

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

**Board of Directors Regular Meeting Minutes
Monday, October 28, 2013**

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, Vice Chair Richard Halket, Director John Coleman and Director Georgean Vonheeder-Leopold. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; and Louise Rummel, Administrative Assistant II.

4. BOARD REORGANIZATION

Motion by Director Coleman, Second by Director Vonheeder-Leopold to appoint Mr. Jim Bewley as Authority Interim Secretary for the period of October 28, 2013. Motion carried (4-0) by the following vote:

AYES: Coleman, Vonheeder-Leopold, Halket, Mellon

NOES:

5. CLOSED SESSION

A. NOT HELD - Conference with Real Property Negotiator-Pursuant to Government Code Section 54956.8
Property: Water Supply Contract
Agency Negotiator: James B. Bewley, Authority Manager
Negotiating Parties: City of Pleasanton and DERWA
Under Negotiation: Price and Terms

6. REPORT FROM CLOSED SESSION – None.

7. SPECIAL ANNOUNCEMENTS/ACTIVITIES

8. PUBLIC COMMENT – 6:02 p.m. – None received.

9. APPROVE MINUTES – Regular Meeting of April 22, 2013

Motion by Director Coleman, Second by V.C. Halket to approve the minutes from the Regular Meeting of *April 22, 2013*. Motion carried (4-0) by the following vote:

AYES: Coleman, Halket, Vonheeder-Leopold, Mellon
NOES:

10. CONSENT CALENDAR

A. Treasurer's Report – March 31, 2013

B. Quarterly Investment Reports - March 31 and June 30, 2013

Motion by Director Vonheeder-Leopold, Second by Director Coleman to approve Consent Calendar Items 10A & 10B. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Coleman, Halket, Mellon
NOES:

C. REMOVED - Approve Task Order No. 11 for Fiscal Year 2013-14 for Public Information Services with ICF International (formerly Jones & Stokes Associates)

Chair Mellon wanted to confirm that ICF would be performing public outreach services.

Authority Manager Bewley explained that a few years ago, most of the public information work tasks went back to the Member Agency staffs. The primary work that ICF is continuing to do is organizing and managing the annual two agency communication workshop in the spring before the recycled water season commences. Multiple staff from each Member Agency participate in the forum. The workshop allows staff from each Member Agency to get to know one another in advance of the recycled water season and to familiarize them with whom to contact in the event of an emergency or urgent recycled water situation. The forum has a theme of "Who are you going to call?" and allows for rapport building. ICF also does maintenance on the website.

Director Coleman suggested the names cited on the task order did not really need to be listed.

Mr. Bewley stated that he would make that format recommendation to ICF.

Motion by Director Coleman, Second by Director Vonheeder-Leopold to approve Consent Calendar Item 10C. Motion carried (4-0) by the following vote:

AYES: Coleman, Vonheeder-Leopold, Halket, Mellon
NOES:

11. BOARD BUSINESS

A. Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2012 and 2013

Treasurer Lou presented the Audit report for the years ending June 30, 2012 and 2013.

The Board discussed various elements of the audit and expressed their overall satisfaction with having a clean audit presented to them. Aspects and the mechanics of the "sweep" account were discussed in some detail and how these are reflected in the audit.

Motion by V.C. Halket, Second by Director Coleman to approve the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2012 and 2013. Motion carried (4-0) by the following vote:

AYES: Halket, Coleman, Vonheeder-Leopold, Mellon

NOES:

B. Agreement to Provide Recycled Water Treatment and Delivery Services by and between DERWA and City of Pleasanton

Chair Mellon stated this was an extraordinary moment as he complimented DSRSD General Manager Michalczyk, EBMUD General Manager Alex Coate, and Authority Manager Jim Bewley for their efforts working on this agreement. He also thanked Mr. Requa for his efforts. Chair Mellon credited Directors Vonheeder-Leopold and Coleman for their early participation in DERWA and for getting to this point to approve this significant agreement.

Authority Manager Bewley stated that before the Board was a letter from Zone 7's General Manager Jill Duerig strongly supporting this action tonight. He noted that he has requested a letter from Pleasanton allowing DERWA to continue to use their secondary effluent until such time as the agreements are signed and their CEQA process is completed. The CEQA process could take up to a year to accomplish. Mr. Bewley also commented that he had a copy of an email from Pleasanton City Manager Nelson Fialho who stated that he was recommending their City Council approval for the agreements on November 5, 2013.

Mr. Daniel Smith, Director of Operations of the City of Pleasanton, addressed the Board and agreed this is an exciting time. Mr. Smith thanked the DERWA Board and Mr. Bewley, and the DSRSD and EBMUD Boards and all the staff from each agency who worked on these agreements. He expressed his appreciation for the patience from the agencies during this process and stated he believes this is a comprehensive agreement that is balanced and fair for all agencies involved. Mr. Smith expressed special appreciation to Messrs. Michalczyk and Requa from DSRSD for all of their time in the last few months, in particular.

Director Vonheeder-Leopold on behalf of DSRSD thanked Mr. Smith for all of the work he did with the Pleasanton staff and the City Council on these agreements and for the fact that Pleasanton will be using recycled water.

Chair Mellon suggested Directors Vonheeder-Leopold and Coleman make a joint Motion for approval of this item because they both worked so hard on this effort.

Motion by Director Vonheeder-Leopold and Director Coleman, Second by V.C. Halket to adopt Resolution No. 13-3, approving and authorizing execution of the Agreement to Provide Recycled Water Treatment and Delivery Services by and between DSRSD•EBMUD Recycled Water Authority and City of Pleasanton.

Chair Mellon asked DSRSD General Manager Michalczyk if he wanted to make any comments.

DSRSD General Manager Michalczyk thanked everyone involved in this effort and for the vision and patience to put these agreements together. He stated that as DSRSD learned from working on the Berrenda Mesa water transfer, and as EBMUD has worked on several water deals over the years, water agreements are never easy or quick to complete. Mr. Michalczyk thanked Mr. Daniel Smith for his patience and understanding during this process given some of the history between the agencies. Once former DSRSD and DERWA Director Jeff Hansen learned of this upcoming Board action, he requested Mr. Michalczyk read the following into the record:

“The Pleasanton deal was truly a long time in the making-but definitely worth it. I want to compliment everyone who has been involved for so long (DERWA, EBMUD, Pleasanton and the District) for implementing what is so obviously a win-win governance and environmental success. And, I especially want to compliment you (Mr. Michalczyk) and Dave Requa, for staying with it all these years. If you get the chance, please pass along my heartfelt congratulations to all involved, beginning with the DSRSD Board tomorrow and the DERWA Board next week. As you have heard me say before, ‘This is an idea whose time has finally come.’”

Director Coleman commented that along with the water industry trend--with regards to potable and recycled water use in the past few years--these agreements represent the direction the state of California is moving toward. When DSRSD and EBMUD joined to form DERWA, some onlookers thought this agency should not be formed. Director Coleman stated that these agreements with Pleasanton were great for all involved and the dynamics in water policy in California are changing for the better, which is good for the future economy.

Chair Mellon commented that when he started on the EBMUD Board nearly 20 years ago, the first item he voted on was moving forward with the DERWA recycled water program. Some Directors wanted to study the matter again; however, this effort moved forward and today, Chair Mellon is sitting as the Chair of DERWA when this significant moment is happening! He expressed his strong enthusiasm for the recycled water agreements.

Director Vonheeder-Leopold reminisced about the early 1990s when she, John Coleman, and Jeff Hansen met and discussed recycled water, which was not common in northern California back then. She expressed her strong satisfaction with this agreement.

Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Coleman, Halket, Mellon

NOES:

C. Proclamation of Appreciation for Dave Requa's Service to DERWA

Chair Mellon invited Mr. Requa to the lectern and complimented him for his service and in particular for the effort on the recycled water agreements. He offered best wishes to Mr. Requa upon his retirement and expressed his deepest appreciation for his fine work.

Director Vonheeder-Leopold complimented Mr. Requa on his skills for working effectively with other agencies' staff. She commented that she will miss his camaraderie and friendship.

V.C. Halket thanked Mr. Requa very much for his service and asked him to not be a stranger in the future.

Director Coleman expressed how much he has enjoyed working with Mr. Requa and his hope that he will be around in the future doing something in the water arena. He complimented Mr. Requa's steadfast nature and how this has helped DERWA be what it is today.

Motion by Chair Mellon, Second by Director Vonheeder-Leopold to approve the Proclamation of Appreciation for Dave Requa's Service to DERWA. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Coleman, Halket

NOES:

12. MANAGER'S REPORT

- Capital Projects Update – None.
- Confirming Cancellation of the Next Regular Meeting Date Scheduled for December 23, 2013 – The Board agreed to cancel the next regular meeting scheduled for December 23, 2013.

13. BOARDMEMBER ITEMS

Director Coleman asked if DERWA was seeking any WRDA dollars for projects. Authority Manager Bewley stated that DERWA was not but that EBMUD may be.

Chair Mellon reported on his recent attendance of his 50th high school class reunion. On his way to the event, he stopped in Cape Coral, Florida which has a large recycled water program. He shared some of the geographical and service challenges for providing recycled water in that area.

14. ADJOURNMENT

Chair Mellon adjourned the meeting at 6:40 p.m.

Submitted by,



Nancy Gamble Hatfield
Authority Secretary