

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

March 5, 2019

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:01 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 Introductions:

Candee Yang, Accounting Technician II

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:03 p.m. No public comment was received.

6. REPORTS

6.A. Reports by General Manager and Staff

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

6.B. Joint Powers Authority and Committee Reports

Special LAVWMA – February 20, 2019

DSRSD/Zone 7 Water Agency Liaison – February 26, 2019

President Misheloff invited comments on recent JPA/committee activities. General Manager McIntyre suggested the Liaison Committee representatives, Vice President Duarte and Director Johnson (who attended on Director Halket's behalf), could discuss the Liaison Committee meeting during item 8.C. The Directors agreed to do so.

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

7. CONSENT CALENDAR

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

7.A. Special Meeting Minutes of February 19, 2019 – Approved

7.B. Affirm No Changes to the Acceptance of Gifts and Gratuity, Drug Free Workplace, Inspections for Prohibited Materials and District Property, Relations, Salary Plan, and Workplace Violence Policies – Approved

8. BOARD BUSINESS

8.A. Receive a Briefing on the California Public Employees' Retirement System (CalPERS) Actuarial Report for DSRSD and Evaluation on the Pay-down of the Unfunded Actuarial Liability and Provide Direction on Future Unfunded Actuarial Obligations

Administrative Services Manager Atwood reviewed the item for the Board. She provided copies of the slide presentation (CalPERS Retirement Finding Update) for the Board. The presentation outlined the CalPERS pension fund administration plans (Classic and PEPRA (Public Employees' Pension Reform Act)), how the pension plans are funded, and what the District currently pays toward the Normal Cost Rate (the annual cost of service accrual for upcoming fiscal year for active employees) and the Unfunded Accrued Liability (UAL) (dollars needed as of the valuation date to fund all benefits earned in the past for current employees). The District is currently budgeted to pay \$632,621 for FYE 2019 towards its existing UAL of \$10.2 million. Staff recommends the District increase voluntary payments to \$1.3 million annually starting in FYE 2020, which could save approximately \$2.2 million in interest costs over time.

The Board and staff discussed the impacts and benefits of making increased payments, as well as timing of such an increase (begin in FYE 2019 or implement in FYE 2020). They also acknowledged that DSRSD's current funding is very positive and well ahead of most other agencies – DSRSD is at 89% funded as opposed to the average of 70%. Ms. Atwood stressed the UAL is a large liability the District needs to closely monitor. She also noted about 20% of the District's employees are in the PEPRA plan, which, as these numbers grow in the coming years, will begin to decrease the District's liability rates.

The Board directed staff to update the proposed FYE 2020 and FYE 2021 budgets with the recommended increased payments of \$1.3 million, with no early increased payment in FYE 2019. The proposed budgets will be presented to the Board for approval in May.

8.B. Approve Budget Increase to the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2018 and 2019 for the Primary Sedimentation Expansion and Improvements Project (CIP 17-P004), Award Construction Agreement to Anderson Pacific Engineering Construction, Inc., Authorize a Construction Change Order Contingency, and Authorize Execution of Task Order No. 3 with West Yost and Associates for Engineering Services during Construction

Senior Engineer Steve Delight reviewed the item for the Board. He distributed copies of his slide presentation to the Board illustrating the current primary sedimentation process and a photograph of the existing primaries at the Regional Wastewater Treatment Facility. He described the project objectives and broadened scope of work, the location of the proposed new primaries, and the expansion and improvements to be made to the existing primaries.

The Board and staff discussed the increased project costs attributed to increased construction costs, design work, adding a new grit tank, electrical work, and modernization and rehabilitation of the facility. Staff explained the project consultant roles and clarified that the project timeline (three years) accounts for seasonal impacts and ensures proper balancing of the plant's productivity when facilities are taken out of service during project

construction. The Board acknowledged close bids were received, indicating the plans were clear and interpreted the same way by the bidders.

Vice President Duarte MOVED to adopt Resolution No. 10-19, 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 Primary Sedimentation Expansion and Improvements Project (CIP 17-P004), adopt Resolution No. 11-19, Approving an Agreement with Anderson Pacific Engineering Construction, Inc. for Construction of the Primary Sedimentation Expansion and Improvements Project (CIP 17-P004), Authorize a Construction Change Order Contingency, and Authorize the Execution of Task Order No. 3 with West Yost and Associates, for Engineering Services during Construction. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

8.C. Discuss Tri-Valley Water Reliability Projects and Provide Direction

General Manager McIntyre reviewed the item for the Board regarding the February 26 DSRSD/Zone 7 Water Agency Liaison Committee meeting. He reported the Liaison Committee agreed to meet again later this year.

The Directors and staff who attended the meeting reported that discussion centered on the need for community outreach regarding the Tri-Valley's water reliability and supply issues and potential solutions. Zone 7 Water Agency (Zone 7) conveyed its support of potential project alternatives and noted its Board should approve participating in the next phase of the Tri-Valley Joint Potable Reuse Project at its next Liaison Committee meeting, but did not seem to have a uniform sense of urgency to pursue projects. The Board expressed it is imperative to present the facts to Tri-Valley residents to make a determination on how the Tri-Valley agencies should proceed. Any projects selected will take time and be expensive, but doing nothing or delaying the start will result in serious drought conditions ahead. The Board suggested DSRSD staff collaborate with Zone 7 on an outreach message to encourage action by all the Tri-Valley Water Liaison Committee partners.

8.D. 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 provided an update on District Office renovation activities. She reported the completion of the renovation project will be accomplished per emergency procurement methods instead of via change order to the City of Dublin's Police Services building construction contract per the Tri-Valley Intergovernmental Reciprocal Master Services Agreement.

Director Johnson 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.

9. BOARDMEMBER ITEMS

- Submittal of Written Reports for Day of Service Events Attended by Directors – None

Director Vonheeder-Leopold submitted written reports to Executive Services Supervisor Genzale. She reported she gave a "State of DSRSD 2018" presentation at the Zone 7 Water Agency Board meeting on February 20, and attended the California Association of Sanitation Agencies Policy

Forum in Washington D.C February 25–27. She summarized the activities and discussions at the meetings.

Vice President Duarte submitted a written report to Executive Services Supervisor Genzale. He reported he attended the DSRSD/Zone 7 Water Agency Liaison Committee meeting on February 26. He summarized the activities and discussions at the meeting.

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

10. CLOSED SESSION

At 7:12 p.m. the Board went into Closed Session.

10.A. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6

Agency Negotiators:	Dan McIntyre, General Manager
	Carol Atwood, Administrative Services Manager
Employee Organizations:	1. Stationary Engineers, Local 39
	2. Mid-Management Employees' Bargaining Unit
	3. Professional Employees' Bargaining Unit
	4. Confidential Employees' Bargaining Unit
Additional Attendees:	Carl P. A. Nelson, General Counsel
	Genevieve Ng, Sloan Sakai Yeung & Wong LLP

Administrative Services Manager Atwood left the closed session at 7:25 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. Public Employee Performance Evaluation Pursuant to Government Code Section 54957

Title: General Manager

11. REPORT FROM CLOSED SESSION

At 8:21 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 8:21 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary