

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Special Meeting Minutes
Monday, February 28, 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 6:31 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair Daniel Scannell, Vice Chair Frank Mellon, Director Jeffrey Hansen, and Director John Coleman. DERWA Staff present: Robert Baker, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Sandra Conley, Administrative Technician.

4. BOARD REORGANIZATION

A. Selection of Board Chair

Motion by Director Hansen, Second by Director Coleman to select Director Mellon as DERWA Chair for 2005. Motion carried (4-0) by the following vote:

AYES: Hansen, Coleman, Scannell, Mellon

NOES:

B. Selection of Board Vice Chair

Motion by Director Coleman, Second by Chair Mellon to select Director Hansen as DERWA Vice Chair for 2005. Motion carried (4-0) by the following vote:

AYES: Coleman, Mellon, Scannell, Hansen

NOES:

C. Selection of Secretary

Motion by Chair Mellon, Second by V.C. Hansen to select Nancy Gamble Hatfield as the continuing DERWA Secretary for 2005. Motion carried (4-0) by the following vote:

AYES: Mellon, Hansen, Scannell, Coleman

NOES:

D. Proclamation for Service for Daniel J. Scannell as 2004 DERWA Chair

Motion by Chair Mellon, Second by Director Coleman to approve a Proclamation for Service for Daniel J. Scannell as 2004 DERWA Chair. Motion carried (4-0) by the following vote:

AYES: Mellon, Coleman, Scannell, Hansen

NOES:

5. SPECIAL ANNOUNCEMENTS/ACTIVITIES

6. PUBLIC COMMENT – 6:37 p.m. – None received.

7. APPROVE MINUTES – Special Meeting of *January 24, 2005*

Motion by Chair Mellon, Second by V.C. Hansen to approve the minutes from the January 24, 2005 meeting. Motion carried (4-0) by the following vote:

AYES: Mellon, Hansen, Coleman, Scannell

NOES:

8. CONSENT CALENDAR

A. Treasurer's Report – January 31, 2005

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

AYES: Hansen, Mellon, Scannell, Coleman

NOES:

9. BOARD BUSINESS — None.

10. MONTHLY WORKSHOP

A. Presentation and Discussion: Satellite Treatment Alternative for Dougherty Valley Sewage

Authority Manager Baker reviewed the background for seeking alternative sources of supplemental water for the project including Director Coleman's suggestion of intercepting sewage from the Dougherty Valley. That alternative was technically feasible, so Dodson Engineers has been doing further research. In Closed Session, General Counsel Maddow planned to present some of the legal and institutional issues for the alternative.

Dr. Jeff Lewandowski, Dodson Engineers, provided background for the Supplemental Water Study. His slide presentation addressed the recycled water treatment approach under consideration: how the water supply would be diverted out of the Dougherty Valley, preliminary cost analysis, as well as advantages and disadvantages of the alternative.

A recycled water supply shortfall could occur as early as 2007. Approximately 0.4 mgd to 2 mgd of Dougherty Valley wastewater would be diverted to a satellite treatment plant in a proposed park in the southwestern corner of the Dougherty Valley near Reservoir R100 and Pump Station R200B. Membrane Bio-Reactors (MBRs) would be used for wastewater treatment.

Future housing near the satellite treatment plant could be a problem as it would be within 1,000 feet of the plant. However, the plant would be entirely enclosed in a suitable building designed to blend into the surroundings and include the latest in odor and noise control technology. A preliminary cost estimate for construction of the plant is \$18.8 million. Annual operating costs are expected to be \$500,000. Amortized over 30 years, total annual costs would be approximately \$1.7 million. Water costs could range

from approximately \$8,200 per acre foot initially to \$1,400 at buildout when flows have increased. Mr. Baker indicated the costs for this alternative are high because sewage treatment would be provided in addition to recycled water treatment and it is likely the facility would run only nine months out of the year.

11. MANAGER'S REPORT

- DERWA Construction Update (Attachment) – Mr. Baker reported the DERWA backbone is almost complete. Reservoirs and pump station should be done in two or three weeks, and UV/MF treatment plant is expected to be ready in April. It also appears the UV/MF facility will be large enough to meet summer demands; therefore, the system may be operational this summer.

- Contracts Initiated since the Board Meeting of January 24, 2005 (Attachment)

- Operations Agreement Status — Mr. Baker was very impressed with the DSRSD staff on the Start-Up Team. A brainstorming meeting to discuss indemnification language resulted in eight conceptual principles of agreement that Mr. Baker reviewed with the Board. Specific language is being developed and a negotiating meeting will be scheduled as soon as possible. The Board expressed concern over the time it is taking to complete the agreement and requested the item be on the next Board meeting agenda for further discussion.

- Recognition Plaques for Tom McCormick and Lesa McIntosh – Recognition plaques have been prepared and will be mailed to Mr. McCormick and Ms. McIntosh.

- Confirm Next Meeting Date – The next DERWA Board meeting is scheduled for March 28 at 6:30 p.m. Boardmembers requested changing the regular Board meeting time from 7:00 p.m. to 6:30 p.m.

12. BOARDMEMBER ITEMS – None.

13. CLOSED SESSION

The Board went into Closed Session at 7:33 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: City of Livermore
Under Negotiation: Price and Terms

- B. Conference with Real Estate Property Negotiator – Pursuant to Government Code Section 54956.8
Property: Site for Well at California High School, San Ramon, California
Authority Negotiator: Robert A. Baker, Authority Manager
Negotiating Party: San Ramon Valley Unified School District
Under Negotiation: Price and Terms

- C. 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 Party: Central Contra Costa Sanitary District
Under Negotiation: Price and Terms

- D. Conference with Real Estate Property Negotiator – Pursuant to Government Code Section 54956.8
Property: Landscaping Project on Alcosta Boulevard in San Ramon
Authority Negotiator: Robert A. Baker, Authority Manager
Negotiating Party: Cingular Wireless, PG&E and City of San Ramon
Under Negotiation: Price and Terms

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

14. REPORTS FROM CLOSED SESSION

At 8:29 p.m. the Board came out of Closed Session. Chair Mellon announced that there was no reportable action.

15. ADJOURNMENT

Chair Mellon adjourned the meeting at 8:30 p.m.

Submitted by,

Nancy Gamble Hatfield
Authority Secretary