

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Regular Meeting Minutes
Monday, March 25, 2019**

**Shannon Community Center, Ambrose Hall
11600 Shannon Avenue, Dublin CA 94568**

1. CALL TO ORDER – Chair John Coleman called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:01 p.m. at the Shannon Community Center, Ambrose Hall.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair John Coleman, Vice Chair Georgean Vonheeder-Leopold, and Directors Ed Duarte and Frank Mellon. DERWA Staff present: Mike Tognolini, Authority Manager; Richard Lou, Treasurer; Doug Coty, General Counsel; and Nicole Genzale, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – Chair Coleman recognized Mr. Robert Maddow, past General Counsel for DERWA, in the audience this evening. Mr. Maddow commented on the history of DERWA's legal counsel.

5. PUBLIC COMMENT – 6:03 p.m. – None

6. CONSENT CALENDAR

- A. Approve Minutes of Special Board Meeting of February 4, 2019
- B. Treasurer's Reports for January 31, and February 28, 2019

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

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

7. BOARD BUSINESS

- A. Approve and Adopt the Fiscal Year 2019-2020 Capital and Operating Expenditure Budget

Authority Manager Tognolini reviewed the item for the Board.

Motion by Director Duarte, Second by Vice Chair Vonheeder-Leopold to approve and adopt by Resolution No. 19-2 the Fiscal Year 2019-2020 Capital and Operating Expenditure Budget. Motion carried (4-0) by the following vote:

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

- B. Approve and Adopt Resolution No. 19-3 Requesting that Its Member Agencies Take Action to Reduce Recycled Water Demands and Directing that the Authority Manager Implement Demand Management and Allocation Adjustments Pursuant to the DERWA Sales Agreement

Authority Manager Tognolini reviewed the item for the Board and reported it is imperative for DERWA to stem growth of recycled water demand until permanent supply is secured. He confirmed that recent EBMUD user connections would be grandfathered in to receive supply should a moratorium be initiated.

The Board and staff discussed potential use of other supply resources:

- San Ramon golf course wells:
 - Canyon Lakes and Crow Canyon – neither golf course has groundwater supplies available.
 - Royal Vista (which is closing) – is not a DERWA customer and has not expressed interest in working with DERWA. The Board asked staff to look into whether or not DERWA could legally access those wells if the property is converted to another use.
- City of Livermore's wastewater – a meeting to discuss a potential supply agreement will be held Wednesday, March 27, 2019.

The Board inquired what DERWA's approach would be if the recycled water supply is depleted. Staff confirmed a potable connection would be implemented. The Board also inquired as to how demand management measures would impact City of Pleasanton. Staff confirmed that City of Pleasanton would not be subject to a moratorium and, thus far, has been cooperative with efficient supply use.

General Counsel Coty clarified for the Board that the action staff is asking the Board to take this evening does not necessarily mean a moratorium would be declared, but rather is directing Mr. Tognolini to take certain demand management steps with the partner agencies per the DERWA sales agreement.

The Boardmembers agreed, and acknowledged for the record, that it goes against DERWA's grain philosophically to curtail customer deliveries, but acknowledged DERWA cannot deliver what it does not have. The Board expressed its hope that this circumstance will help create momentum in acquiring supplemental supply.

Motion by Director Mellon, Second by Director Duarte to Approve and Adopt Resolution No. 19-3 Requesting that Its Member Agencies Take Action to Reduce Recycled Water Demands and Directing that the Authority Manager Implement Demand Management and Allocation Adjustments Pursuant to the DERWA Sales Agreement. Motion carried (4-0) by the following vote:

AYES: Mellon, Duarte, Vonheeder-Leopold, Coleman

NOES:

ABSENT:

8. MANAGER'S REPORTS

A. Authority Manager Recruitment Update

Authority Manager Tognolini reported that the Authority Manager position recruitment will

close on Monday, April 1. At its conclusion, DSRSD and EBMUD plan to conduct an agency-level review of the candidates and present select candidates for Board interviews in early May. The Board will consider appointment of the final candidate at the May 20 Board meeting. Mr. Tognolini confirmed that, per the Board's previous direction, partner agency senior management retirees familiar with DERWA were notified of the recruitment.

B. Supplemental Supply Update

Authority Manager Tognolini reported on the following supplemental supply options:

- City of Livermore wastewater supply
A meeting has been scheduled for Wednesday, March 27 to further discuss a potential supply agreement.
- Central Contra Costa Sanitary District wastewater diversion project
Staff has reviewed the 75% design submittals and returned them to the engineer. Staff hopes to have the project available for bid by the end of April and is in the process of obtaining construction permits. The project is progressing smoothly, so far, and given a 45-day construction period, the diversion should be online by this July.
- Devil Mountain Wholesale Nursery well pilot project
This project is in initial design and could be online in summer of 2020. This project would pump ground water, via a connection to DSRSD's wastewater system, to supplement wastewater supply on peak summer days. PG&E owns the well, but negotiations on the draft lease agreement have gone quiet since PG&E declared bankruptcy. Staff will explore the possibility of negotiating directly with the nursery, via its existing lease, if PG&E does not re-engage.
- Other possible well sites
Staff is conducting a broad regional study (hydrogeological assessment) of other ground water opportunities, especially on DSRSD property, where new wells could be installed. He confirmed that old wells owned by DSRSD near its District Office were destroyed.

C. Confirm Next Board Meeting – May 20, 2019

The Board confirmed that the May 20, 2019 meeting will be held as scheduled. The Board also agreed to hold a special Board meeting on Monday, May 13 at 6 p.m., to conduct Authority Manager candidate interviews in closed session.

9. BOARDMEMBER ITEMS – None

10. CLOSED SESSION

At 6:30 p.m. the Board went into Closed Session.

As Authorized Pursuant to Government Code Section 54957 –
Public Employee Performance Evaluation: General Counsel

11. REPORT FROM CLOSED SESSION

At 6:57 p.m. the Board came out of Closed Session. Chair Coleman announced that there was no reportable action.

12. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:58 p.m.

Submitted by,



Nicole M. Genzale, CMC
Authority Secretary