

**DSRSD•EBMUD RECYCLED WATER AUTHORITY  
(DERWA)  
Board of Directors Regular Meeting Minutes  
Monday, December 11, 2023**

1. CALL TO ORDER – Chair Coleman called the DSRSD•EBMUD Recycled Water Authority (DERWA) meeting to order at 6 p.m.
2. PLEDGE TO THE FLAG
3. ROLL CALL – Directors present: Chair John Coleman, Vice Chair Georgan Vonheeder-Leopold, and Directors April Chan, and Ann Marie Johnson. DERWA Staff present: Jan Lee, Authority Manager; Jacqueline Lee, Treasurer; Austin Cho, General Counsel; and Nicole Genzale, Authority Secretary
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES  
Authority Manager Lee introduced DSRSD Operations Director Dan Gill who will oversee DERWA operations.
5. PUBLIC COMMENT – 6:01 p.m. – None
6. CONSENT CALENDAR

Vice Chair Vonheeder-Leopold MOVED for approval of the items on the Consent Calendar. Director Chan SECONDED the MOTION, which CARRIED with FOUR AYES.

- A. Approve Minutes of Regular Board Meeting of September 25, 2023 – Approved
- B. Approve Treasurer’s Reports for August 31, and September 30, 2023 – Approved
- C. Approve Quarterly Investment Report for September 30, 2023 – Approved

7. BOARD BUSINESS

- A. Accept Independent Auditors’ Report for Fiscal Year Ended June 30, 2023

Director Chan requested that DERWA’s auditor provide a presentation to the Board for next year’s report. Treasurer Lee confirmed that will be arranged.

Vice Chair Vonheeder-Leopold MOVED to Accept Independent Auditors’ Report for Fiscal Year Ended June 30, 2023. Director Johnson SECONDED the MOTION, which CARRIED with FOUR AYES.

- B. Discuss Proposed DERWA Cash Reserves Policy

Treasurer Lee reviewed the item for the Board. She stated that the finalized policy will be brought to the next Board meeting for formal adoption.

Vice Chair Vonheeder-Leopold MOVED to Accept the Proposed Cash Reserves Policy. Director Chan SECONDED the MOTION, which CARRIED with FOUR AYES.

C. Receive Presentation on Recycled Water Supply and Operation Plans Update

Authority Manager Lee reviewed the item for the Board. She introduced Katie Ruby, Project Manager from consultant Brown and Caldwell, who reviewed the presentation which covered:

- Demand management strategies
  - Improved water efficiency
  - City recycled water budgets
  - Rebates
  - Water loss control
- Refined demand projections
  - Total demand projections for today, by 2030, and beyond 2030
- Triggers and decision points for connecting new customers in the near-term
  - Eight customers are ready to connect (EBMUD = three, DSRSD = five)
- Proposed roadmap for lifting the moratorium, including recommendations for pursuing various supply alternatives and near-term policy changes
  - Supply alternatives recap (7 of 14 supply alternatives carried forward)
  - Takeaways from September Board meeting
  - Road map for expansion by 2025, 2030, and 2045
- Next Steps
  - Finalize study
  - Member agencies to initiate proposed near-term actions (policy changes, discussions with Central Contra Costa Sanitary District (Central San) and City of Livermore, and planning for test well
  - Fiscal Year 2025 budget considerations at April 2024 Board meeting

The Board and staff discussed various aspects of the presentation with emphasis placed on potential demand management measures and further understanding of the supply alternatives. The Board expressed its desire to continue discussions with Central San, City of Livermore, and Zone 7 Water Agency regarding their potential interest in partnering with DERWA on future recycled water projects. Authority Manager Lee stated that more will be known about possible partnership opportunities after the EBMUD-Central San Recycled Water Feasibility Evaluation and EBMUD Recycled Water Strategic Plan are completed. Preliminary results from the EBMUD-Central San Recycled Water Feasibility Evaluation will be shared with the DERWA Board at the February Board meeting and will include additional discussion on the approach and schedule for pursuing long-term opportunities with Central San.

The Board also conveyed some historical perspective regarding DERWA's progress and growth, noting how views on the benefits of recycled water projects have changed over time. The Board also emphasized the importance of keeping the lines of communication open with the potential partner agencies identified in the presentation.

The Board directed staff to carry forward all seven supplemental supply alternatives and to proceed with the next steps as recommended by staff.

D. Approve Appointment of Richard G. Sykes as Interim Authority Manager and Authorize Agreement for Services, and Discuss Authority Manager Recruitment

Chair Coleman reviewed the item for the Board.

Vice Chair Vonheeder-Leopold MOVED to Approve the Appointment of Richard G. Sykes as Interim Authority Manager, and Approve Resolution No. 23-5, Approving and Authorizing Execution of an Agreement for the Services of an Interim Authority Manager Between the DSRSD•EBMUD Recycled Water Authority and Richard G. Sykes. Director Johnson SECONDED the MOTION, which CARRIED with FOUR AYES.

Authority Manager Lee reviewed the proposed approach and schedule for recruitment of the permanent Authority Manager, who will fill the position following Mr. Sykes' interim service. DSRSD staff has agreed to begin the recruitment next month, with the intent to provide the Board with a short list of candidates to interview at a special Board meeting in March and to make a final selection in April. The Board directed staff to have DSRSD begin the Authority Manager recruitment as proposed.

8. STAFF REPORTS

A. Authority Manager Update

Authority Manager Lee had no additional updates to report since publication of the agenda packet.

B. Confirm Next Board Meeting – February 5, 2024

The Board acknowledged the February meeting date and did not request any changes.

9. BOARDMEMBER ITEMS

The Board wished Happy Holidays to all.

10. ADJOURNMENT

Chair Coleman adjourned the meeting at 7:19 p.m.

Submitted by,

  
Nicole M. Genzale, CMC  
Authority Secretary