

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

June 7, 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, and Director Georgean M. Vonheeder-Leopold.

Director Madelyne (Maddi) A. Misheloff was absent.

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

Community Services Supervisor Sue Stephenson introduced Arshia Mehta, an eighth grade student from Gale Ranch Middle School in San Ramon. She presented her project on inexpensive water pasteurization to the Board. She won third place in the Junior Division at the Contra Costa County Science & Engineering Fair.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:09 p.m.

– There was no public comment received.

6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
 - The Change of Command at Camp Parks will be held this Friday June 9. Please notify Executive Services staff if Board would like to attend.
 - The July 5, 2016 Board meeting will likely be cancelled due to proximity to the Independence Day Holiday and a lack of agenda items.
 - Staff will present an item to the Board on July 19, 2016 recommending a response to the Contra Costa Grand Jury Report “Reclaiming Our Water.”
 - Central Contra Costa Sanitation District will hold its 70th Anniversary Open House in Martinez on July 16, 2016.

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

Date	Format	From	To	Subject	Response
May 2016	Letter	Contra Costa County Grand Jury	DSRSD Board	Grand Jury Report "Reclaiming Our Water"	Staff will present a recommended response to the Board on 7/19/16
6/7/16	Email	Dawn Benson	DSRSD Board	Tips for Change	N/A

- B. Agenda Management (consider order of items) – General Manager McIntyre reported the Board received an email from Director Maddi Misheloff regarding Consent Calendar Item 8.A. The Board agreed to remove Consent Calendar Item 8.A in order for the email to be read into the record.

- C. Committee Reports

Finance and Personnel Committee

May 31, 2016

President Howard invited comments on recent committee activities. Directors felt the available staff report adequately covered the many matters considered at committee meeting.

7. APPROVAL OF MINUTES – Regular Meeting of May 17, 2016

Director Vonheeder-Leopold MOVED for the approval of the May 17, 2016 minutes. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Misheloff).

8. CONSENT CALENDAR

The Board took Consent Calendar Items 8.B and 8.C for consideration ahead of Item 8.A and passed these items first.

Vice President Halket MOVED for approval of items 8.B and 8.C on the Consent Calendar. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Misheloff).

- B. Adoption of Dublin San Ramon Services District 2015 Urban Water Management Plan and Water Shortage Contingency Plan – Approved – Resolution No. 32-16 and Resolution No. 33-16

- C. Authorize General Manager to Execute an Increase to Purchase Order with Inland Potable Services for Potable and Recycled Water Reservoir Cleaning and Inspection Services – Approved

The Board then removed and considered Item 8.A.

- A. REMOVED - Authorize Consolidation of District Election with November 8, 2016 Statewide General Election – Approved – Resolution No. 34-16

General Manager McIntyre read an email from Director Maddi Misheloff, dated June 5, 2016, into the record:

“Hello All, I do hope you have been having a wonderful weekend. As I cannot be at the Board Meeting this coming Tuesday, I would like to share my stand on Agenda item 8A. Please know and acknowledge that I am in favor of the resolution for election consolidation. My personal preference is to run for a full term (4 year) Director position in November. My thanks, Maddi”

There was no further discussion.

Vice President Halket MOVED for approval of item 8.A on the Consent Calendar. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Misheloff).

9. BOARD BUSINESS

A. Review and Discuss State Water Resources Control Board Adjustment to Emergency Conservation Regulation

General Manager McIntyre introduced Interim Operations Manager Lopez who reviewed the item for the Board. Mr. Lopez explained the State Water Resources Control Board's (SWRCB) recent modification to statewide conservation, shifting from a mandatory percentage reduction-based standard to a local supply based approach. Mr. Lopez reviewed possible impacts and options for the District's current conservation program. He also noted it is anticipated the District's water supplier Zone 7 will take action to remove its drought emergency at its next Board meeting.

The Board and staff discussed SWRCB's adjustment and possible impacts to the District, customers and other Tri-Valley retail agencies by moving to a voluntary conservation model. They also noted the District's current drought related urgency ordinances remain in effect until the Community Drought Emergency ends. The Board directed staff to proceed in preparing an item for the June 21 meeting to rescind the Declaration of Drought Emergency, terminate mandatory conservation, and implement voluntary conservation at the 10% level.

B. Consideration of Conditional Temporary Infrastructure Charge (TIC) Repayment for FYE 16 – Water Expansion Fund Management

General Manager McIntyre stated that this item, and the three items to follow, reflect how successfully the District has managed through the economic downturn, and are presented tonight to facilitate critical long-term planning. Mr. McIntyre then introduced Administrative Services Manager Archer who reviewed these items for the Board.

Mr. Archer gave a presentation which outlined the projected status of the Water Expansion Fund over the next 10 years. He stated the Water Expansion Fund

Management policy memorializes a yearly review of this fund and directs priorities for repayment of the Temporary Infrastructure Charge (TIC). At this time, the policy would direct that no repayment be made in FYE 2016.

Mr. McIntyre also reported that timing of Capital Improvement Projects will impact funds, as well as decision-making pertaining to repayment of the TIC. He cited the DERWA Recycled Water Facility - Phase 2 Expansion and Indirect Potable Reuse projects as having an immense impact on the fund over the next few years.

The Board and staff further discussed projections and impact of incoming water capacity reserve fees, the proposed increase to the water capacity reserve fee, upcoming projects, unexpected changes in development, city growth, District infrastructure, and the annual TIC review process. The Board agreed with the staff recommendation to make no TIC repayment in FYE 2016 per policy guidance.

- C. Adopt Revised Rate Policies and Guidelines Policy and Rescind Resolution No. 38-12

Administrative Services Manager Archer reviewed the item for the Board.

The Board and staff discussed the proposed policy revision and the District's rate planning outlook in light of the District approaching "build-out," at which time the "buy-in" component of capacity fees will cease. Staff noted a model will be brought to the Board in the next two to three years for consideration of a gradual rate increase to fully support the Replacement and Improvement allowance. Staff also confirmed for the Board that the regional and local rates study will be conducted next year and additional information regarding rates will be provided this evening under Item 9.E.

Director Duarte MOVED to adopt Resolution No. 35-16, approving and authorizing the Revised Rate Policies and Guidelines Policy and Rescinding Resolution No. 38-12. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Misheloff).

- D. Adopt Revised Consolidated Water Enterprise Fund Policy and Rescind Resolution No. 45-12

Administrative Services Manager Archer reviewed the item for the Board.

Vice President Halket MOVED to adopt Resolution No. 36-16, approving and authorizing the Revised Consolidated Water Enterprise Fund Policy and Rescinding Resolution No. 45-12. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Misheloff).

- E. Receive Strategic Plan Update on Rates and Fees

Administrative Services Manager Archer reviewed the item for the Board.

The Board and staff discussed various aspects of the report including the health of the operating funds, outlook for the next regional rate update, and a likely early presentation of a preliminary asset model for the Regional Wastewater Treatment Plant. The Board supported staff's recommendation to forego service rate adjustments at this time.

10. BOARDMEMBER ITEMS

Director Vonheeder-Leopold submitted written reports to Executive Services Supervisor Genzale. She reported that she attended the ribbon cutting for recycled water at Ken Mercer Sports Park in Pleasanton on May 26, the Central Contra Costa Sanitation District briefing on June 3, the California Association of Sanitation Agencies Board teleconference meeting on May 23, the Dublin Chamber of Commerce Economic Development Meeting at City of Dublin on June 2, and the EBMUD briefing in Walnut Creek on May 26. She summarized the activities and discussions at the meetings. She also noted that two regularly mailed Board deliveries took several days to reach her home and asked staff to consider alternate delivery options.

11. CLOSED SESSION

At 6:55 p.m. the Board went into Closed Session.

- A. Public Employee Performance Evaluation – Pursuant to Government Code Section 54957
Title: General Manager

12. REPORT FROM CLOSED SESSION

At 7:26 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 7:27 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor