

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

January 15, 2019

1. CALL TO ORDER

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

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Madelyne A. (Maddi) Misheloff, Vice President Edward R. Duarte, Director Ann Marie Johnson, Director Richard M. Halket, and Director Georgean M. Vonheeder-Leopold.

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

New Employee Introduction:

Jason Bertacchi, Instrumentation Technician
Irene Suroso, Associate Civil Engineer

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:05 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:
 - o Zone 7 Water Agency (Zone 7) will discuss its draft Water Supply Evaluation at its Board meeting on Wednesday, January 16.
 - o A Tri-Valley Water Liaison Committee meeting will be held Wednesday, January 23 hosted by Zone 7.
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
1/15/19	Email	Mr. Scott Rafferty	General Manager Dan McIntyre and Special Counsel	Tonight's DSRSD Meeting	N/A

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

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

7. CONSENT CALENDAR

Director Vonheeder-Leopold MOVED for approval of the items on the Consent Calendar. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

7.A. Regular Meeting Minutes of December 18, 2018 – Approved

7.B. Accept the Following Regular and Recurring Reports: Warrant List – Approved

7.C. Approve Budget Increase to the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2018 and 2019 for the Facilities Relocation for Dublin Boulevard Widening – Sierra Court to Dublin Court Project (CIP 16-A002), Approve Increase to the Local Wastewater Replacement Fund Capital Improvement Program Fund Limit for Fiscal Year Ending 2019, and Approve an Increase to the Construction Agreement Change Order Contingency for the Facilities Relocation for Dublin Boulevard Widening – Sierra Court to Dublin Court Project (CIP 16-A002) – Approved) – Resolution No. 1-19, Resolution No. 2-19 and Resolution No. 3-19

7.D. Approve Board Committees and Joint Powers Authority Assignments for Calendar Year 2019 – Approved

7.E. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 57-18 – Approved – Resolution No. 4-19

General Manager McIntyre reported that a corrected resolution has been distributed to the Board for Item 7.E as a typo has been discovered in the fifth WHEREAS clause (“food” has been corrected to “good”). The Board agreed to reconsider and approve item 7.E with the corrected resolution as noted via a separate motion.

Director Vonheeder-Leopold MOVED to approve Item 7.E with the corrected resolution as presented. Director Johnson SECONDED the MOTION, which CARRIED with FIVE AYES.

8. BOARD BUSINESS

8.A. Consider Adoption of Resolution Declaring Dublin San Ramon Services District's Intent to Transition from an At-large to District-based System of Electing Directors, Outlining Specific Steps to Be Undertaken to Facilitate the Transition, and Specifying a Timeline within which the Necessary Actions Would Be Taken

Executive Services Supervisor/District Secretary Nicole Genzale reviewed the item for the Board. She explained the District is considering transitioning from an at-large to a division-based election system due to receiving a letter threatening litigation from Walnut Creek attorney Scott Rafferty if it did not do so. The letter asserted that "racially polarized voting" is occurring in the San Ramon Valley, and so the District's at-large

electoral system, therefore, violates the California Voting Rights Act of 2001. The letter was addressed to the District and other agencies in the San Ramon Valley. After weighing the legal and financial implications of such litigation in closed session, the Board directed staff to present a resolution of intent this evening to proceed with making the election system transition. The process will include several public hearings held at Board meetings to encourage and gather community input, and will culminate in the District adopting an ordinance transitioning to division-based elections. A proposed timeline of meetings, to be held at various locations throughout the District's service area, is included as an exhibit to the resolution. Staff is working with District General Counsel, special counsel, and an independent demographer to facilitate the process, which is estimated to cost approximately \$200,000 including staff time, legal and consultant fees, and public outreach.

The Board and staff discussed the aspects of the transition process. Staff confirmed the meetings will be held at the usual Board meeting time of 6 p.m. on regular meeting dates, but will be considered "special" meetings due to being at locations other than the Shannon Community Center, which is the District's current regular meeting location. General Counsel Nelson also confirmed the District is moving ahead with the transition process independently from the other San Ramon Valley agencies that received the same demand letter because of jurisdictional differences, but added that resource sharing would still be considered if deemed possible. Director Halket commended staff on orchestrating an impressive Board meeting "road show" to carry out the transition process throughout the District's service area.

Director Halket MOVED to adopt Resolution No. 5-19, Declaring Its Intent to Transition from an At-large Election System to a District-based System for Electing Directors, Outlining Specific Steps to Be Undertaken to Facilitate the Transition, and Specifying a Timeline within which the Necessary Actions Would Be Taken. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.B. Accept the Rate Stabilization Funds Annual Report and Direct Transfers from the Regional Wastewater Operating Fund (Fund 300) to the Regional Wastewater RSF (Fund 305), from the Regional Wastewater RSF (Fund 305) to the Regional Wastewater Replacement Fund (Fund 310), and the Local Wastewater RSF (Fund 205) to the Local Wastewater Operating Fund (Fund 200)

Administrative Services Manager Atwood reviewed the item for the Board. She provided copies of the slide presentation for the Board. She explained the status of the three "fund families" and staff's recommendations to make certain transfers to meet the Financial Reserves policy criteria, meet best practices, and demonstrate prudence with public funds. Local Wastewater is below minimum (collection system in Dublin/San Ramon), Regional Wastewater is doing well (treatment system in Pleasanton), and Water is very healthy (includes water and recycled water). She reviewed the three recommended transfers to improve the health of certain funds.

Director Halket stated that having been on the Board during the most recent recession and ensuing financial crisis, it is critical to have reserves in place for the District and the ratepayers when the next challenging economic event happens. The Board also agreed

that staff's effective financial planning has positioned the District well to have the ability to make such transfers when needed.

Director Vonheeder-Leopold MOVED to Accept the Rate Stabilization Funds Annual Report and Direct Transfers from the Regional Wastewater Operating Fund (Fund 300) to the Regional Wastewater RSF (Fund 305), from the Regional Wastewater RSF (Fund 305) to the Regional Wastewater Replacement Fund (Fund 310), and the Local Wastewater RSF (Fund 205) to the Local Wastewater Operating Fund (Fund 200). Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

8.C. Receive Presentation on the Zone 7 Water Agency 2018 Water Supply Evaluation Update

Engineering Services Manager Zavadil reviewed the item for the Board. She provided copies of the slide presentation for the Board which outlined the Zone 7 Water Agency (Zone 7) Water Supply Evaluation (WSE) Update findings presented at its December 21 Water Resources Committee meeting. She reviewed the WSE's 11 recommended water supply action items the Zone 7 Board will consider for approval at its Board meeting tomorrow. She noted many of the actions are consistent with DSRSD objectives and include continuing support for pursuing a variety of water supply projects, such as a Regional Potable Reuse project. The WSE will also be discussed at the Tri-Valley Water Liaison Committee on January 23, and will then be considered at the February 8 Zone 7 Board meeting.

The Board and staff discussed the upcoming Tri-Valley Water Liaison Committee's anticipated review of the WSE on January 23, and aspects of the WSE as presented thus far. The Board agreed that Zone 7 is far ahead of where it was years ago now that it is open to supply diversification and to considering other water supply projects, given the California WaterFix seemed to be the primary focus at one time. General Manager McIntyre also reported that the Tri-Valley Water Liaison Committee has discussed the importance of conducting public outreach, education, and engagement and agrees it would be important to do so in parallel with supporting a potable reuse project. Some participating agencies have already shared some information with community groups, as has DSRSD at its first annual Citizens' Water Academy last year.

8.D. Approve Increase in Budgeted Full-Time Equivalent (FTE) Staffing

General Manager McIntyre reviewed the item for the Board. He explained the need to meet near- and immediate-term staffing needs due to disruptive staffing losses and transitions in the Engineering Department, coupled with an increase of workload including the unexpected District Office flooding restoration project.

Director Vonheeder-Leopold MOVED to adopt Resolution No. 6-19, Approving an Extension of the Increase of Maximum Full-Time Equivalent Staff Positions. Director Johnson SECONDED the MOTION, which CARRIED with FIVE AYES.

8.E. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists

Engineering Services Manager Zavadil reviewed the item for the Board. She explained that staff was working on gathering repair and renovation costs and options to present to the Board at the February 5 Board meeting. She reported there is a possibility of having the District Office construction work done by the City of Dublin's police services building contractor to save the District cost and time. A change order to the city's existing construction agreement would be presented to Dublin's City Council for approval per the agencies' Tri-Valley Intergovernmental Reciprocal Services Master Agreement, should this avenue seem feasible. The Board and staff further discussed the possibility of such an approach, noting the benefits to the District and how that process could work in concert with Dublin.

Director Vonheeder-Leopold MOVED to Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.F. Establish the 2019 Process and Schedule for Performance Assessments of General Manager and Confirm Process for Board Appointees General Counsel, Treasurer, and District Secretary

General Manager McIntyre reviewed the item for the Board. The Board agreed the current evaluation process was still acceptable.

Director Vonheeder-Leopold MOVED to Approve the Recommended 2019 Process and Schedule for Performance Assessments as Outlined in the Summary and Recommendation: 1. Approve the process and schedule for the performance assessment for the General Manager for 2019, and 2. Confirm the biennial review process for the General Counsel and direct the next process for 2020, and 3. Confirm the delegation to the General Manager of the annual performance reviews of the Treasurer and District Secretary. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

9. BOARDMEMBER ITEMS

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

Director Vonheeder-Leopold submitted a written report to Executive Services Supervisor Genzale. She reported she attended the Alameda County California Special Districts Association chapter meeting at the Alameda County Water District in Fremont on January 9. She summarized the activities and discussions at the meeting.

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

10. CLOSED SESSION

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

- 10.A. Conference with Legal Counsel – Anticipated Litigation

Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2):
One Potential Case

Executive Services Supervisor Nicole Genzale left the closed session at 7:13 p.m.

10.B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code
Section 54956.9(d)(1)

Name of Case: Dublin Unified School District

10.C. Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4): One
Potential Case

11. REPORT FROM CLOSED SESSION

At 7:25 p.m. the Board came out of Closed Session. President Misheloff announced that there was no reportable action.

12. ADJOURNMENT

President Misheloff adjourned the meeting at 7:25 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary