

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Regular Meeting Minutes
Monday, October 24, 2016**

**Dublin San Ramon Services District
7051 Dublin Boulevard, Dublin, California 94568**

1. CALL TO ORDER – Chair Vonheeder-Leopold called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:00 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair Georgan Vonheeder-Leopold, Vice Chair Frank Mellon, Director John Coleman, and Director Dwight (Pat) Howard. DERWA Staff present: Mike Tognolini, Authority Manager; Richard Lou, Treasurer; Doug Coty, General Counsel; and Nicole Genzale, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES - None

5. PUBLIC COMMENT – 6:01 p.m. - None

6. APPROVE MINUTES – Regular Board Meeting of June 27, 2016

Motion by Vice Chair Mellon, Second by Director Howard, to approve the minutes from the Regular Meeting of June 27, 2016. Motion carried (4-0) by the following vote:

AYES: Mellon, Howard, Coleman, Vonheeder-Leopold

NOES:

7. CONSENT CALENDAR

A. Treasurer's Reports for June 30, July 31, August 31 and September 30, 2016

Director Coleman requested that Item 7.A be removed. The Board agreed to remove Item 7.A for discussion. The Board took Consent Calendar Item 7.B and passed this Item first.

Director Coleman requested the Pleasanton Capital Pre-Payment line item in the August and September Treasurer reports be renamed “miscellaneous payments” to reflect the staff report. Treasurer Lou agreed to amend the line item name for the next reports presented.

Motion by Director Coleman, Second by Director Howard, to approve Consent Calendar Item 7.A and acknowledge an amendment will be made to future reports as noted. Motion carried (4-0) by the following vote:

AYES: Coleman, Howard, Mellon, Vonheeder-Leopold

NOES:

B. Quarterly Investment Reports – June 30 and September 30, 2016

Motion by Director Coleman, Second by Director Howard, to approve Consent Calendar Item 7.B. Motion carried (4-0) by the following vote:

AYES: Coleman, Howard, Mellon, Vonheeder-Leopold
NOES:

8. BOARD BUSINESSA. Public Hearing and Adoption of Addendum for Recycled Water Treatment Facilities (RWTF) Phase 2 Improvements to the San Ramon Valley Recycled Water Project EIR and Rescind Resolution No. 16-4

Chair Vonheeder-Leopold announced the item and opened the Public Hearing

Authority Manager Tognolini reviewed the item for the Board. He explained DERWA is seeking state funding assistance for this project and upon initiation of the application process with the State Water Resources Control Board, learned of updated environmental review requirements which exceed the CEQA requirements imposed when DERWA approved this in June 2016. Per such requirements, the addendum was submitted to the State Clearinghouse for a 15-day review period in August and received no comments. A public hearing must be held this evening before the Board considers adoption of the addendum and rescission of Resolution No.16-4.

Chair Vonheeder-Leopold asked for public comments. Hearing none, Chair Vonheeder-Leopold closed the Public Hearing.

Motion by Vice Chair Mellon, Second by Director Howard, to approve by Resolution No. 16-8, Adoption of the Addendum for Recycled Water Treatment Facilities (RWTF) Phase 2 Improvements to the San Ramon Valley Recycled Water Project EIR and Rescind Resolution No. 16-4. Motion carried (4-0) by the following vote:

AYES: Mellon, Howard, Coleman, Vonheeder-Leopold
NOES:

B. Authorize the Authority Manager to Enter into an Agreement with City of Pleasanton to Provide Temporary Potable Water during Construction of the DERWA Recycled Water Treatment Facilities Phase 2 Project

Authority Manager Tognolini reviewed the item for the Board explaining it would be prudent to secure a back-up potable water supply during project construction should any temporary service interruptions cause supply outages to customers.

Motion by Vice Chair Coleman, Second by Director Howard, to authorize the Authority Manager to enter into an Agreement with City of Pleasanton to Provide Temporary Potable Water during Construction of the DERWA Recycled Water Treatment Facilities Phase 2 Project. Motion carried (4-0) by the following vote:

AYES: Coleman, Howard, Mellon, Vonheeder-Leopold
NOES:

9. MANAGER'S REPORTS

- Capital Projects Update – Recycled Water Treatment Facilities Phase 2 Expansion

Authority Manager Tognolini reported the objective of the plant expansion is to increase recycled water capacity from 11.6 mgd (million gallons a day) up to 16.2 mgd. The main mechanism to accomplish this is the addition of a ballasted flocculating clarifier, a system that removes solids prior to flow entering the sand filters which increases capacity of the filters. DSRSD is leading the effort on behalf of DERWA and advertised the project bid on October 10. After the bid opening November 15, the DSRSD Board is expected to award the project on December 6, with the notice to proceed following in January. The project is on an aggressive 14-month construction schedule with expected completion in spring 2018.

The Board and staff discussed the possible capacity and expansion scenarios based on whether or not City of Pleasanton participates in the project. Pleasanton is currently determining its ability to fund its share of the project. Mr. Tognolini confirmed that DERWA will proceed with the planned expansion in the case that Pleasanton does not participate, as DSRSD and EBMUD will ultimately require the increased capacity. A third project phase to further expand the plant, once it has met its objective for 2020, could be warranted to meet capacity needs beyond 2020 if Pleasanton participates.

- Supplemental Supply Update

Authority Manager Tognolini introduced the item to the Board, noting that he, DSRSD General Manager Dan McIntyre, and DSRSD Engineering Services Manager Judy Zavadil will jointly present the update this evening. He then illustrated peak (summer) recycled water demands projected by DERWA agencies (DSRSD and EBMUD) and City of Pleasanton, and reported that deliveries increased dramatically this year due to growth by the three agencies. He reported the Tassajara reservoir, with eight million gallon capacity, will be coming online next year and could provide storage for one to two million gallons a day during peak demands. He recalled the alternatives being discussed this evening were initially presented to the Board in March, and noted that other methods, such as additional storage, demand scheduling, and potable water could potentially offset the increase in demand as well.

The Board and staff discussed the following alternatives:

- 1) Central Contra Costa Sanitary District (Central San) sewage diversion. This alternative could provide two and a half to three mgd of residential raw sewage coming from the Dougherty Valley area. Central San's system is located very close to the DSRSD system near California High School in San Ramon. This option would incur extra treatment costs, but the principle is that it would be cost neutral to Central San. Initial discussions have begun and there are operational and treatment costs to still consider, but DERWA hopes to develop a Memorandum of Understanding with Central San in early 2017 and potentially

have an agreement in place in 2018.

- 2) LAVWMA (Livermore-Amador Valley Wastewater Management Agency) diversion. The Tri-Valley water agencies will conduct a feasibility study of a potable reuse project in the Tri-Valley. Potentially, much of Livermore's wastewater traveling from LAVWMA to the East Bay Dischargers Authority line could be a water supply source for potable reuse. Study results should determine what supply could be considered for such a project, and what would remain for recycled water planning. Three options will be studied in the pursuit of producing drinking-quality water: (1) reverse osmosis, (2) surface water augmentation at Lake Del Valle, and (3) sending wastewater from the treatment plant(s) back through the Zone 7 treatment plant, and into the distribution system. Regulations would still need to be established to support certain methods. A project could be possible in the Tri-Valley in the next five to six years. Polling done by the Tri-Valley agencies last year showed a majority of Tri-Valley residents support a potable reuse project and are willing to pay \$5-\$20 a month to support a diversified, drought resistant solution.
- 3) City of Livermore recycled water to City of Pleasanton. Livermore's system is intertwined with Pleasanton's recycled water system at the outlet center in Livermore. There is a possibility of feeding recycled water directly into Pleasanton's system via: (1) Livermore's full range of production (would need to balance with future demands), and (2) tying the Ruby Hill area into Pleasanton's system. The Board and staff also discussed the importance of involving environmental groups early in the feasibility study process in order to better address their concerns and avoid potential obstacles.
- 4) Zone 7 Hopyard #7 Well. Zone 7 Water Agency (Zone 7) established this well in 1977 with two mgd capacity, but water was deemed unusable for the potable water supply due to high arsenic, boron and magnesium levels. DERWA has conveyed interest in blending this water source with recycled water during peak demand periods to offset potable water use. Zone 7 has voiced concerns regarding the ratio of groundwater to potable water use, providing water to an out of service area agency (EBMUD), and the ability to recharge enough water. The Board and staff further discussed Zone 7's recharging concerns, prohibitive costs for chemical treatment, blending water sources, high investment cost for little use, and the importance of reviewing history of the Clean Water Revival as current efforts progress.
- 5) Pleasanton Well #7. This well is similar in concept to the Zone 7 well and presents concerns regarding sand filtration and ground water recharge issues. This well is not in production due to it being cost prohibitive to remedy the issues identified, otherwise Pleasanton would be utilizing this option already.

Mr. Tognolini concluded the presentation stating that staff is working with a consultant to research and track other long-term alternatives which will be developed over time, as they are not ready for immediate consideration. Efforts will be focused on the options presented this evening for near-term needs consideration.

- Cancel Next Meeting – December 26, 2016

The Board agreed to cancel the December meeting due to its close proximity to the Christmas holiday. A special meeting can be scheduled, if necessary, ahead of the next regularly scheduled meeting on February 27, 2017.

10. BOARDMEMBER ITEMS

Vice Chair Mellon reported he will soon attend a conference on the impact of Obamacare on agencies.

Chair Vonheeder-Leopold reported she recently attended the California Special Districts Association tour of the Carlsbad Desalination Plant in Carlsbad, CA. She summarized the activities at the event.

11. ADJOURNMENT

Chair Vonheeder-Leopold adjourned the meeting at 6:41 p.m.

Submitted by,



Nicole M. Genzale
Authority Secretary