

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Regular Meeting Minutes
Monday, February 26, 2007**

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 6:03 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 Frank Mellon. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. BOARD REORGANIZATION

A. Selection of Board Chair

Motion by Director Scannell, Second by Director Mellon to elect Director Coleman as DERWA Board Chair for 2007. Motion carried (4-0) by the following vote:

AYES: Scannell, Mellon, Halket, Coleman

NOES:

B. Selection of Board Vice Chair

Motion by Director Mellon, Second by Chair Coleman to elect Director Scannell as DERWA Board Vice Chair for 2007. Motion carried (4-0) by the following vote:

AYES: Mellon, Coleman, Halket, Scannell

NOES:

C. Selection of Secretary

Motion by V.C. Scannell, Second by Director Mellon to appoint Nancy Hatfield as DERWA Secretary for 2007. Motion carried (4-0) by the following vote:

AYES: Scannell, Mellon, Halket, Coleman

NOES:

Director Halket handed the gavel to Chair Coleman at this point in the meeting.

5. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None.

6. PUBLIC COMMENT – 6:04 p.m. – None received.

7. APPROVE MINUTES – Special Meeting of December 5, 2006.

Motion by V.C. Scannell, Second by Director Mellon to approve the minutes from the December 5, 2006 meeting. Motion carried (4-0) by the following vote:

AYES: Scannell, Mellon, Halket, Coleman

NOES:

8. CONSENT CALENDAR

A. Treasurer's Report – November 30, 2006

B. Treasurer's Report – December 31, 2006

C. Quarterly Investment Report – December 31, 2006

D. DERWA Investment Policy

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

AYES: Mellon, Scannell, Halket, Coleman

NOES:

9. BOARD BUSINESS

A. Approve Final Acceptance of Construction of Reservoir R200 Drainage Improvements Project (DERWA 06-01) and Authorize Filing of Notice of Completion

Authority Manager Bewley explained that the Reservoir R200 Drainage Improvements Project is DERWA's first construction project as an owner. The general contractor was recommended by Zone 7. There was one DERWA-initiated Change Order for the Project that made the existing drain system more accessible during cleaning. The Construction Manager and DERWA recommend acceptance of the Project and filing of the Notice of Completion.

Motion by Director Mellon, Second by Director Halket to approve acceptance of the Reservoir R200 Drainage Improvements Project (DERWA 06-01) and authorize the Authority Manager to file the Notice of Completion. Motion carried (4-0) by the following vote:

AYES: Mellon, Halket, Scannell, Coleman

NOES:

B. Authorize the Execution of the First Amendment to the Professional Services Agreement with Safe Engineering Services & technologies Ltd. for Design Support Services for the Stray Current Mitigation Project

Mr. Bewley stated that the First Amendment to the Agreement with Safe Engineering Services & technologies Ltd. (SES) covers design support for a gradient wire to be installed along the Iron Horse Trail pipeline which will prevent people from receiving current from the pipe. JDH Corrosion Consultants, Inc. (JDH), was recommended by SES to provide design services due to their considerable experience in corrosion and stray current mitigation. EBMUD's electrical engineering staff will provide primary support for the Project. It is expected that construction will start in late June and be completed prior to the rainy season.

In response to a question from V.C. Scannell regarding PG&E's participation in this project as they also have pipe along the Iron Horse Trail, Mr. Bewley stated that SES has worked with PG&E and is familiar with their engineering requirements. He mentioned that at the beginning of the project PG&E was cooperative in providing information about the circuits and the history of occurrences of ground faults along the Iron Horse Trail, but eventually determined there was no need to change their bonding system because such a change would worsen their situation.

Mr. Bewley reported that staff from the General Counsel's office determined that PG&E's system is constructed in a manner consistent with Public Utility Commission (PUC) General Orders for line construction. Mr. Maddow added that his staff was trying to determine whether or not PG&E had a duty to participate in mitigation of the problem, but his staff could not find support for that argument.

Following several conversations with PG&E, DERWA asked SES to do additional model runs covering what DERWA would have to do if PG&E did not bond their poles. SES's solution was to install a gradient wire so that any worker doing normal operations on the pipeline would be fully protected from the induced current, and would be protected should there be a ground fault on the system.

Mr. Bewley stated that in the event a ground fault occurred DERWA does not have full protection from buried sections of the pipeline near power poles on a particular pole. There is an engineering mitigation for that situation; namely, installing some additional grounding in the vicinity. It was decided that if DERWA needed to dig up the pipe near a transmission line in order to do other work on the pipe, then DERWA could install additional grounding at that time.

Motion by V.C. Scannell, Second by Director Mellon to approve Resolution No. 07-1 to approve and direct the Authority Manager to execute the First Amendment to the Professional Services Agreement with Safe Engineering Services & technologies Ltd.

Prior to the vote on the motion, and following comments by V.C. Scannell, Mr. Bewley explained that even if PG&E had bonded its poles, DERWA would need to install the gradient wire. Bonded poles would have simplified any future work on buried portions of the pipeline; however, Mr. Bewley did not believe that PG&E had any responsibility to contribute to the gradient wire installation.

V.C. Scannell felt that in the event there should be a future injury due to stray current, it would be important to retain documentation of DERWA's communications regarding this problem. Mr. Bewley indicated that PG&E, Kinder Morgan and Central Contra Costa Sanitary District had been notified of the stray current situation because they have pipelines in the area. The SES report and analysis also had been shared with those entities.

Director Mellon wanted to make sure that safety information about the stray current problem was not lost over the years. Mr. Bewley responded that a safety procedure has been developed, reviewed and utilized by DSRSD and two of its

contractors. The record drawings were derived from EBMUD, and now the record drawings and working drawings include very specific notes about electric shock hazards and refer back to the safety procedures.

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

AYES: Scannell, Mellon, Halket, Coleman

NOES:

10. MANAGER'S REPORT

- Contracts Initiated Since the Board Meeting of December 5, 2006 – None
- Stray Current Mitigation Project Update – This item was reviewed as part of Item No. 9.B.
- Supplemental Water Status Update – DERWA met with San Ramon Valley Unified School District (SRVUSD) representatives to discuss some terms developed for a Memorandum of Understanding (MOU) should DERWA decide to proceed with a test well on SRVUSD property. The meeting was cordial. There were discussions about improving the high school parking lot in order to accommodate the well. The school district may allow construction during the school year, rather than requiring delay of construction until summer vacation. The MOU will have conditions in it that will be valid for a number of years.
- Pump Station R200A/Pipeline IH Project Update – Mr. Bewley indicated the U.S. Army Corps of Engineers (USACE), is budgeted under a Continuing Resolution through September 2007. The local USACE initially requested \$4 million for the San Ramon Valley Recycled Water Program (SRVRWP), an amount that eventually was reduced to \$1.5 million, but aligned with the SRVRWP. If final approval is given by March 1, the \$1.5 million is sufficient to complete work that is ready to go to bid. Everything else in regard to the project is lined up including the agreement with Sunset for a temporary construction storage area, and details involving the City of San Ramon. DERWA will go back to the San Ramon City Council with a construction schedule once dates are confirmed.

Chair Coleman indicated he recently had met with Congressman Jerry McNerney, who seemed interested in supporting the SRVRWP. Chair Coleman stated he would be in Washington, D.C. on March 10, but in the meantime it might be helpful to contact Mr. Walter Yap who works with Colonel Thompson in the USACE San Francisco office about the funding situation.

- Confirm Next Meeting Date – Chair Coleman would like to leave the March 26, 2007 meeting on the calendar. However, if the meeting is not needed, it can be canceled.

Mr. Bewley added that DERWA will be recognized in the Agency of the Year, Medium Size category at the March 5-6 WaterReuse Conference in Palm Springs. Karen Molinari from Jones & Stokes worked on and submitted DERWA's award application.

Mr. Bewley further noted that his first year working with DERWA had gone by very quickly and he had enjoyed it.

11. BOARDMEMBER ITEMS

Director Mellon asked to have his March Board meeting packet sent to EBMUD.

V.C. Scannell suggested it might be appropriate to regularly hold DERWA Board meetings every other month because DERWA is becoming a maintenance organization. He thanked Director Halket for doing a great job as DERWA Chair in 2006.

Chair Coleman mentioned that he had invited Congressman McNerney to tour the DERWA and EBMUD recycled water facilities in April when Congress is in recess.

12. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:31 p.m.

Submitted by,



Nancy Gamble Hatfield
Authority Secretary