

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Regular Meeting Minutes
Monday, October 22, 2012**

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

1. CALL TO ORDER – Chair Vonheeder-Leopold 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 Georgean Vonheeder-Leopold, Vice Chair Frank Mellon, Director John Coleman, and Director Dwight (Pat) Howard. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None.

5. PUBLIC COMMENT – None received.

6. APPROVE MINUTES – Regular Meeting of *August 27, 2012* and Special Meeting of *September 24, 2012*

Motion by V.C. Mellon, Second by Director Howard to approve the minutes from the Regular Meeting of August 27, 2012 and the Special Meeting of September 24, 2012. Motion carried (4-0) by the following vote:

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

7. CONSENT CALENDAR

- A. Treasurer's Report for August 31, 2012 and September 30, 2012
- B. Quarterly Investment Report – September 24, 2012

Motion by V.C. Mellon, Second by Director Howard to approve the Consent Calendar. Motion carried (4-0) by the following vote:

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

8. BOARD BUSINESS

A. Transmittal of the DERWA Independent Auditor's Report and Financial Statements for the Years Ending June 30, 2012 and 2011

Authority Manager Bewley reported that the audit was included in the agenda materials and the management letter found no exceptions, disputes, or disagreements.

Chair Vonheeder-Leopold commented that the audit seemed fairly reasonable and the turnaround time by Maze & Associates was excellent.

Treasurer Richard Lou commented that this Auditor has been performing services for EBMUD and DERWA for at least four years and their turnaround time is good.

Director Coleman asked why the water sales amount listed on the financial statements were less in 2012 than in 2011.

Mr. Bewley stated that sales are actually up. The difference is a reflection of the time the agencies were billed and when they actually paid and the relationship to the close of the year. Water deliveries have been increasing each year.

Chair Vonheeder-Leopold commented that the financial statements must be on an accrual basis as contributions from the Member Agencies reflect \$2,991,456 in 2011 and \$3,749,811 in 2012.

Motion by Director Coleman, Second by Director Howard to accept the DERWA Independent Auditor's Report. Motion carried (4-0) by the following vote:

AYES: Coleman, Howard, Mellon, Vonheeder-Leopold

NOES:

9. MANAGER'S REPORT

- Contracts Initiated Since the Board Meeting of August 27, 2012 – No contracts since the last two Board meetings.
- Army Corps of Engineers Construction Project Status – Authority Manager Bewley reported that a meeting has been scheduled for October 23, 2012 with Lt. Col. Kaulfers and the Army Corps of Engineers construction branch to discuss their conclusions on settlement of the claim. There should be more to report on this project at the next Board meeting.
- Cancel Regular Meeting December 24, 2012 – The next Regular meeting is scheduled on the same day as Christmas Eve. That meeting will be canceled. There may be a need for a Special meeting in the next two weeks.

Director Coleman and V.C. Mellon shared that they would both be unavailable to attend meetings during the end of October and the early part of November.

10. BOARDMEMBER ITEMS – None.

11. CLOSED SESSION

Before the Board went into Closed Session, General Counsel Maddow announced that the DERWA negotiating team, consisting of chief negotiator and Authority Manager Jim Bewley, DSRSD District Engineer Dave Requa and EBMUD Manager of Water Supply Improvements Mike Tognolini, would attend.

The Board went into Closed Session at 6:07 p.m.

A. 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

B. Pursuant to Government Code Section 54957 – Public Employee Performance Evaluation

Title: Authority Manager

C. Pursuant to Government Code 54957.6 – Conference with Labor Negotiator

Agency Designated Representative: General Counsel

Unrepresented Employee: James B. Bewley, Authority Manager

12. REPORT FROM CLOSED SESSION

At 7:23 p.m. the Board came out of Closed Session. Chair Vonheeder-Leopold announced that there was no reportable action.

13. ADJOURNMENT

Chair Vonheeder-Leopold adjourned the meeting at 7:24 p.m.

Submitted by,



Nancy Gamble Hatfield
Authority Secretary