

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Regular Meeting Minutes
Monday, June 26, 2006**

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

1. CALL TO ORDER – Chair Halket called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:05 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT – 6:06 p.m. – None received.

6. APPROVE MINUTES – Regular Meeting of *April 24, 2006*
Motion by Director Scannell, Second by V.C. Coleman to approve the minutes from the April 24, 2006 meeting. Motion carried (3-0-1) by the following vote:

AYES: Scannell, Coleman, Halket
NOES:
ABSTAIN: Foulkes

7. CONSENT CALENDAR

A. April 30, 2006 Treasurer's Report

B. May 31, 2006 Treasurer's Report

C. Quarterly Investment Report – March 31, 2006

Motion by Director Scannell, Second by Director Foulkes to approve the Consent Calendar. Motion carried (4-0) by the following vote:

AYES: Scannell, Foulkes, Coleman, Halket
NOES:

8. BOARD BUSINESS

A. Authorize Execution of Agreement with the Department of the Army for Design and Construction Assistance for the San Ramon Valley Recycled Water Project

Authority Manager Bewley reviewed the purpose of the U.S. Army Corps of Engineers' (USACE) standard contract under consideration, namely, to reserve Water Resource Development Act (WRDA) funds for construction assistance and design for Pump Station R200A and the related pipeline on Bollinger Canyon Road in San Ramon. The resolution associated with this item authorizes the Authority Manager to execute a USACE project cooperation agreement substantially in the form presented, with any non-material changes requiring approval by General Counsel.

In response to a question from V.C. Coleman, Mr. Bewley indicated that unless the U.S. Congress changes current law, the USACE would not be able to re-program any of the WRDA funds presently earmarked for the San Ramon Valley Recycled Water Program (SRVRWP) project. In addition, if proposed Federal legislation becomes law, the USACE may be required to re-program back to the SRVRWP approximately \$900,000 in funding that was distributed to other projects.

Motion by V.C. Coleman, Second by Director Scannell to adopt Resolution No. 06-4 authorizing execution of an agreement with the Department of the Army for design and construction assistance for the San Ramon Valley Recycled Water Program.

General Counsel Maddow responded to a question from Chair Halket by saying he had reviewed the USACE contract and found no substantial flaw, legal objection or undue exposure; however, some non-material changes would need to be made to the agreement. Mr. Bewley added that this agreement would authorize payment of local funds for the Pump Station R200A/Pipeline IH project not to exceed \$975,000.

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

AYES: Coleman, Scannell, Foulkes, Halket

NOES:

B. Ratify Authority Manager's Execution of Certificate of Acceptance of Grant Deed and Execution of Related Documents for the Acquisition of Interest in Real Property for Sunset Development Company for Construction of Pump Station R200A

Based on previous Board authorization, the Authority Manager executed a Certificate of Acceptance and related documents for the acquisition of interest in real property from Sunset Development Company to be used for Pump Station R200A. Mr. Maddow felt it would be prudent for the Board to ratify the Authority Manager's action and authorize the Authority Manager to execute similar documents in the future.

Motion by Director Foulkes, Second by Director Scannell to ratify the Authority Manager's execution of the Certificate of Acceptance and related documents for the acquisition of interest in real property from Sunset Development Company.

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

AYES: Foulkes, Scannell, Coleman, Halket

NOES:

C. Approve Resolution Authorizing and Directing the Authority Manager to Execute Certificates of Acceptance of Easements, Deeds, and Grants

This item was discussed as part of Item 8.B.

Motion by Director Foulkes, Second by Director Scannell to adopt Resolution No. 06-5 authorizing the Authority Manager to execute other documents necessary for acquisition of interests in real property which the Board of Directors previously authorized by resolution.

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

AYES: Foulkes, Scannell, Coleman, Halket
NOES:

9. MONTHLY WORKSHOP

A. Presentation and Discussion: Public Information Quarterly Report

Jones and Stokes' representative, Ms. Karen Molinari, reported on the successful Table Top Exercise held May 3 in San Ramon. Twenty DSRSD and EBMUD staff members participated and group interaction was very good. The protocol developed was extensive and will be pared down and incorporated into each agency's emergency response protocol binder under a separate DERWA tab. It was determined that a call tracking system is needed so that complaints can be tracked and resolved. In addition, the availability of resources such as DSRSD's lab facility and EBMUD's construction crews need to be advertised to staff within both Member Agencies. Participants requested a facility tour prior to a second training session scheduled for spring 2007.

More than seventy people attended the Kickoff Celebration held June 2. Six individuals, including Dublin Councilmember Claudia McCormick, Dr. Gary Wolff from the State Water Resources Control Board, and several elected officials' representatives spoke at the event. A ribbon cutting, tours of the treatment plant facility, refreshments, and SRVRWP pens and seed packets for guests to take away rounded out the celebration which received press coverage from TV Channel 30 and an article in the Tri-Valley Herald.

In terms of program recognition, DSRSD's Assistant General Manager Dave Requa and EBMUD's Supervisor of the Office of Water Recycling Linda Hu presented a case study on the SRVRWP at the WaterReuse Conference in March 2006. An application for the 2006 WaterReuse Institution of the Year Award, as well as other water organization awards, will be submitted in the near future.

Additional activities planned for DERWA include developing a customer profile, continuing web site maintenance, pursuing program awards, distributing updated informational materials and assisting with Phase 2 outreach as needed.

10. MANAGER'S REPORT

- DERWA Startup – Mr. Bewley shared a graph of recycled water deliveries showing that with recent rising summer temperatures, water deliveries in the service area peaked at over 3 mgd. The facility is designed for 9.7 mgd and currently is permitted for 8 mgd.
- Introduction of DSRSD Operations Manager Dan Gallagher – DSRSD General Manager Bert Michalczyk introduced the new DSRSD Operations Manager, Dan Gallagher. Mr. Gallagher was welcomed by DERWA Boardmembers and staff.
- Backbone Corrosion/Stray Voltage – The consultant for the Stray Voltage Project, Safe Engineering Services, provided DERWA with several mitigation alternatives that were reviewed by DSRSD and EBMUD wastewater and electrical engineers, operations staff and safety officers. Staff from both Member Agencies recommended adding a gradient wire the length of the pipe to provide the highest level of safety. Funding for design and construction has been included in the Fiscal Year 2006-2007 budget.

- Phase 2 Pump Station and Pipeline Project Schedule – This subject was covered during the USACE project cooperation agreement discussion. It is expected the bid will be advertised in July with the contract awarded eight weeks later and construction beginning in late 2006.
- Supplemental Water Supply – DSRSD continues to discuss use of additional wastewater with the City of Pleasanton. In addition, the California High School well project is still being reviewed. If needed, the test well could be installed during summer 2007.
- Contracts Initiated Since the Board Meeting of April 24, 2006 (Attachment) – The Authority Manager authorized a contract with The Covello Group to develop DERWA standard construction specifications based on an updated version of DSRSD's current specifications.
- Correspondence – Boardmember packets included two letters for their information, one inviting U.S. Representative Richard Pombo to the Kickoff Celebration and a SRVRWP Phase 1 completion congratulatory letter from Contra Costa Water District.
- Confirm Next Meeting Date – Following discussion, the July 24, 2006 DERWA Board meeting was canceled. The next Regular Meeting is scheduled for August 28, 2006.

11. BOARDMEMBER ITEMS


Director Scannell, V.C. Coleman and Chair Halket thanked Jones & Stokes for the great job they did working on the Kickoff Celebration. They appreciated the handling of the details for the guest list and invitations as well as being able to visit with event attendees and the resulting press coverage.

Chair Halket asked about the recent Kinder Morgan incident near the DERWA pipeline in the Iron Horse Trail. Mr. Michalczyk explained that approximately two weeks ago some San Ramon residents smelled gasoline which was traced to a storm drain. It was discovered that a pinhole-sized leak had developed in a Kinder Morgan pipeline that led to the replacement of a large segment of the pipeline. There appeared to be no impact on the DERWA pipeline in that particular area. It was noted that Kinder Morgan's subcontractor was very proactive in handling the situation.

12. ADJOURNMENT

Chair Halket adjourned the meeting at 6:44 p.m.

Submitted by,



Nancy Gamble Hatfield
Authority Secretary