

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

**Board of Directors Special Meeting Minutes
Monday, January 30, 2023**

1. CALL TO ORDER – Vice Chair Coleman called the DSRSD•EBMUD Recycled Water Authority (DERWA) meeting to order at 6 p.m. He announced that per the Brown Act, all votes taken this evening will be done by a roll call vote due to Director Johnson participating via teleconference.

The Boardroom and teleconference location were open to the public during open session. Due to the COVID-19 pandemic, meeting attendees were required to conduct a self-screening before entering District facilities and remote meeting locations. Face coverings were optional.

2. PLEDGE TO THE FLAG
3. ROLL CALL – Directors present: Vice Chair John Coleman, and Directors Georgean Vonheeder-Leopold, April Chan, and Ann Marie Johnson (participated via teleconference). DERWA Staff present: Jan Lee, Authority Manager; Robert Hannay, Acting Treasurer; Austin Cho, General Counsel; and Vivian Chiu, Acting Authority Secretary
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – Authority Manager Lee announced that EBMUD Treasury Manager Robert Hannay is attending for Treasurer Richard Lou and DSRSD Management Analyst Vivian Chiu is attending for Authority Secretary Nicole Genzale this evening.
5. PUBLIC COMMENT – 6:02 p.m. – None
6. BOARD REORGANIZATION

- A. Approve Selection of Board Officers for 2023

Director Vonheeder-Leopold MOVED to Nominate and Elect Vice Chair Coleman as DERWA Chair. Director Chan SECONDED the MOTION, which CARRIED with FOUR AYES.

Chair Coleman assumed the new position and continued to run the meeting.

Director Johnson MOVED to Nominate and Elect Director Vonheeder-Leopold as DERWA Vice Chair. Chair Coleman SECONDED the MOTION, which CARRIED with FOUR AYES.

Vice Chair Vonheeder-Leopold MOVED to Appoint Nicole Genzale as Authority Secretary. Chair Coleman SECONDED the MOTION, which CARRIED with FOUR AYES.

7. CONSENT CALENDAR

Vice Chair Vonheeder-Leopold MOVED for approval of the items on the Consent Calendar. Director Chan SECONDED the MOTION, which CARRIED with FOUR AYES.

- A. Approve Minutes of Regular Board Meeting of September 26, 2022

- B. Approve Treasurer's Reports for August 31, September 30, October 31, November 30, and December 31, 2022
- C. Approve Quarterly Investment Reports for September 30, and December 31, 2022
- D. Authorize the Authority Manager to Enter into a Renewed License Agreement with Pacific Gas & Electric (PG&E) to Use an Existing Well for Supplemental Water Supply

8. BOARD BUSINESS

- A. Accept the DERWA Independent Auditor's Reports and Financial Statements for Years Ending June 30, 2022, and 2021

Acting Treasurer Hannay reviewed the item for the Board. He reported this item includes audited financial statements for two fiscal years and the audits did not find any issues, deficiencies, material weaknesses or findings with the DERWA accounting practices and internal controls for these two fiscal years.

Vice Chair Vonheeder-Leopold MOVED to Accept the DERWA Independent Auditor's Reports and Financial Statements for Years Ending June 30, 2022, and 2021. Director Johnson SECONDED the MOTION, which CARRIED with THREE AYES and ONE ABSENTION (Chan).

- B. Receive and Discuss Information on Recycled Water Connection Moratorium

Authority Manager Lee reviewed the item for the Board, and addressed questions raised during the discussion on supplemental supply and demand management efforts at the last Board meeting, concerning the status of the recycled water connection moratorium. She reported on the following areas:

- Background on the connection moratorium
- Status of the current supplemental supply and demand management efforts
- Issues to consider during discussions on the connection moratorium

The Board and staff discussed various aspects of the report. They discussed methods for managing storage and balancing supply and demand, anticipated flow supply, and possible effluent sources. They also discussed supplementing the DERWA recycled water supply with potable water and reasons for not including it in the 2022 Interim Agreement Related to the Supply and Sale of Recycled Water. Staff commented that data from EBMUD's recently installed AMI (advanced metering infrastructure) sites and preliminary results from the Recycled Water Supply and Operations Plan Update study would allow better demand analysis and more detailed evaluations of the moratorium for Board discussion in September.

The Board inquired about the recycled water connection at the Crow Canyon County Club (to come online this summer as EBMUD's second golf course customer) and the Dublin Sports Grounds. DSRSD Engineering and Technical Services Director Steve Delight explained the City of Dublin had switched the recycled water connections at the fields to Don Biddle Park.

- C. Approve Professional Services Agreement for Consulting Services with Brown and Caldwell and Task Order No. 1 for the DERWA Recycled Water Supply and Operations Plan Update

Authority Manager Lee reviewed the item for the Board. She reported the project is fully funded from the capital budget approved by the Board for fiscal year 2023.

The Board asked for clarification on expiration of the agreement at the end of 2025 for the 12-month project. Staff explained the task order has a one-year timeframe, whereas the master agreement has a longer term to accommodate any additional work subject to approval by the Board.

Vice Chair Vonheeder-Leopold MOVED to Approve the Professional Services Agreement for Consulting Services with Brown and Caldwell and Task Order No. 1 for the DERWA Recycled Water Supply and Operations Plan Update. Chair Coleman SECONDED the MOTION, which CARRIED with THREE AYES and ONE ABSTENTION (Chan).

- D. Receive Presentation on Preparation of the Fiscal Years 2024 and 2025 Operating and Capital Budgets

Authority Manager Lee remarked that this item highlights the few areas of the budget where staff are anticipating changes before budget adoption at the next regular Board meeting on April 24. The complete fiscal year 2024 budget with details will be included in the April agenda packet. She then introduced DSRSD Management Analyst Corinne Ferreyra, who gave a presentation on the Preparation of the Fiscal Years 2024 and 2025 Operating and Capital Budgets that was provided to the Board and added to the DERWA and DSRSD websites as supplemental materials. The presentation detailed the following areas:

- Overview
- Historical operating budgets and actual expenditures
- Two factors for increases to the proposed operating budget
- Proposed capital improvement projects
- Next steps

The Board and staff discussed various aspects of the presentation. They discussed the proposed pilot project to install a test well in the fringe groundwater basin, solar options to obtain federal and state grants and offset electrical costs, DSRSD's Energy Facilities Master Plan (in progress) to identify potential energy savings, and the estimated \$1.2 million increase to treat DERWA backwash.

9. STAFF REPORTS

- A. Authority Manager Update

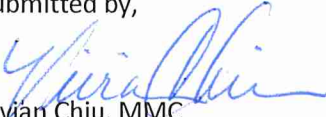
Authority Manager Lee reported a change from a verbal to a written format for this standing item to allow the Board to review the information in advance of the meeting and to lighten the meeting minutes. She called attention to the update's section regarding future Board meetings. She commented that staff may propose adjustments to the meeting frequency and schedule to better align matters to be considered by the Board.

10. BOARD MEMBER ITEMS – None

11. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:43 p.m.

Submitted by,


Vivian Chiu, MMC
Acting Authority Secretary

FOR: Nicole M. Genzale, CMC
Authority Secretary