

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Special Meeting Minutes
Monday, January 24, 2005**

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

1. CALL TO ORDER – Chair Scannell called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:12 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair Daniel Scannell, Director Jeffrey Hansen, and Director John Coleman. Vice Chair Frank Mellon entered the meeting at 6:20 p.m. DERWA Staff present: Robert Baker, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary

4. CLOSED SESSION

The Board went into Closed Session at 6:14 p.m. Ms. Linda Hu, P.E., EBMUD, attended Closed Sessions 4.A – C. V.C. Frank Mellon entered the DERWA meeting at 6:20 p.m.

- A. Conference with Real Estate Property Negotiator – Pursuant to Government Code Section 54956.8
Property: Interest in Water Supply Contract
Authority Negotiator: Robert A. Baker, Authority Manager
Negotiating Parties: DERWA and City of Livermore
Under Negotiation: Price and Terms

- B. Conference with Real Estate Property Negotiator – Pursuant to Government Code Section 54956.8
Property: Property from Sunset Development Company for Pump Station 2A
City of San Ramon, Assessor's Parcel Numbers 213-120-012 and 213-120-014
Authority Negotiator: Robert A. Baker, Authority Manager
Negotiating Party: Sunset Development Company
Under Negotiation: Price and Terms

- C. Conference with Real Estate Property Negotiator – Pursuant to Government Code Section 54956.8
Property: Nextel Cellular Telephone Antenna Lease on Tank R200 Site
City of San Ramon, Assessor's Parcel Numbers 213-120-012 and 213-120-014
Authority Negotiator: Robert A. Baker, Authority Manager
Negotiating Party: DERWA and Nextel
Under Negotiation: Price and Terms

- D. Public Employee Performance Evaluation – Government Code Section 54957
Title: Authority Manager

5. REPORTS FROM CLOSED SESSION

At 7:14 p.m. the Board came out of Closed Session. Chair Scannell announced that there was no reportable action.

6. SPECIAL ANNOUNCEMENTS/ACTIVITIES

7. PUBLIC COMMENT – 7:15 p.m. – None received.

8. APPROVE MINUTES – Special Meeting of *November 22, 2004*

Motion by Director Coleman, Second by Director Hansen to approve the minutes from the November 22, 2004 meeting. Motion carried (4-0) by the following vote:

AYES: Coleman, Hansen, Mellon, Scannell

NOES: None

9. CONSENT CALENDAR

A. Treasurer's Report – November 30, 2004

B. Treasurer's Report – December 31, 2004

C. Quarterly Investment Report – December 31, 2004

D. DERWA Investment Policy

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

AYES: Coleman, Hansen, Mellon, Scannell

NOES: None

10. BOARD BUSINESS

A. Proclamation for Service for Richard Rose as 2001 Vice Chair, 2002 Chair, and 2003-2004 Director

Motion by Director Hansen, Second by V.C. Mellon to approve a Proclamation for Service of Richard Rose as 2001 Vice Chair, 2002 Chair, and 2003-2004 Director. Motion carried (4-0) by the following vote:

AYES: Hansen, Mellon, Coleman, Scannell

NOES: None

B. Approving Authority Manager Pay for Performance Award for Calendar Year Ending December 31, 2004

Motion by Director Coleman to adopt Resolution No. 05-1 approving Authority Manager Pay for Performance Award for Calendar Year ending December 31, 2004, with an award of 9%, and requesting a budget adjustment so the award funds would be taken from the contingency fund and that development of a 2005 Pay for Performance Plan would be presented in a future Closed Session. Director Hansen seconded the motion. Motion carried (4-0) by the following vote:

AYES: Coleman, Hansen, Mellon, Scannell

NOES: None

11. MONTHLY WORKSHOP

A. Presentation and Discussion: Public Information Quarterly Report

DERWA Community Affairs Representative Ingrid Norgaard reported project outreach goals for October to December 2004 necessitated distributing a variety of public notices regarding pipeline installation and tank site work. Other efforts included coordinating the October 2004 State Water Resources Control Board Check Presentation Ceremony, and submitting applications for two awards for the Public Education Community Outreach Program—one for the WaterReuse California Section and another for the California Water Environment Association. The Web site and community hot line also were regularly updated and maintained.

Boardmembers viewed a map showing pipeline installation completed to date, and two sections of pipeline that remain to be completed—Pipeline DL near Tank 2 and the U.S. Army Corps of Engineers' portion of the project.

Recent project issues included problems with construction dust and hydroseeding hay near Tank 1, early construction start times on Bollinger Canyon Road, and trucks leaving dirt on streets near Tank 2. During 2004 eleven individuals called regarding pipeline installation issues along Amador Valley Boulevard, Pine Valley Road, Bollinger Canyon Road and the Iron Horse Trail, and six individuals called about tank construction issues.

DERWA Web site hits numbered 5,022 in October, 5,149 in November, and 4,281 in December. The most requested pages in 2004 were the Home Page, Construction Schedule Map and Construction Updates.

In the future, notices will be sent out covering tank construction. The project Web site will be updated and transitioned to emphasize operations. Member Agencies also would like a secured area set up on the Web site so they can share customer information, complaints, reports, guidelines and more. Additional awards will be pursued and briefings will be held as needed.

A new task implementing a cross-connection prevention outreach plan has been added to Jones & Stokes' current Scope of Work and budget. The number one public safety concern with recycled water comes from cross-connections. The outreach will be targeted and include a brochure describing DERWA's service area and types of customers served, who to contact if purple pipes are located in a contractor's work area, and other information to distribute at permit counters in Dublin, and San Ramon, as well as in Alameda and Contra Costa counties.

Future efforts will include assisting Member Agencies with customer coordination activities since at least three customers will be served by both DSRSD and EBMUD. Although Member Agency customer guidelines will never be identical, they need to be as consistent as possible in order to make using recycled water easy for customers. Other future efforts will include coordinating the Grand Opening media event and addressing community concerns as needed.

Chair Scannell encouraged DERWA representatives to do a presentation at CASA on this outreach education project.

12. MANAGER'S REPORT

- DERWA Construction Update (Attachment) – DSRSD believes the Tertiary Treatment Plant will be ready for performance testing by the contractor in July

2005. If the facility passes the test, the Department of Health Services will need to review the test results and send a letter of approval before moving forward. As a result, the Tertiary Treatment Plant may not be available until September or October 2005.

- Contracts Initiated Since the Board Meeting of November 22, 2004 (Attachment)
- Operations Agreement Status — DSRSD and EBMUD have reviewed the draft Operations Agreement. Indemnity provisions are still under discussion. EBMUD has asked for blanket indemnification by DSRSD for operation of the facility. DERWA's insurance broker believes an operator, including a public operator, usually indemnifies the owner. Mr. Baker's current concern is timing since DSRSD plans to start up and operate the facility in April 2005.

Director Hansen indicated the DSRSD Water Committee had discussed this issue and did not agree with that interpretation of the agreement language. Mr. Baker believes a summit meeting might be needed in order to reach agreement in February, with Board approval in March, prior to facility start up.

- Dougherty Valley Satellite Treatment Alternative – Director Coleman requested additional work on the satellite treatment option. Following review, Mr. Baker suggested putting a satellite treatment plant next to Pump Station R200B to intercept sewage from the Dougherty Valley. Dodson Engineers is evaluating this new alternative to the level of the other Permanent Supplemental Water alternatives.
- Confirm Next Meeting Date –The next DERWA Board meeting is scheduled for February 28. The meeting will start at 6:30 p.m. DSRSD named its 2005 DERWA Board appointments as Directors Scannell and Hansen. DSRSD Boardmember Richard Halket was named the Alternate Director. EBMUD appointments to DERWA should be announced soon.

13. BOARDMEMBER ITEMS

As a result of DSRSD Director Tom McCormick's retirement, Director Hansen asked that at the next meeting the DERWA Board present an acknowledgement of appreciation for his service.

V.C. Mellon suggested DERWA send out an electronic version of the next DERWA Board packet.

14. ADJOURNMENT

Chair Scannell adjourned the meeting at 7:40 p.m.

Submitted by,

Nancy Gamble Hatfield
Authority Secretary