

**DSRSD•EBMUD Recycled Water Authority
(DERWA)
Board of Directors**

NOTICE OF REGULAR MEETING

TIME: 6 p.m.
PLACE: Teleconference

DATE: Monday, March 28, 2022

Due to the current state of emergency and imminent health risks to in-person attendees, because of COVID-19, and in accordance with the provisions of California Government Code Section 54953(e), Directors will attend this meeting via teleconference. The Boardroom will be closed to the public; the public may observe and comment by electronic means. All votes during the meeting will be taken by roll call vote.

The call-in information for the Board of Directors and the public is as follows:

Meeting URL	https://ralphandersen.zoom.us/j/84012198399
Meeting ID:	840 1219 8399
Passcode:	945079
Phone Number:	+1 669 900 6833, 84012198399# US (San Jose)

Any member of the public may speak during Public Comment or may email public comments to the Authority Secretary at genzale@dsrsd.com by March 28, 2022, at 5 p.m., and comments will be read into the meeting record.

See Page 3 of the Agenda for additional details on Teleconference Access Information

AGENDA

The mission of the DSRSD• EBMUD Recycled Water Authority is to maximize the amount of recycled water delivered while recovering its costs; in doing so it will provide a reliable and consistent supply of recycled water to DSRSD and EBMUD for service to each of the agencies' customers.

- | | <u>Recommended
Action</u> |
|---|-------------------------------|
| 1. <u>CALL TO ORDER</u> | |
| 2. <u>PLEDGE TO THE FLAG</u> | |
| 3. <u>ROLL CALL</u> - Members: Rubio, Coleman, Vonheeder-Leopold, and Mellon
Alternates: Johnson and Young | |
| 4. <u>SPECIAL ANNOUNCEMENTS/ACTIVITIES</u> | |
| 5. <u>DECLARATION OF TELECONFERENCE MEETINGS</u> | |
| A. Authorize and Adopt Remote Teleconference Meetings of DERWA
Pursuant to the Ralph M. Brown Act | Approve by
Resolution |

6. PUBLIC COMMENT (Meeting Open to Public)

At this time, those in the teleconference may address the Board on any item not already included in the agenda; however, State Law provides no action may be taken on any item not appearing on the posted agenda. Comments should not exceed five minutes. If this is not considered sufficient time to address the issue, please arrange with the Authority Secretary to have that item placed on the agenda for a future Board meeting.

7. CONSENT CALENDAR

Matters listed under this item are considered routine and will be enacted by one action in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board or the public prior to the time the Board votes on the Motion to adopt.

Approve by
Motion

A. Approve Minutes of Regular Board Meeting of February 7, 2022

B. Approve Treasurer's Report for January 31, 2022

8. BOARD BUSINESS

A. Approve Interim Agreement Related to the Supply and Sale of Recycled Water with Dublin San Ramon Services District and East Bay Municipal Utility District

Approve by
Resolution

9. MANAGER'S REPORTS

- A. Update on DERWA Budget Preparation
- B. Update on Authority Manager Transition
- C. Discuss Frequency of DERWA Board Meetings
- D. Discuss the Use of DERWA Resolutions for Approving DERWA Board Actions
- E. Update on DERWA Operations
- F. Update on DERWA Projects
- G. Confirm Next Board Meeting – May 16, 2022

10. BOARD MEMBER ITEMS

11. ADJOURNMENT

During this period of modified Brown Act requirements, DERWA will use its best efforts to swiftly resolve requests for reasonable modifications or accommodations with differently abled individuals, consistent with the Americans with Disabilities Act, and resolving any doubt whatsoever in favor of accessibility. All materials made available or distributed in open session at Board meetings are public information and are available for inspection by calling the Authority Secretary at (925) 828-0515. If special accommodations are needed, please contact the Authority Secretary as soon as possible, but at least two days prior to the meeting.

**Zoom Teleconference Access Information
DSRSD•EBMUD Recycled Water Authority
Regular Board Meeting
Monday, March 28, 2022, at 6 p.m.**

Due to the current state of emergency and imminent health risks to in-person attendees, because of COVID-19, and in accordance with the provisions of California Government Code Section 54953(e), Directors will attend this meeting via teleconference. The Boardroom will be closed to the public; the public may observe and comment by electronic means. All votes during the meeting will be taken by roll call vote.

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1. You are encouraged to observe and participate in the Board meeting via Zoom or telephone.
2. If you are joining the meeting via Zoom and wish to make a comment on an item, press the **"raise a hand"** button. If you are joining the meeting by phone, press ***9** to indicate a desire to make a comment. The chair will call you by name or phone number when it is your turn to comment. Speakers will be limited to five minutes.
3. If you choose not to observe the Board meeting but wish to submit a comment on a specific agenda item, please submit your comment via email by 5 p.m. prior to the Board meeting to the Authority Secretary at genzale@dsrsd.com. Your comment will be placed into the record at the Board meeting.
4. If you are observing the Board meeting and wish to submit either a general public comment or to comment on a specific agenda item as it is being heard, you may also submit your written comment, limited to 250 words or less, to the Authority Secretary at genzale@dsrsd.com, noting in the subject line: **For Public Comment**. Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

DERWA Summary & Recommendation

Authorize and Adopt Remote Teleconference Meetings of DERWA Pursuant to the Ralph M. Brown Act

Summary:

On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of COVID-19, which prompted the Governor to issue Executive Order (N-29-20) permitting local governments to meet remotely without following all the teleconferencing requirements contained in the Ralph M. Brown Act, the State's local agency public meetings law.

With the expiration of Executive Order N-29-20 on September 30, 2021, the Governor signed into law Assembly Bill 361 adding Government Code section 54953(e) to make provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. Under the new law, DERWA can conduct virtual meetings where the Governor has proclaimed a State of Emergency and the Board of Directors has declared the need to meet remotely to protect the health and safety of attendees.

Assembly Bill 361 additionally requires that all meeting agendas, meeting dates, times, and way the public may participate in the public meetings, as well as offering public comment by telephone or internet-based service options including video conference, are posted on DERWA's website and physically outside of the office.

Recommendation:

As a result of the continued threat of COVID-19, the Authority Manager and staff recommend the DERWA Board of Directors authorize, by Resolution No. 22-2, conducting open and public meetings via remote teleconference pursuant to California Government Code Section 54953(e) for a period of 30 days, from March 28, 2022 through April 27, 2022; and that the Board shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953.

March 28, 2022

Attachment

1. DERWA Resolution No. 22-2

DERWA
RESOLUTION NO. 22-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF DERWA PURSUANT TO THE RALPH M. BROWN ACT

WHEREAS, the DSRSD•EBMUD Recycled Water Authority (“DERWA”) is committed to preserving public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of DERWA are open and public, as required by the Ralph M. Brown Act (Government Code, §§ 54950 – 54963) (“Brown Act”), so that any member of the public may attend, participate, and watch DERWA’s legislative body conduct its business; and

WHEREAS, Assembly Bill 361 added Government Code Section 54953(e) to make provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist within DERWA, specifically, on March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of COVID-19; despite sustained efforts, the virus continues to spread and has impacted nearly all sectors of California; and

WHEREAS, the Board of Directors does hereby find that meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board of Directors does hereby find that DERWA shall conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of section 54953, and that the Board shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, all meeting agendas, meeting dates, times, and manner in which the public may participate in the public meetings of DERWA and offer public comment by telephone or

internet-based service options including video conference are posted on the DERWA website and physically outside of the DERWA office.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Joint Powers Authority, located in the Counties of Alameda and Contra Costa, California, as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Risks to Health and Safety of Attendees. The Board of Directors hereby determines that meeting in person would present imminent risks to the health or safety of attendees.

Section 3. Remote Teleconference Meetings. Authority staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Government Code Section 54953(e) and other applicable provisions of the Brown Act.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of April 27, 2022, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code Section 54953(e)(3) to extend the time during which DERWA may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Public Agency located in the Counties of Alameda and Contra Costa, California, at its Regular Meeting held on the 28th day of March 2022, and passed by the following vote:

AYES:

NOES:

ABSENT:

Marisol Rubio, DERWA Chair

ATTEST: _____
Nicole Genzale, Authority Secretary

Item 7.A

**DSRSD•EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Regular Meeting Minutes
Monday, February 7, 2022**

1. CALL TO ORDER – Chair Frank Mellon called the DSRSD•EBMUD Recycled Water Authority (DERWA) meeting to order at 6:06 p.m.

Due to the current state of emergency and imminent health risks to in-person attendees, because of COVID-19, and in accordance with the provisions of California Government Code Section 54953(e), the Board meeting was held via Zoom Teleconference. The Boardroom was closed to the public; the public could observe and comment by electronic means. All votes during the meeting were taken by roll call vote.

2. PLEDGE TO THE FLAG – The pledge was done after the roll call was conducted.
3. ROLL CALL – Directors present: Chair Frank Mellon, Vice Chair Marisol Rubio, Directors John Coleman, and Georgean Vonheeder-Leopold. DERWA Staff present: John Rossi, Authority Manager; Richard Lou, Treasurer; Scott Shapiro and Austin Cho, General Counsel; and Nicole Genzale, Authority Secretary
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None
5. DECLARATION OF TELECONFERENCE MEETINGS

- A. Authorize and Adopt Remote Teleconference Meetings of DERWA Pursuant to the Ralph M. Brown Act

Motion by Director Vonheeder-Leopold, Second by Vice Chair Rubio to Adopt Resolution No. 22-1, Authorizing Remote Teleconference Meetings of DERWA Pursuant to the Ralph M. Brown Act. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Rubio, Coleman, Mellon

6. PUBLIC COMMENT – 6:09 p.m. – None
7. BOARD REORGANIZATION

- A. Approve Selection of Board Officers for 2022

Motion by Director Vonheeder-Leopold, Second by Director Coleman, to nominate and elect Vice Chair Marisol Rubio as DERWA Chair. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Coleman, Rubio, Mellon

Director Mellon congratulated Chair Rubio on behalf of the Board and staff and passed the gavel to her. Chair Rubio proceeded to run the meeting.

DRAFT

Motion by Director Mellon, Second by Director Vonheeder-Leopold, to nominate and elect Director Coleman as DERWA Vice Chair. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Coleman, Rubio

Motion by Vice Chair Coleman, Second by Director Vonheeder-Leopold, to appoint Nicole Genzale as Authority Secretary. Motion carried (4-0) by the following vote:

AYES: Coleman, Vonheeder-Leopold, Mellon, Rubio

8. CONSENT CALENDAR

- A. Approve Minutes of Regular Board Meeting of September 27, 2021
- B. Approve Treasurer's Reports for August 31, September 30, October 31, November 30, and December 31, 2021
- C. Approve Quarterly Investment Report for September 30, 2021, and December 31, 2021

Motion by Vice Chair Coleman, Second by Director Georgean Vonheeder-Leopold to approve the Consent Calendar. Motion carried (4-0) by the following vote:

AYES: Coleman, Vonheeder-Leopold, Mellon, Rubio

9. BOARD BUSINESS – None

10. MANAGER'S REPORTS

- A. Confirm Next Board Meeting – March 28, 2022

The Board confirmed the March Board meeting will be held if business needs require one.

Authority Manager Rossi stated the primary purpose of this evening's Board meeting is to hold a closed session regarding the Authority Manager position, but he provided the following updates:

- DERWA has an agreement with Central Contra Costa Sanitary District, regarding its wastewater diversion project, which requires staff to prepare an annual report overviewing key points that DERWA is obligated to. The report was completed thanks to DSRSD Assistant General Manager Jan Lee and Engineering Services Director Steve Delight. Copies are available if anyone would like one.
- Staff is working on the Fiscal Year 2023 budget and JPA side agreement and hopes to bring them to the March or May Board meetings for consideration.
- DERWA operations are running smoothly thanks to DSRSD Operations Director Jeff Carson and staff.

11. BOARD MEMBER ITEMS – None

12. CLOSED SESSION

At 6:19 pm the Board went into Closed Session.

As Authorized Pursuant to Government Code Section 54957:
Public Employment
Position: Authority Manager

13. REPORT FROM CLOSED SESSION

At 6:59 p.m. the Board came out of Closed Session. Director Vonheeder-Leopold exited the meeting at this time.

Chair Rubio introduced General Counsel Scott Shapiro who informed Authority Manager Rossi that, considering plans to temporarily suspend the JPA revision efforts, DERWA would not renew the three-year Authority Manager contract with Mr. Rossi's employer, Ralph Andersen & Associates. The Board confirmed that Mr. Rossi would serve through the end of his contract on June 30, 2022. Mr. Rossi stated that he will do anything necessary to help with the transition. On behalf of the Board, Mr. Shapiro thanked Mr. Rossi for his service and leadership. Chair Rubio echoed his comments.

14. ADJOURNMENT

Motion by Director Mellon, Second by Vice Chair Coleman, to adjourn the meeting. Motion carried (3-0-1) by the following vote:

AYES: Mellon, Coleman, Rubio
NOES:
ABSENT: Vonheeder-Leopold

Chair Rubio adjourned the meeting at 7:06 p.m.

Submitted by,

Nicole Genzale, CMC
Authority Secretary

Item 7.B

DERWA Summary & Recommendation

Approve Treasurer's Report for January 31, 2022

Summary:

Attached is the Treasurer's Report for the month ending January 31, 2022, submitted by Treasurer Richard Lou.

Recommendation:

The Treasurer recommends the DERWA Board of Directors approve, by Motion, the Treasurer's Report for the month ending January 31, 2022.

February 7, 2022

Attachment

1. Treasurer's Report – January 31, 2022

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR JANUARY 31, 2022**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending January 31, 2022. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$837,697 in agency reimbursements and \$576 in interest was received. Fiscal year-to-date revenue for FY22 totaled \$1,562,644. No other miscellaneous payments were received this month.

Expenses: Current month disbursements were \$17,904. Fiscal year-to-date expenditures for FY22 total \$1,700,351; of which \$1,664,641 was for operating expenses. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY22.

Cash: The cash balance at January 31, 2022 was \$4,031,491.

Submitted by:


Richard Lou (Mar 7, 2022 21:41 PST)

Richard Lou
Treasurer

Dated: February 22, 2022

Prepared by Houck, Matt  Digitally signed by
Houck, Matt
Date: 2022.02.23
07:14:41 -08'00' (M. Houck)

Reviewed by Miller, Andrea  Digitally signed by Miller,
Andrea
Date: 2022.03.07 09:32:41
-08'00' (A. Miller)

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED JANUARY 31, 2022**

CAPITAL - PROJECT	Program Budget @ FY 2022	Expenditures FY 21 and Prior (a)	Expenditures Current Month	Expenditures FY 22 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
Pipeline Reach 1	-	7,560,517	-	-	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	-	4,558,120	-	-	4,558,120	3,882,264	675,856
Pipeline Reach 3	-	2,286,003	-	-	2,286,003	1,719,204	566,799
Pipeline Reach 4	-	1,614,959	-	-	1,614,959	363,685	1,251,274
Pipeline Reach 5	-	1,430,991	-	-	1,430,991	200,195	1,230,796
Pipeline Reach 6	-	6,759,869	-	-	6,759,869	430,784	6,329,085
Treatment Plant	-	15,732,794	-	-	15,732,794	8,948,843	6,783,951
Pump Stations	-	8,563,294	-	-	8,563,294	6,776,648	1,786,646
Water Tanks	-	12,393,483	-	-	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	-	3,462,938	-	-	3,462,938	-	3,462,938
Backbone Corrosion	-	1,109,004	-	-	1,109,004	122,302	986,702
SCADA	-	341,726	-	-	341,726	194,784	146,942
EBMUD Pipeline Phase 2, 3 & 4	-	602,193	-	-	602,193	-	602,193
Fine Screening	-	927,811	-	-	927,811	528,852	398,959
New/Replacement Capital <50K	208,000	321,987	-	-	321,987	183,533	138,454
MF/UV Control Programing Update	-	144,366	-	-	144,366	82,289	62,077
Program Planning & Air Relief	-	5,491,623	-	-	5,491,623	2,696,685	2,794,938
Planning Prior Years	-	3,665,330	-	-	3,665,330	1,796,012	1,869,318
Permanent Suppl. Supply	-	1,480,962	-	480	1,481,442	859,236	622,206
PSR-1 VFD Replacement	-	-	-	-	-	-	-
Air Relief Valve Rehabilitation/Replacement	45,000	-	-	-	-	-	-
SFUV and MF Operational Analysis	50,000	-	-	15,427	15,427	7,096	8,331
Chlorine Mixer Replacement	55,000	-	-	12,621	12,621	5,806	6,815
TIPS VFD Upgrades	63,000	-	-	-	-	-	-
MF Membrane Replace	-	698,833	-	-	698,833	335,440	363,393
LVAMWA Connection	-	-	-	-	-	-	-
6th RWTP Sand Filter	-	255	-	-	255	27	228
DWR IRWM- Prop 84 Rd 3 Drought Project	-	16,432	-	-	16,432	8,216	8,216
PSR1 /Recy. Water Treatment Expansion	35,000	15,518,852	-	5,243	15,524,095	9,814,518	5,709,577
Pleasanton Capital Billing/Contingency	-	5,793,200	-	1,939	5,795,139	-	5,795,139
Capitalized Interest	-	1,960,872	-	-	1,960,872	960,827	1,000,045
Total Capital Impr. Proj. Element	456,000	102,436,414	-	35,710	102,472,124	51,522,718	50,949,406

OPERATING - ITEM	Program Budget @ FY 2022	Expenditures FY 21 and Prior (a)	Expenditures Current Month	Expenditures FY 22 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	280,500	3,829,487	15,649	54,930	3,884,417	2,781,598	1,102,819
Treasurer	87,000	2,945,923	1,870	36,833	2,982,756	2,237,066	745,690
Legal Counsel	75,000	530,917	385	2,345	533,262	399,947	133,315
Secretary	20,000	243,351	-	3,100	246,451	184,838	61,613
Other	130,000	1,612,152	-	123,070	1,735,222	1,301,417	433,805
Operation and Maintenance Detail	3,599,940	24,162,666	-	1,444,363	25,607,029	19,546,055	6,060,974
Debt Service	1,645,513	26,965,598	-	-	26,965,598	14,536,523	12,429,075
Total Operating Program Element	5,837,953	60,290,094	17,904	1,664,641	61,954,735	40,987,444	20,967,291

PROJECT TOTALS	6,293,953	162,726,508	17,904	1,700,351	164,426,859	92,510,162	71,916,697
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution	-	-
DSRSD	-	-
EBMUD	-	-
Agency Reimbursements - DSRSD	568,466	842,230
Agency Reimbursements - EBMUD	221,109	318,170
Commercial Paper Issued	-	-
Pleasanton payments	48,122	401,004
Interest / Contracts	576	1,240
Misc Income	-	-
TOTAL REVENUES & FUNDING	838,273	1,562,644

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	3,211,122	1,917,992
Beg. Balance Adj	-	2,251,206
Rounding	-	-
Total Revenues & Funding	838,273	1,562,644
Total Expenditures	(17,904)	(1,700,351)
Ending Cash	4,031,491	4,031,491

Prepared by **Houck, Matt** Digitally signed by Houck, Matt
Date: 2022.02.23 07:15:37 -08'00'
Matt Houck Date

Approved by **Miller, Andrea** Digitally signed by Miller, Andrea
Date: 2022.03.07 09:35:07 -08'00'
Andrea Miller Date

DSRSD/EBMUD RECYCLED WATER AUTHORITY
SUMMARY OF EXPENDITURES
FOR THE PERIOD ENDED
January 31, 2022

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount	Operating	Capital
01/06/22	200002386	ICF INTERNATIONAL	Op-Prg Mgr-Public Info (49/51)	220.00	107.80	112.20	○ 220.00	0.00
01/06/22	200002407	Ralph Andersen & Associates	Op-Prg Manager-Salary (72/28)	6,975.00	5,022.00	1,953.00	○ 6,975.00	0.00
01/06/22	200002372	DOWNEY BRAND, LLP	Op-Derwa Legal Counsel (72/28)	385.00	277.20	107.80	○ 385.00	0.00
01/06/22	200002350	BARRETT BUSINESS SERVICES INC	Op-Prg Manager-Staff (72/28)	165.00	118.80	46.20	○ 165.00	0.00
01/14/22	200002967	BARRETT BUSINESS SERVICES INC	Op-Prg Manager-Staff (72/28)	165.00	118.80	46.20	○ 165.00	0.00
01/14/22	200002967	BARRETT BUSINESS SERVICES INC	Op-Prg Manager-Staff (72/28)	264.00	190.08	73.92	○ 264.00	0.00
01/14/22	200002978	EBMUD	Op- Trea- Cost Acct(72/28)	1,634.95	1,177.16	457.79	○ 1,634.95	0.00
01/14/22	200002978	EBMUD	Op- Trea- Salary(72/28)	234.93	169.15	65.78	○ 234.93	0.00
01/14/22	200003013	Ralph Andersen & Associates	Op-Prg Manager-Salary (72/28)	7,200.00	5,184.00	2,016.00	○ 7,200.00	0.00
01/21/22	200003387	BARRETT BUSINESS SERVICES INC	Op-Prg Manager-Staff (72/28)	231.00	166.32	64.68	○ 231.00	0.00
01/21/22	200003387	BARRETT BUSINESS SERVICES INC	Op-Prg Manager-Staff (72/28)	429.01	308.89	120.12	○ 429.01	0.00
					-	-		0.00
					-	-		0.00
					-	-		0.00
					-	-		0.00
				17,903.89	12,840.20	5,063.69	17,903.89	0.00

Certificates of Disb.	
Wk Ending	Amount
2022/01/06	\$ 7,745.00
2022/01/14	\$ 9,498.88
2022/01/21	\$ 660.01
	\$ 17,903.89

Pleasanton-

OP 17,903.89
CAP -

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by Houck, Matt Digitally signed by Houck, Matt
Date: 2022.02.23 07:15:55 -08'00'
Matt Houck Date

Approved by Miller, Andrea Digitally signed by Miller, Andrea
Date: 2022.03.07 09:35:55 -08'00'
Andrea Miller Date

DERWA CASH REPORT

Cash Balance as of 12/31/21 3,211,121.65 Reconciled to DERWA TR

Add member agency's contribution:

DSRSD Contribution	0.00
EBMUD Contribution	0.00
Agency Reimbursements - DSRSD	568,466.32
Agency Reimbursements - EBMUD	221,109.08
City of Pleasanton Payments	48,121.79
Interest Income	575.62
Other Reimbursements- Misc	0.00

Less invoice payments:

ICF INTERNATIONAL	(220.00)
Ralph Andersen & Associates	(6,975.00)
DOWNEY BRAND, LLP	(385.00)
BARRETT BUSINESS SERVICES INC	(165.00)
BARRETT BUSINESS SERVICES INC	(165.00)
BARRETT BUSINESS SERVICES INC	(264.00)
EBMUD	(1,869.88)
Ralph Andersen & Associates	(7,200.00)
BARRETT BUSINESS SERVICES INC	(231.00)
BARRETT BUSINESS SERVICES INC	(429.01)

Cash Balance as of	01/31/22	4,031,490.57
	Rounding	0.43
	Cash Balance 01/31/22	4,031,491.00

Prepared by Houck, Matt Digitally signed by Houck, Matt
Date: 2022.02.23 07:16:15 -08'00'
Matt Houck Date

Approved by Miller, Andrea Digitally signed by Miller, Andrea
Date: 2022.03.07 09:36:34 -08'00'
Andrea Miller Date

DERWA Summary & Recommendation

Approve Interim Agreement Related to the Supply and Sale of Recycled Water with Dublin San Ramon Services District and East Bay Municipal Utility District

Summary:

In early 2020, Dublin San Ramon Services District (DSRSD), East Bay Municipal Utility District (EBMUD), and DSRSD-EBMUD Recycled Water Authority (DERWA) initiated negotiations to amend agreements (“DERWA Agreements”) related to the supply and sale of recycled water for the DERWA Program that currently provides recycled water to the cities of Dublin, San Ramon, and Pleasanton. The agreements need to be significantly updated to reflect the actual working conditions of DERWA, and to recognize the substantial shortfall in recycled water supply available to meet DERWA’s buildout demands. In September 2021, the DERWA Board agreed with a staff recommendation to defer negotiations on a comprehensive update of the DERWA agreements until 2024. The parties would use this time to evaluate the effectiveness of demand management strategies, the feasibility of securing permanent supplemental supplies for the DERWA Program, and changes in regulations that could affect wastewater flows. Based on this shift in approach, the parties have developed a short-term, Interim Agreement Related to the Supply and Sale of Recycled Water (“Interim Agreement”), which addresses certain issues that may arise in the near-term and captures concepts that the parties have identified for inclusion in future negotiations.

Key terms of the Interim Agreement include:

- Term and Future Negotiations to Revise DERWA Agreements – The term of the Interim Agreement would be from the date of execution until December 31, 2024. No later than January 1, 2024, the parties agree to resume discussions on updating and revising the DERWA agreements. The Interim Agreement outlines certain concepts that would be included in future negotiations, including reconciliation of capital cost contributions which considers the value of secondary effluent provided by DSRSD and potential modification of recycled water supply and facility capacity rights.
- Connection Moratorium – No new recycled water connections would be allowed during the term of the Interim Agreement, except for EBMUD’s Crow Canyon Country Club golf course, which is already in the process of being connected and was specifically exempted from the connection moratorium request adopted by the DERWA Board in March 2019. The Interim Agreement also provides for DSRSD to provide a recycled water connection for the Tri-Valley Residential Fill Station.
- Demand Management and Allocation of Recycled Water Shortages – EBMUD and DSRSD agree to implement demand management measures recommended by the DERWA Demand Management Working Group. Demand management measures include EBMUD providing more frequent meter data output on its largest customers, joint messaging to customers on water-wise practices, monitoring and inspecting customer recycled water usage, leak identification, and evaluation of potential rebate programs. The Interim Agreement also details a process for the parties to develop and undertake actions to adjust or reduce recycled water demands to meet available supply. Such actions could include working with customers to adjust irrigation watering schedules or limiting the number of days in a week that outdoor watering is allowed. No potable water will be added to the DERWA system to supplement insufficient wastewater flows, except for short-term operational needs.
- Allocation of DERWA Program Costs – There would be no changes to the allocation of DERWA Program costs during the term of the Interim Agreement.

- DSRSD Charges for Secondary Effluent – The DERWA Water Supply Agreement allows DSRSD to establish a charge to DERWA for secondary wastewater effluent in 2023. The Interim Agreement would defer the charge during the term of the Interim Agreement, but it would not waive DSRSD’s right to charge in the future.
- Roles and Responsibilities for Pursuing Supplemental Supplies – DSRSD, in cooperation with DERWA and EBMUD, agrees to evaluate options to maximize existing supply through on-site storage and operational strategies. EBMUD and DSRSD would continue to pursue additional supplemental supplies to meet the long-term needs of the DERWA Program. However, the Interim Agreement clarifies that neither party would be obligated to pursue supplemental supplies on behalf of DERWA outside of their respective service area.
- Tri-Valley Residential Fill Station – The Interim Agreement allows for DSRSD to provide a recycled water connection for the Tri-Valley Residential Fill Station that is jointly being developed and implemented by the City of Pleasanton, City of Livermore, and DSRSD at DSRSD’s Gleason Property in Dublin. Under the terms of the Interim Agreement, DSRSD agrees to secure a sufficient supply of recycled water from the City of Livermore for the fill station so that there would be no adverse supply impacts to DERWA customers. EBMUD customers in San Ramon and Danville would also be allowed access to the fill station.
- JPA Membership – No new members would be added to DERWA during the term of the Interim Agreement.

DSRSD’s Board of Directors approved this Agreement on March 15, 2022, and EBMUD’s Board of Directors is scheduled to consider approval on March 22, 2022. If approved by all parties, negotiations on a more comprehensive update of the DERWA agreements would be deferred until January 2024, and the parties would use the additional time to focus on demand management strategies, supplemental supply planning, and evolving water and wastewater regulations.

Recommendation:

The Authority Manager recommends the Board of Directors approve, by Resolution No. 22-3, the Interim Agreement Related to the Supply and Sale of Recycled Water between DSRSD-EBMUD Recycled Water Authority, Dublin San Ramon Services District, and East Bay Municipal Utility District.

March 28, 2022

Attachment

1. DERWA Resolution No. 22-3

DERWA
RESOLUTION NO. 22-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY APPROVING INTERIM AGREEMENT RELATED TO THE SUPPLY AND SALE OF RECYCLED WATER WITH DUBLIN SAN RAMON SERVICES DISTRICT AND EAST BAY MUNICIPAL UTILITY DISTRICT

WHEREAS, Dublin San Ramon Services District (DSRSD), East Bay Municipal Utility District (EBMUD), and the DSRSD-EBMUD Recycled Water Authority (DERWA) are parties to a number of agreements (the “DERWA Agreements”) that relate to the supply and sale of recycled water for the DERWA Program that currently provides recycled water to the cities of Dublin, San Ramon, and Pleasanton; and

WHEREAS, in early 2020, DSRSD, EBMUD, and DERWA initiated negotiations on a comprehensive update of the DERWA Agreements to better reflect the actual working conditions of the DERWA Program, address the issue of declining water supplies, and streamline and consolidate the DERWA Agreements into documents that could more easily be administered; and

WHEREAS, DSRSD, EBMUD, and DERWA desire to defer negotiations on revising the DERWA Agreements until 2024 to allow time to evaluate the effectiveness of demand management strategies, the feasibility of securing permanent supplemental supplies for the DERWA Program, and changes in regulations that could affect wastewater flows; and

WHEREAS, the results of these evaluations would help inform the need for long-term changes to the DERWA Program; and

WHEREAS, DSRSD, EBMUD, and DERWA have negotiated a short-term, interim agreement to address near-term issues, including a process for implementing demand management measures and allocating recycled water shortages, and to capture concepts that the parties have identified for inclusion in future negotiations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DSRSD•EBMUD RECYCLED WATER AUTHORITY, a public agency located in the counties of Alameda and Contra Costa, California, that the Authority Manager is hereby authorized to execute for and on behalf of the DSRSD•EBMUD Recycled Water Authority the “Interim Agreement Related to the Supply and Sale of Recycled Water Between the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (“DERWA”), Dublin San Ramon Services District, and East Bay Municipal Utility District,” attached hereto as Exhibit “A,” with any non-substantive revisions approved by legal counsel.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a public agency located in the counties of Alameda and Contra Costa, California, at its Regular Meeting held on the 28th day of March 2022, and passed by the following vote:

AYES:

NOES:

ABSENT:

Marisol Rubio, DERWA Chair

ATTEST:

Nicole Genzale, Authority Secretary

INTERIM AGREEMENT RELATED TO THE SUPPLY AND SALE OF RECYCLED WATER BETWEEN THE DUBLIN SAN RAMON SERVICES DISTRICT/EAST BAY MUNICIPAL UTILITY DISTRICT RECYCLED WATER AUTHORITY (“DERWA”), DUBLIN SAN RAMON SERVICES DISTRICT, AND EAST BAY MUNICIPAL UTILITY DISTRICT

This Interim Agreement Related to the Supply and Sale of Recycled Water between the Dublin San Ramon Services District - East Bay Municipal Utility District Recycled Water Authority (“DERWA”), Dublin San Ramon Services District (“DSRSD”), and East Bay Municipal Utility District (“EBMUD”) (“Agreement”) is made and entered into this ___ day of _____ 2022. DERWA, DSRSD, and EBMUD are individually referred to as "Party," and collectively as “Parties.”

RECITALS

WHEREAS, on June 28, 1995, as amended on December 21, 1995, DSRSD and EBMUD entered into an agreement to form DERWA, a Joint Powers Authority in Alameda and Contra Costa County, for the purpose of implementing a program (“DERWA Program”) to provide recycled water to DSRSD and EBMUD, as Member Agencies of DERWA, for their distribution within portions of their respective existing and future service areas, while recovering DERWA’s costs (“1995 JPA Agreement”); and

WHEREAS, on June 28, 2003, the Parties entered into the Agreement for the Sale of Recycled Water (“Sales Agreement”) and Water Supply Agreement, setting forth the terms and conditions for the supply and sale of recycled water between DERWA and the Member Agencies; and

WHEREAS, on May 23, 2005, the Parties entered into the Operations Agreement setting forth the conditions under which DSRSD agreed to operate and maintain the DERWA Program Facilities; and

WHEREAS, the 1995 JPA Agreement, Water Supply Agreement, Sales Agreement, and Operations Agreement shall be collectively referred to in this Agreement as the “DERWA Agreements”; and

WHEREAS, other agreements related to the implementation of the DERWA Program have been executed over the last 25 years including, but not limited, to the Agreement to Provide Recycled Water Treatment and Delivery Services between DERWA and the City of Pleasanton dated January 7, 2014, which expanded the DERWA Program to include deliveries to the City of Pleasanton; and

WHEREAS, the Sales Agreement provides that the recycled water supply rights of DSRSD and EBMUD shall be an annual average of 3,730 acre feet per contract year (which is equivalent to 3.3 million gallons per day) for DSRSD and 2,960 acre-feet per year (which is equivalent to 2.4 million gallons per day) for EBMUD and that those agencies' respective recycled water supply rights shall be the basis for the sharing of the risks and costs of implementation and operation of the DERWA Program; and

WHEREAS, the Parties acknowledged and agreed when they entered into the Sales Agreement that the amount of recycled water emanating from DSRSD's service area was insufficient to meet the Recycled Water Supply Rights of the Member Agencies as specified in the Sales Agreement, and that securing a permanent supplemental supply would be critical to achieving the long-term goals for the DERWA Program; and

WHEREAS, improved water use efficiency and conservation by customers have decreased wastewater flows to the DSRSD Regional Wastewater Treatment Plant, resulting in significantly less recycled water being available for the DERWA Program; and

WHEREAS, the City of Pleasanton's increased use of wastewater for the City's recycled water program has further reduced the amount of wastewater available for DERWA's use; and

WHEREAS, on February 4, 2019, DERWA and Central Contra Costa Sanitary District ("Central San") entered into an agreement under which Central San agreed to allow DERWA to temporarily divert a portion of Central San's wastewater supply as a supplemental supply source for the DERWA Program ("Central San Agreement"); and

WHEREAS, the Central San Agreement provides DERWA with a temporary supplemental supply for a three-year period from January 22, 2021 through January 21, 2024, with the potential to extend the agreement for an additional two years until January 21, 2026; and

WHEREAS, even with the supplemental supply available from Central San, current DERWA recycled water demands are projected to exceed the available recycled water supply on peak irrigation days in the summer; and

WHEREAS, on March 25, 2019, due to the projected current and future shortfall in recycled water supply, the DERWA Board adopted Resolution 19-3, requesting that Member Agencies implement demand practices to curtail use of recycled water and directing the DERWA Authority Manager to implement demand management and allocation adjustments pursuant to Article IV of the Sales Agreement; and

WHEREAS, DERWA Board Resolution 19-3 further requests that the DERWA Member Agencies implement a connection moratorium on new connections, except for those EBMUD Phase 2 connections that were already in progress and where significant investments had already been made; and

WHEREAS, the Parties acknowledge that considerable changes have occurred since the formation of DERWA and the initial delivery of recycled water and many provisions in the DERWA Agreements need to be reviewed and updated to reflect current circumstances; and

WHEREAS, in early 2020, the Parties initiated negotiations on a comprehensive update of the DERWA Agreements, and other related agreements, to reflect the actual working conditions of DERWA, address the issue of declining supplies, and streamline and consolidate the agreements into documents that could more easily be administered; and

WHEREAS, the Parties desire to defer negotiations on revising the DERWA Agreements until 2024 to allow time to focus on demand management, plan for additional recycled water supplies, and monitor developing wastewater discharge and potable reuse regulations.

NOW, THEREFORE, in consideration of the Recitals and the terms, conditions, and covenants contained herein, DERWA, DSRSD, and EBMUD agree as follows:

I. PURPOSE

- A. The purpose of this Agreement is to set forth concepts to be included in future negotiations to revise the DERWA Agreements and to address issues that may arise during the term of this Agreement. The Parties acknowledge that this Agreement addresses a limited number of issues and does not and cannot account for every issue that may arise during the term of this Agreement. Except as specifically provided for in this Agreement, all other provisions of the DERWA Agreements shall remain in full force and effect. In the event that there is an irreconcilable conflict between the terms of any of the DERWA Agreements and the terms of this Agreement, the terms of this Agreement shall control.
- B. This Agreement is intended as a short-term, interim agreement, that provides additional time for the Parties to evaluate the effectiveness of demand management strategies, the feasibility of securing permanent supplemental supplies for the DERWA Program, and changes in regulations that could affect wastewater flows, prior to the Parties resuming negotiations to update and revise the DERWA Agreements.
- C. The Parties intend for this Agreement to establish a process for the Parties to implement demand management measures and allocate recycled water shortages as directed by the DERWA Board in Resolution 19-3 and as provided for in Article IV, *Recycled Water Supply Shortage Provisions*, of the Sales Agreement.

II. TERM AND FUTURE NEGOTIATIONS TO REVISE DERWA AGREEMENTS

- A. The term of this Agreement shall be from the date of execution until December 31, 2024.
- B. No later than January 1, 2024, the Parties agree to resume good faith negotiations to update and revise the DERWA Agreements, and other related agreements as necessary, to reflect the actual working conditions of the DERWA Program and the issue of declining recycled water supplies. The Parties agree to address the concepts listed in Exhibit A during future negotiations to amend the DERWA Agreements.

III. CONNECTION MORATORIUM

- A. Except as provided for in Section III.B, DSRSD and EBMUD shall adhere to the connection moratorium on new recycled water connections as requested by DERWA Board Resolution 19-3 while this Agreement remains in effect. Neither Member Agency shall approve or deliver recycled water to new customer sites during the term of the Agreement.
- B. EBMUD may connect the Crow Canyon Country Club to recycled water, which is already in the process of being connected and was included in the Phase 2 connections that were exempted from the connection moratorium request adopted by the DERWA Board . All other new connections listed in Resolution 19-3 as exempt from the moratorium have been completed. DSRSD may provide a recycled water connection for the Tri-Valley Residential Fill Station, subject to the terms and conditions specified in Section VIII of this Agreement.

IV. DEMAND MANAGEMENT AND ALLOCATION OF RECYCLED WATER SHORTAGES

The Parties acknowledge and agree that the total demand for the Member Agencies' connected customers may exceed available recycled water supplies on peak summer days during the term of this Agreement. The Parties further acknowledge and agree that Article IV, *Recycled Water Supply Shortage Provisions*, of the Sales Agreement provides for the Member Agencies to implement demand management for their respective connected customers and for the Authority Manager to take actions to curtail delivery of recycled water to the Member Agencies when total recycled water demands are anticipated to exceed total recycled water supplies.

- A. To address and mitigate the potential risk of recycled water supply shortages described in the preceding paragraph, the Parties agree to implement the demand management measures described in Part I of Exhibit B. If demand management measures are not able to adequately address a projected shortage in recycled water

supplies, EBMUD and DSRSD agree to follow the process outlined in Part II of Exhibit B and implement recycled water shortage actions to reduce recycled water deliveries. The process outlined in Part II of Exhibit B was developed in accordance with Article IV.B.1, *Reduction in Usage: Current Contract Year*, of the Sales Agreement, which requires EBMUD and DSRSD to reduce deliveries by the same percentage, to the extent that such reductions are required, so that the total deliveries to the Member Agencies' connected customers equals the available recycled water supply.

- B. Notwithstanding the Agreement to Provide Water Supply between DERWA and the City of Pleasanton dated August 6, 2019, which allows for DERWA to receive potable water via a water supply turnout from the City of Pleasanton, or any provisions of the DERWA Agreements that may be contrary to the commitments described herein, unless otherwise mutually agreed by the Parties, the Parties agree that DERWA shall not add potable water to the DERWA system for the express purpose of meeting recycled water demands due to insufficient wastewater flows into the DSRSD Regional Wastewater Treatment Plant. The limitation in using potable water to meet recycled water demands described in this Section IV.B does not apply to DERWA's need to add potable water on a short-term basis in response to emergencies, treatment plant upsets, or planned or unplanned maintenance. Nothing in this Section shall prevent DERWA or DSRSD from complying with any supply request from the City of Pleasanton to operate the water supply turnout for the purpose of improving water quality in Pleasanton's potable water distribution system.

Notwithstanding any contrary prior contractual agreements among the Parties (or any of them), neither DSRSD nor EBMUD shall be required to provide or obtain a potable water supply for the DERWA system for the purpose of meeting recycled water demands due to insufficient wastewater flows into the DSRSD Regional Wastewater Treatment Plant.

V. ALLOCATION OF DERWA PROGRAM COSTS

Costs for the DERWA Program including, but not limited to, administration, design, construction, and operation and maintenance of DERWA facilities, are shared between DSRSD and EBMUD in accordance with Article V, *DERWA Costs, and Member Agency Payments and Credits*, of the Sales Agreement. The Parties agree to continue allocating DERWA Program costs in accordance with the existing provisions of the Sales Agreement and not to amend the Sales Agreement for the purpose of changing the allocation of costs between EBMUD and DSRSD during the term of this Agreement.

VI. CHARGE FOR SECONDARY EFFLUENT

Article 6.C, *Price of Secondary Effluent*, of the Water Supply Agreement establishes a process for DSRSD to begin charging DERWA for secondary effluent beginning in Year 21 of the Water Supply Agreement, or as of July 29, 2023. Consistent with Section II.B and Exhibit A of this Agreement, EBMUD and DSRSD have agreed to defer discussion on the charge for secondary effluent until negotiations resume on a more comprehensive update and revision of the DERWA Agreements. Therefore, the Parties hereby agree to toll the provisions in Article 6.C of the Water Supply Agreement for establishing the charge for secondary effluent, including waiving any and all notification requirements provided therein, until the expiration of the term of this Agreement.

Notwithstanding anything in the Water Supply Agreement to the contrary, if the Parties fail to execute an amended Sales Agreement or other agreement that addresses the price of secondary effluent prior to the expiration of the term of this Agreement, DSRSD may proceed with establishing the charge for secondary effluent pursuant to Article 6.C of the Water Supply Agreement by providing written notice to the DERWA Authority Manager, with a copy to EBMUD, that DSRSD intends to charge DERWA for secondary effluent beginning 15 months following termination of this Agreement. Said Notice shall be delivered no later than 90 days following termination of this Agreement.

Except as expressly modified by this Section VI, the provisions of Article 6.C of the Water Supply Agreement, including, without limitation, its arbitration provisions, shall continue in full force and effect and apply to any notice issued by DSRSD pursuant to this paragraph.

As provided herein, the provisions of this Section VI shall survive the termination or expiration of this Agreement.

VII. ROLES/RESPONSIBILITIES FOR PURSUING SUPPLEMENTAL SUPPLIES

- A. The Parties agree to continue working cooperatively to obtain a permanent supplemental supply to meet the long-term needs of the DERWA Program in accordance with Article IV.C.3, *Permanent Supplemental Water*, of the Sales Agreement. However, neither EBMUD nor DSRSD, acting individually or jointly, shall be obligated to pursue supplemental supplies on behalf of DERWA outside of their respective service area.
- B. In accordance with Article 3.A, *Availability, Delivery, and Acceptance*, of the Water Supply Agreement, DSRSD is committed to making and delivering recycled water for the DERWA Program generated from wastewater emanating from the DSRSD wastewater service area.

- C. DSRSD, in cooperation with DERWA and EBMUD, shall evaluate options to maximize existing supply through onsite storage and operational strategies. If approved for implementation by the Parties, these improvements shall be budgeted and funded out of DERWA's Permanent Supplemental Supply Capital Improvement Project.

VIII. TRI-VALLEY RESIDENTIAL FILL STATION

- A. During the term of the Agreement, the City of Pleasanton ("Pleasanton"), City of Livermore ("Livermore"), and DSRSD may jointly develop and implement a residential recycled water fill station at DSRSD's Gleason Property; 5287 Gleason Drive in Dublin, California ("Tri-Valley Residential Fill Station"). The Tri-Valley Residential Fill Station would provide recycled water for residents of the Amador Valley, San Ramon Valley, and Livermore Valley region ("Tri-Valley") during periods when mandatory outdoor watering restrictions for potable water are in effect due to drought conditions.
- B. It is the mutual intent of the Parties that the Tri-Valley Residential Fill Station not result in any net reduction in the quantity of recycled water available for DERWA's existing customers, including EBMUD's planned connection to the Crow Canyon Country Club. Accordingly, DSRSD, in cooperation with Livermore and Pleasanton, agrees to secure a recycled water supply for the Tri-Valley Residential Fill Station from Livermore through an exchange with Pleasanton as described herein. Livermore has the ability to supply recycled water produced at Livermore's Water Reclamation Plant to the eastern portion of Pleasanton's recycled water system. DSRSD will work with Livermore and Pleasanton to ensure that Livermore provides a quantity of supply to Pleasanton sufficient to meet the demands of the Tri-Valley Residential Fill Station. Pleasanton will use the supply from Livermore in-lieu of recycled water supplies from DERWA so as to offset substantially all recycled water used for the Tri-Valley Residential Fill Station which will be supplied by DERWA via the DSRSD recycled water distribution system.
- C. The Parties agree that DSRSD may provide a recycled water connection for the Tri-Valley Residential Fill Station provided that a recycled water supply is secured from Livermore in accordance with Section VIII.B and that there are no adverse impacts to DERWA customers. During the operation of the Tri-Valley Residential Fill Station, DSRSD shall provide DERWA and EBMUD with a monthly report showing daily supply and demand for the Tri-Valley Residential Fill Station. If the monthly report shows that insufficient supplies are being provided by Livermore and that there is an impact to DERWA customers, DSRSD agrees to take immediate corrective action to remedy the supply deficiency.

D. During periods when the Tri-Valley Residential Fill Station is operating, EBMUD customers within the City of San Ramon and Town of Danville would be allowed access to the fill station, subject to the same terms and conditions established for DSRSD, Pleasanton, and Livermore customers that receive recycled water from the Tri-Valley Residential Fill Station.

IX. JPA MEMBERSHIP

Notwithstanding Article 20, *Addition of Parties*, of the 1995 JPA Agreement, the Parties agree not to add new members to the DERWA Joint Powers Authority during the term of this Agreement.

X. GENERAL PROVISIONS

- A. Termination. This Agreement can be terminated only by written mutual agreement of the Parties.
- B. Assignment. No Party will assign any right or interest in this Agreement, or any part thereof, without the express written consent of the other Parties, which consent shall be at the sole discretion of the consenting Party or Parties. This Agreement shall bind the successors of the Parties in the same manner as if they were expressly named.
- C. Compliance With Laws. Each Party will comply with all federal and state laws, local ordinances, regulations, and orders applicable to the work it will perform under this Agreement.
- D. Indemnification. The provisions of Article VIII.H, *Indemnity*, of the Sales Agreement are not modified by this Agreement and continue in full force and effect.
- E. Notice. Notices regarding this agreement shall be sent to:

DERWA: DERWA Authority Manager
Dublin San Ramon Services District
7051 Dublin Boulevard
Dublin, CA 94568

DSRSD: Daniel McIntyre, General Manager
Dublin San Ramon Services District
7051 Dublin Boulevard
Dublin, CA 94568
(925) 875-2200
mcintyre@dsrsd.com

EBMUD: Clifford Chan, General Manager
East Bay Municipal Utility District
375 11th Street
Oakland CA 94607
(510) 287-0101
clifford.chan@ebmud.com

The Parties may unilaterally modify the name, position, or address for notices pursuant to this Agreement; notification of which will be in writing and provided to each Party.

- F. Dispute Resolution. Disputes shall be addressed in the manner provided for in Article VI, *Dispute Resolution*, of the Sales Agreement.
- G. Headings. The Section headings contained in this Agreement are for reference purposes only and are not intended to govern, limit, or aid the interpretation of this Agreement and shall not in any way affect the meaning of this Agreement.
- H. Signatures. The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities. This Agreement may be executed in counterpart which when taken together shall be considered one and the same agreement. The Parties agree to the use of digital signatures to execute this Agreement. Facsimile, email, digital, and electronic signatures shall be binding.
- I. Severability. If any term or provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it will not affect the validity of any other provision, which will remain in full force and effect.
- J. Governing Law and Venue. This Agreement shall be governed by the laws of the State of California. Venue shall lie exclusively in the Superior Court located in Alameda County, California.
- K. No Third-Party Beneficiaries. No third-party beneficiaries are intended or created by this Agreement.
- L. Waiver. No waiver by any Party of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or of any subsequent breach by the other Party of the same provision.

M. Complete Agreement and Amendments. This Agreement constitutes the entire agreement between the Parties with respect to the specific purposes expressly listed in Section I and supersedes all prior or contemporaneous drafts, agreements and understandings, whether written or oral. This Agreement may be amended by written agreement executed by the Parties.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year of the last signature affixed below and first above written.

Dated: _____ DSRSD/EBMUD RECYCLED WATER AUTHORITY

By: _____
John Rossi, Authority Manager

Approved as to Form:

DERWA Counsel

Dated: _____ DUBLIN SAN RAMON SERVICES DISTRICT

By: _____
Daniel McIntyre, General Manager

Approved as to Form:

DSRSD Counsel

Dated: _____ EAST BAY MUNICIPAL UTILITY DISTRICT

By: _____
Clifford Chan, General Manager

Approved as to Form:

EBMUD Counsel

Exhibit A – Principles for Future Negotiations

Exhibit B – Demand Management Measures

EXHIBIT A

CONCEPTS FOR FUTURE NEGOTIATIONS TO REVISE DERWA AGREEMENTS

The Parties agree that the following concepts should be addressed during future negotiations to revise the DERWA Agreements. This Exhibit may be changed from time to time by mutual written agreement of the Parties, without regard to the provisions of Section X.M of this Agreement.

- As set forth in the Sales Agreement, facility capacity rights and costs are presently allocated between DSRSD and EBMUD based on an estimate of each Member Agency's maximum projected usage of each facility made at the time the DERWA Agreements were negotiated.
- The Sales Agreement sets forth the recycled water supply and facility capacity rights of the member agencies. Actual available supply is less than anticipated. Modification of recycled water supply and facility rights will be evaluated based on actual supply available.
- Reconciliation of capital cost contributions and potential changes to facility capacity rights and allocation of costs will be considered based on historic and projected usage of the DERWA Program facilities by each Member Agency.
- The Water Supply Agreement sets forth that DSRSD has the right to charge DERWA for Secondary Effluent beginning in Year 21 of the Water Supply Agreement, which has been suspended by the Agreement. The value of secondary effluent will be considered when the Parties discuss reconciling capital cost contributions and potential changes to facility capacity rights and allocation of costs.

EXHIBIT B

DEMAND MANAGEMENT AND RECYCLED WATER SHORTAGE ACTIONS

The Parties have developed the following demand management measures and process for implementing recycled water shortage actions to achieve reductions in recycled water deliveries that may be needed to address potential shortfalls in wastewater supply during the peak summer irrigation season. Exhibit B is intended to be a working document and may be changed from time to time by mutual written agreement of the Parties.

Part I – Demand Management

1. Demand Management Working Group. The Parties will establish a Demand Management Working Group to oversee implementation of demand management measures. The Demand Management Working Group will be comprised of representatives from EBMUD, DSRSD, and the City of Pleasanton¹. At least one member of the DSRSD Operations staff responsible for operating the DERWA system will be present at every meeting. The Demand Management Working Group will meet monthly from April through September, or at a frequency otherwise agreed to by the members, for the purposes of sharing and reviewing DERWA recycled water production, supply, and customer demand data, and evaluating the effectiveness of demand management measures and recycled water shortage actions.
2. Frequent Meter Data Output to Support Demand Management due to Limited Recycled Water Supply. EBMUD will provide DSRSD with more frequent meter data including, at a minimum, hourly data on its largest fourteen connected recycled water customers beginning during the 2022 irrigation season. EBMUD and DSRSD agree to share available hourly meter data for the purpose of improving and optimizing DERWA supply and demand operations.
3. Customer Communications, Monitoring, and Enforcement. The Parties agree to participate in joint messaging to customers about water-wise practices, monitor and inspect customer recycled water usage, and provide warnings to customers regarding potential leaks and/or excessive water use. EBMUD and DSRSD agree to assign a key contact for coordinating with customers. This key contact, or their back-up, must be available to communicate with customers 7 days a week.
4. Rebate Programs. The Parties agree to have the Demand Management Working Group evaluate the potential benefits and costs of a rebate program for recycled water customers. Such a program could include rebates for turf replacement and/or irrigation controllers and could be administered and funded by DERWA or separately by EBMUD and DSRSD.

¹ The City of Pleasanton is not a DERWA Member Agency and not subject to the demand management and recycled water supply shortage provisions in Article IV of the Sales Agreement. However, the City of Pleasanton will be encouraged to participate in the Demand Management Working Group.

Part II – Recycled Water Shortage Actions

Recycled water demands and supply can vary widely throughout the irrigation season due to a multitude of factors including weather, irrigation schedules, and drought conditions. The Parties acknowledge the complexity and challenges of implementing actions to curtail recycled water demands in real-time. On a short-term, daily basis, DSRSD can generally balance supplies and demands using operational storage. However, if peak irrigation demands stay above available wastewater supplies for extended periods of time, cutbacks in recycled water deliveries will be needed.

The Parties agree to undertake the following actions, if needed, to adjust or reduce recycled water demands to meet available supply:

1. Changes to Irrigation Watering Schedules. Upon request from DERWA and/or DSRSD Operations, EBMUD and DSRSD will work with customers to request feasible adjustments of irrigation schedules to better manage demand and supply. Requests could include asking customers to switch watering days and/or or adjust watering hours to maintain system pressures.
2. Recycled Water Shortage Actions. Upon execution of this Agreement, EBMUD and DSRSD will each develop recycled water shortage actions that can be implemented in their respective service areas to achieve five (5) percent and ten (10) percent reductions in total customer recycled water demands over a 7-day period, so that such actions can be promptly implemented when needed. Such actions could include limiting the number of days in a week that outdoor watering is allowed by a customer to the extent such measures may be imposed in accordance with any contract or permit applicable to that customer's receipt and use of recycled water.

In the event DSRSD anticipates that recycled water supplies will be insufficient to meet demands for the upcoming 7-day period, DSRSD will notify DERWA and EBMUD of the need to implement recycled water shortage actions to achieve a specified reduction in demand (either 5% or 10%). EBMUD and DSRSD agree to immediately implement their respective recycled water shortage actions upon receiving such notice and until such time as DSRSD provides notification that a reduction in recycled water demand is no longer required.

The results and effectiveness of implementing recycled water shortage actions will be reviewed by the Demand Management Working Group at the next meeting, along with any recommendations for improving the process and adjustments, if needed, to an agency's recycled water shortage actions to achieve the desired level of reduction. This information will be summarized in a brief report to the DERWA Authority Manager who may take appropriate action, in accordance with Article IV, *Recycled Water Supply Shortage Provisions*, of the Sales Agreement, to ensure that both Member Agencies are reducing deliveries by the same percentage reduction so that total demand of the Member Agencies' connected customers equals the available supply.