

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

May 20, 2014

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by Vice President Edward R. Duarte. Boardmembers present: Vice President Edward R. Duarte, Director D.L. (Pat) Howard, Director Richard M. Halket, and Director Dawn L. Benson. President Georgan M. Vonheeder-Leopold was absent. District staff present: Bert Michalczyk, General Manager; Rhodora Biagtan, Interim Engineering Services Manager; John Archer, Interim Financial Services Manager/Treasurer; Levi Fuller, WWTP Operations Supervisor; Michelle Gallardo, Interim Organizational Services Manager; Carl P.A. Nelson, General Counsel; and Nancy Gamble Hatfield, District Secretary.

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

- Presentation of Awards to Tri-Valley Science and Engineering Fair Winners

V.P. Duarte addressed the students, parents, and teachers in the audience and stated it was his pleasure to present the Tri-Valley Science and Engineering Fair winners in our District service area from both Contra Costa and Alameda Counties with award checks and certificates.

V.P. Duarte stated that the “Excellence in Water Research” awards were created last year by water and wastewater agencies in Alameda and Contra Costa counties to recognize outstanding student projects in the world of water. More than ever, we must depend on science and engineering to create a sustainable water supply and protect public health and our environment. He expressed that students are the scientists and engineers of tomorrow who will take up these challenges.

The District’s Laboratory Supervisor Raj Gumber volunteered as a Judge at the fair. Sixty projects were considered for the “Excellence in Water Research” awards at the junior and senior levels in both county fairs. The judges were impressed by the students’ creativity in researching significant, real-world problems, and in their excellent workmanship. V.P. Duarte reported three of the winning projects are from the District’s service area. He then proceeded to present the following students and teacher or sponsor with their certificates and checks. Each winner presented an overview of their project.

Award Category: Runner Up in the Junior Division in Alameda County
Project Title: “Water Conservation in the Bay Area”
Team Members: Connor Vergara, Konrad Keihl and Kavin Kasi

- (each received \$100 award)
- Grade and School: Sixth graders at Fallon Middle School in Dublin
Teacher: Karen Brown (received \$100 award)
- Award Category: Third Place in the Senior Division in Contra Costa County
Project Title: "Continuous Water Distillation Using Lens"
Team Member: Anokhi Patel (received \$200 award)
Grade and School: Ninth grader at Dougherty Valley High School in San Ramon
Sponsor: Brinda Patel (received \$100 award)
- Award Category: Runner Up in the Junior Division in Contra Costa County
Project Title: "Aqua Refined"
Team Members: Spoorthi Vittaladevuni and Yukta Rakes (each received \$150 award)
Grade and School: Eighth graders at Windemere Ranch Middle School in Dougherty Valley, San Ramon
Sponsor: Venu Vittaladevuni (received \$100 award)
- Award Category: First Place in the Junior Division in Contra Costa County
Project Title: "The Effect of Different Types of Soil and Water on Plant Growth"
Team Member: Lekha Pillarisetti (received \$500 award)
Grade and School: Seventh grader at Windemere Ranch Middle School in Dougherty Valley, San Ramon
Sponsor: Vijay Pillarisetti (received \$100 award)

V.P. Duarte congratulated all of the students and stated we look forward to their future contributions in the world of water science and engineering.

- New Employee Introductions

District Managers Dan Lopez, Maurice Atendido, Levi Fuller, Michelle Gallardo, John Archer and Rhodora Biagtan introduced newly-hired employees in their divisions:

- Russell Baker, Mechanic I, hired in October 2013 to fill an existing vacancy, has over 15 years of experience in the public sector as a mechanic, including five years with the City of San Jose working as a Sr. Heavy Diesel Equipment Operator Mechanic.
- Cristina Herrera, Customer Service Representative II, hired February 2014 to fill an existing vacancy, has over 12 years of customer service experience, including nine years with the City of Hesperia Water District where she served as a Senior Customer Service Representative. Cristina relocated from Hesperia to the Bay Area with her dog, Zoe, and is now living in our service area.
- Robert Brooks, Operations Control Systems Specialist, hired in February 2014 to fill a newly authorized position for FYE 2014, comes to the District with over 14 years of experience with electronics, instrumentation and control systems. Robert holds a degree in Applied Science and Technology and his work experience

includes four years with the City of Palo Alto working at their Regional Water Quality Control Plant and six years serving in the US Navy.

- Ryan Pendergraft, Junior Engineer, hired in March 2014 to fill a newly authorized position for FYE 2014, recently completed his degree in Civil Engineering and obtained his Engineer-in-Training certification. While attending school, Ryan worked as a student assistant at the State Water Resources Control Board.
- Brian Johnson, Electrician, hired in April 2014 to fill an existing vacancy, comes to the District with over 21 years of electrical experience, including the completion of a five-year electrical apprenticeship and working as a Foreman Electrician at W. Bradley Electric and Red Top Electric.
- Richard Maddux, Safety Officer, hired in April 2014 to fill a newly authorized position for FYE 2014, comes to the District with over 18 years of experience in the areas of environmental health and safety, security and hazardous materials/waste. Richard holds a degree from UC Berkeley in Political Science/Math/Science and has worked with such organizations as Bayer Healthcare, Conoco Phillips Refinery and the Blue and Gold Fleet.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:36 p.m.

6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager Michalczyk reported on the following:
 - Since the Board’s drought related policy level actions taken at the May 5, 2014 meeting, staff is getting that information out to the community. The District’s service area has reduced water consumption as compared to 2013 by about 15%. Mr. Michalczyk reported that customer service calls spiked last Thursday and Friday and several low water users have called trying to better understand the conservation goals and how it relates to them personally. Additionally, a number of the callers were confused about the message in a letter they received from the District regarding exactly what is expected of them. Some callers were also critical about the tone of the letter. Mr. Michalczyk stated that staff is learning from the communication received from customers to improve upon future messages.
- Correspondence to and from the Board

Date	Format	From	To	Subject
5/8/14	Email	Marlene Massetti	DSRSD Board	Water Shortages
5/13/14	Letter	Mona Palacios, Executive Officer, Alameda County LAFCo	DSRSD Board of Directors and Staff	Support of the 2014 California Association of Local Agency Formation Commission (CALAFCo) Annual Staff Workshop

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

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| C. | <u>Committee Reports</u>
Special External Affairs
Personnel | May 5, 2014
May 13, 2014 |
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Vice President Duarte invited comments on recent committee activities. Directors felt the available staff reports adequately covered the many matters considered at committee meetings and made a few comments about some of the committee activities.

7. APPROVAL OF MINUTES – Special Meeting of *May 5, 2014*

Director Halket MOVED for the approval of the May 5, 2014 minutes. Director Howard SECONDED the MOTION.

Director Benson requested the following changes to the May 5, 2014 minutes:

- o Page 10, paragraph 4, the sentence should read: “Director Benson shared with Mr. Mello that Board meetings are recorded and are always available on the website for viewing.”
- o Page 13, paragraph 3, the second sentence should read: “She reported attending a compost class last Saturday at the City of Dublin’s Water Wise Garden workshop.”

Director Halket amended the MOTION for approval of the May 5, 2014 minutes to include Director Benson’s requested changes. Director Howard agreed to the changes and SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Vonheeder-Leopold).

8. CONSENT CALENDAR

Director Howard MOVED for approval of the items on the Consent Calendar. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Vonheeder-Leopold).

- A. Rescind Joint Water Quality Resolution – Approved – Resolution No. 31-14
- B. Upcoming Board Calendar – Approved

9. BOARD BUSINESS

- A. Provide Direction Related to the Tri-Valley Utility Coordination and Integration Study Report

General Manager Michalczyk started the discussion on this agenda item reporting the meeting of the Utility Coordination Ad Hoc Committee was held on March 5, 2014 at the Martinelli Event Center in the City of Livermore. The Ad Hoc Committee was comprised of elected officials from the Cities of Livermore, Pleasanton, Dublin, San Ramon together with the Zone 7 Water Agency and DSRSD. Directors Benson and Duarte represented the District at that meeting.

Mr. Michalczyk explained the purpose for this item tonight is to give Directors an opportunity to converse about their impressions and conclusions reached by the Ad Hoc Committee and to consider next steps. Mr. Michalczyk added that due to the many drought related activities in the past several weeks, this discussion unfortunately has been delayed until now.

Mr. Michalczyk gave a PowerPoint presentation summarizing the Tri-Valley Utility Coordination and Integration Study that he said he hoped would prompt discussion. He wanted to know the Board's opinions on the conclusions of the study. If more formal actions were warranted, staff could return later with a prepared agenda item in support of those desired actions. Tonight, Mr. Michalczyk was seeking an open ended discussion and consensus on next steps.

Mr. Michalczyk acknowledged Mr. Dan McIntyre, City of Livermore Public Works Director, who was in the audience. Mr. McIntyre presented the study results to the elected officials' Ad Hoc Committee on March 5, 2014.

The PowerPoint presentation on the Tri-Valley Utility Coordination and Integration Study included main discussion areas covering: Observations of the current situation; Aspects of the Tri-Valley Utility Coordination Study; and, Actions taken by the Tri-Valley Ad Hoc Utility Committee. Mr. Michalczyk further explained each of the different topic areas.

Some of the main observations of the current utility operations are: the complexity of the agencies and services has evolved naturally over the past 60 years; there is wide diversity in policy perspectives; there are no known deficiencies in the Tri-Valley utility operations; good coordination and cooperation already exists among agencies; and, there are promising additional short-term coordination and cooperation opportunities.

The Tri-Valley Utility Coordination and Integration Study included four main aspects: case studies; coordination opportunities; integration opportunities; and options for governance models. The coordination opportunities were narrowed to 15 identified areas as well as six possible near-term coordination opportunities for further consideration.

V.P. Duarte mentioned that as one of the Ad Hoc Committee members who attended the March meeting, he believes the lack of political will is a large issue now and there will be some resistance from certain entities to move any farther at this point. He believes taking any small steps toward coordination is positive.

Director Benson agreed small steps are good and that the lack of political will was a driving force in the decisions made by the Ad Hoc Committee. She expressed concern about water supply now and for the long-term and believes that having more of a voice in that matter with other retailers and Zone 7 is of interest to her. She noted that the Report showed coordination/integration efforts could result in a possible savings of 40 jobs. She thought that was significant and should be

explored, while also highlighting the fact that many folks are nearing retirement years.

Mr. Michalczyk mentioned the management and professional jobs would be most impacted by any sort of integration among agencies. At the same time, there may be career enhancing opportunities for others. He noted change does not happen quickly so taking small steps makes sense and that embarking upon a more in-depth study does not seem sensible if not supported by the agencies.

Director Halket commented he likes the two terms: coordination and integration. To him, coordination makes sense and he supports this effort. The integration component is, however, more interesting to him because the question is which agency would push the effort, particularly when none of the involved agencies are failing as was the issue in some of the case studies presented in the Report. Director Halket discussed the current drought issue and compared this District's 25% system-wide water curtailment to EBMUD's 10% voluntary conservation efforts. EBMUD is fortunate to have their Freeport project for a secondary water source. He highlighted the fact that at the water retailer level in this valley there are no secondary water supply sources to tap other than Zone 7. He suggested the District could possibly do some creative things with the cities in this regard if the organizational structure was bulked up in the future. He encouraged creative thinking toward some good governance structure that could help improve services.

Director Howard believes there needs to be a catalyst for integration of agencies and until such time, he does not believe integration will occur unless there is a political will. He does believe cooperation is a good tool and may be a way to secure a secondary water supply in the valley. He agreed that baby steps are the way to move things forward at this time.

V.P. Duarte emphasized the importance of the political will and that it cannot be ignored. He supports reciprocal agreements and any other opportunities for services among the agencies that are in the ratepayers' interest. He also endorses the current direction of the Ad Hoc Committee. Too many agencies are performing well enough so integration at this point is unlikely.

Mr. Michalczyk reviewed the following Tri-Valley Utility Ad Hoc Committee actions taken and delineated in the presentation:

- Endorse continuation of existing cooperative efforts;
- Finalize the Reciprocal Services Agreements among local agencies;
- Make presentation to Alameda County LAFCo about study results;
- Consider near-term coordination opportunities;
- Defer consideration of integration and governance options until at least 2015; and
- Hold another meeting of the Ad Hoc Committee in the first quarter of 2015.

At the conclusion of the Board discussion, Directors reached a consensus that the Tri-Valley Utility Ad Hoc Committee actions taken were appropriate at this time.

10. BOARDMEMBER ITEMS

Director Halket requested there be a standing Board Business agenda item during this drought season where Directors could discuss issues and concerns with customers if and when needed. He also recommended a book to Directors he believed worth reading titled: "Governing the Tap: Special District Governance and the New Local Politics of Water" by Megan Mullin. President Vonheeder-Leopold and former District Director Tom McCormick are quoted in the publication.

11. CLOSED SESSION

At 7:13 p.m. the Board went into Closed Session.

- A. Consultation with Bert Michalczyk, Security Operations Manager Pursuant to Government Code Section 54957 – Threat to Public Services or Facilities
- B. Conference with Legal Counsel - Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: One case.

12. REPORT FROM CLOSED SESSION

At 7:54 p.m. the Board came out of Closed Session. Vice President Duarte announced that there was no reportable action.

13. ADJOURNMENT

V.P. Duarte adjourned the meeting at 7:55 p.m. in memory of Jesse Dwight Meadows, former director of the Contra Costa Resource Conservation Board. Mr. Meadows' memorial service is scheduled for 11:00 a.m. on Friday, May 23, 2014 at Trilogy Vineyards in Brentwood. Mr. Meadows served as a Director on the Ironhouse Sanitary Board and was instrumental in helping set up their recycled water program and he also served as a long-standing member of Contra Costa County LAFCo.

Submitted by,

Nancy Gamble Hatfield
District Secretary