

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

**Board of Directors Regular Meeting Minutes
Monday, February 23, 2015**

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

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

4. BOARD REORGANIZATION

A. Election of Board Chair

Motion by Director Vonheeder-Leopold, Second by Director Mellon to Nominate Director John Coleman as DERWA Board Chair for 2015. Motion carried (4-0) by the following vote:

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

Motion by Director Vonheeder-Leopold, Second by Director Young that the DERWA Board Chair for 2015 nomination be affirmed by Acclamation. Motion carried (4-0) by the following vote:

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

B. Election of Board Vice Chair

Motion by Director Mellon to Nominate Director Georgean Vonheeder-Leopold as DERWA Board Vice Chair for 2015.

Due to the lack of a Second, the Motion failed.

Director Mellon mentioned that Director Coleman is quite busy with his position as ACWA Chair and possibly it would be best to let Director Coleman confirm if he wanted to be DERWA Chair for 2015.

Authority Manager Bewley mentioned DSRSD has a formal JPA Rotation policy that sets forth how Directors rotate among the Chair and Vice Chair seats on JPA Boards. That policy designates Director Duarte as the next DERWA Vice Chair.

Directors discussed uncertainty about nominating Directors for seats of Chair and Vice Chair if the individuals were not actually present at the meeting.

Director Vonheeder-Leopold agreed that Director Duarte should actually be the Vice Chair for 2015. She suggested the election for DERWA Chair and Vice Chair be delayed until the next DERWA meeting. Directors concurred.

Motion by Director Mellon, Second by Director Vonheeder-Leopold to rescind the election of Director John Coleman to DERWA Chair for 2015. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Young, Howard

NOES:

Motion by Chair Howard, Second by Director Vonheeder-Leopold that Director Mellon serve as the Chair Pro tem should Director Coleman not be in attendance at the next meeting.

General Counsel Maddow clarified that Director Howard would remain as the Chair for the evening's meeting.

Chair Howard confirmed this as correct and clarified that if Director Coleman did not attend the next meeting that Director Mellon would serve as the Chair.

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

AYES: Howard, Vonheeder-Leopold, Young, Mellon

NOES:

C. Appointment of Secretary

Motion by Director Mellon, Second by Director Young to appoint Nancy Gamble Hatfield as the continuing DERWA Secretary for 2015. Motion carried (4-0) by the following vote:

AYES: Mellon, Young, Vonheeder-Leopold, Howard

NOES:

5. SPECIAL ANNOUNCEMENTS/ACTIVITIES - None.

6. PUBLIC COMMENT – 6:08 p.m. – Dublin San Ramon Services District General Manager Michalczyk introduced himself to the new EBMUD Alternate DERWA Director Young. Mr. Michalczyk introduced the District's Engineering Services Manager Dan McIntyre who replaced Mr. Dave Requa who retired in the fall of 2013. Mr. McIntyre was formerly employed at the City of Livermore.

7. APPROVE MINUTES – Regular Meeting of October 27, 2014

Motion by Director Mellon, Second by Director Vonheeder-Leopold to approve the minutes from Regular Meeting of October 27, 2014. Motion carried (3-0-1) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Howard
NOES:
ABSTENTION: Young

8. CONSENT CALENDAR

A. Treasurer's Reports for October 31, November 30, December 31, 2014 and January 31, 2015

B. Quarterly Investment Report- December 31, 2014

C. Authorization of Transfer of Capital Appropriation of \$70,000 from New/Replacement Capital <\$50,000 Project to the Reservoir R200 Security Fence Project

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

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

9. BOARD BUSINESS

A. Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2014 and 2013

Treasurer Lou presented the annual audit for the years ending June 30, 2014 and 2013 for DERWA performed by Maze & Associates. He reported that there were no issues nor significant comments made about the audit by Maze & Associates.

Director Young commented that it is always nice to have a clean audit.

Directors did not have questions about the audit.

Motion by Director Mellon, Second by Director Vonheeder-Leopold to approve the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2014 and 2013. Motion carried (4-0) by the following vote:

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

B. Approve Amendment No. 5 to Agreement for Services as Authority Manager of the DSRSD-EBMUD Recycled Water Authority

General Counsel Maddow explained the item before the Board is to consider Amendment No. 5 to the Agreement for Services for the Authority Manager position to DERWA. At the Board's last meeting on October 27, 2014 the Board met in Closed Session and provided direction to Mr. Maddow, acting as the Board's negotiator, to negotiate terms and conditions of Amendment No. 5. This has been completed and the materials are contained in the agenda packet. The amendment would establish an hourly compensation rate of \$190 per hour for Mr. Bewley, an increase from \$170 per hour. The amendment would remain in effect through June 30, 2016. This will continue the employment relationship that has existed since 2006.

Director Mellon complimented Mr. Bewley stating he has done a fabulous job navigating through some "sticky" situations. He is glad to have Mr. Bewley's services through 2016.

Motion by Director Mellon, Second by Director Vonheeder-Leopold to approve Resolution No. 15-1 approving Amendment No. 5 to Agreement for Services as Authority Manager of the DSRSD-EBMUD Recycled Water Authority. Motion carried (4-0) by the following vote:

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

10. MANAGER'S REPORTS

- Capital Projects Update – None.

Director Mellon asked questions about Proposition 1 and the likelihood of obtaining additional financial resources for future projects. Mr. Michalczyk responded that the State Water Resources Control Board was in the process of developing categories and criteria for funding under Proposition 1.

- Confirm Next Meeting Date – April 27, 2015 – Directors confirmed the next meeting will be held on April 27, 2015.

11. BOARDMEMBER ITEMS

Chair Howard cheerfully thanked the Board for making his attendance at tonight's meeting worthwhile.

Director Mellon commented that he believed Director Young's background is ideally suited for her Alternate position on DERWA.

Director Vonheeder-Leopold invited Director Young to share some of her background with the Board.

Director Young reported she has more than 20 years working on water issues as an advocate. She served on the first state recycled water task force that came up with initial recommendations for expanding state-wide goals for recycling, and served on the CalFed Bay Delta committee. She expressed her enthusiasm about serving on the DERWA Board.

12. ADJOURNMENT

Chair Howard adjourned the meeting at 6:24 p.m.

Submitted by,



Nancy Gamble Hatfield
Authority Secretary