

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

April 16, 2019

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:01 p.m. by Vice President Duarte.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

Vice President Edward R. Duarte, Director Ann Marie Johnson, Director Richard M. Halket, and Director Georgean M. Vonheeder-Leopold.

President Madelyne A. (Maddi) Misheloff was absent.

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

Following the roll call, Vice President Duarte announced that a special DERWA Board meeting was held earlier today, attended by Vice President Duarte and Director Georgean Vonheeder-Leopold. In accordance with DSRSD's Day of Service policy, no Director will receive any compensation or stipend for participating in more than one meeting on this date.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – General Manager McIntyre announced that tomorrow, April 17, 2019, is DSRSD's 66th birthday!

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:02 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:
 - o The Dublin State of the City Address will be held at the Shannon Community Center tomorrow, April 17. DSRSD is sponsoring a table.
 - o The Tri-Valley Water Liaison Committee meeting scheduled for Wednesday, April 24 has been cancelled. The next meeting will be held Wednesday, July 24.
- Correspondence to and from the Board on an Item not on the Agenda – None

6.B. Joint Powers Authority and Committee Reports

DSRSD/City of Pleasanton Liaison – April 11, 2019
Special DERWA – April 16, 2019

Vice President Duarte invited comments on recent JPA and Committee activities.

Director Halket and Director Johnson commented that the DSRSD/City of Pleasanton Liaison Committee meeting was collegial and productive, and discussion topics were well received.

Director Vonheeder-Leopold reported the special DERWA Board held earlier this evening was called to address the recycled water treatment facility electrical outage emergency that occurred on Sunday, April 7, 2019. The DERWA Board approved emergency funding of up to \$1,000,000 for DSRSD to complete necessary repairs.

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

7. CONSENT CALENDAR

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

7.A. Regular Meeting Minutes of April 2, 2019 – Approved

7.B. Accept the Following Regular and Recurring Report: Warrant List – Approved

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. She reported that staff received design drawings today for review, and expects to also receive a preliminary cost estimate from the construction management company by April 26.

Director Halket 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 Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

8.B. Approve Emergency Action Procurement by General Manager for Repair of Recycled Water Treatment Facility

Operations Manager Carson reviewed the item for the Board. He gave a presentation, which was distributed to the Board, showing a powerful arc flash that occurred at the DERWA (Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority) recycled water treatment facility signaling the onset of the electrical outage on Sunday, April 7, 2019. He explained the nature of the DERWA equipment failure, the resulting damage, and the inspections, parts, activities, and estimated timeline to repair the facility and restore normal production. DSRSD staff have secured emergency generators to provide power while they make repairs.

The Board and staff discussed aspects of the procurement and repair processes to restore the facility to full operation.

Director Vonheeder-Leopold MOVED to adopt Resolution No. 16-19, Approving Emergency Action Procurement by the General Manager for Repair of the Recycled Water Treatment Facility. Director Johnson SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

8.C. First Reading: Introduction of Ordinance Establishing the District's By-Division System for Electing Directors in Conformance with the California Voting Rights Act (CVRA)

Vice President Duarte read the title of the Ordinance: An Ordinance of Dublin San Ramon Services District to Establish a By-Division System for Electing Directors.

Vice President Duarte solicited a Motion to Waive Reading of the Ordinance.

Director Vonheeder-Leopold MOVED to Waive Reading of the Ordinance. Director Halket SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

Vice President Duarte asked for the staff presentation. Executive Services Supervisor/District Secretary Nicole Genzale reviewed the item for the Board.

Vice President Duarte asked for any public comments.

Speaker: Anonymous – The speaker inquired if/when the District's residential recycled water fill stations will reopen.

The Board and staff explained there are currently no planned reopenings due to ongoing facility construction and lack of a declared drought emergency.

The Board had no additional comments and took no action. The ordinance adoption is scheduled for Tuesday, May 7, 2019.

8.D. Receive Update on the Tri-Valley Water Supply

General Manager McIntyre reviewed the item for the Board. He reported that the Tri-Valley Water Liaison Committee (comprised of cities of Dublin, Livermore, Pleasanton, San Ramon, and Zone 7 Water Agency (Zone 7), DSRSD, and California Water Service Company) have met a number of times since the most recent drought to identify and study water supply projects in the Tri-Valley to meet future needs. He reported that although current water supply meets Zone 7 and DSRSD water reliability policy standards, it will not suffice for the long-term (more than 10 years), and at least two supply projects must be implemented in the near-term. He reported the Committee last met in January and members were not unified on project timing, nor the general approach to move forward. The purpose of the next meeting, scheduled for April 24, was to review a proposed framework of common principles and establish a broad policy with less emphasis on specific details, but due to disagreement about such a framework, the meeting has been cancelled.

The Board and staff expressed their concern over this slowdown in progress, and emphasized how important it is for the Committee to meet and hold these critical discussions. The Board expressed its hope that effective communication will take place amongst the Committee members in order to hold a productive meeting as scheduled on July 24.

8.E. Receive Draft Water Rate Study, Authorize Proposition 218 Notice, and Set Public Hearing for June 18, 2019

Financial Services Supervisor Herman Chen reviewed the item for the Board. He gave a presentation, which was distributed to the Board, outlining forthcoming water rate actions based on previous Board direction regarding proposed charges for potable water, recycled water, fixed service, power, water shortage conditions, and the Dougherty Valley Standby Charge District pass-through, as well as customer impacts, and the proposed timeline for the Proposition 218 noticing and rate adoption process.

The Board and staff discussed certain aspects of the presentation, including the updated Proposition 218 notice handed out this evening, the public noticing process and District protest tabulation policy, the escalation of power charges during conservation periods (to recapture revenue lost when selling and pumping less water to a higher elevation), and water shortage condition charges developed to recover cost during water shortage emergencies. Director Halket also noted for the record, that water shortage condition charges are designed to signal desired conservation to customers.

Director Johnson MOVED to Authorize a Proposition 218 Notice and Set a Public Hearing for June 18, 2019. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

8.F. Adopt Revised Consolidated Water Enterprise Fund Policy and Rescind Resolution No. 36-16

Administrative Services Manager Atwood reviewed the item for the Board.

Director Halket MOVED to adopt Resolution No. 17-19, Revising the Consolidated Water Enterprise Fund Policy and Rescinding Resolution No. 36-16. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Misheloff).

8.G. Receive Presentation and Support the Proposed Livermore-Amador Valley Water Management Authority Operations and Maintenance Budgets for Fiscal Year 2019-2020 and Fiscal Year 2020-2021

Operations Manager Carson reviewed the item for the Board. He distributed a PowerPoint to the Board illustrating the LAVWMA pipeline facilities, and explained the following areas for increases in the proposed LAVWMA budget: preventative maintenance replacement items, increased special sampling due to East Bay Discharge Authority requests, increased regulatory monitoring parameters, and underground service alert administrative changes. The Board did not have any comments or questions on this item.

8.H. Receive Update on DSRSD Staffing Changes

General Manager McIntyre reviewed the item for the Board. He distributed a presentation to the Board illustrating the unprecedented staffing and leadership changes that have occurred, due in large part to staff retirements, since he became the General Manager in 2016. Since then, he has seen 42 new staff hired and 13 of 18 leadership positions re-staffed! The Board marveled over the continuous staffing transitions and requested weekly notifications of staff retirements, which staff agreed to provide going forward.

8.I. Receive Presentation on Legislative and Regulatory 2018 Report and 2019 Platform and Provide Direction

Community Affairs Supervisor Sue Stephenson reviewed the item for the Board. The Board and staff discussed certain aspects of the item. The Board directed staff to proceed with the efforts as recommended, and requested staff to follow any proposed legislation regarding efficiencies to improve fuel use and carbon footprints, and to emphasize the importance of the District's support for continuation of ADU (accessory dwelling unit) impact fees, and the District's opposition to the proposed water tax.

9. BOARDMEMBER ITEMS

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

Director Vonheeder-Leopold submitted written reports to Executive Services Supervisor Genzale. She reported that she attended the California Association of Sanitation Agencies (CASA) Finance Committee teleconference meeting on Wednesday, April 3, the Executive Director Recruitment Subcommittee of the CASA Board of Directors teleconference meeting on Tuesday, April 9, and the Alameda County California Special Districts Association Chapter Board meeting on Wednesday, April 10, at the Castro Valley Sanitary District. She summarized the activities and discussions at the meetings. She also reported that she, as President Misheloff's designee, will cast the District's vote for the Alameda LAFCo Non-Enterprise seat election at the Independent Special District Selection Committee meeting on Wednesday, May 8, at the Castro Valley Library.

Director Johnson submitted written reports to Executive Services Supervisor Genzale. She reported that she attended Zone 7 Water Agency's Patterson Pass Water Treatment Plant Upgrades and Ozonation Project celebration on Wednesday, April 10, in Livermore, and the DSRSD/City of Pleasanton Liaison Committee meeting on Thursday, April 11. She summarized the activities and discussions at the meetings.

Director Duarte submitted a written report to Executive Services Supervisor Genzale. He reported that he attended the Contra Costa California Special Districts Association chapter meeting on Monday, April 15, at the Central Contra Costa Sanitation District Collection System Operations facility in Walnut Creek. He summarized the activities and discussions at the meeting.

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

10. CLOSED SESSION

10.A. NOT HELD – 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 – NOT HELD

12. ADJOURNMENT

Vice President Duarte adjourned the meeting at 7:25 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary