



**DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors**

NOTICE OF REGULAR MEETING

TIME: 6 p.m.

DATE: Tuesday, February 6, 2018

PLACE: Regular Meeting Place
7051 Dublin Boulevard, Dublin, CA

AGENDA

Our mission is to provide reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and environmentally responsible manner.

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL – Members: Duarte, Halket, Howard, Misheloff, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight's agenda. Comments should not exceed five minutes. Speakers' cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment.

6. REPORTS

- 6.A. Reports by General Manager and Staff

- Event Calendar
- Correspondence to and from the Board

- 6.B. Joint Powers Authority and Committee Reports

DERWA – February 5, 2018

External Affairs – February 6, 2018

- 6.C. Agenda Management (consider order of items)

7. APPROVAL OF MINUTES

- 7.A. Regular Meeting Minutes of January 16, 2018

Recommended Action: Approve by Motion

8. CONSENT CALENDAR

Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board of Directors or the public prior to the time the Board votes on the Motion to adopt.

8.A. Approve Board Committees and Joint Powers Authority Assignments for Calendar Year 2018
Recommended Action: Approve by Motion

9. BOARD BUSINESS

9.A. Elect to Become Subject to the California Uniform Public Construction Cost Accounting Act
Recommended Action: Adopt by Resolution

9.B. First Reading: Introduction of Ordinance Revising District Code Section Adding Section 7.40.050, Informal Bidding Procedures, and Renumbering as Section 7.40.060 Former Section 7.40.050 Policies and Procedures for Purchasing Supplies and Equipment
Recommended Action: Introduce Ordinance and Waive Reading by Motion

9.C. Reject Apparent Low Bid, Award Construction Agreement to GSE Construction Company Inc., for the Water Distribution System Water Quality Improvements Project (CIP 15-W017), and Approve Budget Adjustment
Recommended Action: Approve by Resolutions (2)

9.D. Receive Report on Los Vaqueros Expansion Project
Recommended Action: Receive Report

9.E. Receive Presentation on Proposition 218 Basics
Recommended Action: Receive Presentation

9.F. Receive Presentation and Provide Direction on Board Briefings and Workshops
Recommended Action: Receive Presentation and Provide Direction

10. BOARD MEMBER ITEMS

- Submittal of Written Reports from Travel and Training Attended by Directors
- Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

11. CLOSED SESSION

11.A. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
Agency Negotiators: Dan McIntyre, General Manager
Carol Atwood, Administrative Services Manager
Michelle Gallardo, Human Resources and Risk Supervisor
Employee Organizations: 1. Stationary Engineers Local 39
2. Mid-Management Employees' Bargaining Unit
Additional Attendees: Carl P. A. Nelson, General Counsel

12. REPORT FROM CLOSED SESSION

13. ADJOURNMENT

All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection at the front desk of the District Office at 7051 Dublin Blvd., Dublin, during business hours, or by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.

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

January 16, 2018

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:02 p.m. by President Vonheeder-Leopold.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

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

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

New Employee Introduction:

Corinne Ferreyra, Administrative Analyst II

General Manager McIntyre reported the District has begun to advertise the new Citizens Water Academy to be held March thru May. The first class will be held March 9. Applications are due March 1.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:04 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:
 - The next Tri-Valley Water Policy Liaison Committee meeting will be hosted by City of Livermore on Thursday, March 1 at 4 p.m. He recommended an External Affairs Committee meeting be scheduled in February to brief the liaison representatives on upcoming meeting topics.
- Correspondence to and from the Board on an Item not on the Agenda – None

6.B. Joint Powers Authority and Committee Reports – None

6.C. Agenda Management (consider order of items) – General Counsel Nelson advised the Board it would be necessary to hold Closed Session Item 11.A ahead of Board Business. The Board agreed to move the Item to immediately before Board Business Item 9.A.

7. APPROVAL OF MINUTES

7.A. Regular Meeting Minutes of December 5, 2017

Vice President Misheloff MOVED for the approval of the December 5, 2017 minutes. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

8. CONSENT CALENDAR

Vice President Misheloff requested Item 8.B be removed for discussion. The Board agreed to remove Item 8.B. for discussion, and took Consent Calendar Items 8.A, 8.C, 8.D, and 8.E and passed these Items first.

Director Halket MOVED for approval of Items 8.A, 8.C, 8.D, and 8.E on the Consent Calendar. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

8.A. Accept the Following Regular and Recurring Reports: Warrant List and District Financial Statements – Approved

8.B. REMOVED – Approve Board Committees and Joint Powers Authority Assignments for Calendar Year 2018

Vice President Misheloff noted the LAVWMA meeting schedule in Attachment 1 is out-of-date as LAVWMA has approved a new schedule for 2018. The Board requested the item be corrected and agendaed for the next meeting.

8.C. Approve Nomination of District Director Edward R. Duarte for Vice President to the Contra Costa Special Districts Association (CCSDA) and Designation of Voting Representative, and Confirm Voting Criteria to Be Followed for CCSDA Officer Election– Approved - Resolution No. 1-18

8.D. Approve Increase to the Local Wastewater Replacement Fund Capital Improvement Program Budget for Fiscal Year Ending 2018 – Approved - Resolution No. 2-18

8.E. Approve Agreement for the Allocation of State and Federal Funding by and among the DSRSD-EBMUD Recycled Water Authority; the Dublin San Ramon Services District; the East Bay Municipal Utility District; and the City of Pleasanton – Approved - Resolution No. 3-18

9. BOARD BUSINESS

9.A. Receive Presentation on the Other Post-Employment Benefits (OPEB) Biennial Valuation for Investment and Funding Options, and Provide Direction for Investment Strategies

Administrative Services Manager Atwood reviewed the item for the Board pertaining to the investment strategies for the District-provided retiree health insurance program (medical/dental benefits), and the required biennial actuarial reporting. With the recent conclusion of labor negotiations, the District's actuary, Bickmore Risk Services, can now prepare the required report based on agreed upon medical premium contributions, and

the investment strategy that the Board will select this evening. She introduced Financial Services Supervisor Karen Vaden who gave a presentation outlining the District's current investment strategy and OPEB funding status, and examining the three investment strategies to consider for the next two-year period.

The Board and staff discussed aspects of the presentation and compared the three strategies presented. The Board concluded the selection of Strategy 2 was most desirable considering its conservative approach coupled with the District's healthy OPEB funding status (96.6%). The Board and staff acknowledged that due to proper planning and execution, DSRSD is one of only a few agencies that is not underfunded.

Vice President Misheloff MOVED to Direct Staff to Select and Proceed with Investment Strategy 2 as Recommended. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Howard MOVED to direct the actuary, Bickmore Risk Services, to Use the 6.50% Discount Rate. Director Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

9.B. Authorize Execution of Amendment No. 2 to the Individual Agreement for Personal Services between Daniel B. McIntyre and the Dublin San Ramon Services District

President Vonheeder-Leopold made the following verbal report: Before discussing Agenda Item 9.B, a new provision of the Brown Act now requires that the Board "orally report a summary of [the] recommendation for final action on the ... salary [and other] compensation ... of a local agency executive," such as the General Manager. The recommendation is also summarized in the Summary & Recommendations for Agenda Item 9.B, and further details are available in the proposed Amendment to the Personal Services Agreement, which is included in the Agenda Packet. As is specified in the Summary & Recommendation, if the proposed Amendment is approved, the General Manager will receive a merit adjustment based on his performance review, and a cost of living adjustment; the cost of living adjustment will be set at 2.75% annually instead of being the amount of the reported Consumer Price Index (CPI) from October to October. The medical insurance contribution rates for the General Manager will now be based on the 2018 PERS Kaiser rate, with an option to waive health coverage and direct \$350 per month toward deferred compensation on a matching basis. Thus, the recommendation is to increase the base salary for the General Manager by about 6.0%, including the cost of living adjustment, effective January 17, 2018.

Director Halket MOVED to adopt Resolution No. 4-18, Approving and Authorizing Execution of Amendment No. 2 to the Agreement for Personal Services between Daniel B. McIntyre and the Dublin San Ramon Services District with the insertion of "1%" in Amendment No. 2, Article 3, Section 1.3 Annual Merit Increase Adjustment to indicate the 1% adjustment negotiated for Calendar Year 2020. Vice President Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

9.C. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Public Available Pay Schedule and Rescind Resolution No. 66-17

President Vonheeder-Leopold made the following verbal report: The Legislature has added a provision to the Brown Act that requires that prior to taking final action on a salary schedule that includes a local agency executive, which as defined includes the District's General Manager, "[t]he legislative body shall orally report a summary of [the] recommendation for ... final action on ... salary schedules... of a local agency executive. The salary schedule that is before the Board in Item 9.C. includes the increases in the respective salaries of, and changes in the benefits for, the General Manager as contained in the respective Personal Services Agreement, which the Board approved this evening, following an oral report, in Item 9.B.

Administrative Services Manager Atwood reviewed the item for the Board.

Director Halket MOVED to adopt Resolution No. 5-18, Adopting a Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, and Rescinding Resolution No. 66-17. Vice President Misheloff SECONDED the MOTION, which CARRIED with FIVE AYES.

9.D. Approve Health Insurance Contribution for the General Manager

Administrative Services Manager Atwood reviewed the item for the Board.

The Board noted this was the first time medical contributions were in alignment across all District staff and the Board.

Director Halket MOVED to adopt Resolution No. 6-18, Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act for the General Manager. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES.

9.E. Receive Annual Briefing Related to District Governance (Brown Act, Public Records Act, and Conflict of Interest)

District General Counsel Nelson addressed the Board and gave a presentation on updates to the Ralph M. Brown Act, the Public Records Act, and Conflict of Interest, all of which the District and Directors are subject to follow. Mr. Nelson provided a handout containing the pertinent updates. Brown Act updates included the requirement for orally reporting executives' salary, salary schedules, and compensation increases in open session, an increase in the time allotted for public commentators using a translator, and the requirement for agencies to prominently display agendas on their primary internet website homepage. Public Records Act (PRA) updates highlighted that personal email addresses of public agency employees are not subject to the PRA unless they are used in the course of public business, and the creation of an exemption for records of local agencies related to employee bargaining activities. Political Reform Act updates included the addition of a section prohibiting candidates from sending out prohibited mass mailings, and an amendment to expand a one year prohibition of

former local agency officials communicating with that local agency to include independent contractors.

The Board thanked General Counsel Nelson for his presentation.

10. BOARDMEMBER ITEMS

- Submittal of Written Reports from Travel and Training Attended by Directors

Director Duarte reported that he spoke at a community services meeting focused on local government hosted by the Tri-Valley chapter of the Asian Pacific Islander American Public Affairs Association on January 12 in San Ramon. He summarized the activities and discussions at the meeting.

President Vonheeder-Leopold submitted written reports to Executive Services Supervisor Genzale. She reported that she attended the Alameda County Special Districts Association (ASCSA) Board meeting on December 11 at the Castro Valley Sanitary District, and the ACSA chapter meeting at Eden Township Healthcare District in Castro Valley on January 10. She summarized the activities and discussions at the meetings.

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

11. CLOSED SESSION

At 6:08 p.m. the Board went into Closed Session Item 11.A immediately following Item 8.E.

12. REPORT FROM CLOSED SESSION

At 6:18 p.m. the Board came out of Closed Session. President Vonheeder-Leopold announced that there was no reportable action.

13. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 6:59 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary



TITLE: Approve Board Committees and Joint Powers Authority Assignments for Calendar Year 2018

RECOMMENDATION:

The Board President requests the Board of Directors approve, by Motion, the proposed 2018 Committee structure, assignments and Mission Statements, and Joint Powers Authority (JPA) member assignments.

SUMMARY:

This item is continued from the January 16 Board agenda in order to reflect the new meeting schedule for the Livermore-Amador Valley Water Management Agency (LAVWMA) shown in Attachment 1.

Each year the newly selected Board President presents a recommendation for Boardmember assignments to the various Board Committees and JPAs. The use of Board Committees and JPAs are covered in Chapters 7 and 8 of Guidelines for Conducting Board Business (see excerpts in Attachment 2).

At the December 5 Board meeting, President Vonheeder-Leopold proposed to keep the assignments the same as 2017, which provide for each Boardmember to be a primary member for two Committees/JPAs. The proposed DSRSD 2017 Board Committee structure, Mission Statements, and Committee and JPA assignments are presented in Attachment 1 for the following Committees/JPAs:

- Water Resources
- Finance and Personnel
- External Affairs
- DSRSD-EBMUD Recycled Water Authority (DERWA)
- Livermore-Amador Valley Water Management Agency (LAVWMA)

To streamline administration, it is proposed that the Board Committees meet whenever possible on the afternoon of Board meeting dates, (exact start time dependent on the complexity of the matter before the Committee). The JPAs meet per the pre-designated schedule approved by the JPAs (as indicated in Attachment 1).

In accordance with regulation 18705.5 of the Fair Political Practices Commission, a Form 806 (Agency Report of Public Official Appointments) will be completed upon approval of formal Board Committee and JPA assignments.

Originating Department: Executive Services	Contact: V. Chiu	Legal Review: Not Required
Cost: \$146 per Boardmember per day of service	Funding Source: Administrative Overhead (Fund 900)	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – 2018 Proposed Committee/JPA Assignments and Mission Statements Attachment 2 – Excerpts from Guidelines for Conducting District Business	Page 51

2018 COMMITTEE/JPA ASSIGNMENTS AND MISSION STATEMENTS

WATER RESOURCES COMMITTEE	
Members:	Duarte, Howard
Alternates:	Halket (First); Misheloff, Vonheeder-Leopold
Committee Mission:	The mission of the Water Resources Committee is to provide policy level guidance for policies, programs, planning, projects, operations and regulatory compliance related to the District's water, recycled water and wastewater services. This will also include all matters related to water resource planning. The Committee's mission also includes representation of the District's interests with DERWA and LAVWMA. The Committee will recommend new policies or changes to policies that are related to its mission. In addition, the Committee shall review and guide other matters that from time to time may be referred to it by the Board of Directors. The Committee shall also represent the District's interest with stakeholders when those interests are directly aligned with the Committee's mission including, but not limited to, residents in the neighborhoods adjacent to the Wastewater Treatment Plant as may be required.
Type of Committee Meeting Schedule:	Deliberative. Committees meet, when needed, on the afternoon of Board meeting dates when possible.

FINANCE AND PERSONNEL COMMITTEE	
Members:	Halket, Misheloff
Alternates:	Vonheeder-Leopold (First); Duarte, Howard
Committee Mission:	The mission of the Financial and Personnel Committee is to provide policy level guidance related to programs that focus on the District's financial and personnel affairs. The Committee will recommend new policies, or changes to policies that are related to its mission. The Committee's mission also includes policy level review of auditing, budgeting, rate-setting, risk management, financial acquisitions, debt management and programs that focus on the District's personnel including labor relations, benefits and performance management. In addition, the Committee shall review and guide other matters that from time to time may be referred to it by the Board of Directors.
Type of Committee Meeting Schedule:	Deliberative. Committees meet, when needed, on the afternoon of Board meeting dates when possible.

2018 COMMITTEE/JPA ASSIGNMENTS AND MISSION STATEMENTS

EXTERNAL AFFAIRS COMMITTEE	
Members:	Halket, Vonheeder-Leopold
Alternates:	Misheloff (First); Duarte, Howard
Committee Mission:	The mission of the External Affairs Committee is to provide policy level guidance related to programs that focus on the District's service to, relationship with, and communication with all of our customers including residents, businesses, schools, and major institutional customers. The Committee's mission also encompasses programs that focus on the District's service to, relationship with, and communication with our "contract" customers including Zone 7, the City of Pleasanton and any multi-agency efforts. The Committee's mission also includes matters that require a focused District involvement on external matters such as legislation and regulation at the local, regional, state and federal levels, the subject of which is not specifically covered by the Charter of another Committee. Finally, the Committee will provide policy level guidance on all openness and transparency matters. The Committee will recommend new policies, or changes to policies that are related to its mission. In addition, the External Affairs Committee shall review and guide other matters that from time to time may be referred to it by the Board of Directors.
Type of Committee Meeting Schedule:	Deliberative and Liaison. Liaison to Cities of Dublin, San Ramon, Livermore, Pleasanton and school districts, includes Tri-Valley Water Retailers Policy Liaison/Roundtable. Committees meet, when needed, on the afternoon of Board meeting dates when possible. Liaisons meet when mutually agreed upon by the participating agencies.

DERWA JPA	
Members:	Howard, Vonheeder-Leopold
Alternates:	Duarte
JPA Mission:	The DSRSD-EBMUD Recycled Water Authority (DERWA) is a Joint Powers Authority that was formed in 1995 between DSRSD and EBMUD. DERWA's mission is to provide a safe, reliable, and consistent supply of recycled water, and to maximize the amount of recycled water delivered. The San Ramon Valley Recycled Water Program (SRVRWP) was created in 1995 and currently provides recycled water to customers in Dublin and San Ramon. Future phases will extend recycled water delivery to portions of Blackhawk and Danville.
Type of Body Meeting Schedule:	Legislative. Board meetings are normally scheduled for the fourth Monday of odd calendar months with exceptions*. The following meetings are scheduled for 2018: February 5*, March 26, May 21*, July 23, September 24, and November 26.

2018 COMMITTEE/JPA ASSIGNMENTS AND MISSION STATEMENTS

LAWVMA JPA	
Members:	Duarte, Misheloff
Alternates:	Howard
JPA Mission:	The Livermore-Amador Valley Water Management Agency (LAVWMA) is a Joint Powers Agency created in 1974 by the cities of Livermore and Pleasanton and the Dublin San Ramon Services District for the purpose of discharging their treated wastewater to San Francisco Bay. Operations began in September 1979 with expansions in 1983, 1987 and 2003 bringing it to its current maximum discharge capacity of 41.2 mgd. The wastewater is conveyed via a 16-mile pipeline from Pleasanton to San Leandro and enters the East Bay Dischargers Authority (EBDA) system for dechlorination and discharge through a deepwater outfall to the San Francisco Bay.
Type of Body Meeting Schedule:	Legislative. Board meetings are held quarterly on the third Wednesday of February, May, August, and November.

TYPES OF COMMITTEES AND COMMITTEE COMMUNICATION

Deliberative Committees

A deliberative committee is one with a particular subject matter jurisdiction. The board establishes the committee's charter. The committee makes recommendations to the board upon matters within its scope. Currently, the External Affairs, Finance, Personnel, Water, and Wastewater Committees are deliberative committees. A deliberative committee may deliberate and recommend changes in district policy or direction but may not create or change policy or direction. Although they have commonly been called technical committees, a more precise description is deliberative committees because they permissibly perform some of the deliberative functions of the board, enabling the board to better focus on the policy questions raised by the particular matter.

Liaison Committees

Liaison committees enable the board to receive information from other agencies and to convey the board's policy positions to those agencies. There are two types of liaison committees: *traditional liaison committees* (e.g., board committees that meet with a subset of the members of the legislative bodies of the City of Dublin, City of San Ramon, and Zone 7 Water Agency), and *de facto liaison committees* that represent the district on the board of the joint powers authorities (JPAs) with which the district is involved (e.g., DERWA and LAVWMA). Unless specifically charged by the board with doing so, liaison committees do not deliberate or recommend changes to district policy.

Communications from Committees

To reduce the risk of communications that could result in impermissible deliberation or consensus building, there are ground rules for communicating between different committees (or their respective members) through either the board or the general manager. (Note: the board may only provide new policy direction to district staff or management via the general manager.)

Currently, the District has two types of Board committees, deliberative and liaison. Both are subject to the Brown Act. Although composed of only two members (less than a quorum), the committees are subject to the notice and open meeting provisions of the Brown Act, as they have a continuing subject matter jurisdiction.

board and committee meetings and allowable discussions

The Brown Act prohibits directors from conducting district business outside board or committee meetings. The normal definition of a meeting is the congregation of a majority of the members of a legislative body at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the legislative body. However, it is possible to develop a consensus among a majority of the board without a majority of members being physically present at the same time and place. Effective in 2009, the Legislature amended the Brown Act to state that “a majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, direct or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body” (*Government Code*, section 54952.2(b)(1)). The Brown Act does not impose an absolute prohibition on all discussion outside meetings that may involve a majority of directors. This additional clarification took effect in 2009: “Paragraph (1) shall not be construed as preventing an employee or official of a local agency from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body” (*Government Code*, section 54952.2(b)(2)).

There are three basic ways to comply with the Brown Act while employing committees to address matters that do not fall within the jurisdiction of any of the current deliberative committees. Each alternative employs a different strategy to guard against improper deliberations or the development of a collective consensus in violation of the Brown Act. This does not diminish the importance of following the procedures regarding communication between committees discussed below.

- The first alternative is to ensure that no two committees consider the same policy matters. This is the reason for developing a mission statement within the charter of each committee.

- The second alternative entails creating a new committee specific to a major topic of importance as a separate deliberative committee and carving out the subject matter of the new committee from the existing deliberative committees. This approach avoids the same issue being addressed serially in more than one deliberative committee, so that a majority of directors would not have deliberated on the same topic except at a board meeting. While this approach could sidestep many Brown Act issues, there may be practical difficulties in actually carrying it out, given possible interrelationships of the subject matter of a new committee with the traditional committees.
- The third alternative is to have a given subject handled in its entirety by the board and thereby avoid any separate committee deliberations. This has been the district's past practice for certain labor negotiations and broad policy-level issues (such as the district's position on groundwater injection).

OPEN VERSUS CLOSED SESSION DISCUSSIONS

Board and committee meetings can have open as well as closed session topics for discussion.

Open Session Discussions

The board and its committees transact the vast majority of the public's business in open session. Open sessions are those portions of the board or committee meetings that are open to the public and at which the public can address the board or committee and comment on any item of business being considered or on any matter within the board's subject matter jurisdiction or the committee's charter that is not on the agenda.

Directors should remember that any form of communication between or among committees has the potential to result in impermissible deliberation or consensus building outside noticed board meetings. The most reliable way to avoid improper communication is to transmit information between committees only through the board or through the general manager. Deliberative committees must avoid deliberating on the same subjects. It is the responsibility of the general manager to identify when this is happening, or could happen, and to take action.

Matters discussed in closed session are strictly confidential. Disclosure of information from a closed session may prejudicially impact district interests and can result in the possible censure by the board of a director who breaches the confidentiality requirement, or the issuance of an injunction against such conduct by a court.

To protect the confidentiality of information presented in closed session, staff will collect all written material distributed during the session at the end of the session.

Closed Session Discussions

In general, the Brown Act directs the district to conduct all of its business in public. However, the board and its committees may also meet in closed session under a series of carefully defined exceptions to the Brown Act. Closed sessions are used when the public's interest could be adversely affected if the board's or committee's discussion took place in public. Closed sessions are used to give direction to district negotiators for labor contracts with district employees and for the acquisition or disposal of real property. The board and its committees may also meet in closed session to confer with general counsel regarding claims or threats of litigation, initiation of litigation, or to discuss actual litigation in which the district is involved. Finally, the board and its committees may meet in closed session when evaluating the performance of a public employee, when dealing with the hiring, dismissal, or discipline of a public employee; or with certain security matters.



PROCESSING MATTERS THAT REQUIRE BOARD ACTION

Any matter requiring board action will be presented initially to the board for consideration without committee review or involvement unless it is specifically identified as a matter that may be initially considered by a committee. When so presented, the board may:

- Consider the matter and render an appropriate decision (approve, disapprove).
- By motion, refer the matter to a board committee for deliberation, asking that committee to formulate a recommendation (in such cases, the maker of the motion should be as specific as possible as to exactly what question is being referred to the committee).

If a matter is referred to committee by the board, it will be handled in accordance with the normal process for handling committee items.

Items on the Board agenda originate from a variety of sources: the General Manager, deliberative committees, Directors, and the public.

MATTERS THAT MAY BE CONSIDERED INITIALLY BY A COMMITTEE

The following matters may be considered by a committee without a formal referral from the board:

Development of committee charters

- Rates and fees (finance or related committee)
- Labor relations matters (personnel or related committee)
- District budgetary issues within the charter of a committee
- District operational issues within the charter of a committee
- Informational items requested by the committee
- Issues that a committee may wish to preliminarily explore ahead of formal consideration
- Issues that staff may wish to preliminarily explore with an appropriate committee ahead of formal consideration

ITEMS THAT ARE ALWAYS TO BE CONSIDERED BY THE BOARD WITHOUT COMMITTEE REVIEW

Several types of items are always considered by the board without committee review, regardless of their origin, because they are routine or because it is proper or legally required that only the full board consider them. The following items are always placed on a board agenda without committee review.

Administrative Matters

- Proclamations
- Warrant list
- Notifications (availability of ethics training, etc.)
- Board organizational matters (appointment of president or vice president)
- Appointment of committee

Board Oversight

24

- Performance evaluations (general manager, general counsel, treasurer, district secretary)
- Mandated reports (e.g., annual \$100 list of expenses, annual aged receivables report)
- Consideration of conference attendance/day of service payments to a director

Procedural Streamlining

- Second reading of an ordinance
- Rejection of routine claims
- Acceptance of projects
- Acceptance of developer improvements
- Intention to levy assessments in existing assessment districts (mandated notification step in anticipation of formal action later)

- Routine construction project awards (e.g., project approved, under budget, no bid irregularities, no contractor issues, no public concern)
- Items accomplished within previous direction given by board (e.g., labor MOUs that conform to negotiating direction, revisions to items as previously directed by board)
- Follow-up on action items previously presented in workshops for discussion

District-Wide Matters

- Items with over-arching policy implications (e.g., budgeting, strategic planning)⁴
- Items spanning the adopted charter of two or more committees
- General informational items that keep the board current on a matter or allow members to discuss the implications of continuing with a previously agreed upon course of action
- Presentations requested by the board
- Actions required by law (e.g., consolidation of district elections, amending conflict of interest codes)

Matters to Protect the District's Interest

- Personnel appeals (that are before the board and on which the board must be unbiased and rule on the record before them)
- Environmental review documents where the administrative record must be developed in front of the entire board

⁴ Individual components may go to a committee whose charter covers that area.

PLACING AN ITEM ON AN AGENDA

Items Originating from the General Manager

Many items on the agenda originate with the general manager and district staff. The following types of items are typical:

- Matters on which policy direction from the board is required.
- Items with over-arching policy implications (e.g., labor negotiations, budgeting, strategic planning).
- Actions required by law (e.g., consolidation of district elections, amending a Conflict of Interest Code).
- Intermediate actions in the overall implementation of a board-approved project or program (e.g., awarding construction contracts, considering an environmental review document).
- Discretionary decisions for which authority has not been delegated to the general manager.
- Informational items to keep the board current on a matter or to allow them to discuss the implications of continuing on a previously agreed course of action.
- Items with critical timing.
- Proclamations honoring special events or individuals.

Items Originating from or of Interest to a Director

A director may ask that a new item be placed on a future committee or board agenda during the board member Items portion of a board meeting or during the committee comments portion of a committee meeting. However, in such cases, the advance notice requirements of the Brown Act only allow the committee to decide to place such a matter on a future agenda; the matter cannot be discussed at the meeting at which it was first mentioned.

If the director originating an item wishes the item to be discussed by the committee or board when he/she brings it up, the director should contact the general manager to explain the issue so that the agenda can be properly prepared to allow discussion. The director who placed the item on the agenda is cited as the reference and is expected to lead the discussion.

For any matter referred to or being discussed by a committee, the committee shall report its findings back to the board and capture its deliberations in the notes prepared for the committee. If, after reviewing the notes prepared by the committee, a director wishes to have the matter discussed by the full board, he/she may state this request at a board meeting or notify the general manager. The general manager shall then notify the committee of the director's request and schedule the matter for discussion at the next reasonably available committee meeting. This process allows the committee to complete its work and respond to concerns raised. Following that committee meeting, the general manager shall place the matter on the board agenda for discussion at the next reasonably available board meeting.

Items Originating from the Public

During the public comment portion of a board or committee meeting, members of the public may ask to have an item placed on a future board or committee agenda. If the board or committee desires to have the item placed on a future agenda, it will direct the general manager to do so through a properly seconded and approved motion. The committee or board may not discuss the matter brought up by the public at the same meeting at which it is first mentioned.



TITLE: Elect to Become Subject to the California Uniform Public Construction Cost Accounting Act

RECOMMENDATION:

Staff recommends the Board of Directors adopt, by Resolution, that the District elects to be subject to the California Uniform Public Construction Cost Accounting Act.

SUMMARY:

The District currently follows the Public Contract Code Sections 20680-20683 which applies to community services districts. The current code sections limit the district from using its own labor force or entering into a contract without bidding for construction and improvement projects when the cost exceeds \$25,000. By electing to be subject to the California Uniform Public Construction Cost Accounting Act (the Act), Section 22032 of the Act will allow the following:

- a. Public project work in the amount of \$45,000 or less may be performed by our own forces, by negotiated contract, or by purchase order.
- b. Public projects in the amount of \$175,000 or less, DSRSD may use the informal bidding procedures.
- c. Public projects at a cost of more than \$175,000 shall use formal bidding procedures.

Staff concludes that by adopting the resolution to become subject to the Act, it will streamline procedures, give staff more leeway in the execution of public works projects, speed up the award process, and improve timeliness of the project completion as formal bidding is not required until the cost exceeds \$175,000.

Once the District opts into the Act, the District must adhere to the terms of the Act. If at any time the District wishes to discontinue participation under the Act, the District may formally opt out by resolution and notify the State Controller.

If the Board adopts the resolution to become subject to the Act, the following steps need to be taken:

- a. The Board will conduct the first reading of an Ordinance to update the District Code to add informal bidding procedures per Section 22034 of the Act at this Board meeting.
- b. Staff will notify the State Controller in writing that the District has elected to become subject to the Act.
- c. The Board will conduct the second reading and adoption of an Ordinance to update the District Code to add informal bidding procedures per Section 22034 of the Act at the February 20, 2018 Board meeting.
- d. Staff will present an updated Purchasing policy for Board review and adoption by resolution at the February 20, 2018 Board meeting.
- e. Staff will update the District's Purchasing Procedures Manual.

Originating Department: Administrative Services	Contact: K. Vaden	Legal Review: Yes
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Staff Report <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		21 of 51

STAFF REPORT



District Board of Directors
February 6, 2018

Elect to Become Subject to the California Uniform Public Construction Cost Accounting Act

DISCUSSION

The District currently follows the Public Contract Code Sections 20680-20683 which applies to community services districts. The current code sections limit the District from using its own labor force or enter into a contract for construction and improvement projects without bidding when the cost exceeds \$25,000. By electing to be subject to the California Uniform Public Construction Cost Accounting Act (the “Act”), it will allow public project work in the amount of \$45,000 or less to be performed by the District’s own forces, by negotiated contract, or by purchase order. Additionally, for public projects in the amount of \$175,000 or less, DSRSD may take advantage of the informal bidding procedures. Lastly, for public projects at a cost of more than \$175,000 the District shall use formal bidding procedures.

As of September, 2017, 316 Special Districts have elected to be subject to the Act. The accounting staff spoke to several agencies to discuss the advantages and disadvantages of being subject to the Act. The agencies we spoke with mentioned no disadvantages to adopting the Act; most found there was no noticeable change in their purchasing practices except that public works projects now had a higher limit before the formal bidding procedure needed to be followed. The California State Controller’s Office mentions the following advantages to adopting the Act: it gives staff more leeway in the execution of public works projects, speeds up the awards process, improves timeliness of the project completion, eliminates cumbersome paperwork relative to advertising and filing of reports, and simplifies administration.

The Uniform Public Construction Cost Accounting Act

The Act is legislation that was enacted in 1983 to help promote uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state (Section 22001). The Act is a voluntary program that is available to all public entities in the State but it only applies to those public agencies that have “opted in” to the provisions set forth by the Act.

Public Contract Code Section 22032; which is part of the Act, allows:

- a. Project work in the amount of \$45,000 or less may be performed by the public agency’s labor force, by negotiated contract, or by purchase order.
- b. Public projects in the amount of \$175,000 or less can use the informal bidding procedures
- c. Public projects at a cost of more than \$175,000 shall use formal bidding procedures.

The benefits of being subject to the Act is it increases the limit from \$25,000 to \$45,000 where we may use our own labor force to do project work, informal bidding procedures may be followed for projects that are less than \$175,000, it reduces the number of formal bids and it expedites contracting for small projects.

In the case of an emergency, Public Contract Code Section 22050 would apply; which states: “a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts”. Section 22050 also states that the Board by a four-fifths vote may delegate this authority to a nonelected agency officer.

Being subject to the Act is a voluntary program. The District must elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office. Once the District has opted into the Act it will remain a part of the program. If at any time the District finds that complying with the Act requires more staff time than expected, then the District may withdraw from the Act by filing a resolution of the election to withdraw with the State Controller's Office.

The Uniform Public Construction Cost Accounting Procedures are to be used to estimate costs for determining if a public project is required to be bid out and to capture and record actual costs when a public project is performed by the District's own work force. Some requirements addressed in the accounting procedures are:

1. Cost accounting policies and procedures

The District meets the cost accounting requirements mentioned in the Act because we track individual project costs in the project accounting module in EDEN, we have established overhead rates, and we track the cost of internal work force used on projects.

2. Informal bidding procedures

The informal bidding procedure on public projects up to \$175,000 will be added to our District code, if the Board adopts the resolution to become subject to the Act. Part of the informal bidding procedure will require the District to maintain a Qualified Contractor Bid List, which once established should enhance timely completion of projects.

3. Accounting procedures review

While it is rare, the California Uniform Construction Cost Accounting Commission may review the practices of the District if an interested party presents evidence that we are not in compliance within any of the following categories:

- a. Work is to be performed by the District after rejection of all bids, claiming work can be done less expensively by the public agency.
- b. Project exceeded the force account limits.
- c. Project has been improperly classified as maintenance.
- d. Failure to follow informal bid procedures.

In any of these circumstances an accounting procedure review could hold up a project 45-90 days.

If the Board adopts the resolution to become subject to the Act the following steps need to be taken:

- a. The Board will conduct the first reading of an Ordinance to update the District Code to add informal bidding procedures per Section 22034 of the Act at this Board meeting.
- b. Staff will notify the State Controller in writing that the District has elected to become subject to the Act.
- c. The Board will conduct the second reading and adoption of an Ordinance to update the District Code to add informal bidding procedures per Section 22034 of the Act at the February 20, 2018 Board meeting.
- d. Staff will present an updated Purchasing policy for Board review and adoption by resolution at the February 20, 2018 Board meeting.
- e. Staff will update the District's Purchasing Procedures Manual.

RECOMMENDATION

Staff recommends the Board of Directors adopt, by Resolution, that the District elects to be subject to the California Uniform Public Construction Cost Accounting Act.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ELECTING TO BECOME SUBJECT TO THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Statutes of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, Public Contract Code Section 22000 et seq., the Uniform Public Construction Cost Accounting Act (the Act), establishes such a uniform cost accounting standard; and

WHEREAS, the Commission established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in the contracting for construction of public projects.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California that it hereby:

1. Elects under Public Contract Code Section 22030 to become subject to the uniform public construction cost accounting procedures set forth in the Act and to the Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended; and
2. Directs the Administrative Services Manager to notify the State Controller forthwith of this election.

BE IT FURTHER RESOLVED that this Resolution shall be effective on the date that the Ordinance adopting an informal bidding process, as required by Section 22034 of the Act, is effective.

Res. No. _____

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of February, 2018, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georange M. Vonheeder-Leopold, President

ATTEST: _____
Nicole Genzale, District Secretary



TITLE: First Reading: Introduction of Ordinance Revising District Code Section Adding Section 7.40.050, Informal Bidding Procedures, and Renumbering as Section 7.40.060 Former Section 7.40.050 Policies and Procedures for Purchasing Supplies and Equipment

RECOMMENDATION:

Staff recommends the Board of Directors waive, by Motion, the first reading of an Ordinance revising the District Code by adding a new section 7.40.050, entitled “Informal Bidding Procedures under the Uniform Public Construction Cost Accounting Act” (Public Contract Code Section 22000, et seq.), and renumbering as Section 7.40.060 former Section 7.40.050, “Policies and procedures for purchasing supplies and equipment,” and schedule the Ordinance for second reading and adoption at the February 20, 2018 Regular Board meeting.

SUMMARY:

In a separate Board agenda item at this meeting, the Board will have considered adopting a resolution to elect to be subject to the California Uniform Public Construction Cost Accounting Act (the Act). In accordance with Section 22034 of the Act, the District is required to adopt by ordinance an informal bidding procedure to govern the selection of contractors to perform public projects pursuant to Subdivision (b) of Section 22032 of the Act.

This is the first of two readings of the proposed revisions to the District Code adding a new Section 7.40.050, entitled “Informal bidding procedures under the Uniform Public Construction Cost Accounting Act,” and renumbering as Section 7.40.060 former Section 7.40.050, “Policies and procedures for purchasing supplies and equipment.” These changes will bring the District’s informal bidding procedures into conformance with the requirements of the Act, to which the District would be subjecting itself by a preceding Board action.

Originating Department: Administrative Services	Contact: K. Vaden	Legal Review: Yes
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Redline of changes to District Code 7.40.050 and 7.40.060.	

7.40.050 Informal bidding procedures under the Uniform Public Construction Cost Accounting Act

A. Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the monetary limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

B. Contractors List. The District shall develop and maintain a list of contractors ("List") in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

C. Notice Inviting Informal Bids. Where a public project is to be performed which is subject to the provisions of the Act, not less than ten (10) calendar days before bids are due, a notice inviting informal bids may be mailed or sent by electronic means, to all contractors for the category of work to be bid, as shown on the Contractor's List; and/or to all construction trade journals, as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department/section soliciting bids, provided however:

- 1. If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent to the construction trade journals specified by the Commission.**
- 2. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.**

The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time, place and manner for the submission of bids.

D. Award of Contracts. The General Manager is authorized to award informal contracts pursuant to the respective monetary limits set forth by Section 22032 of the Public Contract Code, which provides that projects below the monetary threshold set forth in subdivision (a) of that Section may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order, and that contracts for projects below the monetary threshold set forth in subdivision (b) of that Section may be awarded [to the responsible bidder submitting the lowest responsive bid] by informal bidding procedures specified in Sections 22030 through 22045 and in the policies and procedures developed pursuant to Section 7.40.060 of the District Code.

E. Bids Exceeding Informal Bid Limit. Pursuant to subdivision (d) of Section 22034 of the Public Contract Code, If all bids are in excess of the informal bid monetary limit as set forth by the Act, as it may be

modified from time to time, and the Board of Directors may, if it determines that the District's cost estimate was reasonable, by four-fifths vote award the contract to the lowest responsible bidder submitting as responsive bid.

F. Adjustment of Amounts. Pursuant to the terms of the Act, the maximum dollar amounts authorized therein for informal bidding of public projects are subject to change by the State of California from time to time. When effective, such adjusted monetary limits shall apply to the District's contracts awarded thereafter without any need to amend this Chapter 7.40 or any of the Sections contained therein.

7.40.0560 Policies and procedures for purchasing supplies and equipment.

The procedures described in section 7.40.050 and the referenced statutory provisions shall also apply to the purchase of goods and supplies in accordance with the monetary limits specified in Section 22032 of the Public Contract Code. In addition, the Board or, where delegated, the General Manager, shall from time to time establish more detailed policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the District as required by specified in Section 54202 of the California Government Code. Purchases of supplies and equipment by the District shall be in accordance with said policies and in accordance with all provisions of law applicable thereto. No such policy or procedure shall be adopted which is inconsistent or in conflict with the Community Services District Law, the provisions of the Uniform Public Construction Cost Accounting Act within Public Contract Code, or any other statute applicable to community services districts, or any other applicable statute. [Ord. 327, 2010.]

ORDINANCE NO. _____

AN ORDINANCE OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE DISTRICT CODE BY ADDING A NEW SECTION 7.40.050, ENTITLED "INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT" AND RENUMBERING AS SECTION 7.40.060 FORMER SECTION 7.40.050, POLICIES AND PROCEDURES FOR PURCHASING SUPPLIES AND EQUIPMENT

WHEREAS, the District elected to become subject to the California Uniform Public Construction Cost Accounting Act (the Act) (Section 22000, et seq. of the Public Contract Code), by Resolution No.

_____ approved by the Board of Directors at a regular Board meeting held February 6, 2018; and

WHEREAS, the current District Ordinance Code Chapter 7.40, Acquisition of Real Property, Supplies, and Equipment is silent in the matter of public works bidding procedures; and

WHEREAS, the current District Ordinance Code Section 7.40.050, Policies and procedures for purchasing supplies and equipment, includes purchasing policy and procedure provisions for supplies and equipment not related to public works projects; and

WHEREAS, in accordance with Section 22034 of the Act, the District hereby establishes an informal bid procedure to govern the selection of contractors to perform public projects pursuant to Subdivision (b) of Section 22032 of the Act.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Dublin San Ramon Services District as follows:

1. A new Section 7.40.050 of the District Ordinance Code, entitled "Informal bidding procedures under the Uniform Public Construction Cost Accounting Act" shall be added in the respective form in which it appears in Exhibit 1.

2. Existing Section 7.40.050, entitled "Policies and procedures for purchasing supplies and equipment," shall be renumbered as Section 7.40.060, and inserted into the District Ordinance Code in the respective form in which it appears in Exhibit 1. Notwithstanding the preceding sentence, wherever a provision of the new Section 7.40.060 is substantially the same as the previous version of Section 7.40.050, the provision shall be deemed to be a continuation of the previous version of the provision and not a new enactment.

3. The General Manager, or the person or persons to whom such task may from time to time be delegated, is further authorized and directed to make further non-substantive administrative changes, as approved by District General Counsel, to Sections 7.40.050 and 7.40.060, as respectively set

Ord. No. _____

forth in Exhibit 1 (including revisions in formatting as may be suggested by the publisher) for consistency and ease of reference within sixty (60) days from the date of adoption.

4. This Ordinance will be effective thirty (30) days after its adoption.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 20th day of February 2018, by the following vote:

AYES:

NOES:

ABSENT:

Georange M. Vonheeder-Leopold, President

ATTEST: _____

Nicole Genzale, District Secretary

Proposed new DSRSD code section 7.40.050:

7.40.050 Informal bidding procedures under the Uniform Public Construction Cost Accounting Act

A. Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the monetary limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

B. Contractors List. The District shall develop and maintain a list of contractors ("List") in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

C. Notice Inviting Informal Bids. Where a public project is to be performed which is subject to the provisions of the Act, not less than ten (10) calendar days before bids are due, a notice inviting informal bids may be mailed or sent by electronic means, to all contractors for the category of work to be bid, as shown on the Contractor's List; and/or to all construction trade journals, as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department/section soliciting bids, provided however:

1. If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent to the construction trade journals specified by the Commission.
2. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time, place and manner for the submission of bids.

D. Award of Contracts. The General Manager is authorized to award informal contracts pursuant to the respective monetary limits set forth by Section 22032 of the Public Contract Code, which provides that projects below the monetary threshold set forth in subdivision (a) of that Section may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order, and that contracts for projects below the monetary threshold set forth in subdivision (b) of that Section may be awarded [to the responsible bidder submitting the lowest responsive bid] by informal bidding procedures specified in Sections 22030 through 22045 and in the policies and procedures developed pursuant to Section 7.40.060 of the District Code.

E. Bids Exceeding Informal Bid Limit. Pursuant to subdivision (d) of Section 22034 of the Public Contract Code, If all bids are in excess of the informal bid monetary limit as set forth by the Act, as it may be modified from time to time, and the Board of Directors may, if it determines that the District's cost estimate was reasonable, by four-fifths vote award the contract to the lowest responsible bidder submitting as responsive bid.

F. Adjustment of Amounts. Pursuant to the terms of the Act, the maximum dollar amounts authorized therein for informal bidding of public projects are subject to change by the State of California from time to time. When effective, such adjusted monetary limits shall apply to the District's contracts awarded thereafter without any need to amend this Chapter 7.40 or any of the Sections contained therein.

Proposed renumbering DSRSD code section 7.40.050 to 7.40.060

7.40.060 Policies and procedures for purchasing supplies and equipment.

The procedures described in section 7.40.050 and the referenced statutory provisions shall also apply to the purchase of goods and supplies in accordance with the monetary limits specified in Section 22032 of the Public Contract Code. In addition, the Board or, where delegated, the General Manager, shall from time to time establish more detailed policies and procedures governing purchases of supplies and equipment by the District as specified in Section [54202](#) of the California Government Code. Purchases of supplies and equipment by the District shall be in accordance with said policies and in accordance with all provisions of law applicable thereto. No such policy or procedure shall be adopted which is inconsistent or in conflict with the Community Services District Law, the provisions of the Uniform Public Construction Cost Accounting Act within the Public Contract Code, or any other statute applicable to community services districts. [Ord. 327, 2010.]



TITLE: Reject Apparent Low Bid, Award Construction Agreement to GSE Construction Company, Inc., for the Water Distribution System Water Quality Improvements Project (CIP 15-W017), and Approve Budget Adjustment

RECOMMENDATION:

Staff recommends the Board of Directors approve, by two separate Resolutions, the following actions:

- 1) Rejection of apparent low bid and award of a construction agreement to GSE Construction Company, Inc., the lowest responsive, responsible bidder, in the amount of \$497,100 for the Water Distribution System Water Quality Improvements Project (CIP 15-W017); and
- 2) A budget adjustment to the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2018 and 2019 to increase the Project budget by \$390,000 from \$596,300 to \$986,300.

SUMMARY:

To protect the drinking water from disease-causing organisms or pathogens, Zone 7 Water Agency (Zone 7) adds a disinfectant, chloramine, to the water supplied to the District. During hot months in the summer and during low water use periods in the winter, the residual chloramine concentrations in the District's water reservoirs and water distribution system degrade considerably, and the protection against microbial contamination is compromised.

The Water Distribution System Water Quality Improvements Project (CIP 15-W017) ("Project") includes adding a chloramination system at Reservoir 1A and water mixing systems at several other reservoirs to maintain chlorine residuals and water quality. After installing the chloramination system at Reservoir 1A and observing how effective it was in maintaining a chlorine residual in the reservoir, staff opted to design and install a similar system at Reservoir 3B located on the west side of the service area. See Attachment 1 for a graph showing Reservoir 1A chlorine residuals with and without the chloramination system.

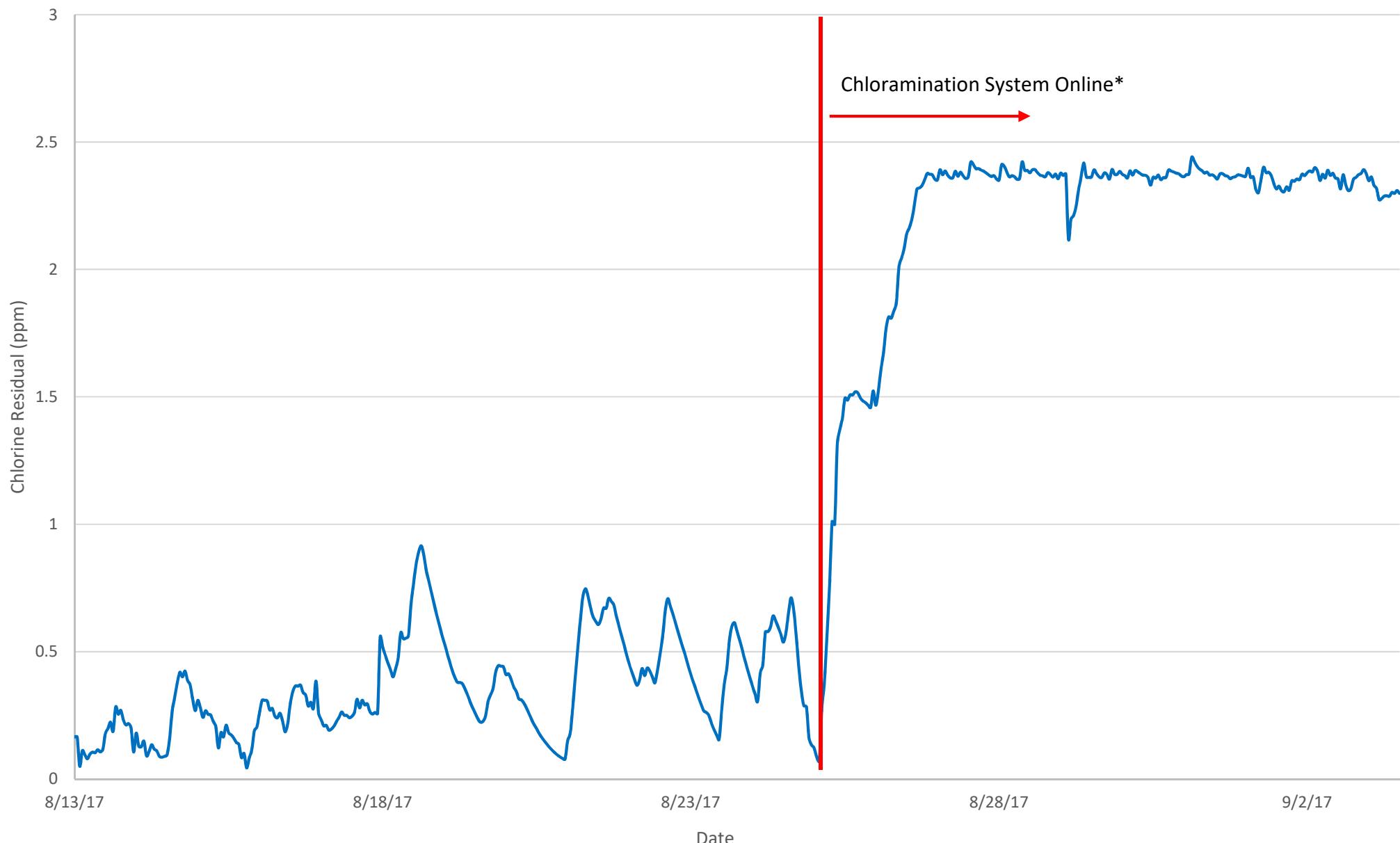
A contract to install a chloramination and mixing system at Reservoir 3B was advertised for bid on December 7, 2017. The Engineer's construction cost estimate was \$418,000. Five bids were received on January 18, 2018 ranging from \$484,000 to \$538,830.

Staff performed due diligence on the lowest three bids. The apparent low bid from Pacific Infrastructure Corporation was found to be non-responsive because its Worker's Compensation Experience Modification Ratio (EMR) was greater than 1.25 and per Section 00460 "Certification of Bidder's Experience and Qualifications" of the Contract Documents an EMR less than 1.25 is required. Staff consulted with legal counsel and determined that the requirement could not be waived. Staff recommends the Board award the construction agreement to GSE Construction Company, Inc., the lowest responsive and responsible bidder, in the amount of \$497,100.

The Two-Year Capital Improvement Budget for the Project is \$596,300. To date, \$308,000 has been spent for the system at Reservoir 1A and for the design of the system at Reservoir 3B. The cost of the system at Reservoir 3B was higher than anticipated because more effort went into design to avoid issues encountered with the first installation at Reservoir 1A and because it involves more site work and includes higher quality chemical storage sheds, chemical storage tanks, and containment. Staff requests a budget increase of \$390,000, from \$596,300 to \$986,300, to cover the construction contract, construction change orders, construction management, and staff time.

Originating Department: Engineering Services	Contact: S. Delight	Legal Review: Yes
Cost: \$497,100 award; \$390,00 project budget increase	Funding Source: Water Replacement (Fund 610)	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Chlorine residual graph Attachment 2 – Bid Results	

Reservoir 1A Chlorine Residual



*A good operational chlorine residual target is 2.0 parts per million (ppm)



**Dublin San Ramon
Services District**

Water, wastewater, recycled water

**Results of Bid Opening for
Water Distribution System Water Quality Improvements (CIP 15-W017)
Thursday, January 18, 2018 @ 2:00 p.m.**

Engineer's Estimate:	\$ 418,000
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No.	Name of Bidder	Bid Amount
1	Pacific Infrastructure Corp., Pleasanton, CA	\$ 484,000
2	GSE Construction Company, Inc., Livermore, CA	\$ 497,100
3	D.W. Nicholson Corporation, Hayward, CA	\$ 529,000
4	Manito Construction Inc., Pleasanton, CA	\$ 537,500
5	Spiess Construction Co., Inc., Santa Maria, CA	\$ 538,830

Contractor/Subcontractor	Contractor License No.	PWC Registration No.	Location	Trade	Amount of Work to be Performed
Pacific Infrastructure Corp.					
Jeffco Painting	364702	1000001665	Vallejo, CA	Painting	\$ 12,000
Mission City Rebar	273978	1000002302	Livermore, CA	Rebar	\$ 3,000
West Coast Electric Service Company, Inc.	985029	1000003641	Santa Rosa, CA	Electrical	\$ 80,000
GSE Construction Company, Inc.					
West Coast Electric	985029	1000003641	Santa Rosa, CA	Electrical	\$ 74,900
D.W. Nicholson Corporation					
Cal West	320029		Union City, CA		\$ -
Mission City Rebar	273978	1000002302	Livermore, CA		\$ -
FMK Construction	750680		San Leandro, CA		\$ -
Redwood Painting	302617		Pittsburg, CA		\$ -
Manito Construction Inc.					
Westcoast Electric	985029	1000003641	Santa Rosa, CA	Instrumentation	\$ 75,000
Spiess Construction Co., Inc.					
West Coast Electric Service Company, Inc.	985029	1000003641	Santa Rosa, CA	Electrical	\$ 74,900

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REJECTING THE APPARENT LOW BID AND APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH GSE CONSTRUCTION COMPANY, INC. FOR CONSTRUCTION OF THE WATER DISTRIBUTION SYSTEM WATER QUALITY IMPROVEMENTS PROJECT (CIP 15-W017)

WHEREAS, the Board of Directors adopted the current CIP Two-Year Budget for Fiscal Years Ending 2018 and 2019 ("CIP Budget") on June 6, 2017, authorizing Project and Fund Budgets for FYE 2018 and 2019 to meet the District's capital infrastructure needs; and

WHEREAS, the CIP Budget included the Water Distribution System Water Quality Improvements Project (CIP 15-W017) ("Project"); and

WHEREAS, the Project will improve water quality in the potable water distribution system in the area known as west Dublin; and

WHEREAS, a Categorical Exemption for the Project was filed with the Alameda County Clerk on November 16, 2017; and

WHEREAS, on December 7, 2017 the District Secretary advertised for bid the Water Distribution System Water Quality Improvements Project (CIP 15-W017) and pursuant to said advertisement, five bids were received for the performance of said work; and

WHEREAS, the apparent low bid by Pacific Infrastructure Corporation in the amount of \$484,000 was found to be non-responsive because it did not meet the minimum criteria listed in Section 00460 "Certification of Bidders Experience and Qualifications" of the Contract Documents for the Experience Modification Ratio; and

WHEREAS, the apparent second low bid by GSE Construction Company, Inc. meets all criteria set forth in the bid documents; and

WHEREAS, GSE Construction Company Inc. is the lowest responsive, responsible bidder, and it is the intention of this Board to accept said bid of \$497,100.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, as follows:

1. The bid of the apparent low bidder, Pacific Infrastructure Corporation, is hereby rejected as non-responsive.
2. The bid of GSE Construction Company, Inc., in the amount of 497,100, is hereby accepted, and said bidder is hereby found and declared to be the lowest responsive, responsible bidder for said work.

Res. No. _____

3. That certain agreement titled "Agreement for the Construction of Water Distribution System Water Quality Improvements Project (CIP 15-W017)" (Exhibit A), by and between Dublin San Ramon Services District, a California public agency, and GSE Construction Company, Inc. is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said agreement for and on behalf of Dublin San Ramon Services District.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of February, 2018, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgean M. Vonheeder-Leopold, President

ATTEST: _____
Nicole Genzale, District Secretary

SECTION 00500

AGREEMENT FOR THE CONSTRUCTION OF

WATER DISTRIBUTION SYSTEM WATER QUALITY IMPROVEMENTS
(CIP 15-W017)

THIS AGREEMENT, made and concluded, in duplicate, this _____ day of _____, 20____, between the Dublin San Ramon Services District ("District"), Dublin, California, and **GSE Construction Company Inc., 6950 Preston Avenue, Livermore, CA 94551, (925) 447-0292** ("Contractor").

WITNESSETH:

1. That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the District, and under the conditions expressed in the two bonds, bearing even date with these presents, and hereunto annexed, the Contractor agrees with the District, at his/her own proper cost and expense, to do all the work and furnish all the materials necessary to construct and complete in good workmanlike and substantial manner the project entitled: **WATER DISTRIBUTION SYSTEM WATER QUALITY IMPROVEMENTS (CIP 15-W017)** in strict conformity with the Contract Documents (collectively defined in Section 01090-2.0), prepared therefor, which said plans and specifications are hereby specially referred to and by said reference made a part hereof.
2. Now, therefore, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to complete the work in accordance with the terms and conditions stipulated in the Contract Documents for the sum of **Four Hundred Ninety-Seven Thousand One Hundred Dollars (\$497,100)** computed in accordance with Contractor's accepted proposal dated **January 18, 2018**, which accepted proposal is incorporated herein by reference thereto as if herein fully set forth. Compensation shall be based upon any lump sum bid items plus the unit prices stated in the Bid Schedule times the actual quantities or units of work and materials performed or furnished. The further terms, conditions, and covenants of this Agreement are set forth in the Contract Documents, each of which is by this reference made a part hereof. Payments are to be made to the Contractor in accordance with the provisions of the Contract Documents in legally executed and regularly issued warrants of the District, drawn on the appropriate fund or funds as required by law and order of the District thereof.
3. The District hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the prices aforesaid, and hereby contracts to pay the same at the time, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.
4. The Contractor and any subcontractor performing or contracting any work shall comply with all applicable provisions of the California Labor Code for all workers, laborers and mechanics of all crafts, classifications or types, including, but not limited to the following:

(a) The Contractor shall comply with all applicable provisions of Section 1810 to 1815, inclusive, of the California Labor Code relating to working hours. The Contractor shall, as a penalty to the District, forfeit the sum of twenty-five dollars (\$25) for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, unless such worker receives compensation for all hours worked in excess of eight (8) hours at not less than 1-1/2 times the basic rate of pay.

(b) Pursuant to the provision of California Labor Code, Sections 1770 et. seq., the Contractor and any subcontractor under him shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. Pursuant to the provisions of California Labor Code Section 1773.2, the Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the work is to be performed for each craft, classification, or type of worker required to execute the Contract, are on file in the office of the District, which copies shall be made available to any interested party on request. The Contractor shall post a copy of said prevailing rate of per diem wages at each job site.

(c) As required by Section 1773.1 of the California Labor Code, the Contractor shall pay travel and subsistence payments to each worker needed to execute the Work, as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with this Section.

(d) To establish such travel and subsistence payments, the representative of any craft, classification, or type of workman needed to execute the contracts shall file with the Department of Industrial Relations fully executed copies of collective bargaining agreements for the particular craft, classification or type of work involved. Such agreements shall be filed within ten (10) days after their execution and thereafter shall establish such travel and subsistence payments whenever filed thirty (30) days prior to the call for bids.

(e) The Contractor shall comply with the provisions of Section 1775 of the California Labor Code and shall, as a penalty to the District, forfeit up to fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the prevailing rate of per diem wages for each craft, classification, or type of worker needed to execute the Contract. The Contractor shall pay each worker an amount equal to the difference between the prevailing wage rates and the amount paid worker for each calendar day or portion thereof for which a worker was paid less than the prevailing wage rate.

(f) As required under the provisions of Section 1776 of the California Labor Code, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Said payroll shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in Paragraph 4(f), herein, shall be made available for inspection or furnished upon request to the District, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in Paragraph 4(f), herein, shall be made available upon request by the public for inspection or for copies thereof; provided, however, that a request by the public shall be made through either the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to subparagraph 4(f)(2) herein, the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the Contractor, subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal offices of the Contractor.

The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division.

Each Contractor shall file a certified copy of the records, enumerated in Paragraph 4(f) with the entity that requested the records within ten (10) days after receipt of a written request. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of the Contractor awarded the Contract or performing the Contract shall not be marked or obliterated. The Contractor shall inform the District of the location of the records enumerated under Paragraph 4(f) including the street address, city and county, and shall, within five (5) working days, provide a notice of change of location and address. The Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this Paragraph 4(f). In the event that the Contractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or the District, forfeit twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. Responsibility for compliance with Paragraph 4(f) lies with the Contractor.

(g) The Contractor and any subcontractors shall, when they employ any person in any apprenticeable craft or trade, apply to the joint apprenticeship committee administering the apprenticeship standards of the craft or trade in the area of the construction site for a certificate approving the Contractor or subcontractor under the apprenticeship standards for

the employment and training of apprentices in the area or industry affected; and shall comply with all other requirements of Section 1777.5 of the California Labor Code. The responsibility of compliance with California Labor Code Section 1777.5 during the performance of this Contract rests with the Contractor. Pursuant to California Labor Code Section 1777.7, in the event the Contractor willfully fails to comply with the provisions of California Labor Code Section 1777.5, the Contractor shall be denied the right to bid on any public works contract for up to three (3) years from the date noncompliance is determined and be assessed civil penalties.

(h) In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860), and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the California Labor Code, the Contractor is required to secure the payment of compensation to its employees and for that purpose obtain and keep in effect adequate Workers' Compensation Insurance. If the Contractor, in the sole discretion of the District satisfies the District of the responsibility and capacity under the applicable Workers' Compensation Laws, if any, to act as self-insurer, the Contractor may so act, and in such case, the insurance required by this paragraph need not be provided.

The Contractor is advised of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code and shall comply with such provisions and have Employer's Liability Limits of \$1,000,000 per accident before commencing the performance of the Work of this Contract.

The Notice to Proceed with the Work under this Contract will not be issued, and the Contractor shall not commence work, until the Contractor submits written evidence that it has obtained full Workers' Compensation Insurance coverage for all persons whom it employs or may employ in carrying out the Work under this Contract. This insurance shall be in accordance with the requirements of the most current and applicable state Workers' Compensation Insurance Laws. In accordance with the provisions of Section 1861 of the California Labor Code, the Contractor in signing this Agreement certifies to the District as true the following statement: "I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

A subcontractor is not allowed to commence work on the project until verification of Workers' Compensation Insurance coverage has been obtained and verified by the Contractor and submitted to the Construction Manager for the District's review and records.

(i) In accordance with the provisions of Section 1727 of the California Labor Code, the District, before making payment to the Contractor of money due under a contract for public works, shall withhold and retain therefrom all wages and penalties which have been forfeited pursuant to any stipulation in the Contract, and the terms of Chapter 1, Part 7, Division 2 of the California Labor Code (commencing with Section 1720). But no sum shall be withheld, retained or forfeited, except from the final payment, without a full investigation by either the Division of Labor Standards Enforcement or by the District.

5. It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this Agreement and the Bid Proposal of said Contractor, then this Agreement shall control, and nothing herein contained shall be considered as an acceptance of the said terms of said Proposal conflicting herewith.

6. The Contractor agrees to provide and maintain insurance coverage, and to indemnify and save harmless the parties named and in the manner set forth in Section 00800-2.0, **LIABILITY & INSURANCE**.

The duty of Contractor to indemnify and save harmless, as set forth herein, shall include a duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein shall be construed to require Contractor to indemnify against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

7. The Contractor shall diligently prosecute the Work so that it shall be substantially completed within the time specified in Section 00800-1.1, Time Allowed for Completion.

8. Except as otherwise may be provided in other provisions of the Contract Documents, Contractor hereby expressly guarantees for one (1) full year from the date of the Substantial Completion of the Work under this Agreement and acceptance thereof by the District, to repair or replace any part of the Work performed hereunder which constitutes a defect resulting from the use of inferior or defective materials, equipment or workmanship. If, within said period, any repairs or replacements in connection with the Work are, in the opinion of the District, rendered necessary as the result of the use of inferior or defective materials, equipment or workmanship, Contractor agrees, upon receipt of notice from District, and without expense to District, to promptly repair or replace such material or workmanship and/or correct any and all defects therein. If Contractor, after such notice, fails to proceed promptly to comply with the terms of this guarantee, District may perform the work necessary to effectuate such correction and recover the cost thereof from the Contractor and/or its sureties.

In special circumstances where a particular item of work or equipment is placed in continuous service before Substantial Completion of the Work, the correction period for that item may start to run from an earlier date. This date shall be agreed upon by the Contractor and District on or before the item is placed in continuous service.

Any and all other special guarantees which may be applicable to definite parts of the Work under this Agreement shall be considered as an additional guarantee and shall not reduce or limit the guarantee as provided by Contractor pursuant to this paragraph during the first year of the life of such guarantee.

9. The Contractor shall provide, on the execution of this Agreement, a good and sufficient corporate surety bond in the penal sum of one hundred percent (100%) of amount bid, which bond shall be on the form provided by the District in Section 00610, **BOND OF FAITHFUL PERFORMANCE**, and be conditioned upon the faithful performance of all work required to be performed by the Contractor under this Agreement. Said bond shall be liable for any and all penalties and obligations which may be incurred by Contractor under this Agreement. The corporate surety bond shall be issued by a corporate surety approved by the District's counsel. The corporate surety shall be authorized to conduct business in California. At its discretion, the District may request that a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California

be submitted by the Surety to the District. At its discretion, the District may also require the insurer to provide copies of its most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

10. In addition to the bond required under Paragraph 9, hereof, Contractor shall furnish a good and sufficient corporate surety bond in the penal sum of one hundred percent (100%) of amount of Bid, which bond shall be on the form provided by the District in Section 00620, **PAYMENT BOND**, and conform strictly with the provisions of Chapter 7, Title 15, Part 4, Division 3, of the Civil Code of the State of California, and all amendments thereto. The corporate surety bond shall be issued by a corporate surety approved by the District's counsel. The corporate Surety shall be authorized to conduct business in California. At its discretion, the District may request that a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California be submitted by the Surety to the District. At its discretion, the District may also require the insurer to provide copies of its most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

11. The Contractor may substitute securities for the amounts retained by the District to ensure performance of the work in accordance with the provisions of Section 22300 of the Public Contract Code.

12. Contractor covenants that Contractor is licensed in accordance with the provisions of the Contractors' License Law of California as provided in Section 00010, **NOTICE INVITING BIDS**.

13. The Contractor shall be provided the time period specified in Section 01340-2.0, **MATERIAL AND EQUIPMENT SUBSTITUTIONS**, for submission of data substantiating a request for a substitution of an "or equal" item.

14. As required by Section 6705 of the California Labor Code and in addition thereto, whenever work under the Contract involves the excavation of any trench or trenches five (5) feet or more in depth, the Contractor shall submit in advance of excavations, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety in Title 8, Subchapter 4, Article 6, California Code of Regulations, the plan shall be prepared by a registered civil or structural engineer employed by the Contractor, and all costs therefore shall be included in the price named in the Contract for completion of the Work as set forth in the Contract Documents. Nothing in this Section shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this Section shall be construed to impose tort liability on the District, the Design Consultant, Construction Manager nor any of their agents, consultants, or employees. The District's review of the Contractor's excavation plan is only for general conformance to the California Construction Safety Orders.

Prior to commencing any excavation, the Contractor shall designate in writing to the Construction Manager the "competent person(s)" with the authority and responsibilities designated in the Construction Safety Orders.

15. In accordance with Section 7104 of the Public Contract Code, whenever any work involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, the provisions of Section 00700-7.2, Differing Site Conditions, shall apply.

16. In accordance with Section 7103.5 of the Public Contract Code, the Contractor and subcontractors shall conform to the following requirements. In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchases of goods, materials or services pursuant to this Contract or the subcontract. Such assignment shall be made and become effective at the time the District tenders final payment to the Contractor, without further acknowledgment by the parties.

17. In accordance with Section 4552 of the Government Code, the Contractor shall conform to the following requirements. In submitting a Bid to the District, the Contractor offers and agrees that if the Bid is accepted, it will assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchase of goods, materials, or services by the Contractor for sale to the District pursuant to the Bid. Such assignment shall be made and become effective at the time the Authority tenders final payment to the Contractor.

18. Pursuant to Public Contract Code Section 7100, the acceptance by the Contractor of an undisputed payment made under the terms of the Contract shall operate as, and shall be, a release to the District, and their duly authorized agents, from all claim of and/or liability to the Contractor arising by virtue of the contract related to those amounts. Disputed contract claims in stated amounts may be specifically excluded by the Contractor from the operation of the release.

19. In accordance with California Business and Professions Code Section 7030, the Contractor is required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning the Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first set forth above.

CONTRACTOR

By: _____

Title: _____

Dublin San Ramon Services District

By: _____
Daniel McIntyre, General Manager

ATTEST:

Nicole Genzale, District Secretary

***** END OF SECTION *****

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AN ADJUSTMENT TO THE CAPITAL IMPROVEMENT PROGRAM TWO-YEAR BUDGET FOR FISCAL YEARS ENDING 2018 AND 2019 TO INCREASE THE PROJECT BUDGET FOR THE WATER DISTRIBUTION SYSTEM WATER QUALITY IMPROVEMENTS PROJECT (CIP 15-W017)

WHEREAS, the Board of Directors adopted the current CIP Two-Year Budget for Fiscal Years Ending 2018 and 2019 ("CIP Budget") on June 6, 2017, authorizing Project and Fund Budgets for FYE 2018 and 2019 to meet the District's capital infrastructure needs; and

WHEREAS, the CIP Budget included the Water Distribution System Water Quality Improvements Project (CIP 15-W017) ("Project") with a budget of \$596,300; and

WHEREAS, the Project will improve water quality in the potable water distribution system in the area known as west Dublin; and

WHEREAS, staff has completed plans and specifications and opened bids for the Project; and

WHEREAS, based on the bids received, the current remaining project budget is less than the budget necessary to complete the Project; and

WHEREAS, staff recommends revising the CIP Budget by increasing the Project budget by \$390,000 from \$596,300 to \$986,300.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, as follows:

The Water Distribution System Water Quality Improvements Project (CIP 15-W017) budget increase from \$596,300 to \$986,300 is hereby approved and incorporated into the CIP Two-Year Budget for Fiscal Years Ending 2018 and 2019 in accordance with the project description sheet (Exhibit A).

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 6th day of February, 2018, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgean M. Vonheeder-Leopold, President

ATTEST: _____

Nicole Genzale, District Secretary

DSRSD CIP 10-Year Plan for FYEs 2018 through 2027**CATEGORY: WATER SYSTEM****Water Replacement (Fund 610)****CIP No. 15-W017 Water Distribution System Water Quality Improvements****Funding Allocation:** 100% 610**Project Manager:** Steven Delight**Status:** Continuing Project**Project Summary:**

This project will install a chloramination system at Reservoir 1A and low horsepower mixers in Reservoirs 1A, 3A, 3B, 10A, 300A and 300B. The District has experienced loss of chlorine residual in the water distribution system. Installing the chloramination system and the mixers will reduce water age in the tanks and facilitate maintaining chlorine residual throughout the system.

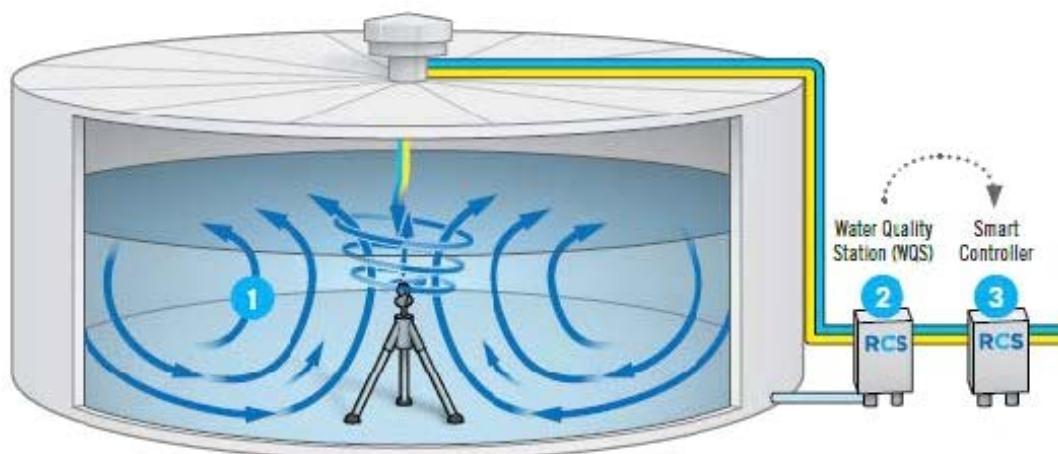
CEQA: Categorical Exemption [CEQA Guideline 15301, 15303].**Reference:** None.**Fund Allocation Basis:** Project is required to maintain existing water fund assets.**10-Year Cash Flow and Estimated Project Cost:**

Prior	FYE 18	FYE 19	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	Future
236,881	749,419	0	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost \$986,300

Current Adopted Budget \$596,300

Increase/(Decrease) \$390,000





TITLE: Receive Report on Los Vaqueros Expansion Project

RECOMMENDATION:

Staff recommends the Board of Directors receive a verbal report on the Los Vaqueros Expansion Project.

SUMMARY:

In November 2014, California voters overwhelmingly passed Proposition 1: the Water Quality, Supply, and Infrastructure Improvement Act of 2014, a \$7.5 billion water bond that will make needed investments in the state's water management systems. The bond dedicated \$2.7 billion for investments in water storage projects and designated the California Water Commission (CWC) as the agency responsible for appropriately allocating these funds. The CWC, through the Water Storage Investment Program, will fund the public benefits of these projects.

In August 2017, 12 projects totaling \$13.1 billion in cost submitted applications for \$5.8 billion in funding. The CWC is reviewing whether the projects meet a required public benefit ratio (PBR) of 1 or greater. The PBR is the ratio of the public benefits (i.e. ecosystem restoration, flood control, recreation) to the private benefit (water storage for agencies). As noted in an article published on January 23 in the Valley Times (Bay Area News Group), none of the projects as currently submitted meet the required PBR. However, the CWC staff are working with the applicants to clarify their methodology, and applicants will have the opportunity to provide additional information relevant to the calculated ratio.

Also noted in the Valley Times article, one of the submitted applications of interest in the Tri-Valley is Contra Costa Water District's Los Vaqueros Reservoir Expansion project. This project would increase the storage capacity on Los Vaqueros from 160,000 acre-feet to 275,000 acre-feet. A number of water agencies have joined a partnership with the Contra Costa Water District to explore (and potentially fund) this project. The Zone 7 Water Agency (Zone 7) is one of the agencies participating in this partnership. The Los Vaqueros project would be a \$795 million project, with \$434 million requested in matching funds from the Water Storage Investment Program.

Staff will present a verbal report to the Board on the Los Vaqueros project and explain the potential benefits and limitations of water storage in Los Vaqueros. An excerpt from the January 17 Zone 7 Board staff update on water supply projects is attached as introductory background information.

Originating Department: Executive Services	Contact: D. McIntyre	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Zone 7's 1/17/18 Update on Los Vaqueros Project	

Zone 7's 1/17/18 Update on Los Vaqueros Project

B. Los Vaqueros Reservoir Expansion Project Planning

PROJECT BACKGROUND: In the WSE Update, Los Vaqueros Reservoir, Contra Costa Water District's (CCWD) reservoir in northeastern Contra Costa County, was included in the list of facilities that could reduce risk of water supply shortage to Zone 7 and facilitate a regional desalination project. Los Vaqueros Reservoir currently has a capacity of 160,000 AF following its expansion from 100,000 AF in 2012. CCWD is planning for possible further expansion of the reservoir to 275,000 AF and possible construction of the Transfer-Bethany Pipeline, which would connect the reservoir to the South Bay Aqueduct system. These improvements would provide additional storage regionally and strengthen the interconnection of water systems in the Bay Area. Because of these benefits, the Los Vaqueros Reservoir Expansion Project and the Transfer-Bethany Pipeline have been included in the Bay Area Regional Reliability Partnership list of projects. The Board approved participation in Los Vaqueros Reservoir Expansion Project Planning as a 'Local Agency' partner on September 21, 2016 with a \$100,000 contribution towards preparation of required environmental documents using consulting services managed by CCWD.

UPDATED INFORMATION: Like the Sites Reservoir Project, the Los Vaqueros Reservoir Expansion Project is undergoing the grant application review process by the CWC, with preliminary funding decisions expected in June 2018. A draft funding agreement for the remainder of the planning phase will be prepared in early 2018, with planned execution by participating agencies soon after the preliminary CWC funding decision to avoid schedule impact. Three additional agencies (Del Puerto Water District, San Luis Water District, and Westlands Water District) will be participating as Local Agency partners in the project, with the concurrence of the current group of Local Agencies. CCWD staff will be updating the modeling operational assumptions for participating agencies whose demand projections and planned use of Los Vaqueros may have changed since the draft environmental documentation was prepared. Zone 7 staff are evaluating whether the current assumptions for Zone 7's potential participation should be modified for this next phase. The potential formation of a Joint Powers Authority (JPA) for project implementation and operation is currently being evaluated by a consultant. A JPA would provide a more formal 'seat-at-the-table' for Local Agencies.



TITLE: Receive Presentation on Proposition 218 Basics

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation about Proposition 218 basics.

SUMMARY:

Recently, the Board requested more information about options for the Dougherty Valley Assessment District (DVAD). In preparation for that presentation, District General Counsel will make a presentation on Proposition 218 basics. The provisions of Proposition 218 pertaining to benefit assessments will essentially frame the options available for addressing the impending shortfall in the amount collected by assessments within the Dougherty Valley Assessment District. The purpose of the Dougherty Valley Assessment District is to provide a revenue source to replace revenues that would otherwise have been available to the Zone 7 Water Agency had the Dougherty Valley been located within Alameda County.

The presentation from General Counsel will briefly refresh the Board on the substantive principles of Proposition 218, briefly mention Proposition 26 (which modified Proposition 218), discuss the procedures under Proposition 218 that apply to rates, and then focus on the procedures under Proposition 218 that apply to assessments, including the implications of the Public Records Act on ballots.

Originating Department: Executive Services	Contact: C. Nelson	Legal Review: Yes
Cost: \$0	Funding Source: N/A	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	50 of 51	



TITLE: Receive Presentation and Provide Direction on Board Briefings and Workshops

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation on upcoming Board briefings and/or workshops and provide direction to staff.

SUMMARY:

On February 6, 2017, the Board received a presentation on staff communication practices with the Board of Directors. One of the main topics discussed was the planning and scheduling of a number of workshops and briefings throughout the year on key policy and operational issues facing the District. In 2017, the Board received the following informational presentations. Although these items did not require Board action, they were provided for context and background for the Board:

- Local Wastewater Program review
- Current Zone 7 water supply planning status
- Financial issues for the California WaterFix
- Geographic Information System (GIS)
- AquaHawk
- Water quality issues (separate Special Board workshop)
- Dublin Trunkline Rehabilitation
- Current development activities in Dublin
- Update on California Public Records Act

For 2018, staff is proposing that the following items be presented as informational items. It may be appropriate to discuss some of these items in a separate workshop format:

- Supervisory Control and Data Acquisition (SCADA) system overview
- Information Technology Master Plan
- Electronic Content Management System (records system) update
- Asset Management Program 101
- Water quality issues (update/revisit)
- Zone 7 water supply planning (update/revisit)
- Safety Program (update/revisit)
- San Juan Capistrano utility rates case
- Clean Water Program overview
- Various operational briefings

The Board can discuss which of these items it would like to see in a separately scheduled workshop format. A workshop would typically be a more informal meeting at a Special Board meeting (focusing on one item in greater detail) and scheduled immediately prior to a Regular Board meeting.

Additionally, the Board can consider any other informational items it would like to be briefed on in 2018 so that staff can plan the briefing schedule for 2018.

Originating Department: Executive Services	Contact: D. McIntyre	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	51 of 51	