

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

April 2, 2019

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:04 p.m. by President Misheloff.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Madelyne A. (Maddi) Misheloff, Vice President Edward R. Duarte, Director Ann Marie Johnson, Director Richard M. Halket, and Director Georgean M. Vonheeder-Leopold.

District staff present: Dan McIntyre, General Manager; Carol Atwood, Administrative Services Manager/Treasurer; Judy Zavadil, Engineering Services Manager/District Engineer; Levi Fuller, Wastewater Treatment Plant Operations Supervisor; Carl P.A. Nelson, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:05 p.m. No public comment was received.

6. REPORTS

6.A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
 - Zone 7 Water Agency is holding a Groundbreaking Ceremony for the Patterson Pass Water Treatment Plant Upgrades and Ozonation Project Wednesday, April 10.
 - The DSRSD/Pleasanton Liaison Committee meeting will be hosted by City of Pleasanton Thursday, April 11.
 - The Dublin State of the City Address will be at the Shannon Community Center Wednesday, April 17. DSRSD is sponsoring a table.
 - The next Tri-Valley Water Liaison Committee meeting will be hosted by City of Pleasanton Wednesday, April 24.

- Correspondence to and from the Board on an Item not on the Agenda

| Date | Format | From | To | Subject | Response |
|-------------|---------------|---|---------------------------|--|-----------------|
| 3/28/19 | Letter | Robert E. Doyle – GM of East Bay Regional Park District | President Maddi Misheloff | Support for ACSDA Reappointment of EBRPD Board President Ayn Wieskamp to LAFCO | N/A |

6.B. Joint Powers Authority and Committee Reports
DERWA – March 25, 2019

President Misheloff invited comments on recent JPA activities. Directors felt the available staff reports adequately covered the matters considered at the JPA meeting.

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

7. CONSENT CALENDAR

General Manager McIntyre reported that a revised resolution for the award of contract in item 7.B has been distributed to the Board which includes additional information pertaining to the award of contract. Director Halket requested that item 7.B be removed for discussion. The Board agreed to remove Item 7.B for discussion, and took Consent Calendar item 7.A and passed this item first.

Director Halket MOVED for approval of item 7.A on the Consent Calendar. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

7.A. Special Meeting Minutes of March 25, 2019 – Approved

7.B. REMOVED – Approve Budget Increase to the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2018 and 2019 and Award Construction Agreement to Bay Pacific Pipelines Inc. for the Foul Air Line Rehabilitation Project (CIP 15-P018) – Approved – Resolution No. 14 -19 and Resolution No. 15-19

Speaker: Mr. Dennis Gutierrez (GSE Construction, Inc.) – Mr. Gutierrez stated Bay Pacific Pipelines Inc. (Bay Pacific) should not be awarded the CIP 15-P018 project contract due to safety record concerns.

The Board and staff addressed Mr. Gutierrez's concerns stating that Bay Pacific has provided the required documentation to show its 1.23 EMR (experience modification rate determines likelihood of workers' compensation claims) is within the accepted range of 1–1.5, and must submit safety plans to the District in order to be allowed to proceed. The Board stated other identified bid irregularities are within the District's right to waive, and based on District General Counsel and staff vetting of Bay Pacific's bid documentation, has determined the bid should be awarded to Bay Pacific as presented.

Director Halket MOVED to approve item 7.B, with the corrected resolution for the award of contract as noted, on the Consent Calendar. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

8. BOARD BUSINESS

8.A. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists

Engineering Services Manager Zavadil reviewed the item for the Board.

Director Vonheeder-Leopold MOVED to Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists. Director Johnson SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.B. Public Hearing: Receive Input from the Community Regarding Boundaries and Composition of Divisions to Be Established for Division-Based Elections Pursuant to Elections Code Section 10010, and Provide Direction

President Misheloff declared the Public Hearing open and asked for the staff presentation.

Executive Services Supervisor/District Secretary Nicole Genzale reviewed the item for the Board. She reported that this is the fourth of four required public hearings the District will hold to transition from at-large to by-division elections. She explained the Board would be expected to select a division map and determine the sequencing of division elections this evening. She introduced the District's independent demographer, Mr. Michael Wagaman of Wagaman Strategies, and special counsel, Mr. Tom Willis of Remcho, Johansen & Purcell, LLP. An email sent by Mr. Scott Rafferty (attorney representing Bay Area Voting Rights Initiative who issued demand letter to the District) regarding this evening's meeting was distributed to the Board at the dais.

Demographer Wagaman gave a presentation reviewing the transition process and timeline, the public input received as of the April 2 agenda publication, and the four additional draft map plans (identified as Canary, Scarlet, Emerald, and Navy) that were created per the Board's direction at the March 19 meeting.

The Board determined it would go into Closed Session 10.A at this time.

President Misheloff asked for any public comments. No public comments were received.

President Misheloff declared the Public Hearing closed.

The Board began discussion of the eight map plan options (Red, Scarlet, Yellow, Canary, Green, Emerald, Purple, and Navy). The Board agreed, by consensus, to eliminate the Green, Emerald, Purple, and Navy map plan options due to the configuration of division 5. Director Halket stated he could not support any map with the way division 5 is drawn in the four eliminated map plans due to the difficulty it would pose for a first-time candidate. The Board then further discussed the Red, Scarlet, Yellow, and Canary map plans and potential division election sequencing within them.

Director Halket MOVED to select map plan option Yellow with divisions 1, 3, and 5 up for election in 2020, and divisions 2 and 4 up for election in 2022. Director Vonheeder-Leopold SECONDED the MOTION, which FAILED with TWO AYES, and THREE NOES (Duarte, Johnson, and Misheloff).

Director Johnson MOVED to select map plan option Scarlet with divisions 1, 3, and 5 up for election in 2020, and divisions 2 and 4 up for election in 2022. Vice President Duarte SECONDED the MOTION which CARRIED with FOUR AYES, and ONE NO (Halket).

The Board took a 10-minute break at the conclusion of Item 8.B.

8.C. Receive Update on Preliminary Water Rate Study and Provide Direction

Administrative Services Manager Atwood reviewed the item for the Board. She gave a PowerPoint presentation which was distributed to the Board providing an update on the study's timeline, a summary of the Board's direction from the February 5 meeting, a summary of preliminary water rate study updates, and projected residential and revenue impacts.

Ms. Atwood requested Board policy input on the following staff recommendations:

1. Maintain separate potable water charge
2. Forego rate adjustment on January 1, 2020
3. Revise allocation between fixed and variable charges
4. Adjust replacement allocations to Water Replacement fund
5. Utilize water rate stabilization fund

The Board and staff discussed aspects of the presentation including the proposed fixed and variable charges and the recommendations from staff. The Board directed staff to carry forward with all recommendations as presented.

8.D. Receive Presentation on the 2015 Long-Term Alternative Water Supply Study

Engineering Services Manager Zavadil reviewed the item for the Board. She gave a PowerPoint presentation which was distributed to the Board highlighting the following points from the policy reviewed at the March 19 Board meeting: increase supply portfolio reliability, increase local control, reduce concentration risk, and implementation strategies. Her presentation also covered the purpose of the Long-Term Alternative Water Supply Study (Study), reviewed the water supply alternatives identified in the Study, the recommended next steps, progress made since the Study was completed, new information garnered after the Study was done, long-term water supply planning for the District, Zone 7 Water Agency's 2019 Water Supply Evaluation report (Zone 7 is the District's water wholesaler) and supply scenarios based on the alternatives. She summarized how the District might meet its policy requirements via partnership with Zone 7 and/or independent pursuits.

The Board and staff discussed aspects of the presentation, as well as the District's approach for discussions at the Tri-Valley Water Liaison Committee meeting on April 24, 2019.

9. BOARDMEMBER ITEMS

- Submittal of Written Reports for Day of Service Events Attended by Directors

Director Vonheeder-Leopold reported she attended the Alameda County California Special Districts Association Chapter annual dinner held Thursday, March 28 at the Redwood Canyon Golf Course in Castro Valley. Additionally, she requested the District submit a letter in support of H.R. 1764, a bill recently introduced by Representative John Garamendi, amending the Federal Water Pollution Control Act permitting terms.

- Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda – None

10. CLOSED SESSION

At 6:39 p.m. the Board went into Closed Session item 10.A in conjunction with item 8.B, as noted above.

10.A. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case

10.B. NOT HELD – Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
Name of Case: Dublin Unified School District

11. REPORT FROM CLOSED SESSION

At 6:56 p.m. the Board came out of Closed Session item 10.A as noted with item 8.B above. President Misheloff announced that there was no reportable action.

12. ADJOURNMENT

President Misheloff adjourned the meeting at 9:15 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary