

**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 Georgean 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 agendized 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. 1-188.D. Approve Increase to the Local Wastewater Replacement Fund Capital Improvement Program Budget for Fiscal Year Ending 2018 – Approved - Resolution No. 2-188.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. 3-189. 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 (ASCDA) Board meeting on December 11 at the Castro Valley Sanitary District, and the ACSDA 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.

- A. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
Agency Designated Representatives: Richard Halket, Board Director
Carl P.A. Nelson, General Counsel
Unrepresented Employee: General Manager
Additional Attendee: Michelle Gallardo, Human Resources and Risk Supervisor

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