

**DSRSD • EBMUD RECYCLED WATER AUTHORITY  
(DERWA)  
Board of Directors Special Meeting Minutes  
Monday, June 28, 2004**

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

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1. CALL TO ORDER – Chair Scannell called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:37 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, Director Jeffrey Hansen, and Director John Coleman. DERWA Staff present: Robert Baker, Authority Manager; Richard Lou, Treasurer; Carl Nelson, Assistant General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT – 6:39 p.m. – None received.

6. APPROVE MINUTES – Regular Meeting of *May 24, 2004*

Motion by Director Hansen, Second by V.C. Mellon, to approve the minutes from the May 24, 2004 meeting. Motion carried (4-0) by the following vote:

AYES: Hansen, Mellon, Coleman, Scannell

NOES: None

7. CONSENT CALENDAR

A. Treasurer's Report – May 31, 2004

Motion by V.C. Mellon, Second by Director Hansen, to approve the Consent Calendar. Motion carried (4-0) by the following vote:

AYES: Mellon, Hansen, Coleman, Scannell

NOES: None

8. BOARD BUSINESS – None.

9. MONTHLY WORKSHOP

A. Presentation and Discussion: Analyses of Permanent Supplemental Water Supply "Alternative G – Cope Lake"

Authority Manager Baker explained that in December 2003 DSRSD had commissioned and paid for the Cope Lake study. A Permanent Supplemental Water Supply is needed to meet expected shortfalls, and as a result, flow diversions and storage options such as Cope Lake are being considered.

Dr. Lewandowski, Director of Water Resources for Dodson Engineers, reported that based on 2005 water demand and supply projections, current water supply could meet initial

demands for recycled water. In 2025, the demand for recycled water would result in a 5.4 mgd average daily shortfall from June through August.

Mr. Dodson, Principal in Charge of Dodson Engineers, presented Alternative G—Cope Lake. He showed a map of the service area with a Clean Water Revival (CWR) pipeline north of the Livermore Airport near 225-acre Cope Lake, part of a chain of lakes in a gravel mining area. In 2010, 256 acre feet of storage would be needed from this option, and 1,230 acre feet would be needed in 2023.

Cell K23, within Cope Lake, is about 42 acres in area. During the wet weather, recycled water would be pumped from the DSRSD recycled water plant through the CWR line into Cell K23. The water would be withdrawn during the summer and, after being run through wetlands to remove algae, pumped back to the plant.

Cope Lake is porous and would need to be lined. If unlined, about 1,500 acre feet of water would be lost through evaporation and seepage. The capital cost for the project would be approximately \$25 million, not including treatment costs. An option, which utilizes storage bags for containment, would cost about \$30 million. Calculated annual costs including operations and maintenance as well as capital recovery would be around \$7,400 per acre foot in 2010, and \$2,000 in 2030 current day dollars.

Chair Scannell asked what the effect of nitrates in water stored in such bags would be. Mr. Dodson responded that water quality under those storage conditions would be questionable, and added that there was not a lot of data available on that subject.

#### B. Presentation and Discussion: Analyses of Permanent Supplemental Water Supply "Alternative C—Diversion of Central Contra Costa Sanitary District (CCCSD) Sewage"

Dr. Lewandowski explained that the San Ramon Pump Station, at the south end of the CCCSD service area, receives wastewater from the southern part of San Ramon that goes to the CCCSD treatment plant. It also receives wastewater from Dougherty Valley through a tunnel in the hills and a sewer that goes directly to the pump station. The plan would be to divert water from the pump station into an existing DSRSD trunk sewer that goes to the plant. Currently, only 4.1 mgd of wastewater would be available from the CCCSD and Dougherty Valley service areas; however, 5.4 mgd would be needed on an average daily basis.

The three key criteria for Alternative C development are to provide maximum water supply, use minimal sewer improvements, and not change wastewater treatment plant capacity. The most efficient location for diversion was researched. A site on Dougherty Road was considered but found to be too expensive.

In response to a question from Director Coleman, Dr. Lewandowski explained that 18", 21" and 24" diameter pipes limit capacity to 6.2 mgd in the existing DSRSD trunk sewer. Therefore, the entire 4.1 mgd of CCCSD sewage dry weather flow could be diverted. Current DSRSD treatment plant capacity is 17 mgd. Diversion of the 3.2 mgd maximum flow, or 65% of the 5.4 mgd needed, would only be during the summer.

Alternative C costs included estimated capital costs for improvements such as diversion, the pipeline and the meter box. Estimated marginal treatment costs for the additional flow

ranged from \$55 to \$75 per acre foot, not including personnel costs or capital costs for the plant. Costs for electricity, pumping and chemicals were included.

Costs including labor would be approximately \$1,100 to \$1,300 per million gallons or \$300 per acre foot. The estimated capital cost for the diversion would be approximately \$410,000.

Director Hansen asked about the point of diversion being at Dougherty Road rather than at the San Ramon Pump Station. Dr. Lewandowski indicated the cost could be four times higher if another pipeline had to be added, and there would be less flow.

Regarding Alternative 7, Cope Lake, Mr. Dodson mentioned some discussions he had with Zone 7, and indicated approximately 7,000 acre feet of water could become available for multiple uses. Director Hansen believes the Zone 7 Board is concerned with Title 22 water getting into the main basin. Mr. Dodson indicated that unless already conducted by Zone 7, additional studies might be needed to ensure the separation of aquifers, as seepage would be an issue. Director Hansen felt a lined option might be the only practical alternative to prevent seepage. Mr. Dodson stated that clay liners are not totally impervious. The sediment in Cell K23 would need to be studied to determine its ability to support a storage bag in that area. Additional geotechnical work might be needed and that would make the project much more complicated.

Director Coleman asked how much excess capacity Pleasanton would have beyond 2010, with total build out under its Master Plan for Water Recycling. Mr. Baker stated the Pleasanton sewage flow in 2010 is projected at 7.7 mgd, and 9.7 mgd at 2020.

V.C. Mellon asked about the commitment on the lakes that surround Cope Lake. Mr. Requa replied that Zone 7 recharges groundwater from the chain of lakes in the area for use as potable water. However, there is currently a draft EIR covering the development of two additional quarries by the landowner that could become available for recycled water storage in the next ten years. Director Coleman asked if Zone 7 would require that a lake be lined or bagged if they were recharging the groundwater. Mr. Requa replied that public opinion most likely would make that determination.

Chair Scannell recalled that Zone 7 had discussed excavating so DERWA would not have to pay to raise berms. Mr. Requa indicated Zone 7 believes they could get a better quality liner that would alleviate the need for a bagging operation; therefore, DERWA expenses would be limited to pumping and pipeline work.

Mr. Dodson stated that Lake G had been considered for storage. It is a much tighter lake than Cope Lake. Chair Scannell asked what the cost would be if the alternative lake was mined and lined. Mr. Dodson stated he believes the cost would be less than \$5 million for the infrastructure costs, with operating costs of \$120-\$160 per acre foot if the wetlands issue can be resolved.

##### 5. PUBLIC COMMENT - REOPENED

Chair Scannell noted that a member of the public who arrived late wanted to address the Board and had submitted a speaker card; therefore, with the Board's approval, the Public Comment section of the meeting was reopened. Chair Scannell further noted that in

accordance with the Brown Act, the Board is not allowed to comment or give staff direction on non-agenda items.

Mr. Cory Narog addressed the Board stating that he owns a Shapell-built home in San Ramon near DERWA's Tank 2. He believes the water tank built by DERWA on the hillside impacts his house since the living room, dining room and family room windows face the hill. Mr. Narog alleges that he paid a premium for the view lot location for this house, and to his knowledge nothing was to be built on the hillside.

Mr. Narog showed the Board two photos of a San Francisco high-rise condominium he is attempting to purchase. He reported he has not been able to sell his house, even though he is asking less than \$925,000, and which he estimates is valued at \$1 million. He expects he will lose the opportunity to purchase a penthouse unit in San Francisco because he cannot sell his San Ramon house.

He is requesting that DERWA purchase his home at market value, or grant him the \$480,000 he is short for his penthouse purchase. If he loses the penthouse purchase, he stated that he will lose a \$1 million down payment and may file a lawsuit against Shapell and DERWA.

Mr. Narog added he also believes the push-pull tractors that have doing excavation in the area have caused cracks to develop in his house causing his front door to sink. Shapell claims that because the home is not lived in, contracting and expanding from heat and cold have caused the cracks. Mr. Narog disputes that claim.

Mr. Narog finished by thanking Mr. Baker for his assistance in this matter.

## 10. MANAGER'S REPORT

- DERWA Construction Update

Mr. Baker stated that the project is generally on schedule. McGuire & Hester are putting on an additional crew and working Saturdays to keep up with the summer schedule. The EBMUD pipeline crew is working on Pine Valley Road. McGuire and Hester expects to start work at that location on July 6. Residents will be notified.

In addition to Mr. Narog, there had been a complaint about dust from the construction on the Iron Horse Trail between Amador Valley Road and Alcosta Boulevard, and a complaint about the contractor working on Saturday near Tank 2 on Gale Ridge Road. In response to a suggestion from V.C. Mellon, Mr. Baker will ask EBMUD staff to do a cursory audit to make sure that Saturday work is being paid at the premium pay rate. The contractor may need to work on Saturdays in order to meet the completion schedule; however, McGuire and Hester has been told not to start before 9:00 a.m. The contractor will be asked not to work on Saturdays if any additional complaints are received. Director Coleman suggested that if other complaints are received, a meeting should be held with the neighbors in the area to explain the need to complete work during the summer vacation timeframe.

- Contracts Initiated Since the Board Meeting of May 24, 2004 – In the Board packet, the cost for the CDM O&M Cost Study should have been listed as an increase from \$18,800 to \$22,900.
- Pipeline DL Conflict – Mr. Baker is working with Shapell on the Pipeline DL issue. Pipeline DL runs between Tank 1 and the CCCSD pipe bridge. A Shapell earthmoving project has interrupted the DERWA pipe installation. Shapell distributed a First Draft Design of their earthwork and within 30 days EBMUD turned around a re-design of the project. Completion of excavation, on the promised Shapell schedule, should allow most of DERWA's pipe installation to start by August 23. DSRSD General Manager Bert Michalczyk and Mr. Baker will meet with Mr. Dan Coleman from Shapell to emphasize the importance of the schedule.
- Grant Status – DERWA received an Approval to Award letter from SWRCB. The State will then send a funding contract. Mr. Baker will not know until he sees the contract whether or not Board approval will be required. The first check should be received in the next three months. SWRCB increased the loan amount to \$20.9 million (up from the anticipated \$19 million).
- Recycled Water Flow Demand – Mr. Baker asked for updated demand projections from both Member Agencies. EBMUD submitted very precise projections because they are retrofitting customers and have control over when customers come on line and from customer records, know how much water is needed. EBMUD expects a slight drop in projected needs compared to previous projections. DSRSD has a more challenging task in light of Dougherty Valley and east Dublin housing development. Their consultant report on this subject is due in October. In the meantime, DSRSD fast tracked some projections and believes their needs will be substantially higher than originally projected. Mr. Baker asked DSRSD to submit flow projections prior to the next Board meeting, after which senior staff will discuss flow projections, particularly for the summer of 2005. Mr. Baker is expediting consideration of the Permanent Supplemental Water alternatives.
- DERWA FY2004-05 Budget - Treasurer Richard Lou distributed copies of the final DERWA FY2004-05 budget that had been approved by the Board in April 2004.
- Confirm Next Meeting Date – The next meeting of the DERWA Board is scheduled for July 26, 2004, starting at 6:00 p.m.

## 11. BOARDMEMBER ITEMS

### 12. CLOSED SESSION

At 7:43 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

- B. Conference with Real Estate Property Negotiator—Pursuant to Government Code Section 54956.8

Property: Property from Sunset Development Company for Pump Station 2A, City of San Ramon, Assessor's Parcel Numbers 213-120-012 and 213-120-014

Authority Negotiator: Robert A. Baker, Authority Manager

Negotiating Party: Sunset Development Company

Under Negotiation: Price and Terms

- C. Conference with Legal Counsel—Anticipated Litigation. Significant Exposure to Litigation Pursuant to Subdivision (b) of Section 54956.9. One Case.

### 13. REPORT FROM CLOSED SESSION

At 8:44 p.m. the Board came out of Closed Session. Chair Scannell announced that there was no reportable action.

### 14. ADJOURNMENT

Chair Scannell adjourned the meeting at 8:45 p.m.

Submitted by,

Nancy Gamble Hatfield  
Authority Secretary