

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Special Meeting Minutes
Monday, July 26, 2004**

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

1. CALL TO ORDER – Chair Scannell called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:08 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair Daniel Scannell, Vice Chair Frank Mellon, and Director Jeffrey Hansen. DERWA Staff present: Robert Baker, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT – 6:09 p.m. – None received.

6. APPROVE MINUTES – Special Meeting of June 28, 2004

Motion by V.C. Mellon, Second by Director Hansen, to approve the minutes from the June 28, 2004 meeting. Motion carried (3-0) by the following vote:

AYES: Mellon, Hansen, Scannell
NOES: None

7. CONSENT CALENDAR

A. Quarterly Investment Report – June 30, 2004

Motion by Director Hansen, Second by V.C. Mellon to approve the Consent Calendar. Motion carried (3-0) by the following vote:

AYES: Hansen, Mellon, Scannell
NOES: None

8. BOARD BUSINESS

A. Claim by Cory Narog of 5905 Lantana Way, San Ramon, CA 94583

Authority Manager Baker stated that Mr. Narog made a presentation during the Public Comment portion at the June 28, 2004 DERWA Board meeting. The Board was unable to comment at that time because Mr. Narog's item was not on the agenda. Subsequently, Mr. Narog delivered a handwritten letter marked as a claim to DERWA. He was notified that he could provide additional input to the Board, if desired.

Mr. Narog submitted some photos of his house to the Authority Secretary and stated that construction of the water tank near his home has caused turmoil and inconvenience to him and to his family. He believes he has not been able to sell his house due to the tank construction resulting in problems such as: garbage in the front yard, a detached

doorknob, a shifted doorframe and floor, as well as cracks throughout the inside of the house and on the exterior stucco. He indicated he might put his house back on the market for sale, although he expects it will be very difficult to sell during construction.

Mr. Narog asked for compensation for his damages. He submitted a price comparison of surrounding homes in the neighborhood to the Authority Secretary. He stated that Mr. Baker had agreed have the windows in his home cleaned. He was now asking to have his water bill paid to cover the cost of water used to hose down exterior dust. He estimated his losses to be \$4,500 per month.

V.C. Mellon asked Mr. Narog how long he had lived in the house. Mr. Narog responded that he purchased the home in October 2000 and had lived in it for approximately the first year. He noted the home was furnished and he stayed there as needed.

Mr. Baker indicated to Chair Scannell that there were approximately 100 other homes in the immediate neighborhood and no other complaints or claims regarding cracks had been received; however, there had been some complaints about noise and dust.

The scheduled completion date for construction in this area is February or March 2005. The tank will be buried and the hillside re-planted with existing vegetation. A brown-colored road will lead to the tank.

In response to a question from Chair Scannell, Mr. Narog stated he thought his real estate agent would probably prepare a letter to submit to the Board regarding this matter. Mr. Narog also related an incident involving his son, a construction worker, and a construction sign.

Chair Scannell thanked Mr. Narog for his comments.

9. CLOSED SESSION

At 6:28 p.m. the Board went into Closed Session.

A. Conference with Legal Counsel—Anticipated Litigation. Significant Exposure to Litigation Pursuant to Subdivision (b) of Section 54956.9. Claim from Cory Narog

B. Report from Closed Session—At 6:37 p.m. the Board came out of Closed Session. Chair Scannell announced that there was no reportable action.

10. MONTHLY WORKSHOP

A. Presentation and Discussion: Analyses of Permanent Supplemental Water Supply “Alternative F—Groundwater Alternative”

Mr. Baker reported that he and EBMUD Engineer Florence Wedington recently met with Mr. Tom Elson, Senior Engineer from Luhdorff & Scalmanini Consulting Engineers, to discuss supplemental water issues. Mr. Elson was studying potential well locations and the feasibility of getting groundwater for DERWA.

Mr. Elson revisited supplementary groundwater source sites that had been considered in previous years, and researched the route along the pipeline since it would offer ease

of connection. He wanted to determine what amount of groundwater could be available to DERWA along with possible well locations. He considered the space available at each location for well drilling, maintenance access and normal operations together with groundwater locations, quantity, and quality.

The Iron Horse Trail is centered approximately in the middle of the San Ramon Valley fringe basin where several good well sites exist. Parks, schools, and industrial areas with large parking lots were considered when searching for a municipal facility site. Starting at Bollinger Canyon and moving to Dougherty Road, Mr. Elson pointed out nine feasible well site locations that he selected based on the location of existing wells in the Valley, their relevance to DERWA, historical or existing well capacities, water levels, water quality, geology, hydrogeology and driller's reports.

Small diameter monitoring wells, approximately 500-600 feet deep, with two-inch plastic PVC piezometers, were constructed at DSRSD and Dublin High School sites some time ago. They allowed consideration of water levels at different horizons and water quality as an irrigation source. Zone 7 annually reviews water quality, which Mr. Elson also considered. In terms of total dissolved solids (TDS), the DSRSD office and Dublin High School sites had typical readings, respectively, at 520 mg/l and 508 mg/l.

Mr. Elson compared test well water quality with the poor water quality at Royal Vista Golf Course in San Ramon. He believes the golf course wells were designed with relatively shallow seals and were connected to all of the aquifers that were available in a well. He showed a well profile at Dublin High School and concluded that a DERWA well could be designed to avoid well failures and mechanical, structural and water quality problems.

Mr. Elson responded to a question from Chair Scannell saying he envisions using a well screen opposite certain groups of sands, with a 200-foot seal. Under those conditions, everything would be sealed to the surface, thereby avoiding problems like they have experienced at the golf course.

V.C. Mellon asked how many aquifer layers exist in the Valley. Mr. Elson stated that layers vary by site and are quantified through a geophysical log. Each site must be individually considered, and then a well can be designed to fit the conditions.

Mr. Elson concluded that if a water supply were developed in the San Ramon Valley, multiple wells would be oriented in a linear fashion from north to south, probably along the Iron Horse Trail. Based on historic production levels, he would plan for approximately 0.5 mgd per site or 350 gallons per minute. There would be approximately a four-month pumping period in peak demand time and a shortfall period of continuous pumping. Other pumping in the area would need to be considered during the continuous pumping period, and wells would need to be spaced about a mile apart in order to minimize draw down impacts on other wells. The cost would be around \$1 million per facility. He showed some examples of pump stations that were designed to minimize aesthetic and noise impacts as well as provide security. In his cost estimate he included \$50,000 to \$100,000 per site for easements or property acquisition. For planning purposes, he conceptualized wells at five locations including the PG&E substation, California and Dublin High Schools, the DSRSD office, and Dougherty Road

for an approximate total supplemental water supply of 2.5 mgd. Construction would be done in a phased manner.

Chair Scannell asked about agreements with other entities that might be needed if DERWA took water from an aquifer. In regard to Zone 7, Director Hansen believed the fringe basin water was excluded from the independent public quota. Mr. Elson also thought that Zone 7 assumed DSRSD's current agreement included no restrictions on pumping fringe basin water. General Counsel Maddow stated that there was some groundwater within the Contra Costa Water District but it was within their east County wholesale customer's area and separated from the area under consideration.

In response to a question from V.C. Mellon, Mr. Elson believed sampling methods at some wells should be reviewed. V.C. Mellon also asked about the presence of radon in the water, although he did not believe it was common in the San Ramon Valley. Mr. Elson thought it had not yet been sampled since groundwater was not a big proportion of the water supply in the Valley.

Mr. Baker commented that there is a possibility of some water shortages before 2009. The well water supply option could be developed as an interim water supply. With the Board's concurrence, he was inclined to rapidly move forward on this option as this alternate supply could take years to fully develop. He intended to use his \$50,000 contract authority to move ahead with Luhdorff and Scalmanini and develop a scope of work for a test well, and planned to bring an agreement for approval to the next DERWA Board meeting.

Director Hansen asked if there was a way to beta test a well. Mr. Elson responded that the cost of a test well would be around \$300,000. The well needed to be pumped hard to measure the draw down; therefore, a full 12" well would need to be built. Then, if it worked out, a pump station could be built on top.

Director Hansen also asked why the main basin was not being considered. Mr. Baker responded that permitting and export issues were significant considerations. DSRSD Assistant General Manager Dave Requa believes DERWA had no access to the main basin, except through a property owner such as DSRSD. DSRSD's ability to move water outside the Zone 7 service area is also limited.

General Counsel Maddow stated he would need to review the framework of existing agreements covering use of the main basin in order to comment on DERWA's ability to access it. He believes some restrictions on access might exist.

In response to a question from Chair Scannell, Mr. Baker indicated Mr. Elson's preference for the Dublin High School test well site because of its geology. However, use of that site would require going under or over the Zone 7 channel to get to DERWA's pipe. Mr. Baker preferred the California High School site since it was next to DERWA's pipe and had a good place for a pump station. Other sites will be considered prior to naming a test site.

11. MANAGER'S REPORT

- DERWA Construction Progress Update — Mr. Baker reported that the project was on schedule. He still had concerns about the treatment plant being completed on time.

- Public Construction Complaints — Mr. Bauer, a resident on Lantana Drive in San Ramon (located near the Tank 2 site), was upset with the prospect of Saturday construction work. As a result, Saturday work was stopped until further notice. EBMUD also told the contractor, C. R. Fedrick, that a stop notice would be given if work were done prior to the approved start time of 7:30 a.m., Monday through Friday.

Due to problems with contractor pavement work and cleanup, the head of the Cedar Bridges Homeowners' Association threatened to revoke their agreement with EBMUD to use recycled water in their common area. Improvements were made to the temporary paving, which resolved the matter. Final paving will be done in a couple of weeks.

Contractor McGuire and Hester completed 500 to 600 feet per day while putting the pipeline up the Iron Horse Trail, resulting in some dust complaints. On July 14, Mr. Baker reported problems with safety violations and cleanup. Subsequently, the EBMUD Construction Manager shut down the job for 1-1/2 days. Since then, the contractor's performance has improved.

It is expected that Pine Valley Road will be completed in the next few days. This part of the work went very smoothly with the community.

- Professional Contracts under \$50,000 Language Modification — The Board has delegated the Authority Manager the ability to enter into contracts up to \$50,000. The Authority Manager advised the Board that he was going to make a change in the way he handles contracts that are within the previously delegated authority of \$50,000, with notification to the Board at the next Board meeting. V.C. Mellon received clarification that this change referred to a cumulative amount of money. Under the change, Mr. Baker can approve contract increases up to his authorized limit.
- Operations Agreement Status — Mr. Baker has been working with staff from both Member Agencies to develop an operations agreement. The three meetings held to date on this subject have been very productive. A draft agreement should be sent out in the next few months to management and attorneys for both agencies.
- Recycled Water Demand Projections Status — DSRSD preliminary recycled water demand projections went up and they have asked for more time to work with their consultant, West Yost, to update their Final Draft projections. Staff is hopeful the projections will be completed within five to seven weeks.
- Confirm Next Meeting Date — The Board agreed to cancel the August 23, 2004 meeting. The next meeting of the DERWA Board is scheduled for September 27, 2004.

12. BOARDMEMBER ITEMS

13. CLOSED SESSION

At 7:28 p.m. the Board went into Closed Session.

- A. Conference with Real Estate Property Negotiator—Pursuant to Government Code Section 54956.8
Property: Interest in Water Supply and Water Sales Contracts
Authority Negotiator: Robert A. Baker, Authority Manager
Negotiating Parties: Dublin San Ramon Services District and East Bay Municipal Utility District
Under Negotiation: Price and Terms

14. REPORTS FROM CLOSED SESSION

At 8:55 p.m. the Board came out of Closed Session. Chair Scannell announced that there was no reportable action.

15. ADJOURNMENT

Chair Scannell adjourned the meeting at 8:56 p.m.

Submitted by,

Nancy Gamble Hatfield
Authority Secretary