

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Special Meeting Minutes
Monday, October 15, 2007**

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

1. CALL TO ORDER – Chair Coleman 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 John Coleman, Vice Chair Dan Scannell, Director Frank Mellon, and Director Rich Halket. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Doug Coty, Assistant General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. CLOSED SESSION

At 6:03 p.m. the Board went into Closed Session.

- A. Closed Session Pursuant to Government Code 54957
Public Employee Performance Evaluation
Title: Authority Manager

- B. Closed Session Pursuant to Government Code 54957.6
Conference with Labor Negotiators
Agency Designated Representative: General Counsel
Unrepresented Employee: James B. Bewley, Authority
Manager

At 6:21 p.m. the Board came out of Closed Session. Chair Coleman announced that there was no reportable action.

5. SPECIAL ANNOUNCEMENTS/ACTIVITIES

Authority Manager Bewley announced that Chair Coleman had sent an invitation to Congressman McNerney's office a few months ago inviting him to tour DERWA facilities. The primary focus is the WERDA funding. DERWA is looking for support in the House of Representatives for continuing appropriations under what has already been authorized. The current Senate bill includes funding for the DERWA project in Fiscal Year 2008 but the House bill does not. Recently, Congressman McNerney's office requested that Erich Pfuehler, District Director for Congressman McNerney, take a tour. The tour has been scheduled for Wednesday, October 17 at 9:30 a.m. Erich Pfuehler is probably the only person from that office who will participate in the tour. Three DERWA Boardmembers can attend the tour only if the meeting is noticed. Therefore, only Boardmembers John Coleman and Dan Scannell will attend, along with Bert Michalczyk, Dave Requa, and Dan Gallagher. An information packet has been assembled and focuses on EBMUD and DSRSD activities. The key message Mr. Dave Williams from EBMUD will try to communicate is that all the recycled water system extensions to the north of Bollinger

Canyon Road are relying on WERDA funding. The tour will start in the office at the WWTP and focus on the extension of service to the north of Bishop Ranch.

6. PUBLIC COMMENT – 6:26 p.m. – None received.

7. APPROVE MINUTES – *Special Meeting of August 6, 2007*

Motion by Director Mellon, Second by Director Halket to approve the minutes from August 6, 2007. Motion carried (4-0) by the following vote:

AYES: Mellon, Halket, Scannell, Coleman

NOES:

8. CONSENT CALENDAR

A. Treasurer's Report – July 31, 2007

B. Treasurer's Report - August 31, 2007

C. Treasurer's Report – September 30, 2007

D. Quarterly Investment Report – September 30, 2007

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

AYES: Scannell, Mellon, Halket, Coleman

NOES:

9. BOARD BUSINESS

A. Authorization to Execute Amendment No. 1 to Agreement for Services for Authority Manager

Director Mellon voiced his support for approving Amendment No. 1 to the agreement for services for the Authority Manager

Motion by Director Mellon, Second by Director Scannell to approve Resolution No. 07-9, approving and authorizing execution of Amendment No. 1 to agreement for services as Authority Manager of the DSRSD•EBMUD Recycled Water Authority and carried (4-0) by the following vote:

AYES: Mellon, Scannell, Halket, Coleman

NOES:

Directors thanked Mr. Bewley for his fine service during the past two years.

Authority Manager Bewley thanked the Board and said he looks forward to the next few years.

B. Adoption of Revisions to the DERWA investment Policy

Authority Manager Bewley commented that since EBMUD staff provides the Treasurer function for DERWA, the auditors suggested DERWA use EBMUD's Investment Policy. The policy is consistent with what the Joint Powers Act requires.

V.C. Scannell asked if anything was different in this Investment Policy from what DERWA was previously doing.

Mr. Bewley said DERWA has more options with the EBMUD policy and that DERWA previously only invested in LAIF. This Investment Policy gives the Treasurer the ability consider other investments based on market conditions.

Treasurer Lou said this Investment Policy is very positive and should allow improved management of funds.

Motion by Director Scannell, Second by Director Mellon to approve the Investment Policy and to delegate the authority for the management of investments to the Treasurer of the Authority. Motion carried (4-0) by the following vote:

AYES: Scannell, Mellon, Halket, Coleman

NOES:

C. Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2007 and 2006

Authority Manager Bewley stated that bound copies of the financial statements are also available should Directors desire a copy and are the same as those contained in the agenda packet.

Directors did not offer comments on the agenda item.

Motion by Director Mellon, Second by Director Halket to accept the DERWA Independent Auditor's Report. Motion carried (4-0) by the following vote:

AYES: Mellon, Halket, Scannell, Coleman

NOES:

10. MANAGER'S REPORT

- Designation of David A. Requa as Acting Authority Manager for the period October 16, 2007 through February 1, 2008 - Mr. Bewley reported that in 2000 the Authority Manager at that time had a vision to take a four month trip. The Board adopted Resolution 00-03 giving the Authority Manager the power to designate another individual the authority to discharge the duties of Authority Manager during the absence. The conditions are that the individual be an employee of one of the Member Agencies, or the Board could grant prior approval for such designation. Mr. Dave Requa from DSRSD is the suggested person to cover the Authority Manager function during Mr. Bewley's impending leave and Mr. Requa has agreed. General Counsel Maddow's office has reviewed the Resolution and finds it appropriate to use in this case. As a result, Mr. Bewley has designated Mr. Dave Requa as Acting Authority Manager, effective October 16, 2007 through February 1, 2008. Mr. Requa was unable to attend tonight's DERWA Board meeting as he is attending the WEFTEC Conference.

Director Mellon asked if Mr. Requa would be taking any time off during the period Mr. Bewley is gone.

Mr. Bewley replied that if Mr. Requa were to take any leave he could then designate someone else to act on his behalf. However, Mr. Requa has no plans to take any extended leave during the same period that Mr. Bewley is away. Additionally, the time period that Mr. Bewley intends to be away is actually good timing because work and projects for DERWA are at a minimum. DSRSD's Dan Gallagher will produce the operations report due in December. The work on the long term planning, flow projections and next year's budget will begin after February 1st.

Mr. Bewley said another matter to consider is the next regular DERWA meeting date, which is scheduled for December 24, 2007. He suggested the Board cancel that meeting as there is not any essential Board business to transact.

Directors agreed that there is no need to hold or reschedule the December 24, 2007 Board Meeting.

Mr. Bewley pointed out that if the Stray Current project ends on time, there would be a need for a Special Board meeting to accept completion of the project.

- Contracts Initiated Since the Board Meeting of August 6, 2007 - None
- Stray Current Mitigation Project Update - The construction contract for this project was awarded at the previous Board Meeting. EBMUD is handling the construction management work. The submittal processes are underway and all of the encroachment permits are in place. There was a concern about one of the encroachment permit requirements, which was for the submittal of the traffic control plan for bicycle and pedestrian traffic on the trail. The contractor submitted a plan, and with one minor comment both East Bay Regional Parks District and Contra Costa County accepted the submittal. The contractor's schedule is very busy with other work and he does not plan to get on the work site until November 1. The encroachment permit requires the work to be completed by the end of November. If weather impacts the work, the encroachment permit time can be extended if necessary.

Director Mellon expressed his concern about water and electricity with this project work.

Mr. Bewley replied that the contract has a provision that they cannot work in the rain. There was difficulty in developing good contractual wording but it was ultimately agreed that the Construction Manager will know if the soils are too saturated or not. Much of the work can be done without touching the pipe. If there is water in trenches and the ground is saturated, the work may get delayed.

Mr. Bewley reported that Jones and Stokes has coordinated with EBRPD and prepared some 3' x 4' project signs with the two Member Agency logos and DERWA's poppy trademark on them. They read: "Pipeline Repair Project DERWA.org" and have the Jones & Stokes local phone number for anyone to call who has questions about the work. The project will also have small barricade signs that say "Caution" and will have DERWA's name and phone number on them. Ms. Ingrid Norgaard will be working through the end of November and then will be off on maternity leave until March 2008. Ms. Karen Molinari will provide back up coverage

during Ingrid's leave.

The contractors and inspectors have all been notified that if the public comes by the project and asks questions they should be referred to Jones & Stokes. The public can then receive correct answers to their questions about the project.

- Pump Station R200A/Pipeline IH Project Update – Mr. Bewley reported that a coordination meeting is scheduled tomorrow with the Corps of Engineers. In the past year this project work was held up due to Federal funding and budgets. However, these matters were resolved last spring and the Federal funding and Corps of Engineers budgets are now in place for this project.

Chevron has a communications easement through the project site and has the right to grant or deny consent to build the pump station and initially they wanted to deny consent. Staff and Chevron have resolved the issues and DERWA has received a conditional consent letter from Chevron. Chevron wants to see the final drawings before full consent of the project is given. According to Peter Young of Winzler & Kelly, DERWA will have the final drawings tomorrow. Design changes include placing the inlet and outlet piping over the top of Chevron's fiber optics so no excavation will occur under them. Additionally, the 16" inch diameter inlet and outlet pipes will be placed inside a 24" pipe so that if a leak occurs it will not erode the support for Chevron's systems. Chevron also had concerns about vibration impacting the fiber cable. To address that concern, a shoring system will be used that does not use pile drivers. Chevron has also requested that DERWA mark the easement so that if in the future additional work is performed, such as pavement repair, DERWA's contractor will see a sign that says "Fiber Optics – Do Not Dig."

V.C. Scannell asked what the backup plan is if Chevron wants revisions while Mr. Bewley is away.

Mr. Bewley replied that, under contract by the Corps of Engineers, Winzler & Kelly is performing the design work. DERWA does not have a direct design construction role and is acknowledged as a "local sponsor." DERWA is working very closely with Winzler & Kelly. If there is something that needs revision, DERWA staff and consultants are prepared to work through these issues.

As to the schedule, the bid may be out by the end of the month. The Corps will send the project to a predetermined list of contractors to bid so the award process could take place around Thanksgiving. It is unlikely that the contractor will work in the "thick" of winter, but will perform other preparatory work. It is estimated there will be approximately six months of construction on Bollinger Canyon to install the pipeline, but hopefully the time could be reduced to three or four months. The Contractor has an option of doing a conventional open trench or directional drilling, but staff is hopeful that they chose directional drilling since it is less disruptive to traffic. DERWA is working closely with Ms. Teresa Peterson, City of San Ramon Engineering Services, who approves traffic plans and encroachment permits.

Chair Coleman asked if Kinder Morgan has been involved in planning the work.

Mr. Bewley responded that they have provided design plans and have attended

project coordination meetings. Mr. Bewley replied that the pipe will cross Kinder Morgan's line once in Bollinger Canyon Road. The area has potholed to about 15 feet deep where Kinder Morgan indicated their line is, but the line was not found. The DERWA pipe will be shallow in that area and will cross over the Kinder Morgan pipe. The City has required that the pipe trench be hand dug for twenty feet on each side of the Kinder Morgan line.

- Confirm Next Meeting Date – The next meeting will be Monday, February 26, 2008, unless a Special Meeting is needed prior to this meeting.

11. BOARDMEMBER ITEMS

V.C. Scannell announced that the wrap-up of the Sticker Challenge campaign at the Wastewater Treatment Plant went well with the three local Mayors participating. He reported that he was asked to say a few words in front of the news camera. Before the contest, DSRSD's WWTP staff had to clean stickers from the screens several times each shift, but after the educational campaign stickers only had to be removed about once a day. The campaign had a positive effect. V.C. Scannell commented that this had been a great project.

V.C. Scannell thanked Director Hansen for attending the August DERWA meeting on his behalf.

Chair Coleman wished everyone Happy Holidays since there will not be a December meeting. He also wished Mr. Bewley and his family a wonderful and safe sailing journey.

12. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:46 p.m.

Submitted by,



Nancy Gamble Hatfield
Authority Secretary