

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

June 6, 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, Vice President Georgean M. Vonheeder-Leopold, Director D.L. (Pat) Howard, Director Edward R. Duarte, and Director Madelyne (Maddi) A. Misheloff.

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

General Manager McIntyre reported that the Association of California Water Agencies' current call for Region Boards candidates is open until June 30. He advised any interested Boardmembers to contact staff so a resolution can be prepared for approval at the June 20 Board meeting.

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

6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
 - o The July 4, 2017 Board meeting will likely be cancelled due to falling on the Independence Day holiday. There are no items scheduled for this meeting date.
 - o Completion of newly required Boardmember harassment prevention training is due June 20, 2017. A reminder notification has been sent to the Board.
- Correspondence to and from the Board on an Item not on the Agenda - None

B. Joint Powers Authority and Committee Reports - None

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

7. APPROVAL OF MINUTES – Regular Meeting of May 16, 2017

Director Howard MOVED for the approval of the May 16, 2017 minutes. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

Director Misheloff requested that Item 8.A be removed for discussion. The Board agreed to remove Item 8.A for discussion. The Board took Consent Calendar Item 8.B and passed this Item first.

Director Howard MOVED for approval of Item 8.B on the Consent Calendar. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

- A. REMOVED - Award Construction Agreement to California Trenchless, Inc. and Approve a Capital Improvement Project Budget Increase for the Davona-Berwick 8" Sewer Replacement Project (CIP 16-S019) – Approved – Resolution No. 27-17 and Resolution No. 28-17

Director Misheloff inquired how grout work located in Pasadena, per the bid results information, related to the District's project. General Counsel Nelson responded that Pasadena is the location of the sub-contractor that will perform the grout work for California Trenchless, Inc.

Director Misheloff MOVED for approval of Item 8.A on the Consent Calendar. Vice President Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

- B. Correct Error in Signatory for Amendment No. 1 to the DERWA Sales Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority (DERWA) to the Dublin San Ramon Services District (DSRSD) and the East Bay Municipal Utility District (EBMUD) and Rescind Resolution No. 19-17 – Approved – Resolution No. 26-17

9. BOARD BUSINESS

- A. Public Hearing: Approve Capital Improvement Program (CIP) Ten-Year Plan for Fiscal Years Ending 2018 through 2027 and Adopt Two-Year CIP Budget for Fiscal Years Ending 2018 and 2019

President Halket announced the item and declared the Public Hearing open. He asked for the staff presentation.

Engineering Services Manager Zavadil reviewed the item for the Board including the following updates made since the Board's draft budget review: updated fund splits in four projects, adjusted one project budget, and added a placeholder project for further DERWA expansion, though it lies beyond the 10-year plan, to provide parity between the capacity reserve fee and CIP Plan. She also recognized CIP Supervisor Steve Delight and Administrative Analyst Gemma Lathi as the principal CIP document coordinators.

President Halket inquired if there were any comments from the public. There was no public comment received.

President Halket solicited a Motion to close the Public Hearing.

Director Howard MOVED to close the Public Hearing. Vice President Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

President Halket inquired if City of Pleasanton staff had pursued review of the District's proposed CIP fund splits, to which General Manager McIntyre replied they did not.

Director Misheloff MOVED to adopt Resolution No. 29-17, Approving the Capital Improvement Program (CIP) Ten-Year Plan for Fiscal Years Ending 2018 Through 2027 and Adopting the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2018 and 2019. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

B. Public Hearing: Adopt Operating Budget for FYE 2018 and FYE 2019

President Halket announced the item and declared the Public Hearing open. He asked for the staff presentation.

General Manager McIntyre and Administrative Services Manager Atwood reviewed the item for the Board. They provided an overview of the new budget process undertaken this year by the new management team, and reviewed the following updates made since the Board's draft budget review: addition of operations metrics, further information summarizing staffing changes, fund updates reflecting CIP fund splits, and expanded CIP information. Ms. Atwood stated the budget is balanced. She assured the Board that staff will monitor the Local Wastewater fund balance to ensure it does not go below policy level and will continue to take steps to bring it to a healthy position.

President Halket inquired if there were any comments from the public. There was no public comment received.

President Halket solicited a Motion to close the Public Hearing.

Vice President Vonheeder-Leopold MOVED to close the Public Hearing. Director Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Duarte MOVED to adopt Resolution No. 30-17, Approving and Adopting the Operating Budget for Fiscal Years Ending 2018 and 2019. Vice President Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

In conclusion, President Halket stated that the Board fully understands it is passing the Operating Budget with a deficit balance in one of the funds, and that a plan has been established to mitigate the matter.

C. First Reading: Introduction of Ordinance Revising District Code Sections 5.30.010, 5.30.020, and 5.30.080 Governing Wastewater User Classifications for Nonresidential Users

President Halket read the title of the Ordinance: An Ordinance of Dublin San Ramon Services District Modifying Sections 5.30.010, 5.30.020 and 5.30.080 of its District Ordinance Code to Revise the Wastewater User Classifications for Nonresidential Users

President Halket solicited a Motion to Waive Reading of the Ordinance.

Director Misheloff MOVED to Waive Reading of Ordinance. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

President Halket asked for the staff presentation. Administrative Services Manager Atwood reviewed the item for the Board. She explained it is necessary to present this particular ordinance revision in order to accomplish appropriate and understandable customer billing reflecting new rates effective July 1, 2017. Ms. Atwood also noted that the ordinance will be brought to the Board again at a later time with further proposed revisions by the Operations and Engineering departments.

President Halket inquired if there were any comments from the public. There was no public comment received.

General Counsel Nelson informed the Board that revised versions of the Attachment 1 to Staff Report and Exhibit 1 to the Ordinance have been provided for the Board's reference, and replace the versions provided in the agenda packet.

D. Support Association of California Water Agencies' (ACWA) Policy on Bay-Delta Functional Flow Requirements

Community Affairs Supervisor Sue Stephenson reviewed the item for the Board.

The Board and staff discussed various aspects and perspectives regarding this topic, and ACWA's and the State Water Resources Control Board's (SWRCB) opposing positions on this matter.

Vice President Vonheeder-Leopold left the room at 6:35 p.m.

President Halket stated the fundamental problem the District faces with the local water supply from the State Water Project via Zone 7 Water Agency, is that the District receives water from the Delta, so instability impacts the District. He recalled the impossible happened when a judge shut the pipes down for two weeks; fortunately the District could rely on storage at the time. Equally impactful on the Delta is the water diverted upstream. The entities driving this, EBMUD and Hetch Hetchy, divert water for beneficial use but that same water seemingly does not count when time to resolve Delta problems. He noted some agencies are cutting side deals, and that water flows uphill towards money. Both ACWA and the SWRCB will debate the science but, ultimately, they will have to negotiate a solution. He feels this is not the District's fight and stated he will vote against the proposed resolution.

Director Duarte MOVED to adopt Resolution No. 31-17, Approving Support of the Association of California Water Agencies' (ACWA) Policy Statement on Bay-Delta Flow Requirements. Director Howard SECONDED the MOTION, which CARRIED with THREE AYES, ONE NO (Halket), and ONE ABSENT (Vonheeder-Leopold).

10. BOARDMEMBER ITEMS

Director Misheloff submitted a written report to Executive Services Supervisor Genzale. She attended East Bay Municipal Utility District Director John Coleman's briefing on May 25 in Lafayette. She summarized the activities and discussions at the meeting.

Vice President Vonheeder-Leopold submitted a written report to Executive Services Supervisor Genzale. She attended the California Association of Sanitation Agencies Board Finance Committee teleconference meeting on May 22.

11. ADJOURNMENT

President Halket adjourned the meeting at 6:40 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor