

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

**Board of Directors Regular Meeting Minutes
Monday, April 22, 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; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT – 6:01 p.m. – None received.

6. APPROVE MINUTES – Special Meeting of March 13, 2013

Motion by Director Vonheeder-Leopold, Second by Director Coleman to approve the minutes from the Special Meeting of *March 13, 2013*. Motion carried (4-0) by the following vote:

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

7. CONSENT CALENDAR

A. Treasurer's Report – March 31, 2013

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

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

8. BOARD BUSINESS

A. Approve and Adopt the Fiscal Year 2013-14 Capital and Operating Expenditure Budget

Authority Manager Bewley reported that this item was for consideration of the Fiscal Year 2013-14 Capital and Operating Expenditure Budget.

Chair Mellon invited questions from the Directors.

Director Coleman inquired if there was any Water Resources Development Act (WRDA) funding in this CIP budget and if staff was looking into securing other funding sources.

Mr. Bewley explained that DERWA does not have any projects funded by WRDA in this CIP budget. However, EBMUD does have a staff member looking into opportunities for securing funding in Washington, D.C.

Mr. Bewley reported that operating the treatment plant and distribution system are the most expensive activities and that since the fixed costs of labor and maintenance are about 60% and variable costs primarily consisting of power and chemicals are about 40% of the total, the cost per million gallons to produce the water declines with increased demand. As DERWA plans and delivers more recycled water each year, the dollar amount for operations increases but the unit costs for operating continues to decrease.

Chair Mellon commented that for planning and budgeting purposes, his understanding is that DERWA needs to continue to seek additional water supplies depending on what happens with future negotiations with the City of Pleasanton.

Mr. Bewley stated that on the capital side of the budget, there are still funds identified for permanent supplemental water supply projects of approximately \$2 million. He discussed past studies performed and possible use of wells to supplement the DERWA supply. He reminded the Board of the study performed this last fiscal budget year with Mr. Ed Cummings and a possible project with Zone 7 for additional water for DERWA.

Motion by Director Coleman, Second by V.C. Halket to approve Resolution No. 13-2 approving and adopting the Fiscal Year 2013-2014 Capital and Operating Expenditure Budget. Motion carried (4-0) by the following vote:

AYES: Coleman, Halket, Vonheeder-Leopold, Mellon

NOES:

9. MANAGER'S REPORT

- Capital Projects Update – None
 - EBMUD Distribution System Phase 2 3 4 Projects Update – Authority Manager Bewley invited Ms. Florence Weddington to report on the EBMUD Distribution System Phase 2 3 4 project that will finish off the WRDA grant money.

Ms. Weddington gave the Board an update on the project that the Army Corps of Engineers will complete with remaining WRDA funds and that will include approximately 2,000 feet of pipe on Camino Ramon near the Bishop Ranch Business Park. The project work should occur between June 1, 2013 and be completed by July 10, 2013 so as to not interfere with the City of San Ramon's upcoming paving projects.

- Pleasanton/DERWA Recycled Water Agreement – Mr. Bewley commented that there was nothing to report on this agreement today. However, there has been a lot of activity over the last few weeks, which is encouraging. All basic concepts seem to be in place for the agreement. There is a good chance that this agreement may

come before the Board at the June meeting.

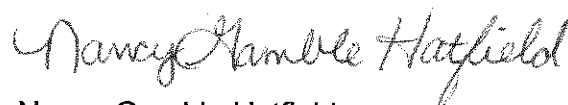
- Confirm Next Meeting Date – June 24, 2013 – The next regular meeting date was confirmed for June 24, 2013.

10. BOARDMEMBER ITEMS – None.

11. ADJOURNMENT

Chair Mellon adjourned the meeting at 6:15 p.m.

Submitted by,



Nancy Gamble Hatfield
Authority Secretary