

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

**NOTICE OF REGULAR MEETING**

**TIME:** 6:00 p.m.  
**PLACE:** Dublin San Ramon Services District Boardroom  
7051 Dublin Boulevard  
Dublin, California 94568

**DATE:** Monday, August 27, 2012

**AGENDA**

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*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.*

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(Next Resolution No. 12-2)

**Recommended  
Action**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Coleman, Howard, Mellon and Vonheeder-Leopold  
Alternates: Foulkes
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (Meeting Open to Public)  
At this time, those in the audience may address the Board on any item not already included in the agenda. Comments should not exceed five minutes. If this is not considered sufficient time to address the issue, please arrange with the Secretary to have that item placed on the agenda for a future Board meeting.
6. APPROVE MINUTES  
Regular Board Meeting of April 23, 2012 Approve  
by Motion
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.
  - A. Treasurer's Reports for April 30, May 31, June 30 and July 31, 2012 Approve  
by Motion
  - B. Quarterly Investment Report – June 30, 2012 Approve  
by Motion

**Recommended  
Action**

8. **BOARD BUSINESS**

- A. Agreement to Provide Recycled Water Treatment and Delivery Services by and between DERWA and City of Pleasanton

Approve by Resolution

9. **MANAGER'S REPORTS**

- Contracts Initiated Since the Board Meeting of April 23, 2012
- Army Corps of Engineers Construction Project Status
- Initiation of Consultant Selection Process for Supplemental Water Program – Ground Water Studies Update
- Confirm Next Meeting Date: October 22, 2012

10. **BOARDMEMBER ITEMS**

11. **CLOSED SESSION**

- A. Conference with Real Property Negotiator-Pursuant to Government Code Section 54956.8  
Property: Water Supply Contract  
Agency Negotiator: James B. Bewley, Authority Manager  
Negotiating Parties: City of Pleasanton and DERWA  
Under Negotiation: Price and Terms

12. **REPORT FROM CLOSED SESSION**

13. **ADJOURNMENT**

Information about and copies of supporting materials on agenda items are available for public review at 7051 Dublin Boulevard, Dublin, at the Reception Desk, or by calling the Authority Secretary at (925) 828-0515. A fee may be charged for copies. During the meeting, information and supporting materials are available by the doorway into the Boardroom. Authority facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the Authority Secretary as soon as possible, but at least two days prior to the meeting.

**DSRSD • EBMUD RECYCLED WATER AUTHORITY  
(DERWA)  
Board of Directors Regular Meeting Minutes  
Monday, April 23, 2012**

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

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1. CALL TO ORDER – Chair Coleman called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:03 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair John Coleman, Vice Chair Dwight (Pat) Howard, Director Frank Mellon, and Director Georgean Vonheeder-Leopold. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. BOARD REORGANIZATION

A. Election of Board Chair

Motion by V.C. Howard, Second by Director Mellon to elect Director Vonheeder-Leopold as DERWA Board Chair for 2012. Motion carried (4-0) by the following vote:

AYES: Howard, Mellon, Vonheeder-Leopold, Coleman

NOES:

B. Election of Board Vice Chair

Motion by Chair Vonheeder-Leopold, Second by V.C. Howard to elect Director Mellon as DERWA Board Vice Chair for 2012. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Howard, Mellon, Coleman

NOES:

C. Appointment of Secretary

Motion by V.C. Mellon, Second by Director Coleman to appoint Nancy Gamble Hatfield as the continuing DERWA Secretary for 2012. Motion carried (4-0) by the following vote:

AYES: Mellon, Coleman, Howard, Vonheeder-Leopold

NOES:

5. SPECIAL ANNOUNCEMENTS/ACTIVITIES - None.

6. PUBLIC COMMENT – 6:07 p.m.

City of Pleasanton Director of Operations Services Daniel Smith addressed the Board and introduced himself. He explained that he wanted the Board to be able to put a face with his name and the City of Pleasanton because they are involved in recycled water supply negotiations with DERWA. Mr. Smith introduced Ms. Tracy Clinton from Carollo Engineers

**-DRAFT-**

who is leading the City's project for their recycled feasibility study. He emphasized the importance of the City of Pleasanton to work collaboratively with the other agencies in the Tri-Valley on this recycled effort. The City's feasibility study will take a "regional aspect" approach. Zone 7 has partnered with the City of Pleasanton and the other valley water retailers are participating.

#### 7. APPROVE MINUTES – Special Meeting of December 19, 2011

Motion by V.C. Mellon, Second by Director Coleman to approve the minutes from the Special Meeting of *December 19, 2011*. Motion carried (4-0) by the following vote:

AYES: Mellon, Coleman, Howard, Vonheeder-Leopold

NOES:

#### 8. CONSENT CALENDAR

A. Treasurer's Reports for December 31, 2011, January 31, 2012, February 29, 2012 and March 31, 2012

B. Quarterly Investment Reports – December 31, 2011 and March 31, 2012

C. DERWA Investment Policy

D. Approve Task Order No. 9 for Fiscal Year 2012-13 for Public Information Services and ICF International (formerly Jones & Stokes Associates)

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

AYES: Coleman, Howard, Mellon, Vonheeder-Leopold

NOES:

#### 9. BOARD BUSINESS

A. Update Report on Recycled Water Demand Projections and Source Water Supply Alternatives

Authority Manager Bewley reported that this agenda item is a follow-up to the presentation given at the May 2011 Board meeting. The May 2011 discussion was focused on updated projections by the Member Agencies for recycled water deliveries through the year 2030. In that update, staff identified that currently on peak days DERWA has used all of the DSRSD secondary effluent from the WWTP and on a number of days uses some of the Pleasanton water under an existing agreement. Further into the future, DERWA projected needing all of the DSRSD and Pleasanton effluent as source water. This increase in demand will be driven by projects of both EBMUD and DSRSD. As soon as 5 to 7 years, peak day demand is projected to exceed the current recycled water treatment plant capacity and at the 10 to 15 year timeframe the demand will reach the ultimate system capacity of 16 mgd. DERWA staff has been working with Pleasanton source water supply and recycled water since last summer when the City updated their Urban Water Management Plan. Mr. Bewley stated that independent of the Pleasanton recycled water program, DERWA demand is projected to exceed the combined DSRSD/Pleasanton secondary effluent amount and DERWA will need more water.

Mr. Bewley introduced Mr. Ed Cummings, who is working with DERWA on source water supply options, to give the Board a presentation on identifying additional water supply sources. He noted that Mr. Cummings served as a key resource for DERWA, resolving

the salt mitigation issue with ACWD, and that Mr. Cummings' background includes working at Zone 7 and Contra Costa Water District and he is extremely knowledgeable about the Tri-Valley's groundwater basins.

Mr. Cummings gave a presentation update titled "DERWA Supplemental Water Supply Program – Proposed Update Study," which will include the evaluation of alternative sources of water supplies for DERWA. DERWA's Supply Studies Alternatives Evaluation report prepared by ESA in April 2005 will be updated with new information from the current studies underway by Pleasanton, Zone 7, and Livermore. The scope for DERWA's proposed update study is currently under development.

Some of the main topics discussed by Mr. Cummings included: 1) the previously identified supplemental water supply alternatives; 2) new information from studies by Livermore, Pleasanton, and Zone 7; 3) the layout of the Livermore – Amador Valley main and fringe groundwater basins; 4) evaluating additional supplemental water supply alternatives; 5) groundwater TDS projections for the next 50 years; and, 6) the proposed schedule and cost for a future DERWA.

The Board asked Mr. Cummings various questions throughout the presentation. At the conclusion, Mr. Bewley thanked Mr. Cummings for his remarks and information presented.

Mr. Bewley commented that DERWA will stay current with the other studies underway and expects they will provide a lot of new or updated information. When those studies are completed, DERWA will look back at its 2005 study, which presented various water supply alternatives, and then evaluate their feasibility and rough costs and select those alternatives that may have yields that are worth keeping and pursuing. A major goal is to look at the regional recycled water supply and ensure future options remain available as much as possible. He noted that the funding for this proposed update study is included in DERWA's capital budget under the Supplemental Water Program budget. Mr. Bewley clarified that no action was required of the Board at this time and this matter was for discussion.

Chair Vonheeder-Leopold confirmed that Mr. Bewley was proposing that DERWA watch the studies that are being prepared by the other agencies and when he believes DERWA is ready to begin the update of DERWA's plan he will return to the Board with a work plan and a proposal.

Mr. Bewley acknowledged this as correct.

Chair Vonheeder-Leopold encouraged Mr. Bewley to use the expertise within the various agencies and to try to keep costs down as much as possible by doing work internally until it is no longer feasible and then requires a consultant.

V.C. Mellon commented that there is still a lot of growth potential both in population and businesses that will result in increased wastewater discharge. He asked to what extent that increase was included in calculating availability of water supply for the future.

Mr. Bewley stated that increased wastewater projections by DSRSD and Pleasanton were used in the planning. The WWTP flow will increase in the next 10 to 20 years, but recycled water demand goes up faster.

Director Coleman expressed his support for the discussion and stated it was a good sign that Mr. Smith from Pleasanton attended the meeting tonight.

Chair Vonheeder-Leopold commented that DERWA has always hoped there would be a regional solution of some sort for having adequate recycled water supplies in the Valley.

#### B. Approve and Adopt the Fiscal Year 2012-13 Capital and Operating Expenditure Budget

Authority Manager Bewley discussed some of the budget highlights for Fiscal Year 2012 – 2013. In the upcoming budget, DERWA will be producing more water for less cost. Because of the efforts of DSRSD Operations Manager Dan Gallagher and his staff, they have implemented changes that have resulted in cost savings in producing the water. Additionally, since about half of the costs of producing the water are fixed costs independent from volume, the more water produced the lower unit price. As the construction period and startup activities of DERWA are now mostly completed, the program management budget continues to go down each budget year. DERWA's insurance costs have also been very stable for the last five years. The Operating Expenditure Budget includes estimates that recycled water sales will increase from 2,490 AF to 2,662 AF, an increase of 6.9%. The total DERWA Program Operating Budget has decreased by 5% from \$3,665,131 for FY 2011-12 to \$3,481,934 for FY 2012-13.

Mr. Bewley noted that the Capital Budget continues to decrease over time with completion of projects. He discussed and explained the following capital budget items:

- The Pump Station R200A project on Bollinger Canyon remains in the CIP budget. That project is complete and has been in service since summer 2010. DERWA staff is working to assist the Army Corps of Engineer to resolve outstanding claims on that project, which may be accomplished by June this year. Depending on the resolution of the J&R claim for Pump Station R200A, there may be \$2 to \$3 million dollars of federal funds available for the EBMUD distribution system projects.
- The EBMUD distribution projects are included as DERWA projects because much of the funding comes from the Water Resources Development Act (WRDA) for the San Ramon Valley Recycled Water Program. The local funding for these is 100% by EBMUD.
- Mr. Bewley mentioned the CIP project identified as "The New/Replacement Capital Less than \$50,000" is a five-year program. When the DSRSD Operations staff identifies the need for a replacement item the costs will be charged to this account. This capital amount is budgeted for \$125,000 per year and streamlines the administration of the purchase of smaller value capital items.
- The SCADA upgrade is a multi-year DSRSD program that DERWA has a cost share in. It is for upgrade of the radio telemetry and supervisory control systems at the pump stations and reservoirs.
- The Supplemental Water Supply has proposed \$150,000 for studies and \$25,000 for staff time and administrative expenses.

Hearing no questions or comments from the Board, Chair Vonheeder-Leopold invited a Motion.

Motion by V.C. Mellon, Second by Director Howard to approve Resolution No. 12-1 approving and adopting the Fiscal Year 2012-13 Capital and Operating Expenditure Budget. Motion carried (4-0) by the following vote:

AYES: Mellon, Howard, Coleman, Vonheeder-Leopold

NOES:

#### C. Proclamation of Appreciation for Service to DERWA by Dan Scannell 2003 – 2012

V.C. Mellon commented on the very nice proclamation for Director Scannell.

Motion by Director Howard, Second by V.C. Mellon to approve the Proclamation of Appreciation for Service to DERWA by Dan Scannell from 2003 – 2012. Motion carried (4-0) by the following vote:

AYES: Howard, Mellon, Coleman, Vonheeder-Leopold

NOES:

#### 10. MANAGER'S REPORT

- Contracts Initiated Since the Board Meeting of December 19, 2011
- Ed Cumming Inc. – Not to Exceed \$25,000 – Authority Manager Bewley commented that several years ago the Board approved a resolution that streamlines the award of contracts with a value of up to \$50,000 by granting the Authority Manager authorization to execute the agreement and report at the next Board meeting. He noted that the agreement with Mr. Cummings is for assistance with the Supplemental Water Supply program and was executed since the last Board meeting. It is for a two-year period with a not to exceed amount of \$25,000.
- John M. Pereira Temporary Use Agreement Amendment No. 2 - \$12,500 – Authority Manager Bewley explained that DERWA is leasing a storage site at Pereira Ranch for the pipe that the Army Corps of Engineers is storing for the EBMUD distribution system projects. Staff is working on getting the Army to move this pipe so lease payments can be eliminated.
- Capital Projects Update
- PSR200A/Pipeline IH Project Update – Authority Manager Bewley reported that the Pump Station R200A project was mentioned earlier in the meeting and the claim is likely reaching closure in the June 2012 timeframe.
- EBMUD Distribution System Phase 2 3 4 Projects Update – Authority Manager Bewley reported that there are will not be any projects underway until there is resolution on the J&R claim work on the PSR200A/Pipeline IH Project. The amount of remaining federal funds for these projects will not be known until the resolution of the claim. It is anticipated that future distribution system projects will not commence any earlier than spring 2013. Ms. Florence Wedington stated that the next projects will be for the installation of distribution pipelines in Bishop Ranch. Quite a few customers can be connected in that area and the transmission pipeline

already exists. The remaining work is to install the distribution line and do the customer site retrofits. Once that work is completed, EBMUD will continue to move farther north into the Danville area.

- Confirm Next Meeting Date – June 25, 2012 – A special Board meeting may be needed before the next Regular Board meeting scheduled for June 25, 2012.

#### 11. CLOSED SESSION

The Board went into Closed Session at 6:46 p.m.

##### A. Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiator

Property:	Water Supply Contract
Agency Negotiator:	James B. Bewley, Authority Manager
Negotiating Parties:	City of Pleasanton and DERWA
Under Negotiation:	Price and Terms

#### 12. REPORTS FROM CLOSED SESSION

At 7:10 p.m. the Board came out of Closed Session. Chair Vonheeder-Leopold announced that there was no reportable action.

#### 13. BOARDMEMBER ITEMS

V.C. Mellon commented that he enjoyed very much working with Director Scannell and believes it must be tough for DSRSD to have a long term Director not present any longer. He wished former Director Scannell all the best.

Director Coleman concurred with V.C. Mellon's comments on Mr. Scannell. He also encouraged Directors and staff to attend the upcoming ACWA conference in Monterey scheduled for the week of May 8-11, 2012.

#### 14. ADJOURNMENT

Chair Vonheeder-Leopold adjourned the meeting at 7:15 p.m.

Submitted by,

Nancy Gamble Hatfield  
Authority Secretary



# Item 7.A

## **DERWA Summary & Recommendation**

**April 30, 2012 Treasurer's Report**  
**May 31, 2012 Treasurer's Report**  
**June 30, 2012 Treasurer's Report**  
**July 31, 2012 Treasurer's Report**

### **Summary:**

Attached are the Treasurer's Reports for the months ending April 30, May 31, June 30, and July 31, 2012 submitted by the Treasurer Richard Lou.

### **Recommendation:**

The Treasurer recommends the Board approve, by Motion, the Treasurer's reports for April 30, May 31, June 30 and July 31, 2012.

August 27, 2012

Attachments

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR APRIL 30, 2012**

**STAFF REPORT**

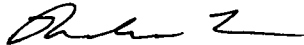
Attached is the DERWA Treasurer's Report for the month ending April 30, 2012. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, no contributions were received. Fiscal year-to-date Revenues/Funding totaled \$1,660,438 of which \$1,660,273 represents agency reimbursements, and \$165 represents miscellaneous income.

Expenses: Current month expenditures totaled \$89,479 of which \$6,056 was capitalized and \$83,423 was expensed. Fiscal year-to-date expenditures for FY12 totaled \$1,174,069. Expenditures do not reflect staff and consultant costs incurred but not yet billed to DERWA in FY12.




Cash: The cash balance at April 30, 2012 was (\$274,360).

Submitted by:



Richard Lou  
Treasurer

Dated: May 9, 2012

Prepared by  (D. Gulseth)  
Reviewed by  (L. Fan)  
Reviewed by  (S. Klein)

File: W:\Derwa\Treasurer's Report\Summary & Recommendation.doc

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT  
FOR THE PERIOD ENDED APRIL 30, 2012**

<b>CAPITAL - PROJECT</b>	<b>Program Budget</b>	<b>Expenditures FY 11 and Prior (a)</b>	<b>Expenditures FY11 Accrual Reversal</b>	<b>Expenditures Current Month</b>	<b>Expenditures FY 12 YTD (b)</b>	<b>Expenditures Grand Total (a+b)</b>	<b>DSRSD EXP Grand Total</b>	<b>EBMUD EXP Grand Total</b>
Pipeline Reach 1	7,561,000	7,560,517	0	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,558,000	8,558,285	0	0	0	8,558,285	6,772,195	1,786,090
Water Tanks	12,393,000	12,393,483	0	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,408,000	3,390,970	(19,758)	1,050	39,715	3,430,685	0	3,430,685
Backbone Corrosion	1,109,000	1,109,004	0	0	0	1,109,004	122,302	986,702
SCADA	295,000	0	0	0	15,410	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	2,477,000	364,030	0	403	29,782	393,812	0	393,812
Fine Screening	667,000	667,096	0	0	0	667,096	380,244	286,852
New/Replacement Capital <50K	1,278,000	117,299	0	1,008	2,268	119,567	68,153	51,414
MF/UV Control Programing Update	144,000	144,366	0	0	0	144,366	82,289	62,077
Program Planning & Air Relief	11,788,000	5,605,745	0	3,595	94,983	5,700,728	2,821,027	2,879,702
Planning FY02 and Prior Years	0	3,585,898	0	0	0	3,585,898	1,757,090	1,828,808
Design FY02 and Prior Years	0	79,432	0	0	0	79,432	38,922	40,510
Contingency	1,000,000	0	0	0	0	0	0	0
Capitalized Interest	2,000,000	1,960,872	0	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>85,061,000</b>	<b>77,919,733</b>	<b>(19,758)</b>	<b>6,056</b>	<b>182,158</b>	<b>78,101,891</b>	<b>40,162,280</b>	<b>37,939,612</b>

<b>OPERATING - ITEM</b>	<b>Budget FY 12</b>	<b>Expenditures FY 11 and Prior (a)</b>	<b>Expenditures FY11 Accrual Reversal</b>	<b>Expenditures Current Month</b>	<b>Expenditures FY 11 YTD (b)</b>	<b>Expenditures Grand Total (a+b)</b>	<b>DSRSD EXP Grand Total</b>	<b>EBMUD EXP Grand Total</b>
DERWA Program Manager	166,750	2,299,260	(2,549)	9,075	72,160	2,371,420	1,873,421	497,999
Treasurer	65,000	2,559,270	(2,700)	1,687	24,441	2,583,711	2,041,131	542,580
Legal Counsel	7,500	412,786	0	0	882	413,668	326,798	86,870
Secretary	12,750	173,103	(160)	857	4,417	177,520	140,241	37,279
Other	100,000	676,390	0	0	98,139	774,529	611,878	162,651
Operation and Maintenance Detail	1,663,131	6,355,904	(126,193)	71,804	791,872	7,147,776	5,646,743	1,501,033
Debt Service	1,650,000	12,155,972	0	0	0	12,155,972	9,603,218	2,552,754
<b>Total Operating Program Element</b>	<b>3,665,131</b>	<b>24,632,685</b>	<b>(131,602)</b>	<b>83,423</b>	<b>991,911</b>	<b>25,624,596</b>	<b>20,243,430</b>	<b>5,381,166</b>

<b>PROJECT TOTALS</b>	<b>88,726,131</b>	<b>102,552,418</b>	<b>(151,359)</b>	<b>89,479</b>	<b>1,174,069</b>	<b>103,726,487</b>	<b>60,405,710</b>	<b>43,320,778</b>
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<b>REVENUES &amp; FUNDING</b>	<b>Current Month</b>	<b>YTD</b>
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	0	1,089,059
Agency Reimbursements - EBMUD	0	571,214
Commercial Paper Issued	0	0
Corps of Engineer Funded	0	0
Grants	0	0
Loans	0	0
Interest Income	0	0
Misc Income	165	165
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>165</b>	<b>1,660,438</b>

<b>CASH AVAILABLE</b>	<b>Current Month</b>	<b>YTD</b>
Beginning Cash	(185,047)	(760,729)
Beginning Balance Adjustment	0	0
Previous Month LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	165	1,660,438
Total Expenditures	(89,479)	(1,174,069)
Ending Cash	(274,360)	(274,360)

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
SUMMARY OF EXPENDITURES  
FOR THE PERIOD ENDED  
APRIL 30, 2012**

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount		Operating	Capital	CK	CK-OP
04/06/12	2391303	Jim Bewley	Op-Prgr Mgr Exp (77/23 split)	210.55	162.12	48.43	O	210.55	0.00		210.55 77% 23%
04/13/12	2391674	Jim Bewley	Op-Prgr Mgr Exp (77/23 split)	2,175.00	1,674.75	500.25	O	2,175.00	0.00		2,175.00 77% 23%
04/13/12	2391674	Jim Bewley	Op-PP Supplemental Water	525.00	304.50	220.50	O	525.00	0.00		525.00 58% 42%
04/13/12	2391674	Jim Bewley	Cap-PSR200A Adm Mgmt (100%E)	1,050.00	-	1,050.00	C	0.00	1,050.00		0.00 0% 100%
04/13/12	2391808	Office Team	Op-Prgr Mgr Staff (77/23)	638.64	491.75	146.89	O	638.64	0.00		638.64 77% 23%
04/13/12	2391803	National Construction Rentals	Cap-PS234 Const. In Progress (100%E)	402.96	-	402.96	C	0.00	402.96		0.00 0% 100%
04/20/12	2392001	Bold, Polinsner, et al	Cap- PP Supp Water/ Legal	344.00	199.52	144.48	C	0.00	344.00		0.00 58% 42%
04/20/12	2392028	Ed Cummings	Cap- PP Supp Water charge	1,167.00	676.66	490.14	C	0.00	1,167.00		0.00 58% 42%
04/20/12	2392035	DSRSD Inv 11488 for Feb	Cap- Prgr Planning Studies (49/51 split)	77.46	37.96	39.50	C	0.00	77.46		0.00 49% 51%
04/20/12	2392035	DSRSD Inv 11488 for Feb	Cap- Prgr Planning Design (49/51 split)	2,006.50	983.18	1,023.32	C	0.00	2,006.50		0.00 49% 51%
04/20/12	2392035	DSRSD Inv 11488 for Feb	Cap-New Cap < \$50K (100% EBMUD per JB)	1,007.64	-	1,007.64	C	0.00	1,007.64		0.00 0% 100%
04/20/12	2392035	DSRSD Inv 11488 for Feb	Op-Prgr Mgr Other (77/23 split)	680.00	523.60	156.40	O	680.00	0.00		680.00 77% 23%
04/20/12	2392035	DSRSD Inv 11488 for Feb	Op- Secretary Salary (77/23 split)	856.57	659.56	197.01	O	856.57	0.00		856.57 77% 23%
04/20/12	2392035	DSRSD Inv 11488 for Feb	Op-Operations (77/23 split)	71,804.83	55,289.72	16,515.11	O	71,804.83	0.00		71,804.83 77% 23%
04/20/12	2392084	ICF Jones & Stokes	Op- Public Info -Prgr Mgr (49/51 split)	1,165.00	570.85	594.15	O	1,165.00	0.00		1,165.00 49% 51%
04/20/12	2392143	Office Team	Op-Prgr Mgr Staff (77/23)	1,317.20	1,014.24	302.96	O	1,317.20	0.00		1,317.20 77% 23%
04/27/12	2392442	EBMUD	Op-Treas-Salary (77/23)	681.46	524.72	156.74	O	681.46	0.00		681.46 77% 23%
04/27/12	2392442	EBMUD	Op-Cost Acct- (77/23)	1,006.04	774.65	231.39	O	1,006.04	0.00		1,006.04 77% 23%
04/27/12	2392572	Office Team	Op-Prgr Mgr Staff (77/23)	558.81	430.28	128.53	O	558.81	0.00		558.81 77% 23%
04/27/12	2392630	Sodexo (Conference Center deposit)	Op- Prgr Mgr -Other (49/51 split)	1,804.06	883.99	920.07	O	1,804.06	0.00		1,804.06 49% 51%
								0.00	0.00		0.00 #DIV/0! #DIV/0!
								0.00	0.00		0.00 #DIV/0! #DIV/0!
								0.00	0.00		0.00 #DIV/0! #DIV/0!
				<b>89,478.72</b>	<b>65,202.25</b>	<b>24,276.47</b>		<b>83,423.16</b>	<b>6,055.56</b>	<b>0.00</b>	<b>83,423.16</b>

Wk Ending	Amount
4/6/12	\$ 210.55
4/13/12	\$ 4,791.60
4/20/12	\$ 80,426.20
4/27/12	\$ 4,050.37
\$	-
\$	-
\$	-
Accruals \$	-
\$	89,478.72

\$ - Reconciled  
\$ - Reconciled  
\$ - Reconciled

Prepared by *Dan Gulseth* Date: 5-2-12  
 Reviewed by *Lawrence Fan* Date: 5/8/12  
 Approved by *Scott Klig* Date: 5/8

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR MAY 31, 2012**

**STAFF REPORT**

Attached is the DERWA Treasurer's Report for the month ending May 31, 2012. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, no contributions were received. Fiscal year-to-date Revenues/Funding totaled \$1,792,588 of which \$1,792,423 represents agency reimbursements, and \$165 represents miscellaneous income.

Expenses: Current month expenditures totaled \$122,256 of which \$4,989 was capitalized and \$117,267 was expensed. Fiscal year-to-date expenditures for FY12 totaled \$1,296,327. Expenditures do not reflect staff and consultant costs incurred but not yet billed to DERWA in FY12.




Cash: The cash balance at May 31, 2012 was (\$264,467).

Submitted by:



Richard Lou  
Treasurer

Dated: June 8, 2012

Prepared by  (D. Gulseth)  
Reviewed by  (L. Fan)  
Reviewed by  (S. Klein)

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**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT  
FOR THE PERIOD ENDED MAY 31, 2012**

<b>CAPITAL - PROJECT</b>	<b>Program Budget</b>	<b>Expenditures FY 11 and Prior (a)</b>	<b>Expenditures FY11 Accrual Reversal</b>	<b>Expenditures Current Month</b>	<b>Expenditures FY 12 YTD (b)</b>	<b>Expenditures Grand Total (a+b)</b>	<b>DSRSD EXP Grand Total</b>	<b>EBMUD EXP Grand Total</b>
Pipeline Reach 1	7,561,000	7,560,517	0	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,558,000	8,558,285	0	0	0	8,558,285	6,772,195	1,786,090
Water Tanks	12,393,000	12,393,483	0	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,408,000	3,390,970	(19,758)	188	39,902	3,430,872	0	3,430,872
Backbone Corrosion	1,109,000	1,109,004	0	0	0	1,109,004	122,302	986,702
SCADA	295,000	0	0	0	15,410	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	2,477,000	364,030	0	441	30,223	394,253	0	394,253
Fine Screening	667,000	667,096	0	0	0	667,096	380,244	286,852
New/Replacement Capital <50K	1,278,000	117,299	0	775	3,043	120,342	68,595	51,747
MF/UV Control Programing Update	144,000	144,366	0	0	0	144,366	82,289	62,077
Program Planning & Air Relief	11,788,000	5,605,745	0	3,585	98,570	5,704,315	2,823,053	2,881,262
Planning FY02 and Prior Years	0	3,585,898	0	0	0	3,585,898	1,757,090	1,828,808
Design FY02 and Prior Years	0	79,432	0	0	0	79,432	38,922	40,510
Contingency	1,000,000	0	0	0	0	0	0	0
Capitalized Interest	2,000,000	1,960,872	0	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>85,061,000</b>	<b>77,919,733</b>	<b>(19,758)</b>	<b>4,989</b>	<b>187,148</b>	<b>78,106,881</b>	<b>40,164,748</b>	<b>37,942,133</b>

<b>OPERATING - ITEM</b>	<b>Budget FY 12</b>	<b>Expenditures FY 11 and Prior (a)</b>	<b>Expenditures FY11 Accrual Reversal</b>	<b>Expenditures Current Month</b>	<b>Expenditures FY 11 YTD (b)</b>	<b>Expenditures Grand Total (a+b)</b>	<b>DSRSD EXP Grand Total</b>	<b>EBMUD EXP Grand Total</b>
DERWA Program Manager	166,750	2,299,260	(2,549)	22,409	94,571	2,393,831	1,891,125	502,706
Treasurer	65,000	2,559,270	(2,700)	5,170	29,610	2,588,880	2,045,215	543,665
Legal Counsel	7,500	412,786	0	731	1,613	414,399	327,375	87,024
Secretary	12,750	173,103	(160)	376	4,794	177,897	140,539	37,358
Other	100,000	676,390	0	0	98,139	774,529	611,878	162,651
Operation and Maintenance Detail	1,663,131	6,355,904	(126,193)	88,581	880,453	7,236,357	5,716,722	1,519,635
Debt Service	1,650,000	12,155,972	0	0	0	12,155,972	9,603,218	2,552,754
<b>Total Operating Program Element</b>	<b>3,665,131</b>	<b>24,632,685</b>	<b>(131,602)</b>	<b>117,267</b>	<b>1,109,180</b>	<b>25,741,865</b>	<b>20,336,072</b>	<b>5,405,793</b>

<b>PROJECT TOTALS</b>	<b>88,726,131</b>	<b>102,552,418</b>	<b>(151,359)</b>	<b>122,256</b>	<b>1,296,328</b>	<b>103,848,746</b>	<b>60,500,820</b>	<b>43,347,926</b>
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<b>REVENUES &amp; FUNDING</b>	<b>Current Month</b>	<b>YTD</b>
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	60,125	1,149,185
Agency Reimbursements - EBMUD	72,024	643,238
Commercial Paper Issued	0	0
Corps of Engineer Funded	0	0
Grants	0	0
Loans	0	0
Interest Income	0	0
Misc Income	0	165
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>132,149</b>	<b>1,792,588</b>

<b>CASH AVAILABLE</b>	<b>Current Month</b>	<b>YTD</b>
Beginning Cash	(274,360)	(760,729)
Beginning Balance Adjustment	0	0
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	132,149	1,792,588
Total Expenditures	(122,256)	(1,296,327)
Ending Cash	(264,467)	(264,467)

Prepared by *Dan Gulseth* Date: 6-6-12  
 Reviewed by *L* Date: 6/6/12  
 Approved by *S Klein* Date: 6/6

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
SUMMARY OF EXPENDITURES  
FOR THE PERIOD ENDED  
MAY 31, 2012**

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount	Operating	Capital	CK	CK-OP			
05/04/12	2392938	National Construction Rentals	Cap-PS234 Construction (100% EBMUD)	402.96	-	402.96	C	0.00	402.96		0.00	0%	100%
05/04/12	2392942	Office Team	Op-Prg Mgr Staff (77/23 split)	944.66	727.39	217.27	O	944.66	0.00		944.66	77%	23%
05/04/12	2392804	James Bewley Inv for April 2012	Op-PP supplemental water (58/42 split)	4,462.50	3,436.12	1,026.38	O	4,462.50	0.00		4,462.50	77%	23%
05/04/12	2392804	James Bewley Inv for April 2012	Op-PP supplemental water (58/42 split)	2,475.00	1,435.50	1,039.50	O	2,475.00	0.00		2,475.00	58%	42%
05/04/12	2392804	James Bewley Inv for April 2012	Cap-PS234 admin. (100% EBMUD)	37.50	-	37.50	C	0.00	37.50		0.00	0%	100%
05/04/12	2392804	James Bewley Inv for April 2012	Cap- PSR 200A Adm Mgmt (100% E)	187.50	-	187.50	C	0.00	187.50		0.00	49%	51%
05/04/12	2392804	James Bewley Inv for April 2012	Cap- Public Information (49/51 split)	600.00	294.00	306.00	C	0.00	600.00		0.00	0%	100%
05/04/12	2392804	James Bewley Inv for April 2012	Cap- New Cap <\$50K (100% E)	775.08	-	775.08	C	0.00	775.08		2,600.16	77%	23%
05/04/12	2392848	DSRSD Invoice for March 2012	Op- Prg Manager Staff (77/23 split)	2,600.16	2,002.13	598.03	O	2,600.16	0.00		680.00	77%	23%
05/04/12	2392848	DSRSD Invoice for March 2012	Op- Prg Manager Other (77/23 split)	680.00	523.60	156.40	O	680.00	0.00		369.64	77%	23%
05/04/12	2392848	DSRSD Invoice for March 2012	Op-Salary Secretary (77/23split)	369.64	284.62	85.02	O	369.64	0.00		6.20	77%	23%
05/04/12	2392848	DSRSD Invoice for March 2012	Op-Exp Secretary (77/23split)	6.20	4.77	1.43	O	6.20	0.00		88,580.37	77%	23%
05/04/12	2392848	DSRSD Invoice for March 2012	Op-Operations (77/23 split)	88,580.37	68,206.88	20,373.49	O	88,580.37	0.00		116.18	49%	51%
05/04/12	2392848	DSRSD Invoice for March 2012	Op-Public Info (49/51 split)	116.18	56.93	59.25	O	116.18	0.00		100.32	77%	23%
05/11/12	2393201	Federal Express	Op-Pgr Mgr-Other (77/23)	100.32	77.25	23.07	O	100.32	0.00		0.00	58%	42%
05/11/12	2393151	Bold, Polinsner, Maddow, et al	Cap- supplemental water (58/42 split)	1,819.00	1,055.02	763.98	C	0.00	1,819.00		731.00	77%	23%
05/11/12	2393151	Bold, Polinsner, Maddow, et al	Op-Legal (77/23 split)	731.00	1,167.00	490.14	C	0.00	1,167.00		0.00	58%	42%
05/11/12	2393182	Ed Cummings	Cap-PP supplemental water (58/42 split)	705.17	542.98	162.19	O	705.17	0.00		705.17	77%	23%
05/11/12	2393290	Office Team	Op-Prg Mgr Staff (77/23 split)	1,804.07	884.00	920.07	O	1,804.07	0.00		1,804.07	49%	51%
05/11/12	2393334	San Ramon Conference Center	Op-Prg Mgr Other (77/23 split)	811.61	624.94	186.67	O	811.61	0.00		811.61	77%	23%
05/18/12	2393633	Office Team	Op-Prg Mgr Staff (77/23 split)	4,088.81	3,148.38	940.43	O	4,088.81	0.00		4,088.81	77%	23%
05/25/12	2393924	EBMUD (for Accounting & Treasury)	Op- Treasury (77/23 split)	1,080.73	832.16	248.57	O	1,080.73	0.00		1,080.73	77%	23%
05/25/12	2393924	EBMUD (for Accounting & Treasury)	Op- Treas -cost acctg (77/23 split)	6,965.00	3,412.85	3,552.15	O	6,965.00	0.00		6,965.00	49%	51%
05/25/12	2393968	ICF Jones & Stokes	Op- Pgr Mgr Public Info (49/51 split)	106.49	82.00	24.49	O	106.49	0.00		106.49	77%	23%
05/25/12	2394067	Office Depot	Op- Pgr Mgr Expense (49/51 split)	638.64	491.75	146.89	O	638.64	0.00		638.64	77%	23%
05/25/12	2394068	Office Team	Op-Prg Mgr Staff (77/23 split)				O						
				<b>122,255.59</b>	<b>89,363.00</b>	<b>32,892.59</b>		<b>117,266.55</b>	<b>4,989.04</b>	<b>0.00</b>	<b>117,266.55</b>		

Certificates of Disb.	
Wk Ending	Amount
5/4/12	\$ 102,237.75
5/11/12	\$ 6,326.56
5/18/12	\$ 811.61
5/25/12	\$ 12,879.67
	\$ -
	\$ -
	\$ -
Accruals	\$ -
	<b>\$ 122,255.59</b>

OP 117,266.55  
CAP 4,989.04

\$ - Reconciled  
\$ - Reconciled  
\$ - Reconciled

Prepared by *Dan Gulseth* Date: 6-5-12  
 Reviewed by *Lawrence Fah* Date: 6/5/12  
 Approved by *Scott Klein* Date: 6/6

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR JUNE 30, 2012**

**STAFF REPORT**

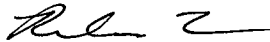
Attached is the DERWA Treasurer's Report for the month ending June 30, 2012. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, no contributions were received. Fiscal year-to-date Revenues/Funding totaled \$3,625,725 of which \$3,625,395 represents agency reimbursements, and \$330 represents miscellaneous income.

Expenses: Current month expenditures totaled \$2,177,291 of which \$53,242 was capitalized and \$2,124,049 was expensed. Fiscal year-to-date expenditures for FY12 totaled \$3,473,615. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY12.

Cash: The cash balance at June 30, 2012 was (\$608,619).

Submitted by:



Richard Lou  
Treasurer

Dated: July 12, 2012

Prepared by dy (D. Gulseth)  
Reviewed by LF (L. Fan) *FOR C.I.*  
Reviewed by SK (S. Klein) *for SK*



**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT  
FOR THE PERIOD ENDED JUNE 30, 2012**


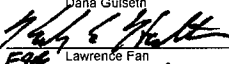

<b>CAPITAL - PROJECT</b>	<b>Program Budget</b>	<b>Expenditures FY 11 and Prior (a)</b>	<b>Expenditures FY11 Accrual Reversal</b>	<b>Expenditures Current Month</b>	<b>Expenditures FY 12 YTD (b)</b>	<b>Expenditures Grand Total (a+b)</b>	<b>DSRSD EXP Grand Total</b>	<b>EBMUD EXP Grand Total</b>
Pipeline Reach 1	7,561,000	7,560,517	0	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,558,000	8,558,285	0	1,090	1,090	8,559,375	6,772,729	1,786,646
Water Tanks	12,393,000	12,393,483	0	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,408,000	3,390,970	(19,758)	29,839	69,742	3,460,712	0	3,460,712
Backbone Corrosion	1,109,000	1,109,004	0	0	0	1,109,004	122,302	986,702
SCADA	295,000	0	0	0	15,410	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	2,477,000	364,030	0	6,303	36,526	400,556	0	400,556
Fine Screening	667,000	667,096	0	0	0	667,096	380,244	286,852
New/Replacement Capital <50K	1,278,000	117,299	0	11,408	14,451	131,750	75,098	56,652
MF/UV Control Programing Update	144,000	144,366	0	0	0	144,366	82,289	62,077
Program Planning & Air Relief	11,788,000	5,605,745	0	4,602	99,520	5,705,265	2,823,628	2,881,637
Planning FY02 and Prior Years	0	3,585,898	0	0	0	3,585,898	1,757,090	1,828,808
Design FY02 and Prior Years	0	79,432	0	0	0	79,432	38,922	40,510
Contingency	1,000,000	0	0	0	0	0	0	0
Capitalized Interest	2,000,000	1,960,872	0	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>85,061,000</b>	<b>77,919,733</b>	<b>(19,758)</b>	<b>53,242</b>	<b>236,739</b>	<b>78,156,472</b>	<b>40,172,360</b>	<b>37,984,112</b>

<b>OPERATING - ITEM</b>	<b>Budget FY 12</b>	<b>Expenditures FY 11 and Prior (a)</b>	<b>Expenditures FY11 Accrual Reversal</b>	<b>Expenditures Current Month</b>	<b>Expenditures FY 11 YTD (b)</b>	<b>Expenditures Grand Total (a+b)</b>	<b>DSRSD EXP Grand Total</b>	<b>EBMUD EXP Grand Total</b>
DERWA Program Manager	166,750	2,299,260	(2,549)	28,150	126,369	2,425,629	1,916,246	509,383
Treasurer	65,000	2,559,270	(2,700)	6,826	36,436	2,595,706	2,050,608	545,098
Legal Counsel	7,500	412,786	0	0	1,613	414,399	327,375	87,024
Secretary	12,750	173,103	(160)	3,844	8,637	181,740	143,575	38,165
Other	100,000	676,390	0	0	98,139	774,529	611,878	162,651
Operation and Maintenance Detail	1,663,131	6,355,904	(126,193)	439,714	1,320,168	7,676,072	6,064,098	1,611,975
Debt Service	1,650,000	12,155,972	0	1,645,514	1,645,514	13,801,486	10,903,174	2,898,312
<b>Total Operating Program Element</b>	<b>3,665,131</b>	<b>24,632,685</b>	<b>(131,602)</b>	<b>2,124,048</b>	<b>3,236,876</b>	<b>27,869,561</b>	<b>22,016,954</b>	<b>5,852,608</b>

<b>PROJECT TOTALS</b>	<b>88,726,131</b>	<b>102,552,418</b>	<b>(151,359)</b>	<b>2,177,291</b>	<b>3,473,615</b>	<b>106,026,033</b>	<b>62,189,314</b>	<b>43,836,720</b>
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<b>REVENUES &amp; FUNDING</b>	<b>Current Month</b>	<b>YTD</b>
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	1,000,738	2,149,923
Agency Reimbursements - EBMUD	832,234	1,475,472
Commercial Paper Issued	0	0
Corps of Engineer Funded	0	0
Grants	0	0
Loans	0	0
Interest Income	0	0
Misc Income	165	330
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>1,833,137</b>	<b>3,625,725</b>

<b>CASH AVAILABLE</b>	<b>Current Month</b>	<b>YTD</b>
Beginning Cash	(264,465)	(760,729)
Beginning Balance Adjustment	0	0
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	1,833,137	3,625,725
Total Expenditures	(2,177,291)	(3,473,615)
Ending Cash	(608,619)	(608,619)

Prepared by  Date: 7/12/12  
 Reviewed by  Date: 7-12-12  
 Approved by  Date: 7/12/12

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
SUMMARY OF EXPENDITURES  
FOR THE PERIOD ENDED  
JUNE 30, 2012**

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount	Operating	Capital	CK	CK-OP		
06/01/12	2394395	National Construction Rentals	Cap-PS234 Const. In Prog. (100% EBMUD)	402.96	-	402.96	C	0.00	402.96	0.00	0%	100%
06/01/12	2394401	Office Team	Op-Prg Mgr Staff (77/23 split)	545.51	420.04	125.47	O	545.51	0.00	545.51	77%	23%
06/08/12	2394679	Domain Registry	Op-Prg Mgr Public Affairs (49/51 split)	35.00	17.15	17.85	O	35.00	0.00	35.00	49%	51%
06/22/12	2395360	CWSRF Accounting Office	Op-Debt Service Principle Loan Payment	447,840.88	230,293.22	217,547.66	O	447,840.88	0.00	447,840.88	51.423%	48.577%
06/22/12	2395360	CWSRF Accounting Office	Op-Debt Serv.Interest Exp (51.423/48.577 )	200,766.25	103,240.03	97,526.22	O	200,766.25	0.00	200,766.25	51.423%	48.577%
06/22/12	2395359	State Water Resources Control Board	Op-Debt Service Principle Loan Payment	705,538.08	362,808.85	342,729.23	O	705,538.08	0.00	705,538.08	51.423%	48.577%
06/22/12	2395359	State Water Resources Control Board	Op-Debt Serv.Interest Exp (51.423/48.577 )	291,368.75	149,830.55	141,538.20	O	291,368.75	0.00	291,368.75	51.423%	48.577%
06/08/12	2394801	John Pereria	Cap-PS234 Const. In Prog. (100% EBMUD)	5,000.00	-	5,000.00	C	0.00	5,000.00	0.00	0%	100%
06/08/12	2394643	Bold, Polinsner, Maddow, et al	Cap-PPS Supplemental Water (58/42)	1,827.50	1,059.95	767.55	C	0.00	1,827.50	0.00	0%	100%
06/08/12	2394845	Robert Tanaka Landscaping	Cap-PSR200A Landscaping (100% EBMUD)	500.00	-	500.00	C	0.00	500.00	0.00	0%	100%
06/15/12	2394988	Jim Bewley Invoice for May 2012	Op-PP Supp Water (58/42)	2,437.50	1,876.87	560.63	O	2,437.50	0.00	2,437.50	77%	23%
06/15/12	2394988	Jim Bewley Invoice for May 2012	Op-PP Supp Water (58/42)	2,137.50	1,239.75	897.75	O	2,137.50	0.00	2,137.50	58%	42%
06/15/12	2394988	Jim Bewley Invoice for May 2012	Op-PP Phase 234 Admin (100% E)	712.50	-	712.50	C	0.00	712.50	0.00	0%	100%
06/15/12	2394988	Jim Bewley Invoice for May 2012	Cap-PL Phase 234 Admin (100% E)	1,987.50	-	1,987.50	C	0.00	1,987.50	0.00	0%	100%
06/15/12	2394988	Jim Bewley Invoice for May 2012	Cap-PL IH PSR200A Adm Mgmt (100% E)	337.50	165.38	172.12	C	0.00	337.50	0.00	49%	51%
06/15/12	2395029	DSRSD Inv for April 2012	Cap-PS 2 Planning (100% E)	1,089.90	-	1,089.90	C	0.00	1,089.90	0.00	0%	100%
06/15/12	2395029	DSRSD Inv for April 2012	Cap-PPM Planning Constr (49/51)	572.05	280.30	291.75	C	0.00	572.05	0.00	49%	51%
06/15/12	2395029	DSRSD Inv for April 2012	Cap-New Cap <\$50K Const (90.2/9.8)	8,718.40	7,865.79	852.61	C	0.00	8,718.40	0.00	90%	10%
06/15/12	2395029	DSRSD Inv for April 2012	Op-Pgr Mgr Other (77/23)	680.00	523.60	156.40	O	680.00	0.00	680.00	77%	23%
06/15/12	2395029	DSRSD Inv for April 2012	Op-Sec.Salary (77/23)	2,527.22	1,945.96	581.26	O	2,527.22	0.00	2,527.22	77%	23%
06/15/12	2395029	DSRSD Inv for April 2012	Op-Sec. Expense (77/23)	46.30	35.65	10.65	O	46.30	0.00	46.30	77%	23%
06/15/12	2395029	DSRSD Inv for April 2012	Op-Operations (77/23)	113,838.39	87,655.56	26,182.83	O	113,838.39	0.00	113,838.39	77%	23%
06/15/12	2395029	DSRSD Inv for April 2012	Op-Public Info (49/51)	658.37	322.60	335.77	O	658.37	0.00	658.37	49%	51%
06/29/12	2395683	Jim Bewley Invoice for June 2012	Op-PPM Mgr exp(77/23)	2,250.00	1,732.50	517.50	O	2,250.00	0.00	2,250.00	77%	23%
06/29/12	2395683	Jim Bewley Invoice for June 2012	Cap PL IH PSR200A Adm Mgmt (100% E)	300.00	-	300.00	C	0.00	300.00	0.00	0%	100%
06/29/12	2395683	Jim Bewley Invoice for June 2012	Cap-PL Phase 234 Admin (100% E)	187.50	-	187.50	C	0.00	187.50	0.00	0%	100%
06/29/12	2395683	Jim Bewley Invoice for June 2012	Op-PP Supp Water (58/42)	525.00	304.60	220.50	O	525.00	0.00	525.00	58%	42%
06/29/12	2395683	Jim Bewley Invoice for June 2012	Cap-Pub Info op Plan (49/51)	1,312.50	643.12	669.38	C	0.00	1,312.50	0.00	49%	51%
06/29/12	2395736	EBMUD- WS May 2012	Cap-Pub Info op Plan (49/51)	1,362.93	1,049.46	313.47	O	1,362.93	0.00	1,362.93	77%	23%
06/29/12	2395736	EBMUD- WS May 2012	Op-Treas Salary (77/23)	1,080.73	832.16	248.57	O	1,080.73	0.00	1,080.73	77%	23%
06/29/12	2395787	Jones & Stokes May 2012	Op-Prg Mgr Public Affairs (49/51 split)	8,697.45	4,261.75	4,435.70	O	8,697.45	0.00	8,697.45	49%	51%
06/29/12	2395684	Office Team	Op-Prg Mgr Staff (77/23 split)	1,263.98	973.26	290.72	O	1,263.98	0.00	1,263.98	77%	23%
06/29/12	2395731	DSRSD Inv for May 2012	Cap PL IH PSR200A Adm Mgmt (100% E)	499.58	-	499.58	C	0.00	499.58	0.00	0%	100%
06/29/12	2395731	DSRSD Inv for May 2012	Cap-New Cap <\$50K Const (79/21)(per JB)	2,689.67	2,127.68	561.99	C	0.00	2,689.67	0.00	79%	21%
06/29/12	2395731	DSRSD Inv for May 2012	Op-Pgr Mgr Other (77/23)	680.00	523.60	156.40	O	680.00	0.00	680.00	77%	23%
06/29/12	2395731	DSRSD Inv for May 2012	Op-Sec.Salary (77/23)	963.56	741.94	221.62	O	963.56	0.00	963.56	77%	23%
06/29/12	2395731	DSRSD Inv for May 2012	Op-Sec. Expense (77/23)	3.15	2.43	0.72	O	3.15	0.00	3.15	77%	23%
06/29/12	2395731	DSRSD Inv for May 2012	Op-Operations (77/23)	172,147.05	132,553.23	39,593.82	O	172,147.05	0.00	172,147.05	77%	23%
06/29/12	2395731	DSRSD Inv for May 2012	Op-Public Info (49/51)	649.96	318.48	331.48	O	649.96	0.00	649.96	49%	51%
				<b>2,177,289.85</b>	<b>1,223,050.40</b>	<b>954,239.45</b>		<b>2,124,049.08</b>	<b>53,240.77</b>	<b>0.00</b>	<b>2,124,049.08</b>	

Wk Ending	Amount
6/1/12	\$ 948.47
6/8/12	\$ 7,362.50
6/15/12	\$ 135,743.13
6/22/12	\$ 1,645,513.96
6/29/12	\$ 178,188.88
	\$ -
Accruals	\$ 209,533.11
<b>\$</b>	<b>2,177,289.85</b>

Prepared by *Dena Carrigan* Date: 7/12/12  
 Reviewed by *Lawrence Fan* Date: 7.12.12  
 Approved by *Scott Klein* Date: 7/12/12

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR JULY 31, 2012**

**STAFF REPORT**

Attached is the DERWA Treasurer's Report for the month ending July 31, 2012. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, no contributions were received. Fiscal year-to-date Revenues/Funding totaled \$322,243 of which \$322,243 represents agency reimbursements.

Expenses: Current month expenditures totaled \$8,221 of which \$3,200 was capitalized and \$5,021 was expensed. Fiscal year-to-date expenditures for FY13 totaled (\$201,314). This year-to-date total is derived after the reversal of accrued expenses of \$209,535, incurred in FY12 and paid in FY13. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY13.




Cash: The cash balance at July 31, 2012 was (\$85,228).

Submitted by:



Richard Lou  
Treasurer

Dated: August 14, 2012

Prepared by  (D. Gulseth)  
Reviewed by  (L. Fan)  
Reviewed by  (S. Klein)

File: W:\Derwa\Treasurer's Report\Summary & Recommendation.doc

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT  
FOR THE PERIOD ENDED JULY 31, 2012**

<b>CAPITAL - PROJECT</b>	<b>Program Budget</b>	<b>Expenditures FY 12 and Prior (a)</b>	<b>Expenditures Current Month</b>	<b>Expenditures FY 13 YTD (b)</b>	<b>Expenditures Grand Total (a+b)</b>	<b>DSRSD EXP Grand Total</b>	<b>EBMUD EXP Grand Total</b>
Pipeline Reach 1	7,561,000	7,560,517	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,558,000	8,559,375	0	0	8,559,375	6,772,729	1,786,646
Water Tanks	12,393,000	12,393,483	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,408,000	3,460,712	2,246	(24,306)	3,436,406	0	3,436,406
Backbone Corrosion	1,109,000	1,109,004	0	0	1,109,004	122,302	986,702
SCADA	295,000	15,410	0	0	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	2,477,000	400,555	403	404	400,959	0	400,959
Fine Screening	667,000	667,096	0	0	667,096	380,244	286,852
New/Replacement Capital <50K	1,278,000	131,750	0	0	131,750	75,098	56,652
MF/UV Control Programing Update	144,000	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	11,788,000	5,705,265	551	0	5,705,265	2,823,628	2,881,637
Planning FY02 and Prior Years	0	3,585,898	0	0	3,585,898	1,757,090	1,828,808
Design FY02 and Prior Years	0	79,432	0	0	79,432	38,922	40,510
Contingency	1,000,000	0	0	0	0	0	0
Capitalized Interest	2,000,000	1,960,872	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>85,061,000</b>	<b>78,156,471</b>	<b>3,200</b>	<b>(23,902)</b>	<b>78,132,569</b>	<b>40,172,360</b>	<b>37,960,209</b>

<b>OPERATING - ITEM</b>	<b>Budget FY 12</b>	<b>Expenditures FY 12 and Prior (a)</b>	<b>Expenditures Current Month</b>	<b>Expenditures FY 13 YTD (b)</b>	<b>Expenditures Grand Total (a+b)</b>	<b>DSRSD EXP Grand Total</b>	<b>EBMUD EXP Grand Total</b>
DERWA Program Manager	166,750	2,425,629	639	(4,963)	2,420,666	1,912,326	508,340
Treasurer	65,000	2,595,706	4,382	0	2,595,706	2,050,608	545,098
Legal Counsel	7,500	414,399	0	0	414,399	327,375	87,024
Secretary	12,750	181,740	0	(299)	181,441	143,338	38,103
Other	100,000	774,529	0	0	774,529	611,878	162,651
Operation and Maintenance Detail	1,663,131	7,676,073	0	(172,150)	7,503,923	5,928,099	1,575,824
Debt Service	1,650,000	13,801,486	0	0	13,801,486	10,903,174	2,898,312
<b>Total Operating Program Element</b>	<b>3,665,131</b>	<b>27,869,562</b>	<b>5,021</b>	<b>(177,412)</b>	<b>27,692,150</b>	<b>21,876,798</b>	<b>5,815,352</b>

<b>PROJECT TOTALS</b>	<b>88,726,131</b>		<b>8,221</b>	<b>(201,314)</b>	<b>105,824,719</b>	<b>62,049,158</b>	<b>43,775,561</b>
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<b>REVENUES &amp; FUNDING</b>	<b>Current Month</b>
Agency Contribution	
DSRSD	0
EBMUD	0
Agency Reimbursements - DSRSD	236,269
Agency Reimbursements - EBMUD	85,974
Commercial Paper Issued	0
Corps of Engineer Funded	0
Grants	0
Loans	0
Interest Income	0
Misc Income	0
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>322,243</b>

<b>CASH AVAILABLE</b>	<b>Current Month</b>
Beginning Cash	(399,250)
Beginning Balance Adjustment	0
LAIF Int Adjustment	0
Commercial Paper payoff	0
Total Revenues & Funding	322,243
Total Expenditures	(8,221)
Ending Cash	(85,228)

Prepared by Dana Gulseth Date: 8-10-12  
 Reviewed by Lawrence Fan Date: 8/10/12  
 Approved by Scott Klein Date: 8/13



# Item 7.B

## DERWA Summary & Recommendation

### Quarterly Investment Reports – June 30, 2012

#### **Summary:**

Section 53646 of the Government Code allows the Treasurer of the Authority to submit to the Authority Manager, the Internal Auditor, and the Board of Directors a quarterly investment report. It also stipulates that the investment report must include the types of investments in which the Authority has invested its funds, the issuer, date of maturity, the value of the investment at maturity, and the dollar amount that is invested in the security.

The investments held by the Authority on June 30, 2012 were \$0.00. The investment portfolio is in full compliance with the Board's adopted policy regarding the Authority's investments.

In compliance with Section 53646(b)3 of the Government Code, this report denotes that the Authority will be able to meet expenditure requirements for the next six months from revenues/reimbursements/contributions from member agencies.

#### **Recommendation:**

The Treasurer recommends the Board approve the Quarterly Investment Report by Motion.

August 27, 2012

# Item 8.A

## **DERWA Summary & Recommendation**

### **Agreement to Provide Recycled Water Treatment and Delivery Services by and between DERWA and City of Pleasanton**

#### **Summary:**

Dublin San Ramon Services District (DSRSD) provides the City of Pleasanton with wastewater treatment and disposal under an agreement entered into in 1992. Subsequent amendments to the agreement define the District's and City's secondary effluent in the plant and grants DSRSD the right to use up to 2.5 mgd of the City's secondary effluent for the DERWA recycled water program through December 31, 2011. By letter, the City extended the term through September 2012. During the 2009 irrigation season, DERWA used a small portion of the 2.5 mgd on a few days. During the 2010 season, DERWA used a portion of the 2.5 mgd on numerous days. DERWA's demand projections show a continuing and increasing need for use of Pleasanton's secondary effluent up to and beyond 2.5 mgd.

Pleasanton has identified specific recycled water projects in their 2010 Urban Water Management Plan and has initiated work on a Recycled Water Feasibility Study. The study is planned for completion in late 2012. Both documents identify DERWA and DSRSD as potential sources for recycled water supply.

DERWA, DSRSD, and EBMUD management have determined that the best way to move forward to reach an agreement with Pleasanton for DERWA's use of the secondary effluent is by way of an agreement by which DERWA will provide Pleasanton recycled water treatment and delivery services and Pleasanton will consent to DERWA's use of Pleasanton's secondary effluent not utilized by Pleasanton as recycled water.

An introductory meeting with the Pleasanton City Manager and Operations Services Department Director was held in August 2011 and DERWA's demand projections and Pleasanton's recycled water plans were discussed. From this meeting it was agreed that DERWA and Pleasanton would initiate discussions for DERWA to provide recycled water to Pleasanton as a wholesale customer. At a follow-up meeting in mid-November with Daniel Smith, Pleasanton Director of Operations Services, Richard Sykes and Jim Bewley, Pleasanton presented their short and longer term recycled water supply needs and requested that DERWA provide a cost for providing recycled water at a "turn-out" convenient to DERWA and Pleasanton. In December 2011 the DERWA Board approved Principles of Negotiation and authorized the DERWA Authority Manager to negotiate a tentative agreement with Pleasanton for subsequent DERWA Board consideration.

#### Sequence of negotiations:

February 15, 2012	DERWA presented pricing concepts for wholesale recycled water
April 18, 2012	DERWA presented list of Points of Agreement
May 17, 2012	DERWA presented 1 <sup>st</sup> draft of agreement
July 23, 2012	Pleasanton responds with 2 <sup>nd</sup> draft of agreement
August 15, 2012	DERWA responds with 3 <sup>rd</sup> draft of agreement

## Key elements of the proposed agreement

- DERWA will supply water to Val Vista Park at no cost for a period of either five years or until Pleasanton connects another recycled water use site, whichever occurs earlier.
- The wholesale rate for water produced from the unused DERWA capacity will be based on tertiary treatment plant and pump station PSR1 actual operations maintenance costs, plus a proportionate share of the DERWA administrative overhead related to the tertiary treatment and pump station PSR1. This rate shall not exceed \$400/ acre-ft for the initial five years, after which the rate will be determined annually. The wholesale rate for water produced from Pleasanton purchased capacity will be based on the factors above plus a proportionate share of depreciation of the expanded facilities.
- DERWA will supply up to 500 acre-ft/yr and a maximum day rate of 1.1 MGD for the first five years. (with maximum day based on a peaking factor of 2.5)
- After five years DERWA will supply Pleasanton up to the difference between the DERWA peak demand and the RWTP rated capacity. If Pleasanton needs more than the available unused capacity DERWA will construct incremental RWTP expansion (and subsequent expansions) at Pleasanton's request – the cost of which will be the same unit cost charged to DSRSD and/or EBMUD.

### **Recommendation:**

The Authority Manager recommends the Board by resolution approve and authorize execution of Agreement to Provide Recycled Water Treatment and Delivery Services by and between DERWA and the City of Pleasanton.

August 27, 2012

Attachments

Prepared by \_\_\_\_\_

Reviewed by \_\_\_\_\_



**Principles for Negotiation of DERWA/Pleasanton Recycled Water Supply Agreement**  
(Approved at Special Meeting December 19, 2011)

- 1) DERWA has existing unused capacity to produce and deliver recycled water to Pleasanton for the near term. Ultimately DERWA will need to construct additional facilities to serve the projected needs of DERWA members and Pleasanton.
- 2) Pleasanton shall grant DERWA the right to fully utilize any portion of Pleasanton's secondary effluent that is not needed for Pleasanton's own use for a term concurrent with the proposed Water Supply and Sales Agreements.
- 3) Cost of the water provided to Pleasanton shall include the full direct O&M cost to produce and deliver the water to a defined Point of Delivery and a proportionate share of the DERWA administration and overhead costs.
- 4) DERWA will construct additional facilities to serve recycled water to Pleasanton at Pleasanton's request if Pleasanton provides funds for the cost thereof.
- 5) Pleasanton shall own, acquire, construct, improve, repair, and operate and maintain recycled water distribution facilities beginning at the Point of Delivery.
- 6) Pleasanton shall be responsible for environmental review, planning, permitting, and customer relations within their recycled water service area.

DERWA  
RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT TO PROVIDE RECYCLED WATER TREATMENT AND DELIVERY SERVICES BY AND BETWEEN DSRSD•EBMUD RECYCLED WATER AUTHORITY AND CITY OF PLEASANTON

WHEREAS, East Bay Municipal Utility District (EBMUD) and Dublin San Ramon Services District (District) entered into that certain Agreement dated June 28, 1995 (and as subsequently amended) titled "Joint Exercise of Powers Agreement" to implement a joint recycled water program, and creating Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA), through which the requirements for DERWA's recycled water program are provided; and

WHEREAS, since implementation of the program commenced, recycled water demand has risen in the respective service areas of DSRSD and EBMUD; and

WHEREAS, DERWA, DSRSD, and EBMUD agree that it is in their mutual best interests and that it is their common goal that a supply of permanent supplemental water be acquired by DERWA for the benefit of the DERWA program; and

WHEREAS, DERWA, DSRSD, and EBMUD have analyzed and considered the recycled water planning being conducted by the City of Pleasanton (Pleasanton), and have discussed and negotiated with Pleasanton regarding its need for and proposed use of recycled water, and the use of secondary effluent emanating from Pleasanton, as the permanent supplemental water supply source that DERWA requires in order to serve the recycled water demands within the respective service areas of DSRSD, EBMUD, and Pleasanton; and

WHEREAS, those negotiations have resulted in development of the draft "Agreement to Provide Recycled Water Treatment and Delivery Services by and between DERWA and the City of Pleasanton" (Agreement), that is attached hereto marked Exhibit "A", and incorporated herein by this reference which includes provisions for DERWA's furnishing of recycled water treatment and delivery services to Pleasanton, and for Pleasanton's consent to DERWA's use and production of recycled water from secondary effluent that emanates from, but that is not used by, Pleasanton; and

WHEREAS, the Board of Directors of DERWA has considered the draft Agreement and determined that it is in the best interests of DERWA and is consistent with DERWA's goals and objectives.

DERWA  
Res. No.

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:

The Authority Manager and the Authority Secretary are hereby authorized and directed, respectively, to execute for and on behalf of the Authority, and to attest thereto, an agreement, substantially in the form of the attached Agreement between DERWA and Pleasanton, marked Exhibit "A", and that the Authority Manager is hereby further authorized, with the concurrence of DERWA Legal Counsel, to accept any non-material revisions to the form of Exhibit "A," and to take such steps as shall be necessary to implement said Agreement.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority at its Regular Meeting held on the 27th day of August, 2012 and passed by the following vote:

AYES:

NOES:

\_\_\_\_\_  
Georgean M. Vonheeder-Leopold, Chair

ATTEST: \_\_\_\_\_  
Nancy G. Hatfield, Authority Secretary

EXHIBIT "A"

**AGREEMENT TO PROVIDE RECYCLED  
WATER TREATMENT AND DELIVERY SERVICES  
BY AND BETWEEN DERWA AND THE CITY OF PLEASANTON**

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between the DSRSD-EBMUD Recycled Water Authority, a joint powers authority organized and existing under Government Code sec. 6500 *et seq.* (hereinafter "DERWA") and the City of Pleasanton, a California municipal corporation (hereinafter "Pleasanton" or "City"), for the purpose of developing a framework for the City of Pleasanton to provide secondary treated effluent to DERWA and for DERWA to provide tertiary recycled water treatment and delivery services to the City of Pleasanton.

**RECITALS**

WHEREAS, California is facing a water supply shortage and the State has identified the beneficial use of recycled water to supplement surface water and groundwater resources as a key component of a comprehensive solution to assist in meeting the future water requirements of the state; and

WHEREAS, Alameda County Flood Control and Water Conservation District, Zone 7, the water retail agency for the San Ramon and Livermore-Amador Valleys (also referred to as the Tri-Valley), has adopted a water supply master plan that identifies the beneficial use of recycled water for irrigation as a local solution for addressing the State water supply shortage affecting the Zone 7 service area; and

WHEREAS, the Parties recognize the benefits of using recycled water for a variety of beneficial uses including landscape irrigation, construction water, industrial/commercial applications and agricultural irrigation, and acknowledge that such uses represent efficient management of the region's water resources and reduce the amount of treated wastewater pumped out of the Tri-Valley area for discharge into San Francisco Bay; and

WHEREAS, the Parties recognize the benefits of collaboration to expand the use of recycled water in the San Ramon and Livermore-Amador Valleys; and

WHEREAS, DERWA was created to facilitate the joint development of a recycled water program for the San Ramon and Livermore-Amador Valleys, and has developed and constructed, and operates and maintains, a system to produce and distribute recycled water in portions of the Tri-Valley area; and

WHEREAS DERWA, pursuant to the Water Supply Agreement dated 28 July 2003 between it and the Dublin-San Ramon Services District (DSRSD) a Community Services District DSRSD commits to make available to DERWA up to 6,420 acre-ft/yr of recycled water, subject to availability of supply.; and

WHEREAS DSRSD, pursuant to the Agreement for Sale of Recycled Water dated 28 July 2003 constructed the tertiary treatment plant facilities that are rated by the California Department of Public Health for a maximum daily capacity of 9.7 MGD of tertiary effluent, of which it currently produces about 6 MGD maximum daily flow; and

WHEREAS, Pleasanton owns and operates a wastewater collection system, and has the rights to distribute recycled water from wastewater emanating from within City; and

WHEREAS, the Parties wish to negotiate a long-term agreement by which: (a) Pleasanton will provide secondary effluent to DERWA and, (b) DERWA will provide tertiary treatment to Pleasanton's secondary effluent and for the purpose of producing more recycled water for distribution in the Pleasanton and DERWA service areas;.

NOW, THEREFORE, it is mutually understood and agreed as follows:

## **SECTION 1: DEFINITIONS**

Unless the context otherwise requires, the following terms used in this Agreement shall have the meanings respectively ascribed thereto:

1.1 "Agreement" shall mean this Agreement to Provide Recycled Water Treatment and Delivery Services by and between DERWA and the City of Pleasanton.

1.2 "Parties" shall mean the City of Pleasanton and DERWA.

1.3 "Basic Agreement" shall mean the "Agreement for Wastewater Services" dated November 3, 1992 between the City of Pleasanton and the Dublin San Ramon Services District, and amendments thereto.

1.4. "Recycled Water Rights" shall have the same meaning as in the Basic Agreement and as noted in Section 3(a) of the Third Amendment to the Basic Agreement, dated November 19, 2002 between the City of Pleasanton and the Dublin San Ramon Services District.

1.5 "Tertiary Treated Recycled Water" shall mean water treated to a point that meets or exceeds the standards established by the California Department of Public Health according to Title 22 of the California Code of Regulations for nonpotable water intended for unrestricted use.

1.6 "Val Vista Park" shall mean the 14.5 acre park within the City of Pleasanton and owned, operated, and maintained by Pleasanton, and located on property immediately adjacent to the property on which DERWA's recycled water production facility is located.

1.7 "Regional Treatment Plant" shall mean the treatment plant located within the City of Pleasanton and operated by DSRSD, as more particularly described in 1992 Agreement for Wastewater Disposal Services..

## **SECTION 2: PURPOSES AND GOALS**

The parties agree that the following are the purposes and goals of this Agreement:

2.1 To maximize the use of wastewater effluent from the Regional Treatment Plant for recycling to the benefit of all Tri-Valley water users.

2.2 To provide a framework for a later long-term agreement between the Parties whereby DERWA may provide tertiary treatment of Pleasanton's secondary effluent for distribution and reuse in the Pleasanton service area.

2.3 To facilitate Pleasanton's distribution of its recycled water to Val Vista Park as a demonstration site as soon as reasonably possible.

2.4 To enable Pleasanton to distribute recycled water to more sites over time while developing capital resources and a sustainable rate structure.

2.5 To allow DERWA the right to use secondary effluent from the Regional Treatment Plant to which Pleasanton has recycled water rights but for which it does not have immediate use.

## **SECTION 3: VAL VISTA PARK**

3.1 DERWA shall treat Pleasanton's secondary effluent from the Regional Treatment Plant sufficient to deliver up to 40 acre-feet annually of recycled water to Pleasanton at a point of delivery to be determined by the Parties for Pleasanton's use within Val Vista Park. The tertiary treated recycled water shall be provided at a maximum daily delivery rate of 0.10 million gallons per day at a peak hourly rate not to exceed 0.2 MGD.

3.2 DERWA shall deliver recycled water to the Val Vista Park at a location mutually agreed to by Pleasanton and DERWA, but upstream of the DERWA pipeline entry onto the DSRSD land disposal site, at a pressure between 40 and 120 psi.

3.3 Insofar as Pleasanton intends to irrigate Val Vista Park with recycled water as a demonstration project to introduce Pleasanton citizens and staff to the use of recycled water in order to promote greater uses of recycled water throughout the Pleasanton service area, DERWA agrees to use its best efforts to deliver tertiary treated recycled water to Pleasanton, for use at Val Vista Park as soon as reasonably possible, but no later than September 30, 2013.

3.4 DERWA shall treat Pleasanton's secondary effluent and deliver tertiary treated recycled water to Pleasanton at the agreed location at no cost until the earlier of (a) Pleasanton's initial delivery of recycled water to a retail customer or to another City property, or (b) five years from the date of the initial delivery of recycled water to Pleasanton for uses within Val Vista Park.

3.5 If after five years, from the date of the initial delivery of recycled water to Val Vista Park, Pleasanton has not made initial delivery of recycled water to a retail customer or to another use by Pleasanton on City property, DERWA shall continue wholesale recycled water service to Pleasanton for Val Vista Park for a sixth year, at a cost to Pleasanton that is 50% of DERWA's wholesale rate, as more particularly described in Section 3.6 below. In each successive year after the sixth year, DERWA will continue to supply wholesale recycled water service to Pleasanton for Val Vista Park at an additional 10% of the DERWA wholesale rate, until 100% of the DERWA wholesale rate is reached.

3.6 The wholesale rate shall be the actual cost of recycled water treatment and pressurization, plus related DERWA overhead, as determined annually, but the wholesale rate shall not exceed four hundred dollars (\$400) per acre foot of recycled water delivered for the initial five years from the date of initial delivery of recycled water to Val Vista Park.

3.7 Upon Pleasanton's initial delivery of recycled water for use by a retail customer or on an additional City property, recycled water delivery to Val Vista Park will continue under the terms and conditions of Section 4 (if implemented) or else the service will continue under the same terms as those governing the cost of producing and delivering tertiary treated effluent to the Pleasanton recycled water system (if the terms of Section 4 of this Agreement are not implemented).

3.8 Pleasanton shall be responsible for the installation, operation, and maintenance of all distribution piping, landscape irrigation systems, and related equipment and facilities within Val Vista Park including installation of a billing meter at the point of connection to the DERWA system. Pleasanton also shall be responsible for providing potable water or an alternate source of water, when necessary, in the event of an interruption in the recycled water supply to Val Vista Park unless DERWA is willing to provide an alternate potable supply upstream of its connection to the Pleasanton recycled water distribution system.

3.9 Pleasanton agrees to be responsible for all standard DSRSD permitting fees in connection with the DSRSD recycled water permit that may be required for Pleasanton to provide recycled water service to Val Vista Park.

3.10 It is Pleasanton's intention to negotiate with DSRSD so that the distribution of recycled water to Val Vista Park as a demonstration project is permitted under the authority of the DSRSD Recycled Water Program according to the terms of San Francisco Bay Regional Water Quality Control Board Order 96-011, General Water Reuse Requirements for Municipal Wastewater and Water Agencies. DERWA agrees to assist Pleasanton in those negotiations. SECTION 4 INITIAL RECYCLED WATER SERVICE

4.1 For a period of five (5) years commencing, on the date of this Agreement, DERWA agrees to treat a sufficient quantity of secondary effluent emanating from the Pleasanton wastewater collection service area to produce up to five

hundred (500) acre foot per year (AFY) at a maximum daily rate of 1.1 MGD (using a maximum day to annual average peaking factor of 2.5) of tertiary treated recycled water (this amount includes up to 40 AFY provided for use at Val Vista Park) and deliver it to Pleasanton at a pressure between 40 and 120 psi at a point of delivery (to be determined by the Parties) upstream of DERWA pipeline entry onto the DSRSD land disposal site for Pleasanton's distribution as recycled water to additional sites.

Pleasanton agrees to connect to the DERWA pipeline for recycled water service in accordance with DERWA standards, including metering facilities at a location mutually agreed to by Pleasanton and DERWA upstream of the DERWA pipeline entry onto the DSRSD land disposal site.

4.3 Commencing five years after the date of execution of this agreement, DERWA agrees to treat a sufficient quantity of secondary effluent emanating from the Pleasanton wastewater collection service area to produce an amount of tertiary treated recycled water equal to the difference between DERWA's 2012 tertiary treatment capacity of nine and seven tenths (9.7) million gallons per day (MGD) and DERWA's then current peak day recycled water demand. The 2011 DERWA peak day recycled water demand was 6.0 MGD. In the event that Pleasanton's recycled water requirements exceed the DERWA unused peak day treatment capacity, DERWA will allow Pleasanton to purchase capacity in the initial expansion, and subsequent expansions as needed, of the tertiary treatment plant at the same unit capital cost (expressed in dollars/MGD) as DSRSD and/or EBMUD,. Such expansion will be diligently pursued by DERWA.

4.3.1 On or before March 1 of each calendar year, Pleasanton will provide DERWA a projection of planned recycled water deliveries for the subsequent five contract years.

4.3.2 On or before April 1 of each calendar year, DERWA and Pleasanton shall meet to review the reconciliation of the provisional interim recycled water rate and to evaluate the amount of unused treatment capacity that will be available to Pleasanton for the ensuing 5 years.

4.4 It is Pleasanton's intention to negotiate an agreement with DSRSD to provide additional recycled water treatment capacity to ensure the availability of adequate supplies of recycled water to meet its future customer demands. However, in the event that Pleasanton's projected recycled water demand exceeds the difference between DERWA's available tertiary treatment capacity of nine and seven tenths (9.7) million gallons per day and DERWA's peak day recycled water demand (i.e. DERWA's "unused treatment capacity") prior to the execution of such an agreement, or prior to the construction of facilities to provide adequate recycled water treatment capacity, Pleasanton shall either initiate actions to reduce demand to an amount equal to or less than DERWA's unused treatment capacity, or else Pleasanton will negotiate a long term agreement with DERWA under the principles in Section 5 of this Agreement to make a capital investment in the DERWA facilities to increase total treatment capacity.



4.5 DERWA agrees to cooperate with and assist Pleasanton in the development of its recycled water program and agrees to increase its production of tertiary treated recycled water and deliver it to Pleasanton under the terms and conditions of this Section 4.

4.6 Pleasanton shall be responsible for the permitting, installation, operation, and maintenance of all distribution piping and related equipment and facilities downstream of the connection to the DERWA system. In addition, Pleasanton agrees to be responsible for servicing all customer connections to its recycled water distribution system.

4.7 DERWA agrees to use best efforts reliably deliver tertiary treated effluent at the quality, quantity, location and pressure required by Pleasanton under the terms of this agreement. However, the Parties recognize that for various reasons, including but not limited to the complexities of operating the DERWA facilities, the periodic need for planned and unplanned maintenance, and treatment facility upsets and acts of God, DERWA may on occasion be unable to supply some or all of the demands of the connected recycled water customers. In such instances, DERWA agrees to notify Pleasanton of such potential shortages as soon as possible and to subsequently provide Pleasanton with a plan for restoration or repair of the treatment and delivery system at the earliest reasonable opportunity and in any case within 72 hours.

4.8 For a period of five (5) years commencing, on the date of this Agreement, DERWA shall deliver recycled water at the wholesale rate which shall be the actual cost of recycled water treatment and pressurization plus related DERWA overhead as determined annually, but shall not exceed four hundred dollars (\$400) per acre foot of recycled water delivered.

4.9 From a date commencing, five years after the date of execution of this agreement, recycled water delivered to Pleasanton that is produced from the unused available DERWA capacity will be billed at a wholesale rate which shall be based on the tertiary treatment plant and pump station PSR1 actual operations maintenance costs, plus a proportionate share of the DERWA administrative overhead related to the tertiary treatment and pump station PSR1. The wholesale rate for water produced from Pleasanton's purchased capacity will be billed at a rate to be negotiated by the parties. Such rate will include the factors above plus a proportionate share of the depreciation cost of the expanded facilities.

4.10 The DERWA Contract Year is April 1 through March 31 of the following year. DERWA will provide Pleasanton the "provisional" wholesale rate for the ensuing contract year by March 1 of each year. Pleasanton will be billed monthly for the recycled water used during the contract year based upon water meter records and the provisional recycled water rate. DERWA will reconcile the provisional recycled water rate after each contract year to account for variances between projected and actual expenses. Differences between the provisional recycled water rate and actual interim

recycled water rate will be credited or debited against the following contract year's charges.

## **SECTION 5 LONG TERM RECYCLED WATER SERVICE**

5.1 The Parties agree to negotiate in good faith in accordance with the principles in this Section 5 to develop a mutually acceptable long term agreement to provide recycled water treatment and delivery services.

5.2 In the event that DERWA identifies a schedule to expand its recycled water treatment facilities, DERWA shall notify Pleasanton of its opportunity to participate in said expansion.

5.3 Pleasanton's participation in said expansion shall be for the purpose of obtaining rights to treatment capacity in a facility sized to provide tertiary treatment in an amount greater than 9.7 mgd. The intent of both Parties is that, as a consequence of Pleasanton's negotiation and execution of an agreement to participate in said expansion, all entities receiving tertiary treated recycled water from DERWA treatment facilities shall pay the same unit cost, such unit cost comprising all costs associated with capital construction and operation and maintenance of the new facilities, divided by the amount of tertiary treated recycled water received.

## **SECTION 6 PLEASANTON SECONDARY EFFLUENT**

6.1 Pursuant to the Third Supplemental Agreement for Wastewater Disposal Services between Pleasanton and DSRSD, Pleasanton has the sole right to utilize secondary effluent derived from wastewater emanating from the Pleasanton owned and operated wastewater collection system for the production of recycled water.

6.2 Pleasanton's participation in the expansion of DERWA's treatment facilities shall not in any way reduce or abrogate its current rights to recycled water as set forth in the parties prior agreements.

6.3 DERWA shall not deliver recycled water to anyone other than EBMUD, DSRSD and Pleasanton without the written consent of Pleasanton.

6.4 Pleasanton consents to DERWA's use of Pleasanton's secondary effluent not utilized by Pleasanton as recycled water in order to produce treated tertiary wastewater in the DERWA service area provided that such use does not reduce the reliability or quality of recycled water required by Pleasanton's recycled water program.

## **SECTION 7 GENERAL PROVISIONS**

7.1 This Agreement shall be shall remain in full force and effect until it is superseded and replaced by a long-term agreement for wholesale water service from

DERWA to Pleasanton, or until it is terminated by either party by providing at least five years' written notice to the other party, or until July 24, 2043 unless extended by mutual written agreement of the Parties.

7.2 In the event that any of the terms, covenants, or condition of the Agreement or the application of any such term, covenant, or condition shall be held invalid as to any party by any court of competent jurisdiction, all other terms, covenants, or conditions of this Agreement and their application shall not be affected thereby, but shall remain in full force and effect unless any such court hold that those provision are not separable from all other provision of this Agreement.

7.3 Each party shall use its best efforts and work wholeheartedly and in good faith for the expedited completion of the objectives of this Agreement and the satisfactory performance of its terms.

7.4 The Parties may agree to modify the terms of this Agreement by written agreement authorized by the governing boards of both Parties.

7.5 Each party shall indemnify, defend, and hold harmless the other party, and the officers, employees, and agents of the other party, for any and all bodily injury or property damage loss, liability, or claim arising out of the negligent performance or willful misconduct by the indemnifying party, its officers, employees, or agents, of any act contemplated by this Agreement.

7.6 The Parties will cooperate with regard to public relations and public outreach activities and programs related to wholesale recycled water service by DERWA to Pleasanton, and will jointly review and approve all press releases and related materials created for public consumption concerning this Agreement.

7.7 In the event of any dispute regarding the implementation or interpretation of this Agreement, the parties agree to negotiate in good faith to reach a mutually acceptable resolution, and if they fail to do so to submit the dispute to mediation before resorting to any other available method of resolution.

7.8 This Agreement and all parts thereto are not assignable or transferable.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their officials seals to be hereto affixed, on the day and year set opposite the name of each of the Parties.

DERWA

By \_\_\_\_\_  
Georgian Vonheeder-Leopold, Chair

ATTEST:

\_\_\_\_\_  
Nancy G. Hatfield, Secretary

CITY OF PLEASANTON

By \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
Jonathan P. Lowell, City Attorney

## **ITEM 9**

### **MANAGER'S REPORTS**

- Contracts Initiated Since the Board Meeting of April 23, 2012
- Army Corps of Engineers Construction Project Status
- Initiation of Consultant Selection Process for Supplemental Water Program – Ground Water Studies Update
- Confirm Next Meeting Date – October 22, 2012