

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

**Board of Directors Special Meeting Minutes
Monday, August 6, 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 6:04 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair John Coleman, Director Jeffrey Hansen, and Director Richard Halket. Director Frank Mellon arrived at 6:07 p.m. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Sandra Conley, DSRSD Administrative Technician.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None.

5. PUBLIC COMMENT – 6:05 p.m. – None received.

6. APPROVE MINUTES – Regular Meeting of *April 23, 2007*

Motion by Director Halket, Second by Director Hansen to approve the minutes from April 23, 2007. Motion carried (3-0) by the following vote:

AYES: Halket, Hansen, Coleman

NOES:

7. CONSENT CALENDAR

A. March 31, 2007 Treasurer's Report

B. April 30, 2007 Treasurer's Report

C. May 31, 2007 Treasurer's Report

D. REMOVED - June 30, 2007 Treasurer's Report

E. Quarterly Investment Report – June 30, 2007

Item 7.D was removed from the Consent Calendar for further discussion.

Director Mellon arrived at 6:07 p.m.

Director Halket asked if the revenues are presented quarterly as it appears the revenue section of the Treasurer's Report changes only slightly from month to month. Treasurer Richard Lou responded that EBMUD has had some problems in the past billing the Member Agencies, but in the future it will be done on a monthly basis.

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

AYES: Hansen, Mellon, Halket, Coleman
NOES:

8. BOARD BUSINESS

A. Approve Resolution Changing Day, Place, and Time of Regular Meetings of the Authority Board of Directors

Authority Manager Bewley stated that at the last Board meeting a recommendation had been made to hold the Board meetings on the fourth Monday of even numbered months at 6:00 p.m. beginning in October 2007.

Motion by Director Halket, Second by Director Mellon to approve Resolution No. 07-5 changing the day, place, and the time which Regular Meetings of the Authority Board of Directors shall be held and rescinding Resolution No. 05-4.

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

AYES: Halket, Mellon, Hansen, Coleman
NOES:

B. Authorize Authority Manager to Execute a Professional Services Agreement with Jones & Stokes Associates for Public Information Services

Mr. Bewley stated that Karen Molinari from Jones & Stokes Associates was in the audience and would be speaking about the activities that are planned for the upcoming year. He said the activities now have shifted primarily to operations and maintenance, and the agreement is set up with new task order, scopes and budgets prepared each year.

Ms. Karen Molinari of Jones & Stokes Associates then addressed the Board about the renewal of their contract which falls into three categories: (1) for routine operations the main focus is preparation of materials for public outreach and maintenance of the website, (2) public information for a Capital Project for Pump Station R200A/Pipeline IH, and (3) public information for another Capital Project for the Stray Current Mitigation. Ms. Molinari noted there is a reduction in the contract cost in the operations tasks. She stated that the second annual mock emergency communications training with DSRSD and EBMUD staff was held and well attended and another is planned for 2008. She also said that some of the future tasks will be for more awards and media efforts.

Motion by Director Mellon, Second by Director Hansen to approve Resolution No. 07-06 to authorize and direct the Authority Manager to execute a Professional Services Agreement with Jones & Stokes Associates for public information services.

Director Hansen commented that Jones & Stokes Associates has been doing a good job for DERWA for a very long time and that he greatly appreciated Ms. Molinari for taking the time from her busy schedule to come and speak to the Board.

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

AYES: Mellon, Hansen, Halket, Coleman

NOES:

C. Approve and Authorize the Execution of Agreement for Construction of Pipeline Grounding System Repairs

Mr. Bewley reminded the Board that the Stray Voltage Backbone Corrosion topic has been regularly before the Board for the last couple of years. He noted that last year the Safe Engineering Services (SES) of Toronto, Canada did the modeling and came up with a mitigation method to eliminate the induced current that is on the pipeline which is caused by parallel PG&E transmission lines which creates a low voltage current ranging from a few volts up to 28 volts. Mr. Bewley stated that it might not necessarily be dangerous but is considered a safety issue. While doing the modeling, another more serious concern was discovered. In the event of a ground fault on the PG&E system, there could be a very brief but high induced current spike up to five thousand volts. This changed the emphasis on the safety aspects of the mitigation and it was found the danger could be solved by connecting a grounding wire, consisting of a rectangular braided zinc cable, to the pipe approximately every five or six hundred feet. This would eliminate the low voltage induced current shock potential as well as eliminate the high voltage potential if there was a ground fault.

Mr. Bewley stated that the project design was completed in June and the project was advertised for bid. The early estimates by SES were about \$1,000,000 with the concept of this protective grounding ribbon. The Engineers Estimate was \$1,350,000 and that included a 30% contingency. EBMUD's electrical engineering people were involved throughout the design and suggested easier ways to do the work without compromising the safety issue.

Mr. Bewley noted that on July 26, 2007 seven bids were received with American Construction and Supply, Inc., as the apparent low bidder, with a bid of \$463,000. He mentioned that American Construction and Supply, Inc., comes highly recommended by the design engineer as well as the references listed for other public agency projects.

Director Mellon inquired if this was a prevailing wage project. Mr. Bewley replied that it is a California Prevailing Wage Project not a Federal Prevailing Wage Project and that there was a slight difference. Director Mellon then asked if DERWA is getting Federal money for this project to which Mr. Bewley responded DERWA is not. Mr. Bewley mentioned that California contractors are not required to submit

to DERWA their certified payrolls but that DERWA has the right to request those records should the issue ever arise to do so.

Director Mellon stated that he felt the records should be reviewed at least once during the process and requested that the DERWA Treasurer take care of the matter. Mr. Bewley stated that, even though this project should only take about ninety days, he would indeed mention in the preconstruction conference that at the second progress payment DERWA would review the Certified Payrolls.

Motion by Director Mellon, Second by Director Hansen to approve Resolution No. 07-7 authorizing execution of agreement with American Construction and Supply Inc., for construction of pipeline grounding system repair (DERWA 2007-01).

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

AYES: Mellon, Hansen, Halket, Coleman

NOES:

D. Approve and Authorize the Execution of Amendment No. 3 to the Design Agreement with the U.S. Army Corps of Engineers

Mr. Bewley stated that there is an existing Design Agreement between DERWA and the U.S. Army Corps of Engineers that provides for the pre-design and design of Pump Station R200A and Pipeline IH. Chevron, which has an easement through the DERWA site, has notified DERWA that they have serious concerns about the inlet and outlet pipes crossing under their fiber optic communications lines and instead would prefer the pipes to cross over the cables in their easement. A draft consent letter has been received by DERWA outlining the terms of achieving these corrections which will require some redesign. Mr. Bewley stated that it is not significant and may make the construction costs less because there will be less excavation and less shoring. He stated that these design changes would have to be incorporated into the final design before this project goes out to bid. Everything is in place for the project except for the receipt of the Chevron consent letter. Approval of this design amendment will increase the local share of the design agreement by \$110,000, bringing the local share to \$412,900.

Motion by Director Halket, Second by Director Hansen to approve Resolution No. 07-8 authorizing execution of Amendment No. 3 to agreement with the Department of the Army for design of the San Ramon Valley Recycled Water Project Phase 2, Contra Costa County, California.

Director Halket asked if Chevron is trying to recoup something out of this project. Mr. Bewley replied that this was not the case and that this agreement is between DERWA and the Corps of Engineers and in turn the Corps negotiates with the design consultant. Mr. Bewley stated that the Chevron redesign should be

approximately less than \$25,000. Director Halket expressed concern over passing the resolution and then not receiving the final consent letter from Chevron.

Chair Coleman interjected that an individual from Bishop Ranch had returned a phone call to Mr. Bewley very promptly today. It was generally felt that Chevron would send the consent letter.

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

AYES: Halket, Hansen, Mellon, Coleman

NOES:

9. MANAGER'S REPORT

- Contracts Initiated Since the Board Meeting of April 23, 2007 - A contract was initiated within the dollar authority of the Manager with The Covello Group. There are two parts to that contract, one is for standby services, if needed, and the second part is a \$10,000 item to help with the Chevron shoring design systems. The authorized amount of the contract is \$20,000.
- Stray Current Mitigation Project Update - Mr. Bewley stated that DERWA expects to hold the pre-construction conference in a couple of weeks and the schedule is to have the work completed by mid-November. He noted that the encroachment permits from Contra Costa County, Zone 7 Water Agency, and East Bay Regional Parks are in place and it appears it should all go smoothly.

General Counsel Maddow interjected that it should be noted that this has been the first construction contract that this Board has ever awarded. Mr. Bewley agreed this was true and that it was a change from having the two Member Agencies provide all the engineering design construction services on behalf of DERWA.

- Supplemental Water Status Update - Mr. Bewley noted that DERWA did have discussions with San Ramon Valley Unified School District earlier this year. DERWA has general agreement with their facilities manager and legal counsel on terms of an MOU that would need to be executed before any drilling of a test well. Recently, it was noted that the reasons for Dublin High School not to be considered as a well site are no longer valid; therefore, it would be wise to include Dublin High School in the negotiations as a potential site.
- Pump Station R200A/Pipeline IH Project Update - Mr. Bewley stated that this is the Corps of Engineers' Design that the Board had just approved. He noted that all the paperwork is in place and hopefully with the receipt of the Chevron consent letter, the project can go out to bid soon. He stated that the major construction will probably not begin until February or March of 2008 due to the upcoming winter conditions.

- Confirm Next Meeting Date – It was agreed to cancel the August 27 Regular Meeting; therefore, the next Regular DERWA Board meeting is scheduled for Monday, October 22 at 6:00 p.m.

10. BOARDMEMBER ITEMS

Chair Coleman stated he would be attending the CASA Conference next week.

11. CLOSED SESSION

At 6:31 p.m. the Board went into Closed Session.

- A. Closed Session Pursuant to Government Code Section 54957
Public Employee Performance Evaluation
Title: Authority Manager
- B. Closed Session Pursuant to Government Code Section 54957.6
Conference with Labor Negotiators
Agency Designated Representative: General Counsel
Unrepresented Employee: James Bewley, Authority Manager

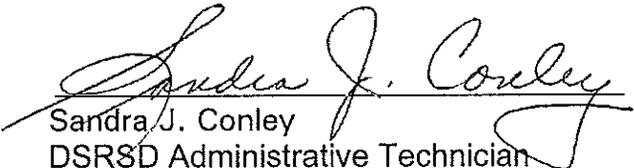
12. REPORTS FROM CLOSED SESSION

At 6:55 p.m. the Board came out of Closed Session. Chair Coleman announced there was no reportable action.

13. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:56 p.m.

Submitted by,


Sandra J. Conley
DSRSD Administrative Technician