

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

February 16, 2016

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by President D.L. (Pat) Howard.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President D.L. (Pat) Howard, Vice President Richard M. Halket, Director Edward R. Duarte, Director Madelyne (Maddi) Misheloff, and Director Georgean M. Vonheeder-Leopold.

District staff present: John Archer, General Manager/Treasurer; Dan McIntyre, Engineering Services Manager; Dan Gallagher, Operations Manager; Carl P.A. Nelson, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

General Manager Archer reported that the Zone 7 Board meeting will be held tomorrow night February 17, 2016. He also reminded the Board that the Association of California Water Agencies (ACWA) Legislative Symposium will be held March 9, 2016 in Sacramento. He again reminded Boardmembers and designated staff that the Fair Political Practices Commission (FPPC) Annual Statements of Economic Interest forms (Form 700) are due to the District Secretary by March 18, 2016.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:02 p.m.
– There was no public comment received.

6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager Archer reported on the following:
 - o The Tri-Valley Water Policy Roundtable #6 meeting was held last week on February 11, 2016.
 - o Acquisition of the new Field Operations Division property located on Commerce Circle in Pleasanton should be final on March 22, 2016.
- Correspondence to and from the Board on an Item not on the Agenda - None

B. Agenda Management (consider order of items) – General Manager Archer noted that Closed Session Item 11.A will not be needed if Item 9.I is approved.

C. Committee Reports

Tri-Valley Water Policy Roundtable Committee

February 11, 2016

President Howard invited comments on recent committee activities. The Directors agreed to defer discussion of this meeting to Item 9.G.

7. APPROVAL OF MINUTES – Regular Meeting of February 2, 2016

Director Vonheeder-Leopold MOVED for the approval of the February 2, 2016 minutes. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

Engineering Services Manager McIntyre noted that a typographical correction (changing “(3)” to “(30)”) was needed in item ‘c’ on page 2 of Attachment A to the Technical Services Agreement proposed for approval under Item 8.A.

Director Duarte requested that Item 8.B be removed from the Consent Calendar for further discussion.

Director Duarte MOVED for approval of Items 8.A and 8.C on the Consent Calendar, with the correction noted above to the Agreement comprising Item 8.A. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

A. Approve Technical Services Agreement with National Plant Services, Inc., for Condition Assessments of Sanitary Sewer Lines - Approved

B. REMOVED - Approve Amendment to the Capital Improvement Plan and Budget FYEs 2016 and 2017 to Revise Project Description and Increase Budget for District Office Improvements Project (CIP 6-A006)

Director Duarte inquired if the requested budget amendment would provide enough funding for the District Office improvements included in the revised project description. Engineering Services Manager McIntyre confirmed that the proposed budget increase would suffice, and both he and General Manager Archer acknowledged that additional facility improvements would be included in a more comprehensive project in the future.

Director Duarte MOVED for approval of Item 8.B Resolution No. 6-16, approving Amendment to the Capital Improvement Plan and Budget FYEs 2016 and 2017 to Revise Project Description and Increase Budget for District Office Improvements Project (CIP 6-A006). Director Misheloff SECONDED the MOTION, which carried with FIVE AYES.

C. Accept the Following Regular and Recurring Reports: District Financial Statements, Warrant List and Upcoming Board Business – Approved.

9. BOARD BUSINESS

A. Review and Discuss Drought Management Program

General Manager Archer reported that this is a standing agenda item intended for discussion by the Board, staff and the public on the District’s Drought Management

Program. He presented his recommendation that the Board eliminate this standing item as it is redundant with the monthly standing Item 9.B.

No members of the public addressed the Board on this topic.

The Board agreed to eliminate this standing item from future Board meeting agendas.

B. Accept Water Supply and Demand and Drought Response Action Plan Status Reports

General Manager Archer reported that this is a standing agenda item and highlighted aspects of the report.

The Board and staff discussed various aspects of the reports, including Governor Brown's November 13, 2015 Executive Order for a continuation of the State of the Community Drought Emergency through October 31, 2016.

Vice President Halket MOVED to accept the Water Supply and Demand Report and the Drought Response Action Plan Status Report. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

C. Continue the State of a Community Drought Emergency through October 31, 2016 and Rescind Resolution No. 27-15

General Manager Archer reviewed the item for the Board.

The Board and staff discussed that proposed changes to the District's Drought Response Action Plan, resulting from Governor Brown's Executive Order for a continuation of the State of the Community Drought Emergency, will be addressed in Item 9.D.

Vice President Halket MOVED to adopt Resolution No. 7-16, to extend the declaration of a Community Drought Emergency and Rescind Resolution No. 27-15. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

D. Endorse Updated Drought Response Action Plan for 2016

Operations Manager Gallagher reviewed the item for the Board and described the proposed Plan actions District staff will undertake March 1 - October 31, 2016 in response to the ongoing drought, and the State Water Resources Control Board's extended emergency water conservation regulations. Revised urgency ordinances will be brought back to the Board for approval if the Board requests changes to the water use limitations or enforcement program.

Speaker: Ms. Judy Mahr, President of California Highlands of Dublin Homeowners Association – Ms. Mahr addressed the Board and expressed concerns regarding enforcement of the pool cover requirement in accordance with the District's water use limitations.

The Board and staff discussed the proposed updates to the Plan and agreed the changes presented by staff are sensible, and noted the rebate program will continue to encourage

customers to implement water conservation methods though certain restrictions will no longer be in effect. An updated ordinance will be prepared for Board approval reflecting the approved changes to the water use limitations. The Board and staff also briefly discussed the status of recycled water connections throughout Dublin.

Director Duarte MOVED to accept the Updated Drought Response Action Plan for 2016. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

- E. Amend FYE 2016 and FYE 2017 Operation Budgets Related to District Drought Response

General Manager Archer reviewed the item for the Board.

The Board and staff briefly discussed the District's commendable conservation levels and potential related budgetary impacts per the water shortage supply rate currently in effect. General Manager Archer indicated that the financial statements included in the Board agenda packet confirm that the Water fund is operating within budgeted expectations.

Vice President Halket MOVED to adopt Resolution No. 8-16, adjusting the FYE 2016 and FYE 2017 Operating Budgets. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

- F. Referral of Status Update of the Water Master Plan and Water Capacity Reserve Fee Study to the Finance and Personnel Committee

Engineering Services Manager McIntyre reviewed the item for the Board. He suggested the Finance and Personnel Committee, represented by Vice President Halket and Director Misheloff, receive an update on the progress of the Water Master Plan Update and the Water Capacity Reserve Fee Study ahead of Board consideration.

Vice President Halket and Director Misheloff agreed to hold a Finance and Personnel Committee meeting on Monday February 29, 2016 at 5:30 p.m.

- G. Discuss Tri-Valley Water Policy Roundtable Activities on Water Reliability and Advanced Water Recycling

Engineering Services Manager McIntyre reviewed the item for the Board and summarized the activities and discussions held at the meeting on February 11, 2016.

The three main items discussed were the Zone 7 water supply evaluation, community survey results, and next steps. The elected officials in attendance unanimously adopted the following suggestions: the agencies should collaborate on a joint feasibility study of Indirect Potable Reuse (IPR) in the next 12-18 months, the agencies should not study Direct Potable Reuse (DPR) at this time due to lack of community support, and the agencies should begin community outreach concurrent with the IPR joint feasibility study. Staff noted that the estimated study cost would be in the range of \$500,000, shared by the agencies. Additional Roundtable meetings will be held at the behest of the elected officials.

The Board and staff discussed and assessed the participating agencies' positions and input regarding various topics including IPR, desalination, the proposed Delta WaterFix, Zone 7's water supply evaluation, initiation of the feasibility study, and continuing support of the Committee's efforts. Mr. McIntyre surmised IPR should be implemented in the valley within five to ten years and endorsed an aggressive timeline.

H. Discuss Update on California WaterFix Project

Engineering Services Manager McIntyre gave a presentation to the Board on the California WaterFix Project and invited discussion on the information presented.

The Board and staff discussed various aspects of the WaterFix project as well as the District's dependence on Zone 7 for the majority of its water supply, the State Water Project (SWP) reliability issues, and the Zone 7 water supply evaluation update report, which presumes the WaterFix Project will ultimately come to fruition. The Board requested that Assistant General Counsel Bob Maddow deliver a presentation about the SWP at a future Board meeting to provide a better understanding of how the SWP works and the contracted agencies' rights so as to ensure the Board feels more comfortable weighing in on this matter.

Mr. McIntyre also noted that Zone 7 will be asked to approve a policy supporting the WaterFix Project at their Board meeting tomorrow evening. He inquired if the Board wished for him to convey support for such a policy. No direction was given by the Board.

I. Amend the Memoranda of Understandings between the District and the Mid-Management Employees Bargaining Unit (MEBU) and the Professional Employees Bargaining Unit (PEBU) for the period December 26, 2011 through December 17, 2017, and for the Confidential Employees Bargaining Unit (CEBU) for the period of December 26, 2011 through April 30, 2018

General Manager Archer reviewed the item for the Board, and explained the difference in the proposed Memoranda of Understanding expiration dates is due to the one-year extension from the current expiration dates. CEBU has a different expiration date from MEBU and PEBU.

The Board thanked staff and the three bargaining units for being flexible and working diligently through this negotiation process.

Vice President Halket MOVED to adopt Resolution No. 9-16, approving a side letter of agreement amending the memorandum of understanding applicable to employees in the Mid-Management Employees Bargaining Unit (MEBU), to adopt Resolution No. 10-16, approving a side letter of agreement amending the memorandum of understanding applicable to employees in the Professional Employees Bargaining Unit (PEBU), to adopt Resolution No. 11-16, approving a side letter of agreement amending the memorandum of understanding applicable to employees in the Confidential Employees Bargaining Unit (CEBU). Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

10. BOARDMEMBER ITEMS

Director Misheloff inquired about cooperative efforts with East Bay Municipal Utility District (EBMUD) to obtain alternate water resources. Operations Manager Gallagher explained that at this time EBMUD is unable to offer excess capacity to the District for water transfers due to the need to utilize 100% of available capacity to serve EBMUD customer needs.

Director Vonheeder-Leopold submitted a written report to Executive Services Supervisor Genzale. She reported that she attended the Alameda County Special Districts Association (ACSDA) Board meeting on February 10, 2016 at the Castro Valley Sanitary District. She summarized the activities and discussions at the meetings.

11. CLOSED SESSION

At 7:05 p.m. the Board went into Closed Session.

A. NOT HELD - Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6

Agency Negotiator: John Archer, General Manager

Employee Organizations: 1. Mid-Management Employees Bargaining Unit
2. Professional Employees Bargaining Unit
3. Confidential Employees Bargaining Unit

Additional attendees: Michelle Gallardo, Human Resources Supervisor
General Counsel Carl P. A. Nelson

B. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6

Agency Negotiator: John Archer, General Manager

Employee Organizations: 1. Stationary Engineers – Local 39

Additional attendees: Michelle Gallardo, Human Resources Supervisor
General Counsel Carl P. A. Nelson

C. Public Employee Appointment – Pursuant to Government Code Section 54957

Title: General Manager

12. REPORT FROM CLOSED SESSION

At 8:36 p.m. the Board came out of Closed Session. President Howard announced that there was no reportable action.

13. ADJOURNMENT

President Howard adjourned the meeting at 8:37 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor