.D. Receive Presentation on Preliminary 2024 Water Rates

Management Analyst II Corinne Ferreyra reviewed the item and gave a presentation (handed out to the Board) that was added to the website as supplementary materials and covered the following:

- Background (wholesale and retail rates, fixed versus variable charges, and previous Board direction)
- Residential consumption demographics
- Revenue requirements and projected working capital
- Zone 7 Water Agency (Zone 7) wholesale charge, retail rates, and bimonthly bill impacts for six rate scenarios
- Power charge, water shortage condition rates, and recycled water rates
- Next steps to adopt new rates effective April 1, 2024

The Board and staff discussed various aspects of the presentation, and examined the six rate scenarios, the Board's flexibility to manage rates, and how best to balance customer billing impacts with revenue stability. Assistant General Manager Lee confirmed that all six rate scenarios presented will generate the overall 5.5 percent increase needed to meet the District's revenue requirement.

Staff explained that under the water shortage condition (drought) rates, there would be no rate increase for the first five CCF consumed (CCF = 100 cubic feet of water, equivalent of 748 gallons) to reflect low users' limited conservation ability. Staff also explained the District's charge for recycled water (about 80 percent of the potable water rate) is in line with market rate, which is between 75 percent and 90 percent of the potable irrigation rate. Staff lastly noted the impact rising energy costs have on power charges for pumping to higher elevations.

The Board and staff discussed the Proposition 218 noticing process and timeline for adopting new rates, and the importance of effectively communicating and explaining the upcoming rate changes and billing impacts to customers.

The Board determined that Rate Scenario #3 provided the soundest approach to meeting District objectives. The Board directed staff to proceed with Rate Scenario #3, to establish a separate wholesale fixed charge to collect 30 percent of the Zone 7 fixed charge, and to continue collecting 20 percent of DSRSD retail revenues from fixed charges and 80 percent from variable charges, and to proceed with the proposed next steps and timeline in order to adopt rates effective April 1, 2024.

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee Reports DERWA – December 11, 2023

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

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

Director Vonheeder-Leopold submitted a written report to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the virtual Alameda County Special Districts Association Executive Committee meeting on December 13. 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

President Johnson requested that staff keep the Board apprised of the State's newly adopted regulations on direct potable reuse and messaging related to the new regulations and District initiatives.

9.B. Staff Reports

Assistant General Manager Lee reported that the January 2, 2024 Board meeting will be cancelled. The next Board meeting will be held on January 16, 2024.

10. ADJOURNMENT

President Johnson adjourned the meeting at 7:25 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary