

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

April 23, 2019

1. CALL TO ORDER

A special meeting of the Board of Directors was called to order at 5:08 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; and Robert Maddow, Assistant General Counsel.

4. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 5:09 p.m. No public comment was received.

5. BOARD BUSINESS

5.A. Receive Presentation on the Strategic Plan 2019 Update and Provide Direction

General Manager McIntyre gave an overview of the Strategic Plan (Plan) process, noting this is the first time the Board is considering the 2019 update to the five-year Plan. The Board will have an opportunity to review the draft Plan at the May 7 Board meeting, and it is anticipated that the Board will approve the plan on May 21. If more Board discussion is needed, the timeframe for approval of the Plan update can be extended into June.

Mr. McIntyre noted the Plan is reviewed in conjunction with the District's two-year budget cycle. Staff is concurrently developing an operating budget and a capital budget to include the resources that will be needed to implement the adopted Plan. The Board will first review the capital budget on May 7, and the operating budget on May 21.

Mr. McIntyre noted that former strategic plans were quite exhaustive, at times running to nearly 400 action items. The emphasis for the 2017 adopted strategic plan and this preliminary draft 2019 Plan is to help staff focus on key areas. In considering what goals and action items to propose to the Board, the District's Leadership Team was guided by three conceptual criteria:

1. Ideas needed to communicate some change the District was going to make, either at a policy level or at an operational level. Routine and recurring items typically would not be included in the Plan.
2. Some level of Board action would be involved. For example, the Board might need to change a policy, change a budget, reallocate resources, or grant some type of approval to implement the goals and action items of the Plan.
3. The Plan should involve items of paramount importance to the District. Thus, the focus would be on areas that were critical for the District to address within the five-year horizon of the Plan.

Mr. McIntyre explained proposed changes to the District's mission statement and vision statement. The Board had no questions, nor gave any direction for modifying the draft wording.

The Board then decided, by consensus, to review each of the eight (8) proposed strategic goals and related action items, in order:

1. Maintain our financial stability and sustainability

The Board discussed the concept of ensuring future utility rate increases not exceeding inflation. The Board noted that in the short-term, some customers' utility rates will be going up more than inflation. The Board directed that this action item be reworded to state that the District would strive to limit future utility rate increases to no more than the general inflation rate.

The Board agreed that the action item pertaining to investing short-term to minimize long-term District costs might be unclear to the public. There was general agreement that "investing short-term" was an unsuitable expression. Mr. McIntyre clarified that the intent of this action item was that short-term operating and capital expenditures would be needed by the District to save on some greater long-term capital costs in the future. The Board agreed that they were supportive of spending some funds sooner rather than later, to save on long-term costs. Mr. McIntyre stated staff would bring back revised wording for the Board to consider on May 7. Suggestions included rephrasing to "Manage capital assets and risks to...."

2. Make additional investment in information systems that provide a strong return on investment

The Board agreed on the need to update the District's finance and utility billing software. The Board discussed the electronic content management program, and was interested in having further information about this program at a later date. The Board discussed the District's Records Retention Schedule policy. Mr. McIntyre noted that the policy was due for a quadrennial review shortly. He also noted that information on the policy would be brought to the Board later this year. Director Johnson requested that this item address what success in this area looks like, and that the third bullet be modified to say "Fully tailor our computerized..."

3. Update our business practices and procedures

Director Vonheeder-Leopold noted that the District will need to collaborate with other agencies to update and renegotiate agreements, therefore, the use of the phrase "work collaboratively" in the second action item for this goal was redundant. Mr. McIntyre stated that staff would modify accordingly. Director Johnson asked about the issue of agency organization. Does the District want to rethink its relationships with other agencies in the Tri-Valley? A long discussion ensued about the history of successes and challenges on inter-agency collaborations in the Tri-Valley. The Board requested that staff draft an additional action item pertaining to Tri-Valley partnerships and coordination.

4. Develop a fully integrated Asset Management Program to guide all the District's business decisions

Director Johnson requested that "CIP" be spelled out in one of the action items.

5. Attract, professionally develop, and engage a highly skilled workforce to ensure a continuously high performing organization

Director Johnson inquired about what change or changes was staff proposing? Was there any new effort in this area? Director Halket noted that the item was not drafted very strategically. What is the intent? Director Johnson suggested the item be reworded, with some greater specificity. Perhaps the District should consider a strategic staffing plan? The Board discussed the need to consider staffing levels in the future once current deferred items are addressed. Also, could technology be utilized to economize on direct staff efforts? Lastly, could some less significant activities that the District has not been able to put enough effort into be contracted out as a way of accelerating those program elements? The Board concluded by directing that a more specific goal or action items be drafted by staff to address a strategic staffing plan for the future.

6. Match District staffing to business needs, reallocating resources as necessary to address new challenges and opportunities

The Board, by consensus, noted that the goal was vague, and needed to be reworded to make clearer what change was proposed by staff. The Board did not see a lot of difference between strategic goals five and six and asked if the goals could possibly be combined? Other discussions centered around business continuity and succession planning.

7. Enhance our ability to respond to emergencies and maintain business continuity

Director Halket noted that he liked this goal. Vice President Duarte noted that the District should look for opportunities to contract out the first and second tasks pertaining to creating the plan and a database on emergency assets, equipment, and materials in stock, to allow staff to focus on other tasks, and to be economical. For example, a safety company could provide this assessment for the District. Director Johnson inquired about equipment redundancy for emergencies. Does the District need to complete a thorough risk assessment of operational hazards, and the equipment and supplies needed to have on hand to meet emergency needs? The District needs to balance dealing with contingencies with being economical, through a careful risk assessment discussion. Lastly, the Board directed that the fourth action item for this goal be amended from coordinating with the City of Dublin, to coordinating with the cities the District serve. The District does not want to omit or exclude San Ramon, for example.

8. Meet the objectives of the District's water supply policy by developing and implementing an integrated recycled and potable water program

Mr. McIntyre mentioned that more than most of the other strategic goals, this issue of water supply reliability was a fundamental policy question that the Board would need to grapple with. Mr. McIntyre noted that in recent Board meetings there have been discussions on how quickly the District needs to consider actions to bolster the water supply. Any special focus or acceleration of work will require more senior level effort, and would require the addition of an assistant general manager position to the District.

Director Vonheeder-Leopold noted the District has been discussing water supply reliability for some time. Perhaps the District needs to grapple with this issue more forthrightly? Director Halket noted that the District's Water Supply, Storage, Conveyance, Quality and Conservation policy needs to be revisited. It probably needs to be redrafted, because there may be too many items in the policy. Also, the policy needs to address the issue of what will the District do if it is not confident it can achieve its water supply reliability goals. Mr. McIntyre noted that the policy is scheduled for formal quadrennial review by the Board in the fall.

Director Johnson suggested some additions to the draft Plan:

1. Develop a strategy around energy reliability for the District. The recent power failure at the DSRSD • EBMUD Recycled Water Authority facilities, and uncertainties about PG&E should cause the District to rethink its energy practices. Is there more that the District should be doing? Does the District want to consider solar power, wind power, or other ideas? Mr. McIntyre noted that the District has a pilot solar project at the Plant Maintenance building. There was general agreement by the Board that managing an uncertain energy future needed to be part of the Plan.
2. Consider addressing carbon footprint issues. Vice President Duarte suggested that staff should not be added for this effort, but consultants should be hired instead. There was general agreement with that concept.
3. Consider a strategic goal around regulatory efficacy and legislative issues. Director Vonheeder-Leopold noted that the District used to put more effort in this area, but that focus has been reduced due to the large number of current District initiatives. The District spends considerably on dues for utility associations, such as Association of California Water Agencies (ACWA) and California Association of Sanitation Agencies (CASA), and the District should rely on those associations to represent DSRSD's interests in regulatory and legislative affairs.

The Board inquired if staff had sufficient input to prepare a second draft of the Plan. Mr. McIntyre noted the Board provided useful input, and staff would present a second draft at the May 7 Board meeting.

6. ADJOURNMENT

President Misheloff adjourned the meeting at 6:58 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary