

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Special Meeting Minutes
Monday, March 14, 2016**

**Quorum at:
Dublin San Ramon Services District
7051 Dublin Boulevard, Dublin, California 94568**

**Alternate Teleconference at:
Phoenix Hotel
520 North Capitol Street NW
Washington, DC 20001**

1. CALL TO ORDER – Vice Chair Vonheeder-Leopold called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:02 p.m. on behalf of Chair Coleman, who was participating via teleconference, at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair John Coleman (via teleconference), Vice Chair Georgean Vonheeder-Leopold, Director Frank Mellon, and Director Dwight (Pat) Howard. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Carl Nelson, General Counsel; and Nicole M. Genzale, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES - None

5. PUBLIC COMMENT – 6:03 p.m. - None

6. BOARD REORGANIZATION

A. Election of Board Chair

Motion by Director Howard, Second by Director Mellon to elect Vice Chair Vonheeder-Leopold as DERWA Board Chair for 2016. Motion carried (4-0) by the following vote:

AYES: Howard, Mellon, Vonheeder-Leopold, Coleman

NOES:

B. Election of Board Vice Chair

Motion by Director Howard, Second by Chair Vonheeder-Leopold to elect Director Mellon as DERWA Board Vice Chair for 2016. Motion carried (4-0) by the following vote:

AYES: Howard, Vonheeder-Leopold, Mellon, Coleman

NOES:

C. Appointment of Secretary

Motion by Director Mellon, Second by Chair Vonheeder-Leopold to *nominate* Nicole M. Genzale as the continuing DERWA Secretary for 2016.

Motion by Director Howard, Second by Vice Chair Mellon to *appoint* Nicole M. Genzale as the continuing DERWA Secretary for 2016. Motion carried (4-0) by the following vote:

AYES: Howard, Mellon, Coleman, Vonheeder-Leopold

NOES:

7. APPROVE MINUTES – Regular Board Meeting of October 26, 2015

Motion by Vice Chair Mellon, Second by Chair Vonheeder-Leopold, to approve the minutes from the Regular Meeting of October 26, 2015. Motion carried (3-0-1) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Coleman

NOES:

ABSTENTION: Howard

8. CONSENT CALENDAR

A. Treasurer's Reports for October 31, November 30, December 31, 2015, January 31, and February 28, 2016

B. Quarterly Investment Reports – September 30 and December 31, 2015

C. Approve Task Order No. 14 for Fiscal Year 2016-17 for Public Information Services with ICF International

D. Approval of Amendment No. 6 to the Agreement with Bold, Polisner, Maddow, Nelson, and Judson – Approved - Resolution No. 16-1

Motion by Vice Chair Mellon, Second by Director Howard to approve Items A, B, C and D of the Consent Calendar. Motion carried (4-0) by the following vote:

AYES: Mellon, Howard, Coleman, Vonheeder-Leopold

NOES:

9. BOARD BUSINESS

A. Update Report on Recycled Water Demand Projections and Source Water Supply Alternatives

Authority Manager Bewley introduced Dublin San Ramon Services District Engineering Services Manager Dan McIntyre who reviewed the item for the Board. Mr. McIntyre also gave a slide presentation showing projected recycled water demand and gave an overview of source water supply alternatives including the six most promising: (1)

LAVWMA Livermore diversion, (2) Central Contra Costa Sanitary District sewage diversion, (3) Zone 7 Hopyard #7 Well, (4) Livermore recycled water to Pleasanton, (5) Pleasanton Well #7, and (6) East Bay Dischargers Authority Secondary Effluent.

The Board and staff discussed various aspects of the update report including the alternative water supply sources, surmised changes from the East Bay Dischargers Authority and possible temporary solutions. The Board directed staff to continue to concentrate on the water supply alternatives, particularly the top five to six identified at this time until one proves to be effective. The Board also inquired about the potential use of wells. Mr. Bewley reported the well project was close to testing but that there are concerns regarding impact to other ground water users in those areas and the actual yield is unknown without testing.

B. Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2015 and 2014

Treasurer Lou reviewed the item for the Board. He stated that since DERWA's operations have been primarily in a maintenance mode, the report is similar to previous years' with no issues to report. Looking ahead, he stated that the budget will present some changes as some treatment plant expansions and requests for capital contributions from member agencies are expected.

Authority Manager Bewley also reiterated that DERWA received a very clean audit as there were no material findings, nor difficulties experienced by the auditors in working with DERWA management.

Motion by Director Howard, Second by Director Coleman to accept the Independent Auditor's Report and Financial Statements for Years Ending June 30, 2015 and 2014. Motion carried (4-0) by the following vote:

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

C. Approve and Adopt the Fiscal Year 2016-17 Capital and Operating Expenditure Budget

Authority Manager Bewley reviewed the item for the Board. He thanked DSRSD Engineering Services Manager Dan McIntyre and Principal Engineer Judy Zavadil for their contributions. He reported that this budget sees an increase of 9% with increased projected recycled water deliveries by 15%. The many capital projects coming online will all be executed by DSRSD, including the Pleasanton 6th Sand Filter project, which Mr. Bewley gave an in-depth update of including cost sharing, project activities and timelines.

The Board and staff discussed various aspects of the budget, and upon inquiry, Mr. Bewley also reported that the systematic backbone DERWA established, based on 2020 projections, is successful and has plenty of capacity, however additional planning will need to be done as there will be challenges on the near horizon.

Motion by Vice Chair Mellon, Second by Director Howard to approve Resolution No. 16-2, approving and adopting the DERWA Fiscal Year 2016-17 Capital and Operating Expenditure Budget. Motion carried (4-0) by the following vote:

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

D. Appointment of Authority Manager

Authority Manager Bewley reviewed the item recommending the appointment of Mr. Michael Tognolini to Authority Manager effective April 1, 2016. Mr. Tognolini is the Manager of Water Supply Improvements at East Bay Municipal Utility District (EBMUD). Mr. Bewley shared that the recommendation of Mr. Tognolini is the culmination of counsel by both DSRSD and EBMUD staff. Vice Chair Mellon and Director Coleman made favorable comments and expressed support for the appointment of Mr. Tognolini. The Board also acknowledged and thanked past DERWA Authority Managers Mr. Bewley and Mr. Michalczyk.

Motion by Vice Chair Mellon, Second by Director Howard, to approve Resolution No. 16-3, appointing Michael Tognolini Authority Manager effective April 1, 2016. Motion carried (4-0) by the following vote:

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

E. Agreement for Continuation of Services of James B. Bewley

Authority Manager Bewley reviewed the item for the Board and outlined provision of his services to assist newly appointed Authority Manager Tognolini. General Counsel Nelson stated his recommendation of approval of this item.

Motion by Director Howard, Second by Vice Chair Mellon to authorize the Board Chair to execute the Agreement for the Continuation of Services of James B. Bewley on behalf of DERWA. Motion carried (4-0) by the following vote:

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

F. Proclamation of Appreciation for Robert B. Maddow's Service to DERWA as Authority Legal Counsel

Authority Manager Bewley reviewed the item for the Board. He reported that in light of General Counsel Maddow's desire to step down, Mr. Doug Coty has been appointed as the new DERWA General Counsel per this evening's approval of Consent Calendar Item 8.D.

The Board presented proclamations from DERWA and EBMUD for departing DERWA General Counsel Maddow. General Counsel Nelson accepted them on Mr. Maddow's behalf, as Mr. Maddow was unable to attend this evening's meeting.

Motion by Chair Vonheeder-Leopold, Second by Director Howard to approve the Proclamation of Appreciation for Service to DERWA by Robert B. Maddow. Motion carried (4-0) by the following vote:

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

G. Proclamation of Appreciation for James B. Bewley's Service to DERWA as Authority Manager

Chair Vonheeder-Leopold reviewed this item for the Board and expressed DERWA's thanks to Mr. Bewley for his ten years of valuable service. The Board presented proclamations from DERWA and EBMUD to Mr. Bewley and expressed their gratitude for his instrumental contributions.

Motion by Vice Chair Mellon, Second by Director Howard to approve the Proclamation of Appreciation for Service to DERWA by James B. Bewley. Motion carried (4-0) by the following vote:

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

10. MANAGER'S REPORTS

- Capital Projects Update – Recycled Water Treatment Plant

Authority Manager Bewley stated that the Capital Projects update was accomplished during discussion of previous items.

Mr. Bewley then shared some memories and reflected on several milestone events that he was pleased to be involved with during his tenure at DERWA.

- Confirm Next Meeting Date – April 25, 2016
The Board agreed to leave the standing meeting date.


11. BOARDMEMBER ITEMS

The Board again thanked Mr. Bewley and Mr. Maddow for their valuable service and dedication during their tenure with DERWA, and wished them an enjoyable retirement.

12. ADJOURNMENT

Chair Vonheeder-Leopold adjourned the meeting at 7:10 p.m.

Submitted by,


Nicole M. Genzale
Authority Secretary