

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

May 2, 2017

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6 p.m. by President Richard Halket.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Richard M. Halket, Director D.L. (Pat) Howard, Director Edward R. Duarte, and Director Madelyne (Maddi) A. Misheloff.

Vice President Georgean M. Vonheeder-Leopold was absent.

District staff present: Dan McIntyre, General Manager; Carol Atwood, Administrative Services Manager/Treasurer; Judy Zavadil, Engineering Services Manager; Jeff Carson, Operations Manager; Doug Coty, Assistant General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

Operations Manager Carson gave an update regarding increased complaints of mosquito activity near Reservoir #200 and a ravine in San Ramon. Operations staff has taken measures to mitigate this issue by checking and adjusting reservoir hatches and other affected areas to prohibit access to mosquitoes. Additionally, frequently asked questions and resources regarding mosquito control has been provided on the District's website. He surmised the increased activity could be due to increased wet weather contributing to pooling of water. He also reported that Dublin San Ramon Services District/East Bay Municipal Utility District (DERWA) received the 2017 Water Management Leadership award at the Green California Summit in Sacramento last week in recognition of the San Ramon Recycled Water Program's success. DERWA Chair and EBMUD Director Frank Mellon, Mr. Carson, and DSRSD Operations Supervisor Levi Fuller accepted the award on DERWA's behalf.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:06 p.m. No public comment was received.

6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre had nothing to report.
- Correspondence to and from the Board on an Item not on the Agenda - None

B. Joint Powers Authority and Committee Reports

LAVWMA - April 19, 2017

DSRSD/Pleasanton Liaison - April 20, 2017

Water Resources - April 26, 2017

Tri-Valley Water Liaison - April 26, 2017

President Halket invited comments on recent JPA/committee activities. Directors felt the available staff reports adequately covered the many matters considered at the JPA/committee meetings. President Halket mentioned that during the DSRSD/Pleasanton liaison meeting, Pleasanton representatives voiced frustration regarding closure of the District's recycled water fill stations, but he noted that DSRSD has offered to assist the city in opening its own stations if there is interest in doing so.

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

7. APPROVAL OF MINUTES – Regular Meeting of April 18, 2017

Director Duarte MOVED for the approval of the April 18, 2017 minutes. Director Misheloff SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Vonheeder-Leopold).

8. CONSENT CALENDAR

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

A. Approve Amendment No. 1 to the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority to the Dublin San Ramon Services District and East Bay Municipal Utility District – Approved – Resolution No. 19-17

9. BOARD BUSINESS

A. Adopt Initial Study/Mitigated Negative Declaration for the Dublin Truck Sewer Rehabilitation Project (CIP 16-S021)

Engineering Services Manager Zavadil reviewed the item for the Board. She reported there were no comments received from the public.

The Board and staff briefly discussed that the cost to develop the program and produce the study was \$27,000.

Director Misheloff MOVED to adopt Resolution No. 20-17, Adopting Initial Study/Mitigated Negative Declaration for the Dublin Trunk Sewer Rehabilitation Project (CIP 16-S021), Approving the Project, and Authorizing and Directing the Filing of a Notice of Determination. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Vonheeder-Leopold).

B. Award Construction Agreement to Insituform Technologies, LLC, Authorize a Construction Change Order Contingency, Authorize Execution of Task Order No. OC-8 with The Covello Group, Inc. for Construction Management Services, and Approve a

Capital Improvement Program and Project Budget Increase for the Dublin Trunk Sewer Rehabilitation Project (CIP 16-S021)

Engineering Services Manager Zavadil reviewed the item for the Board.

The Board and staff discussed the bid received from Insituform Technologies, LLC, and noted that it was 34% below the engineer's estimate, which was likely due to the bidder's reaction to potential competition and its approach to the project. It was also noted that there was room for improvement by staff in budgeting the first project which affected the estimate and bids numbers, and it was acknowledged that that due to several factors, project estimates are difficult. Director Duarte noted that staff should be aware of spiraling costs by cities, and suggested that outsiders look at project estimations beforehand to offer insight, which staff agreed was good advice. This project rehabilitates a major sewer pipeline that is over 50 years old and is on one of the busiest streets in the city. The Board applauded staff for bringing this critical matter forward in order to avoid potential disaster.

Director Duarte MOVED to adopt Resolution No. 21-17, Approving and Authorizing Execution of Agreement with Insituform Technologies, LLC, for Construction of the Dublin Truck Sewer Rehabilitation Project (CIP 16-S021). Director Misheloff SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Vonheeder-Leopold).

Director Misheloff MOVED to adopt Resolution No. 22-17, Approving an Adjustment to the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2016 and 2017 to Increase the Project Budget for the Dublin Trunk Sewer Rehabilitation Project (CIP 16-S021) and Bid Alternate A, RAS Line Rehabilitation Project (CIP 12-P003), and Increase the Local Wastewater Replacement Fund (FUND 210) Budget in FYE 2017. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Vonheeder-Leopold).

Director Howard MOVED to authorize Task Order No. OC-8 with The Covello Group, Inc. for Construction Management Services in an Amount not to Exceed \$376,000. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Vonheeder-Leopold).

C. Authorize an Interfund Loan to the Local Wastewater Replacement Fund from the Local Wastewater Expansion Fund

President Halket prefaced the item review by informing the Board that this particular reserve fund transfer item requires four votes for approval.

Administrative Services Manager Atwood then reviewed the item for the Board. She also explained that a revised resolution has been provided to the Board indicating that the principal is to be repaid in annual installments on July 15 of each year, instead of June 30, which would ensure ample time for assessment of portfolio earnings.

The Board and staff briefly discussed that the Wastewater Expansion fund would earn a 1% interest rate on the loan reflective of the District's current investment portfolio, noting that this fund has shared stakeholders to bear in mind and the interest charged provides for ease and transparency.

Director Misheloff MOVED to adopt Resolution No. 23-17, with the correction as noted above, Authorizing a Loan to the Local Wastewater Replacement (Fund 210) from the Local Wastewater Expansion (Fund 220) in the Amount of \$5 Million Dollars. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Vonheeder-Leopold).

D. Discuss Tri-Valley Water Liaison Meeting and Potable Reuse Feasibility Study

General Manager McIntyre reviewed the item for the Board.

President Halket remarked that this meeting was more informational than the previous liaison meetings and that the participating agencies still seem amiable to the study. He mentioned his concerns that pressure on this project could subside in light of abundant rainfall this year, and that due to the success of the District's recycled water program there is a big gap in the water budget a few months a year. He stated that creativity is needed regarding how to use and place water in non-peak times, and inquired about contributions to finance the study. General Manager McIntyre confirmed that California Water Service (Cal Water) will make an in-kind contribution toward the study, whereas DSRSD, Zone 7 Water Agency, and cities of Livermore and Pleasanton have each pledged a \$200,000 cost-share contribution.

E. Receive Presentation on District Water Supply Outlook for 2017 to 2021

Principal Engineer Rhodora Biagtan reviewed the item for the Board. She gave a presentation that outlined Northern California precipitation, Lake Oroville Reservoir storage levels, Tri-Valley Retailer demands, Tri-Valley potable and recycled water supply and demands, and future actions including rescission of State 1 Water Conservation, supporting Tri-Valley water agencies' long-term supply reliability efforts, and exploring other supply options.

President Halket stated that while it is positive that the groundwater basin is full, he noted that the State Water Project (SWP) Carryover, Semitropic and Cawelo storage rely on the SWP running properly and equates to 40% of storage, so whenever a serious drought occurs that affects the ability of the project to run properly, that 40% of supply is immediately taken offline. He commented that he is pleased that Zone 7 is working on securing geographically more advantageous storage options such as Sites and Los Vaqueros reservoirs.

The Board thanked Ms. Biagtan for her presentation.

Receive Presentation on the FYE 2018 and FYE 2019 Budget Document

- F. Administrative Services Manager Atwood reviewed the item for the Board. She also explained that the new budget document will be comprised of four sections: Executive Overview, Financial Overview, Department Operating Budgets and an Appendix. The document will also include the overall working capital reports presented via the traditional “one-stop shop” spreadsheets. She explained that the Board will have about a month to review the proposed budget and encouraged them to contact her if they have any questions before its anticipated adoption on June 6.

The Board expressed its appreciation for the work undertaken by staff to draft the budget.

- G. Approve Casting of District’s Vote and Ranking of Candidates in the Alameda County Local Agency Formation Commission (Alameda LAFCo) 2017 Election for Alternate Special District Member

Executive Services Supervisor/District Secretary Genzale reviewed the item for the Board.

Director Howard MOVED to Approve Casting of District’s Vote for the Alameda County Local Agency Formation Commission (Alameda LAFCo) 2017 Election for Alternate Special District Member in the following order: Vonheeder-Leopold, then Walters; and also to Authorize the Board’s Voting Delegate to Rank Additional Candidates at the May 10, 2017 LAFCo Meeting, should any Arise during the Remaining Nomination Period Closing on May 5, 2017. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Vonheeder-Leopold).

10. BOARDMEMBER ITEMS

Director Misheloff asked why the board packets have tabs attached and stated that it is a waste of administrative staff efforts and time to manually add them.

11. ADJOURNMENT

President Halket adjourned the meeting at 6:59 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor