

**DSRSD • EBMUD RECYCLED WATER AUTHORITY  
(DERWA)  
Board of Directors Regular Meeting Minutes  
Monday, July 22, 2019**

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

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1. CALL TO ORDER – Chair John Coleman called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6 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, Directors Ed Duarte and Frank Mellon. DERWA Staff present: John Rossi, Authority Manager; Richard Lou, Treasurer; Doug Coty, General Counsel; and Nicole Genzale, Authority Secretary.
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None
5. PUBLIC COMMENT – 6 p.m. – None
6. CONSENT CALENDAR
  - A. Approve Minutes of Regular Board Meeting of May 20, 2019
  - B. Treasurer’s Report for May 31, 2019
  - C. Approve the Quarterly Investment Report for June 30, 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. Authorize the Authority Manager to Execute the Potable Water Agreement with the City of Pleasanton

Authority Manager Rossi reviewed the item for the Board. He recommended the Board approve the agreement with one correction to page 1 – remove unnecessary verbiage following the word “Project” in the second “WHEREAS” recital. The Board and staff briefly discussed aspects of the agreement regarding the volume of water supplied and the potable irrigation rate charged. The Board commended Mr. Rossi and all involved DERWA staff for accomplishment of this agreement proposal.

Motion by Vice Chair Vonheeder-Leopold, Second by Director Duarte to Authorize the Authority Manager to Execute the Potable Water Agreement with the City of Pleasanton, with the correction to the agreement as noted. Motion carried (4-0) by the following vote:

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

- B. Authorize the Authority Manager to Enter into a License Agreement with Pacific Gas & Electric (PG&E) to Use an Existing Well for Supplemental Water Supply

Authority Manager Rossi reviewed the item for the Board. Staff noted this supplemental supply contains boron and will be blended to diminish boron levels by adding it to DSRSD's treatment system. General Counsel Coty also noted the proposed agreement does not permanently release any of PG&E's property rights, so would not require judicial approval in light of PG&E's bankruptcy proceedings. Mr. Rossi confirmed that the license fee of \$4,750 stated in the item is an annual fee and would be stated as such in the agreement.

Motion by Director Duarte, Second by Director Mellon to Authorize the Authority Manager to Enter into a License Agreement with Pacific Gas & Electric (PG&E) to Use an Existing Well for Supplemental Water Supply. The Motion carried (4-0) by the following vote:

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

## 8. MANAGER'S REPORTS

### A. Supplemental Supply Update

- Central Contra Costa Sanitary District Wastewater Diversion Project

DSRSD Engineering Services Manager Judy Zavadil reported the project build may potentially be delayed into next spring, missing DERWA's goal to have it completed by end of this summer, due to Central Contra Costa Sanitary District (Central San) calling for additional time for unexpected changes to the build. Central San staff also had a lot of comments for the simple project design. DSRSD Board representatives and staff will have the opportunity to discuss the project at the DSRSD/Central San Liaison Committee meeting on September 4. Staff hopes the potential delays can be avoided and plans to bid the project as soon as possible. The Board expressed concern that project completion will not meet DERWA's needs this year, as intended per the agreement with Central San. Ms. Zavadil noted the agreement specifies that the duration for providing supply will begin with the first diversion, hence the supply may come during a time of greater need if DERWA can survive this summer's demands without it.

- Devil Mountain Wholesale Nursery Well Pilot Project

Authority Manager Rossi noted the Board just approved his authority to enter into a license agreement with PG&E to obtain supplemental supply from this well under Item 7.B. Staff is working to ensure the insurance coverages required by PG&E will be met to secure the agreement. Staff will provide a status of this project to the Board as it progresses.

- Discussions with Zone 7 Water Agency Regarding Ground Water

Authority Manager Rossi reported that staff submitted a proposal to Zone 7 Water Agency (Zone 7) to obtain 200 acre-feet of ground water per year in the North fringe basin, and is awaiting a response. He reported DERWA and Zone 7 staff held a very cooperative meeting and will continue to interface on this proposal.

### B. Operations Updates

- DERWA Program Facilities Electrical Outage Emergency Repair Update

DSRSD Operations Manager Jeff Carson reported the west side emergency repair work has been completed. Similar repairs have been identified as necessary on the east side of the facility, so staff has obtained a quote for those repairs, including the addition of a terminal box for generator hook up. Both temporary and permanent options are being explored for providing emergency power going forward. The permanent option being considered would take one to one-and-a-half months to complete and would begin in DERWA's off-season in early November. He highlighted that no customer cutbacks have been necessary during the course of the emergency repair work. He reported the estimated emergency repair costs to date: \$360,000 west side, \$215,000 east side, and \$220,000 for emergency power. The total projected repair costs will come under the Board's authorized emergency budget of \$1,000,000.

- Public Safety Power Shutoff (PSPS) Update

Authority Manager Rossi reported the Board of Directors for both DSRSD and EBMUD have recently received presentations on PSPS. He acknowledged the partner agencies' priority would be to sustain the potable supply, if such an event occurred. DERWA currently has an interruptible supply with no back-up power, so staff is exploring costs for both temporary and permanent generator solutions. He reported DSRSD and EBMUD staff are conversing on what it would mean if the recycled water supply were to become more sustainable than the potable water supply.

The Board and staff discussed the status of emergency power capabilities for both agencies, as well as the possibility of supplementing the recycled water supply with potable water for customer use. The Board requested that staff contact recycled water customers via telephone to advise of possible water delivery disruptions. Mr. Rossi stated staff will look into working with DERWA's media consultant, ICF, to craft a unified message from both agencies to send to DERWA customers and that staff will present more information on addressing a PSPS to the Board in September.

- Information Regarding Changes in PG&E Peaking Periods

Authority Manager Rossi reported that staff is examining historic data to see how PG&E's changes may impact DERWA. He noted staff is working to determine what DERWA might implement to save on current costs or to avoid costly energy expenses.

The Board inquired if staff have held any recent conversations with the City of Livermore regarding a possible supplemental supply agreement. Authority Manager Rossi reported they have not, but stated he would make it a priority.

C. Update on Plan to Develop Agreement for Implementing Demand Management with Agencies

Authority Manager Rossi reported staff will be working over the next several months to develop an agreement to implement demand management with DSRSD and EBMUD customers. Staff will present the proposed agreement to the Board when completed.

D. Update on June 13, 2019 Roundtable Meeting

Authority Manager Rossi reported on the activities held at the annual Roundtable Annual Communications Exercise which was attended by approximately 40 participants of DERWA

support staff and consultants. He stated it was a good experience for him as the new Authority Manager.

E. Confirm Next Board Meeting – September 22, 2019

The Board noted the next meeting date is actually September 23, 2019, and confirmed the meeting will be held as scheduled.

9. BOARDMEMBER ITEMS

Director Mellon welcomed EBMUD staff member Florence Weddington, Senior/Supervising Civil Engineer of the Office of Water Recycling, back to the DERWA team.

10. CLOSED SESSION (Legal Counsel)

At 6:27 p.m. the Board went into Closed Session.

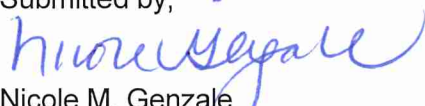
11. REPORT FROM CLOSED SESSION.

At 7:02 p.m. the Board came out of Closed Session. Chair Coleman reported that there was no reportable action.

12. ADJOURNMENT

Chair Coleman adjourned the meeting at 7:03p.m.

Submitted by,



Nicole M. Genzale  
Authority Secretary