

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

November 19, 2024

1. CALL TO ORDER

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

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting: President Ann Marie Johnson, Vice President Arun Goel, Director Richard M. Halket, Director Dinesh Govindarao, and Director Georgean M. Vonheeder-Leopold.

District staff present: Jan Lee, General Manager/Treasurer; Michelle Gallardo, Interim Administrative Services Director; Steve Delight, Engineering Services Director/District Engineer; Ken Spray, Finance Director, Dan Gill, Operations Director; Douglas E. Coty, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m. No public comments received.

6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS) – No changes made.

7. CONSENT CALENDAR

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

7.A. Approve Regular Meeting Minutes of November 5, 2024 – Approved

7.B. Accept Regular and Recurring Reports: Quarterly Financial Report, Capital Projects Created from Programs, and Capital Budget Adjustments Approved by the General Manager – Approved

Director Govindarao requested that staff add a chart to future quarterly financial reports showing the budget projections for the fiscal year based on the quarterly budget-to-actual. He also advised of some color discrepancies in certain report graphs.

8. BOARD BUSINESS

8.A. Adopt Revised Financial Reserves Policy and Rescind Resolution No. 40-15

General Manager Lee reviewed the item for the Board and introduced Senior Management Analyst Corinne Ferreyra who gave a presentation (handed out to the

Board and posted to the website as supplemental materials) providing an overview of the current policy, the proposed revisions, and proposed next steps.

The Board and staff discussed certain aspects of the presentation regarding the use of Rate Stabilization Fund reserves to manage long-term pension liability (unfunded accrued liability) and establishing a target and revised minimum for the Capital Replacement Fund based on more refined information from the District's asset management models over the last 10 years. The Quarterly Financial Reports are a means for the Board to monitor the reserve level targets and evaluate any necessary actions to address shortfalls. Staff clarified that the proposed revisions to the reserve levels for the Capital Replacement fund would not require a rate increase or additional debt financing to sustain the revised reserve levels if approved. Staff also clarified that Capital Replacement fund reserve levels are a function of budgeted expenditures approved by the Board, and therefore the Board maintains oversight for setting capital reserve levels. The Board and staff discussed the prudence of the proposed policy updates for managing the accumulation and management of designated reserves.

Vice President Goel MOVED to adopt Resolution No. 49-24, Revising the Financial Reserves Policy and Rescinding Resolution No. 40-15. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

8.B. Receive Update on Drinking Water Regulations

General Manager Lee reviewed the item for the Board and introduced Operations Director Gill who gave a presentation (handed out to the Board and posted to the website as supplemental materials) providing an overview of regulations regarding cross connection and backflow prevention, lead and copper rule improvements, lead and schools testing, water conservation, and a schedule of District activities through 2035 to support the regulatory requirements.

The Board and staff discussed certain aspects of the presentation regarding residential backflow prevention requirements, system responsibilities, and customer outreach. The District will work closely with the City of Dublin to inform residents regarding the homeowners' responsibilities to meet regulatory requirements. They also discussed the expanded requirements for lead testing in private schools and childcare facilities, as well as the types and longevity of pipes used in the District's service area. Staff reported it is evaluating the best way to accomplish the increase in site testing such as utilizing third-party assistance. Any budgetary resources needed to support these efforts will be incorporated into the proposed two-year operating budget that will be reviewed by the Board in late spring 2025.

9. REPORTS

9.A. Boardmember Items

- 9.A.1. Joint Powers Authority and Committee Reports – None
- 9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors – None
- 9.A.3. Request New Agenda Item(s) for a Future Board or Committee Agenda – None

Director Govindarao stated the staff Annual BBQ Cook-off and Veteran's Day celebration on November 7 was a great event and complimented the competing staff chefs.

9.B. Staff Reports

General Manager Lee reported on the following items:

- A LAVWMA Board meeting will be held tomorrow at 6 p.m.
- The December 3 Board meeting will be cancelled. The next Board meeting will be held on December 17.
- The General Election results are expected to be certified on December 5. The Oath of Office for the three returning Boardmembers will be conducted on December 17 at 5:45 p.m., prior to the Board meeting.

10. CLOSED SESSION

At 7:06 p.m. the Board went into Closed Session. General Counsel Coty announced that Engineering Services Director Delight will be an additional attendee for Closed Session Item 10.A.

10.A. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Case

Engineering Services Director Delight left the closed session at approximately 8:15 p.m.

10.B. Public Employee Performance Evaluation Pursuant to Government Code Section 54957
Title: General Manager

11. REPORT FROM CLOSED SESSION

At 8:26 p.m. the Board came out of Closed Session. President Johnson announced that there was no reportable action.

12. ADJOURNMENT

President Johnson adjourned the meeting at 8:26 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary