

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)**

**Board of Directors Regular Meeting Minutes
Monday, February 27, 2006**

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

1. CALL TO ORDER – Chair Mellon called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:00 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair Frank Mellon, Director Dan Scannell, and Director Rich Halket. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. BOARD REORGANIZATION

A. Selection of Board Chair

Chair Mellon explained that each year the DERWA Chair position alternates between an EBMUD or DSRSD representative. Motion by Director Scannell, Second by Chair Mellon to select Director Halket as DERWA Chair for 2006. Motion carried 3-0 by the following vote:

AYES: Scannell, Mellon, Halket

NOES:

B. Selection of Board Vice Chair

Motion by Director Scannell, Second by Chair Halket, to select Director Coleman as DERWA Vice Chair for 2006. Motion carried 3-0 by the following vote:

AYES: Scannell, Halket, Mellon

NOES:

Director Mellon handed the gavel to Chair Halket at this point in the meeting.

C. Selection of Secretary

Motion by Director Scannell, Second by Director Mellon, to select Nancy Gamble Hatfield as the continuing DERWA Secretary for 2006. Motion carried 3-0 by the following vote:

AYES: Scannell, Mellon, Halket

NOES:

Director Mellon congratulated Chair Halket. Chair Halket stated his hope to do well by DERWA, keep things running efficiently, and learn more about the organization.

5. SPECIAL ANNOUNCEMENTS/ACTIVITIES

Authority Manager Bewley asked to move the award of two plaques for service from the Manager's Report to this portion of the meeting. Director Mellon was presented with a

plaque recognizing his service as the 2005 DERWA Chair. Former V.C. Jeffrey Hansen will receive a plaque recognizing his eight years of service to DERWA.

Chair Halket then moved to Item 9.A.

9. BOARD BUSINESS

A. Proclamation for Service and Leadership for Robert A. Baker as DERWA Authority Manager

Mr. Bewley read aloud a Proclamation for Robert A. Baker's service as DERWA Authority Manager and noted Mr. Baker would receive the signed, framed version of the document.

Motion by Director Mellon, Second by Director Scannell to approve the Proclamation for Service and Leadership for Robert A. Baker's service from December 2002 to January 2006.

AYES: Mellon, Scannell, Halket

NOES:

Mr. Baker thanked the Board for the proclamation. Director Scannell commented that the Operations and Water Sales Agreements were very important to DERWA as were the SWRCB grant and loans that came about because of Mr. Baker's leadership and hard work. All Boardmembers wished Mr. Baker good sailing.

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

7. APPROVE MINUTES – Regular Meeting of *January 23, 2006*

Motion by Director Scannell, Second by Director Mellon to approve the minutes from January 23, 2006. Motion carried (3-0) by the following vote:

AYES: Scannell, Mellon, Halket

NOES:

8. CONSENT CALENDAR

A. January 31, 2006 Treasurer's Report

B. DERWA Investment Policy

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

AYES: Mellon, Scannell, Halket

NOES:

9. BOARD BUSINESS

B. Amendment No. 2 to the Design Agreement with the U.S. Army Corps of Engineers

Mr. Bewley explained that the proposed Amendment No. 2 to the Design Agreement with the U.S. Army Corps of Engineers (USACE) for Pump Station R200A and Pipeline IH would approve a 25% local share funding revision to the design cost estimate. The increase would add \$71,667 to the design costs for DERWA, for a total local share of

\$302,050. Boardmembers noted the value of the 75% Federal Government matching funds.

Motion by Director Mellon, Second by Director Scannell, to adopt Resolution No. 06-2 authorizing and directing the Authority Manager to execute Amendment No. 2 to the Design Agreement between the Department of the Army and DERWA for design of the San Ramon Valley Recycled Water Project Phase 2, Contra Costa County, California.

Motion carried (3-0) by the following vote:

AYES: Mellon, Scannell, Halket

NOES:

10. MONTHLY WORKSHOP

A. Presentation and Discussion: Public Information Quarterly Report (including Grand Opening Event Planning)

Jones & Stokes representative Karen Molinari reported that Thursday, June 1 and Friday, June 2, 2006 are possible dates for the DERWA Grand Opening event since those dates take into consideration Federal legislative recess and breaks for elected officials. Boardmembers noted Statewide Primary elections will be held Tuesday, June 6, 2006. The Grand Opening event will take place at the Wastewater Treatment Plant and include speakers, ribbon cutting, photo opportunities, light refreshments and a facility tour.

Mr. Bewley and Ms. Linda Hu, EBMUD Office of Water Recycling Supervisor, will give the San Ramon City Council a Phase II construction update on February 28. They will discuss encroachment permit collaboration, upcoming construction notification for businesses and residents, and the DERWA Web site.

“Don’t Mess with Purple Pipes!” brochures have been distributed to landscapers and contractors in the project service area. The Cities of Dublin and San Ramon now display the brochures at their permit counters, and soon local home improvement and hardware stores will display the information meant to educate people to the fact that recycled and drinking water systems must be kept separate. The WaterReuse Association also will be notified of DERWA’s campaign to avoid cross-connections.

A table top communications response exercise is planned during the spring to encourage coordination among DSRSD and EBMUD Operations, Customer Service and Communications staff. The use of updated Communications Response Protocols will allow participants to become familiar with key messages while managing some pre-planned scenarios that require urgent action.

Ms. Molinari also mentioned recent news articles covering changes in the Authority Manager position, ongoing DERWA Web site maintenance, future DERWA Fact Sheet updates, and the upcoming DERWA presentation by Ms. Hu and Mr. Dave Requa, DSRSD Assistant General Manager, at the March 13-14 WaterReuse Conference.

11. MANAGER’S REPORT

- Contracts Initiated Since the Board Meeting of January 23, 2006 (Attachment) – Mr. Bewley stated a contract had been finalized covering Mr. Baker’s continued work on some DERWA tasks such as the Permanent Supplemental Water Well Project,

stray voltage mitigation and new Authority Manager transition.

- DERWA Startup – Field work was completed and reports were submitted to the Department of Health Services (DHS) in January to obtain approval of the ultraviolet disinfection system at the WWTP. Upon DHS review, there were some initial concerns related to hydraulics and lamp intensity. DHS has provided an interim approval letter for limited operation of the WWTP up to 6 mgd. The contractor is aware of the performance requirements that need to be met to obtain full DHS approval. DERWA customers can be served through the 2006 summer season on 6 mgd and the sand filtration system can be used to meet recycled water demands; however, a permanent solution may require balancing the hydraulics and calibrating the light sensors to meet the manufacturer's specifications.
- WateReuse Finance Authority Representation – Following discussion at the January 2006 DERWA Board meeting, it was determined the DERWA Board had previously adopted Resolution No. 98-4 naming the DERWA Board Chair and Treasurer as Members and the DERWA Authority Manager as an Alternate for the WateReuse Finance Authority. Boardmembers agreed to adhere to the decision outlined in Resolution No. 98-4, but will need to request action to name a new Vice President to the WateReuse Finance Authority.
- Recognition Plaques for Frank Mellon and Jeffrey G. Hansen – This item was covered earlier in the meeting.
- Confirm Next Meeting Date/Discuss April 24 Meeting Date – The next DERWA Board meeting is scheduled for March 27 at 6:00 p.m. Potential April meeting dates will be discussed at the March meeting.

12. BOARDMEMBER ITEMS

Director Mellon officially welcomed Mr. Bewley as DERWA Authority Manager and wished Mr. Baker "smooth sailing."

13. CLOSED SESSION

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

- A. Conference with Legal Counsel—Anticipated Litigation. Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b). One Case.

14. REPORT FROM CLOSED SESSION

At 6:50 p.m. the Board came out of Closed Session. Chair Halket announced there was no reportable action.

15. ADJOURNMENT

Chair Halket adjourned the meeting at 6:51 p.m.

Submitted by,

Nancy Gamble Hatfield

Authority Secretary