

**DSRSD•EBMUD Recycled Water Authority
(DERWA)
Board of Directors**

NOTICE OF SPECIAL MEETING

TIME: 6:00 p.m.

DATE: Monday, March 14, 2016

PLACE: **Quorum will be present at:**
Dublin San Ramon Services District Boardroom
7051 Dublin Boulevard
Dublin, California 94568

PLACE: **Alternate Teleconference Location:**
Phoenix Hotel
520 North Capitol Street NW
Washington, DC 20001

AGENDA

The mission of the DSRSD•EBMUD Recycled Water Authority is to maximize the amount of recycled water delivered while recovering its costs; in doing so it will provide a reliable and consistent supply of recycled water to DSRSD and EBMUD for service to each of the agencies' customers.

(Next Resolution No. 16-1)

**Recommended
Action**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Coleman, Duarte, Mellon and Vonheeder-Leopold
Alternates: Howard and Young
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (Meeting Open to Public)
At this time, those in the audience may address the Board on any item not already included in the agenda. Comments should not exceed five minutes. If this is not considered sufficient time to address the issue, please arrange with the Secretary to have that item placed on the agenda for a future Board meeting.
6. BOARD REORGANIZATION
 - A. Election of Board Chair Approve
by Motion
 - B. Election of Board Vice Chair Approve
by Motion

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| C. | Appointment of Authority Secretary | Approve
by Motion |
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| 7. | <u>APPROVE MINUTES</u>
Regular Board Meeting of October 26, 2015 | Approve
by Motion |
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| 8. | <u>CONSENT CALENDAR</u>
Matters listed under this item are considered routine and will be enacted by one action in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board or the public prior to the time the Board votes on the Motion to adopt. | |
| A. | Treasurer's Reports for October 31, November 30, December 31, 2015 and January 31 and February 29, 2016 | Approve
by Motion |
| B. | Quarterly Investment Reports – September 30 and December 31, 2015 | Approve
by Motion |
| C. | Approve Task Order No. 14 for Fiscal Year 2016-17 for Public Information Services with ICF International | Approve
by Motion |
| D. | Approval of Amendment No. 6 to the Agreement with Bold, Polisner, Maddow, Nelson, and Judson | Approve
by Resolution |
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- | | | |
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| 9. | <u>BOARD BUSINESS</u> | |
| A. | Update Report on Recycled Water Demand Projections and Source Water Supply Alternatives | Provide
Direction |
| B. | Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2015 and 2014 | Accept
by Motion |
| C. | Approve and Adopt the Fiscal Year 2016-17 Capital and Operating Expenditure Budget | Approve by
Resolution |
| D. | Appointment of Authority Manager | Approve
by Resolution |
| E. | Agreement for Continuation of Services of James B. Bewley | Approve
by Motion |
| F. | Proclamation of Appreciation for Robert B. Maddow's Service to DERWA as Authority Legal Counsel | Approve
by Motion |
| G. | Proclamation of Appreciation for James B. Bewley's Service to DERWA as Authority Manager | Approve
by Motion |
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- | | | |
|-----|---|--|
| 10. | <u>MANAGER'S REPORTS</u> | |
| | <ul style="list-style-type: none">Capital Projects Update – Recycled Water Treatment PlantConfirm Next Meeting Date – April 25, 2016 | |

***Recommended
Action***

11. **BOARDMEMBER ITEMS**

12. **ADJOURNMENT**

Information about and copies of supporting materials on agenda items are available for public review at 7051 Dublin Boulevard, Dublin, at the Reception Desk, or by calling the Authority Secretary at (925) 828-0515. A fee may be charged for copies. During the meeting, information and supporting materials are available by the doorway into the Boardroom. Authority facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the Authority Secretary as soon as possible, but at least two days prior to the meeting.

Items 6. A, B, and C

DERWA Summary & Recommendation

Selection of Board Officers for 2016

Summary:

The DSRSD•EBMUD Joint Exercise of Powers Agreement (JPA) requires the election of Chair and Vice Chair by a majority vote of the Directors. The JPA provides that the officers of the Board hold office until the next election or relieved by their agency. The attached table summarizes the past DERWA officers.

In addition, the JPA provides that appointment of the DERWA Authority Secretary follows the same procedure (method of appointment, time of appointment and term) as the Chair and Vice Chair. Thus, the appointment of the DERWA Authority Secretary should also be considered. Nicole Genzale has ably served as the DERWA Secretary since October 26, 2015. It would be appropriate to continue her appointment.

Recommendation:

In three separate motions it is recommended that the Board:

- Elect the officers of Chair and Vice Chair for 2016; and
- Appoint Nicole Genzale to continue as DERWA Authority Secretary for 2016.

March 14, 2016

Attachment

PAST DERWA OFFICERS

YEAR	CHAIR	VICE CHAIR
1995	John A. Coleman	Jeffrey G. Hansen
1996	Jeffrey G. Hansen	John M. Gioia
1997	John M. Gioia	Cynthia G. Jones
1998	Cynthia G. Jones	John A. Coleman
1999	John A. Coleman	Cynthia G. Jones/ G.T. (Tom) McCormick
2000	G.T. (Tom) McCormick	Frank Mellon
2001	Frank Mellon	Richard W. Rose
2002	Richard W. Rose	John A. Coleman
2003	John A. Coleman	Daniel J. Scannell
2004	Daniel J. Scannell	Frank Mellon
2005	Frank Mellon	Jeffrey G. Hansen
2006	Richard M. Halket	John A. Coleman
2007	John A. Coleman	Dan Scannell
2008	Dan Scannell	Frank Mellon
2009	Frank Mellon	Jeff Hansen
2010	Jeff Hansen	John A. Coleman
2011	John A. Coleman	Dwight "Pat" Howard
2012	Georgian Vonheeder-Leopold	Frank Mellon
2013	Frank Mellon	Rich Halket
2014	Dwight "Pat" Howard	John Coleman
2015	John Coleman	Ed Duarte

In December 2015 the DSRSD Board appointed Georgian Vonheeder-Leopold and Dwight "Pat" Howard as DSRSD representatives to the DERWA Board, and Ed Duarte as DSRSD Alternative Representative.

Paragraph 2 of the DSRSD Joint Powers Agency Rotation policy provides:

Except as provided herein, the District representatives to the board of a Joint Powers Agency (JPA) shall rotate between themselves the opportunity to hold the office of President (Chair) of the JPA board.

Following the DERWA past practice of alternating positions of Chair and Vice Chair between the agencies, the Chair for 2016 should be a DSRSD representative, and the Vice Chair an EBMUD representative.

Dwight "Pat" Howard served as DERWA Chair in 2014 therefore, according to DSRSD policy Georgian Vonheeder-Leopold should be nominated as DERWA Chair for 2016.

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Regular Meeting Minutes
Monday, October 26, 2015**

Dublin San Ramon Services District
7051 Dublin Boulevard, Dublin, California 94568

1. CALL TO ORDER – Chair Coleman called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:05 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 Ed Duarte, Director Frank Mellon and Director Vonheeder-Leopold. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Robert Maddow, Authority Counsel; and Susan Montague, Recording Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT – None received.

6. BOARD REORGANIZATION

Appointment of Authority Secretary

Motion by Director Mellon, Second by Director Vonheeder-Leopold, to appoint Nicole Genzale as DERWA Authority Secretary for 2015. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Duarte, Coleman

NOES:

7. APPROVE MINUTES – *Regular Meeting of April 27, 2015*

Motion by Director Vonheeder-Leopold, Second by Director Mellon, to approve the minutes from Regular Meeting of April 27, 2015. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Mellon, Duarte, Coleman

NOES:

8. CONSENT CALENDAR

Authority Manager Bewley requested Item 8.C be reviewed separately.

A. Treasurer's Reports for April 30, May 31, June 30, July 31, August 31 and September 30, 2015

B. Quarterly Investment Reports – March 31 and June 30, 2015

DRAFT

Motion by Director Vonheeder–Leopold, Second by Vice Chair Duarte, to approve Items 8.A and 8.B of the Consent Calendar. Motion carried (4-0) by the following vote:

AYES: Vonheeder–Leopold, Duarte, Mellon, Coleman

NOES:

C. Local Project Sponsor Agreement between ABAG/SFEP and DERWA – Proposition 84 Integrated Regional Water Management 2014 Drought Grant

Authority Manager Bewley briefly recapped the Summary and Recommendation for this item. He explained a possible legal conflict with Item 10.0 of the original agreement, adding that he expected the legal conflict to be cleared up in a few days. General Counsel Maddow explained the course of events that would take place once the resolution was approved. Mr. Bewley stated that he was just awaiting ABAG to legally recognize that the JPA Member Agencies “are” DERWA. Director Mellon asked that the exemplary preparation work done by EBMUD Senior Civil Engineer Thomas Francis and DSRSD Principal Engineer Rhodora Biagtan be recorded in the Minutes. Their preliminary work enabled Directors Mellon and Vonheeder-Leopold to make a hasty trip to Sacramento to speak in support of the award of the grant to DERWA. He expressed his pleasure that DERWA is able to access grants that enable our groundbreaking work to continue. There was some discussion on the availability of more grants in the future and where they would come from.

Motion by Director Mellon, Second by Director Vonheeder-Leopold to approve Resolution No. 15-3 approving and authorizing the execution of the Local Sponsor Agreement between ABAG/SFEP and DERWA – Proposition 84 Integrated Regional Water Management 2014 Drought Grant, and authorize the Authority Manager to implement the actions needed to carry out the project. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Duarte, Coleman

NOES:

9. BOARD BUSINESS

A. Proclamation of Appreciation for Nancy Gamble Hatfield’s Service as Authority Secretary

Director Mellon expressed his pleasure attending the DSRSD retirement celebration honoring Ms. Hatfield. Director Vonheeder-Leopold expressed her appreciation for Ms. Hatfield’s hard work and dedication. Director Duarte conveyed how much he valued her help when he became a DSRSD Board Member and his enjoyment working with her. Chair Coleman remembered times past and complimented the phenomenal service she contributed to DSRSD and DERWA. Ms. Hatfield thanked the Board and stated she felt honored to work with such wonderful people in a great work environment.

Motion by Vice Chair Duarte, Second by Director Vonheeder-Leopold, to approve the Proclamation of Appreciation for Service to DERWA by Nancy Gamble Hatfield. Motion carried (4-0) by the following vote:

AYES: Duarte, Vonheeder-Leopold, Mellon, Coleman

NOES:

The signed Proclamation was presented to Ms. Hatfield by Chair Coleman.

B. Proclamation of Appreciation for Bert Michalczyk's Service to DERWA

Chair Coleman and Director Mellon recalled how instrumental Mr. Michalczyk was in starting DERWA and shared that he will truly be missed, his great talent as an Authority Manager, his statesmanship and dedication, and his ability to remain steady and calm when relations between agencies were trying. Director Vonheeder-Leopold and Mr. Dave Requa, retired DSRSD Assistant General Manager, also added comments and congratulations.

Because Mr. Michalczyk was not in attendance, the Board requested Mr. Bewley deliver the proclamation to him with the Board's sincerest thanks.

Motion by Director Vonheeder-Leopold Second by Vice Chair Duarte to approve the Proclamation of Appreciation for Service to DERWA by Bert Michalczyk. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Duarte, Mellon, Coleman
NOES:

C. Amendment One to the Agreement to Provide Recycled Water Treatment and Delivery Services by and between DERWA and the City of Pleasanton

Authority Manager Bewley reviewed the Summary and Recommendation for this item and added a few additional details. He further mentioned that Leonard Olive, Assistant Director of Operations Services, has replaced Daniel Smith, retired Director of Operations Department at Pleasanton, and is hoping to take the amendment to the agreement, if approved this evening, to the Pleasanton City Council. Chair Coleman expressed how pleased he was that Pleasanton and other entities are working together with DERWA for the common good.

Motion by Director Mellon, Second by Director Vonheeder-Leopold, to approve Resolution No. 15-4 approving and authorizing the execution of Amendment One to the Agreement to Provide Recycled Water Treatment and Delivery Services by and between DERWA and the City of Pleasanton. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Duarte, Coleman
NOES:

D. Authorizing Emergency Implementation of a Sixth Sand Filter Project at the DERWA Recycled Water Treatment Plant

Authority Manager Bewley reviewed the Summary and Recommendation and emergency Resolution for this item. Ms. Zavadil, Principal Engineer for DSRSD, confirmed the plan was still to have the sixth sand filter on line by April or May 2016.

Motion by Director Mellon, Second by Vice Chair Duarte, to approve Resolution No. 15-5 approving and authorizing the emergency implementation of a Sixth Sand Filter Project at the DERWA recycled water treatment plant. Motion carried (4-0) by the following vote:

AYES: Mellon, Duarte, Vonheeder-Leopold, Coleman

NOES:

10. MANAGER'S REPORTS

- Transition Planning for Authority Manager and Legal Counsel

Authority Manager Bewley reminded the Board that his contract with DERWA expires in July 2016. He reported he has been developing a plan to transition to a new Authority Manager, as requested by the Board. He explained his recommendation for Michael Tognolini, Manager of Water Supply Improvements at EBMUD, as the new Authority Manager, whom he feels would be an excellent choice. Staff agreed it would be timely to have a DSRSD or EBMUD representative assume the role next. Director Mellon gave a glowing endorsement and recommendation for Mr. Tognolini. He commented on his positive interactions with him, his ability to manage difficult situations, and his extensive knowledge of all types of water, making him a perfect fit for DERWA. Chair Coleman concurred with Director Mellon's assessment of Mr. Tognolini's abilities and added his support for him as the next Authority Manager.

Mr. Bewley further explained the transition and contract process between Mr. Tognolini and DERWA would be simple and seamless. Mr. Tognolini's appointment to Authority Manager would take place at the February 2016 DERWA Board Meeting, unless the Board indicated otherwise. Mr. Bewley will remain in a consulting position until July 2016. Mr. Bewley then reported that General Counsel Maddow will also transition from his role as DERWA's General Counsel.

Mr. Maddow explained his law firm has served DERWA since DERWA's formation in 1995 and that he has been DERWA's General Counsel since then. Mr. Maddow assured the Board that he would continue as General Counsel for approximately three months following Mr. Tognolini's start to provide his knowledge of the Authority's legal history. Mr. Maddow then introduced Mr. Doug Coty, who he recommends as the new DERWA General Counsel, and spoke to his many qualifications. Mr. Coty will shadow him on all DERWA business during the transition.

Director Vonheeder-Leopold stated her support for the appointment of Mr. Coty, citing the smooth transition to Mr. Carl Nelson when Mr. Maddow retired as DSRSD's General Counsel.

Director Mellon requested that the appropriate proclamations be presented to Mr. Bewley and Mr. Maddow during the transition period. He stated his appreciation for Mr. Bewley's ability to keep DERWA on an "even keel," and Mr. Maddow's penchant for always telling him what he needed to know rather than what he might like to hear.

Chair Coleman added that he was looking forward to working with both Mr. Tognolini and Mr. Coty.

- Capital Projects Update – Recycled Water Treatment Plant
- Expansion Facilities Plan & Supplemental Water Workshop

Authority Manager Bewley reported that the facilities plan has been prepared for the Phase 2 Recycled Water Treatment Plant expansion. He reviewed the timetable of the addition of the Sixth Sand Filter and the Treatment Plant Expansion projects. He noted that these two projects are now on parallel paths, and that while the Sixth Sand Filter project is on the “fast track,” the Treatment Plant Expansion is essential in order to meet projected demands in the necessary timeframe. Ms. Zavadil, Principal Engineer for DSRSD, will send out a Request for Proposals shortly for the design of the treatment plant expansion. He also discussed the Supplemental Water Update Workshop and the concern of not having enough source water at the treatment plant to support future needs. He mentioned several project studies that have been included in the review, noting that four or five have been identified to deserve further evaluation. Mr. Bewley mentioned possible options such as utilizing exported waste water from Livermore, Pleasanton ground water as a peaking factor, and raw sewage from the Dougherty Valley via Contra Costa Central Sanitary District. He noted that direct potable reuse to ground water is considered the direction recycled water is going in the Tri-Valley but this may take 10 or more years to establish, which would not meet DERWA’s near to medium term needs. Mr. Bewley reported he will submit a summary to the Board at the February meeting.

- Confirm Next Meeting Date – December 28, 2015 – The Board agreed to cancel the December 28, 2015 Board meeting. A poll will be done to confirm Boardmember availability for the next meeting due to scheduling conflicts with the regular February meeting date.

11. BOARDMEMBER ITEMS

Vice Chair Duarte conveyed his pleasure to be serving on both the DSRSD and DERWA Boards.

12. ADJOURNMENT

Chair Coleman adjourned the meeting at 7:02 p.m.

Submitted by,

Susan Montague
Recording Secretary

FOR: Nicole Genzale, CMC
Authority Secretary

Item 8.A

DERWA Summary & Recommendation

October 31, 2015 Treasurer's Report
November 30, 2015 Treasurer's Report
December 31, 2015 Treasurer's Report
January 31, 2016 Treasurer's Report
February 29, 2016 Treasurer's Report

Summary:

Attached are the Treasurer's Reports for the months ending October 31, November 30, December 31, 2015 and January 31 and February 29, 2016 submitted by Treasurer Richard Lou.

Recommendation:

The Treasurer recommends the Board approve, by Motion, the Treasurer's Reports for the months October 31, November 30, December 31, 2015 and January 31 and February 29, 2016.

March 14, 2016

Attachments

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR OCTOBER 31, 2015**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending October 31, 2015. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$257,888 in agency reimbursements were received. Fiscal year-to-date revenues total \$1,289,081.

Expenses: Current month expenditures were \$342,540. Fiscal year-to-date expenditures for FY16 total \$354,200, of which \$321,936 were operating expenses and \$32,264 were capital expenses. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY16.

Cash: The cash balance at October 31, 2015 was \$41,574.

Submitted by:



Richard Lou
Treasurer

Dated: November 18, 2015

Prepared by dg (D. Gulseth)

Reviewed by DS (D. Siu)

Reviewed by SL (S. Lindley)

File: W:\Derwa\Treasurer's Report\Summary & Recommendation.doc

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED OCTOBER 31, 2015**

CAPITAL - PROJECT	Program Budget @ FY16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
Pipeline Reach 1	7,561,000	7,560,517	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,563,000	8,563,294	0	0	8,563,294	6,776,648	1,786,646
Water Tanks	12,393,000	12,393,483	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,463,000	3,462,938	0	0	3,462,938	0	3,462,938
Backbone Corrosion	1,109,000	1,109,004	0	0	1,109,004	122,302	986,702
SCADA	542,000	15,410	0	0	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	602,000	602,193	0	0	602,193	0	602,193
Fine Screening	740,000	905,246	0	(68,534)	836,712	476,926	359,786
New/Replacement Capital <50K	1,278,000	175,044	0	0	175,044	99,775	75,269
MF/UV Control Programing Update	144,000	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	3,767,000	5,127,122	0	53,805	5,180,927	2,573,333	2,607,594
Planning Prior Years	5,399,000	3,585,898	0	0	3,585,898	1,757,090	1,828,808
Permanent Suppl. Supply & prior yr design	2,496,000	79,432	0	0	79,432	38,922	40,510
PSR-1 VFD Replacement	526,000	0	0	0	0	0	0
RSR200B Hypo Feed	410,000	0	0	0	0	0	0
MF Membrane Replace	700,000	0	0	0	0	0	0
LVAMWA Connection	900,000	0	0	0	0	0	0
6th RWTP Sand Filter	1,740,000	0	0	0	0	0	0
6th RWTP Expansion	12,462,000	0	22,117	39,148	39,148	0	39,148
PSR1 Expansion	2,134,000	0	681	681	681	0	681
Pleasanton Capital Billing/Contingency	1,000,000	0	0	7,164	7,164	0	7,164
Capitalized Interest	2,000,000	1,960,872	0	0	1,960,871	960,827	1,000,045
Total Capital Impr. Proj. Element	102,312,000	78,067,555	22,798	32,264	78,099,818	40,047,342	38,052,476

OPERATING - ITEM	Budget FY 16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	148,710	2,763,844	3,820	9,594	2,773,438	2,191,015	582,423
Treasurer	37,000	2,662,894	3,617	10,578	2,673,472	2,112,042	561,430
Legal Counsel	3,000	418,873	1,876	3,445	422,318	333,631	88,687
Secretary	6,150	196,688	391	391	197,079	155,693	41,386
Other	105,000	979,667	93,907	93,907	1,073,574	848,123	225,451
Operation and Maintenance Detail	1,922,863	10,668,434	216,131	204,021	10,872,455	8,589,240	2,283,215
Debt Service	1,645,513	17,092,514	0	0	17,092,514	13,503,086	3,589,428
Total Operating Program Element	3,868,236	34,782,914	319,742	321,936	35,104,850	27,732,830	7,372,020

PROJECT TOTALS	106,180,236	112,850,469	342,540	354,200	113,204,668	67,780,172	45,424,496
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	150,608	540,573
Agency Reimbursements - EBMUD	107,280	273,508
Pleasanton Payment	0	475,000
Misc Contracts	0	0
Misc Income	0	0
TOTAL REVENUES & FUNDING	257,888	1,289,081


	Current Month	Fiscal Year
CASH AVAILABLE		
Beginning Cash	126,226	(893,307)
Beg. Balance Accrual Adj	0	0
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	257,888	1,289,081
Total Expenditures	(342,540)	(354,200)
Ending Cash	41,574	41,574


Prepared by Dana Gulseth Date: 11/17/15
Reviewed by Dana Gulseth Date: 11/18/15
Approved by David Siu Date: 11/18/15
S. Lindley for L. Fan


[illegible]

Operating	Capital	CK-OP		
3,014.00	0.00	3,014.00	75.0%	25.0%
951.34	0.00	951.34	75.0%	25.0%
93,907.27	0.00	93,907.27	75.0%	25.0%
1,876.36	0.00	1,876.36	75.0%	25.0%
852.50	0.00	852.50	49.0%	51.0%
1,268.94	0.00	1,268.94	75.0%	25.0%
0.00	22,116.95	0.00	57.0%	43.0%
0.00	680.60	0.00	0.0%	100.0%
746.75	0.00	746.75	75.0%	25.0%
386.67	0.00	386.67	75.0%	25.0%
3.88	0.00	3.88	75.0%	25.0%
216,130.98	0.00	216,130.98	75.0%	25.0%
603.00	0.00	603.00	75.0%	25.0%
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
319,741.69	22,797.55	319,741.69	-	

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by 
Dana Gulseth

Reviewed by 
David Siu

Approved by 
S. Lindley for L. Fan

Date: 11-17-15
Date: 11/18/15
Date: 11/18/15

DERWA CASH REPORT

Cash Balance as of 09/30/15 126,225.57 Reconciled to DERWA TR previous month

Add member agency's contribution:

Interest Income			
Loans			
DSRSD Contribution	EBM-DEO-00243,245	150,608.30	10/1/2015;10/16
EBMUD Contribution	EBM-DEO-00242,244	107,279.65	10/23/15
Agency Reimbursements - DSRSD			
Agency Reimbursements - EBMUD			
City of Pleasanton Payments			
Other Reimbursements- Misc			


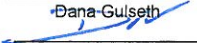

Less invoice payments:

Maze & Associates	2461279	(3,014.00)	10/02/15
Office Team	2461730	(951.34)	10/09/15
Alliant Insurance	2461534	(93,907.27)	10/09/15
Bold, et al	2462786	(1,876.36)	10/30/15
ICF Jones & Stokes	2462887	(852.50)	10/30/15
Office Team	2462993	(1,268.94)	10/30/15
DSRSD- August Inv	2462827	(240,065.83)	10/30/15
Maze & Associates	2462910	(603.00)	10/30/15

Cash Balance as of 10/31/15 41,574.28

Rounding (0.28)

Cash Balance 10/31/15 41,574.00

Prepared by 
 Reviewed by 
 Approved by 
 S. Lindley for L. Fan

Date 11-17-15
 Date 11/18/15
 Date 11/18/15

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR NOVEMBER 30, 2015**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending November 30, 2015. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, no agency reimbursements were received. Fiscal year-to-date revenues total \$1,289,081.

Expenses: Current month expenditures were \$341,926. Fiscal year-to-date expenditures for FY16 total \$696,126, of which \$647,313 were operating expenses and \$48,813 were capital expenses. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY16.

Cash: The cash balance at November 30, 2015 was (\$300,351).

Submitted by:



Richard Lou
Treasurer

Dated: December 7, 2015

Prepared by NS (D. Gulseth)

Reviewed by NS (D. Siu)

Reviewed by SL (S. Lindley)
klein

File: W:\Derwa\Treasurer's Report\Summary & Recommendation.doc

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED NOVEMBER 30, 2015**

CAPITAL - PROJECT	Program Budget @ FY16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
Pipeline Reach 1	7,561,000	7,560,517	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,563,000	8,563,294	0	0	8,563,294	6,776,648	1,786,646
Water Tanks	12,393,000	12,393,483	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,463,000	3,462,938	0	0	3,462,938	0	3,462,938
Backbone Corrosion	1,109,000	1,109,004	0	0	1,109,004	122,302	986,702
SCADA	542,000	15,410	0	0	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	602,000	602,193	0	0	602,193	0	602,193
Fine Screening	740,000	905,246	0	(68,534)	836,712	476,926	359,786
New/Replacement Capital <50K	1,278,000	175,044	0	0	175,044	99,775	75,269
MF/UV Control Programing Update	144,000	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	3,767,000	5,127,122	2,738	56,542	5,183,664	2,574,920	2,608,771
Planning Prior Years	5,399,000	3,585,898	0	0	3,585,898	1,757,090	1,828,808
Permanent Suppl. Supply & prior yr design	2,496,000	79,432	0	0	79,432	38,922	40,510
PSR-1 VFD Replacement	526,000	0	0	0	0	0	0
RSR200B Hypo Feed	410,000	0	0	0	0	0	0
MF Membrane Replace	700,000	0	0	0	0	0	0
LVAMWA Connection	900,000	0	0	0	0	0	0
6th RWTP Sand Filter	1,740,000	0	255	255	255	0	228
DWR IRWM- Prop 84 Rd 3 Drought Project	12,462,000	13,740	10,566	49,714	63,454	27	48,123
PSR1 Expansion	2,134,000	0	0	681	681	0	681
Pleasanton Capital Billing/Contingency	1,000,000	0	2,992	10,155	10,155	0	10,155
Capitalized Interest	2,000,000	1,960,872	0	0	1,960,872	960,827	1,000,045
Total Capital Impr. Proj. Element	102,312,000	78,081,295	16,550	48,813	78,130,108	40,048,956	38,065,847

OPERATING - ITEM	Budget FY 16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	148,710	2,763,844	20,756	30,349	2,794,193	2,207,412	586,781
Treasurer	37,000	2,662,894	2,713	13,292	2,676,186	2,114,186	562,000
Legal Counsel	3,000	418,873	1,228	4,673	423,546	334,601	88,945
Secretary	6,150	196,688	0	391	197,079	155,693	41,386
Other	105,000	979,667	0	93,907	1,073,574	848,123	225,451
Operation and Maintenance Detail	1,922,863	10,668,434	300,679	504,701	11,173,135	8,826,777	2,346,358
Debt Service	1,645,513	17,092,514	0	0	17,092,514	13,503,086	3,589,428
Total Operating Program Element	3,868,236	34,782,914	325,375	647,313	35,430,227	27,989,878	7,440,349

PROJECT TOTALS	106,180,236	112,864,209	341,926	696,126	113,560,335	68,038,834	45,506,196
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	0	540,573
Agency Reimbursements - EBMUD	0	273,508
Pleasanton Payment	0	475,000
Misc Contracts	0	0
Misc Income	0	0
TOTAL REVENUES & FUNDING	0	1,289,081

	Current Month	Fiscal Year
CASH AVAILABLE		
Beginning Cash	41,575	(893,306)
Beg. Balance Accrual Adj	0	0
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	0	1,289,081
Total Expenditures	(341,926)	(696,126)
Ending Cash	(300,351)	(300,351)

Prepared by Dana Gulseth Date: 12/7/15
Reviewed by David Siu Date: 12/7/15
Approved by Scott Klein Date: 12/8/15

DSRSD/EBMUD RECYCLED WATER AUTHORITY
SUMMARY OF EXPENDITURES
FOR THE PERIOD ENDED
NOVEMBER 30, 2015

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount
11/20/15	2463952	James Bewley	Op-Contract Mgr (75/25)	12,587.50	9,440.63	3,146.88
11/20/15	2463952	James Bewley	Op-Prg Mgr Exp. (75/25)	1,383.49	1,037.62	345.87
11/20/15	2463956	Bold, Polisner, Maddow	Op- Legal (75/25)	1,227.70	920.78	306.93
11/20/15	2463956	Bold, Polisner, Maddow	Cap-ABAG Prop 84 Grant Agreeem't (50/50)	1,591.00	795.50	795.50
11/20/15	2464071	ICF International	Op-Prg Mgr Public Info (49/51)	1,110.00	543.90	566.10
11/20/15	2464026	Federal Express	Op-Prg Mgr Other (75/25)	120.80	90.60	30.20
11/20/15	2464155	Office Team	Op-Prg Mgr Staff (75/25)	2,634.48	1,975.86	658.62
11/20/15	2464009	EBMUD	Op-Treas. Cost Acctg (75/25)	2,713.11	2,034.83	678.28
11/20/15	2464155	Office Team	Op-Prg Mgr Staff (75/25)	439.08	329.31	109.77
11/25/15	2464326	DSRSD- July	Pleasanton Billing- RWTP	219.37	-	-
11/25/15	2464326	DSRSD- July	Cap-RWTP	658.11	438.74	219.37
11/25/15	2464326	DSRSD- July	Cap-Sand Filter(57/43)	255.23	145.48	109.75
11/25/15	2464326	DSRSD- July	Cap-Security Fence(100% E)	2,737.90	-	2,737.90
11/25/15	2464326	DSRSD- July	Op- Prg Manager -Other (75/25)	746.75	560.06	186.69
11/25/15	2464326	DSRSD- July	Op- Operations (75/25)	151,058.52	113,293.89	37,764.63
11/25/15	2464326	DSRSD-Sept	Pleasanton Billing- RWTP	2,772.17	-	-
11/25/15	2464326	DSRSD-Sept	Cap-RWTP	8,316.53	5,544.36	2,772.17
11/25/15	2464326	DSRSD-Sept	Op-Suppl water (58/42)	987.17	572.56	414.61
11/25/15	2464326	DSRSD-Sept	Op- Prg Manager -Other (75/25)	746.75	560.06	186.69
11/25/15	2464326	DSRSD-Sept	Op- Operations (75/25)	149,620.99	112,215.74	37,405.25
				341,926.65	250,499.92	88,435.19
Certificates of Disb.						
Wk Ending	Amount					
11/6/15	\$ -					
11/13/15	\$ -					
11/20/15	\$ 23,807.16					
11/25/15	\$ 318,119.49					
\$ 341,926.65						
Pleasanton					2,991.54	
					OP	325,376.34
					CAP	16,550.31

Operating	Capital	CK-OP		
12,587.50	0.00	12,587.50	75.0%	25.0%
1,383.49	0.00	1,383.49	75.0%	25.0%
1,227.70	0.00	1,227.70	75.0%	25.0%
0.00	1,591.00	0.00	50.0%	50.0%
1,110.00	0.00	1,110.00	49.0%	51.0%
120.80	0.00	120.80	75.0%	25.0%
2,634.48	0.00	2,634.48	75.0%	25.0%
2,713.11	0.00	2,713.11	75.0%	25.0%
439.08	0.00	439.08	75.0%	25.0%
0.00	219.37	0.00	0.0%	25.0%
0.00	658.11	0.00	50.0%	25.0%
0.00	255.23	0.00	57.0%	43.0%
0.00	2,737.90	0.00	0.0%	100.0%
746.75	0.00	746.75	75.0%	25.0%
151,058.52	0.00	151,058.52	75.0%	25.0%
0.00	2,772.17	0.00	0.0%	25.0%
0.00	8,316.53	0.00	50.0%	25.0%
987.17	0.00	987.17	58.0%	42.0%
746.75	0.00	746.75	75.0%	25.0%
149,620.99	0.00	149,620.99	75.0%	25.0%
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
325,376.34	16,550.31	325,376.34	-	

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by *Dena Gulseth* Date: 12-4-15
Reviewed by *David Siu* Date: 12/7/15
Approved by *Scott Klein* Date: 12/8/15

DERWA CASH REPORT

Cash Balance as of

10/31/15

41,574.28 Reconciled to DERWA TR previous month

Add member agency's contribution:

Interest Income	
Loans	
DSRSD Contribution	
EBMUD Contribution	
Agency Reimbursements - DSRSD	EBM-DEO-00
Agency Reimbursements - EBMUD	EBM-DEO-00
City of Pleasanton Payments	
Other Reimbursements- Misc	

Less invoice payments:

James Bewley	2463952	(13,970.99)	11/20/2015
Bold, Polisner, Maddow	2463956	(2,818.70)	11/20/2015
ICF International	2464071	(1,110.00)	11/20/2015
Federal Express	2464026	(120.80)	11/20/2015
Office Team	2464155	(2,634.48)	11/20/2015
EBMUD	2464009	(2,713.11)	11/20/2015
Office Team	2464155	(439.08)	11/20/2015
DSRSD-July	2464326	(155,675.88)	11/25/2015
DSRSD-September	2464326	(162,443.61)	11/25/2015

Cash Balance as of

11/30/15




(300,352.37)

Rounding

1.37

Cash Balance 11/30/15

(300,351.00)

Prepared by 
Dana Gulseth
Reviewed by 
David Sil
Approved by 
Scott Klein

Date 12-4-15
Date 12/18/15
Date 12/8/15

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR DECEMBER 31, 2015**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending December 31, 2015. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$681,474 in agency reimbursements were received. Fiscal year-to-date revenues total \$1,970,555.

Expenses: Current month expenditures were \$177,649. Fiscal year-to-date expenditures for FY16 total \$873,775, of which \$804,974 were operating expenses and \$68,801 were capital expenses. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY16.




Cash: The cash balance at December 31, 2015 was \$203,474.

Submitted by:



Richard Lou
Treasurer

Dated: January 7, 2016

Prepared by  (D. Gulseth)
Reviewed by  (D. Siu)
Reviewed by  (S. Klein)

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**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2015**

CAPITAL - PROJECT	Program Budget @ FY16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
Pipeline Reach 1	7,561,000	7,560,517	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,563,000	8,563,294	0	0	8,563,294	6,776,648	1,786,646
Water Tanks	12,393,000	12,393,483	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,463,000	3,462,938	0	0	3,462,938	0	3,462,938
Backbone Corrosion	1,109,000	1,109,004	0	0	1,109,004	122,302	986,702
SCADA	542,000	15,410	0	0	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	602,000	602,193	0	0	602,193	0	602,193
Fine Screening	740,000	905,246	5,376	5,376	910,622	519,054	391,568
New/Replacement Capital <50K	1,278,000	175,044	6,342	6,342	181,386	103,390	77,996
MF/UV Control Programing Update	144,000	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	3,767,000	5,127,122	0	5,008	5,132,130	2,545,546	2,586,611
Planning Prior Years	5,399,000	3,585,898	0	0	3,585,898	1,757,090	1,828,808
Permanent Suppl. Supply & prior yr design	2,496,000	79,432	0	0	79,432	38,922	40,510
PSR-1 VFD Replacement	526,000	0	0	0	0	0	0
RSR200B Hypo Feed	410,000	0	0	0	0	0	0
MF Membrane Replace	700,000	0	0	0	0	0	0
LVAMWA Connection	900,000	0	0	0	0	0	0
6th RWTP Sand Filter	1,740,000	0	0	255	255	0	228
DWR IRWM- Prop 84 Rd 3 Drought Project	12,462,000	13,740	1,101	33,815	47,555	27	31,123
PSR1 Expansion	2,134,000	0	0	681	681	0	681
Pleasanton Capital Billing/Contingency	1,000,000	0	7,169	17,324	17,324	0	17,324
Capitalized Interest	2,000,000	1,960,872	0	0	1,960,872	960,827	1,000,045
Total Capital Impr. Proj. Element	102,312,000	78,081,295	19,987	68,801	78,150,095	40,065,325	38,068,365

OPERATING - ITEM	Budget FY 16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	148,710	2,763,844	6,773	37,122	2,800,966	2,212,763	588,203
Treasurer	37,000	2,662,894	5,576	18,868	2,681,762	2,118,591	563,171
Legal Counsel	3,000	418,873	0	4,673	423,546	334,601	88,945
Secretary	6,150	196,688	479	869	197,557	156,070	41,487
Other	105,000	979,667	0	93,907	1,073,574	848,123	225,451
Operation and Maintenance Detail	1,922,863	10,668,434	144,833	649,535	11,317,969	8,941,196	2,376,773
Debt Service	1,645,513	17,092,514	0	0	17,092,514	13,503,086	3,589,428
Total Operating Program Element	3,868,236	34,782,914	157,661	804,974	35,587,888	28,114,430	7,473,458

PROJECT TOTALS	106,180,236	112,864,209	177,649	873,775	113,737,983	68,179,755	45,541,823
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	502,691	1,043,264
Agency Reimbursements - EBMUD	178,783	452,291
Pleasanton Payment	0	475,000
Misc Contracts	0	0
Misc Income	0	0
TOTAL REVENUES & FUNDING	681,474	1,970,555

	Current Month	Fiscal Year
CASH AVAILABLE		
Beginning Cash	(300,351)	(893,306)
Beg. Balance Accrual Adj	0	0
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	681,474	1,970,555
Total Expenditures	(177,649)	(873,775)
Ending Cash	203,474	203,474

Prepared by Dana Gulseth Date: 1-4-16
Reviewed by Dana Gulseth Date: 1/4/16
Approved by David Siu Date: 1/4/16
Lawrence Fan

[illegible]

	Operating	Capital	CK-OP		
O	713.51	0.00	713.51	75.0%	25.0%
O	4,974.32	0.00	4,974.32	75.0%	25.0%
O	601.99	0.00	601.99	75.0%	25.0%
C	0.00	881.50	0.00	50.0%	50.0%
O	585.44	0.00	585.44	75.0%	25.0%
C	945.50	0.00	945.50	75.0%	25.0%
C	0.00	7,168.59	0.00	0.0%	0.0%
C	0.00	5,376.13	0.00	66.7%	33.3%
O	746.75	0.00	746.75	75.0%	25.0%
C	0.00	6,341.78	0.00	57.0%	43.0%
C	0.00	219.37	0.00	58.0%	42.0%
O	144,833.46	0.00	144,833.46	75.0%	25.0%
O	476.20	0.00	476.20	75.0%	25.0%
O	2.43	0.00	2.43	75.0%	25.0%
O	840.00	0.00	840.00	75.0%	25.0%
O	1,390.42	0.00	1,390.42	75.0%	25.0%
O	765.00	0.00	765.00	75.0%	25.0%
O	786.69	0.00	786.69	75.0%	25.0%
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	0.00	0.00	0.00	#DIV/0!	#DIV/0!
	157,661.71	19,987.37	157,661.71	-	-

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by *[Signature]*
Dana Gulseth

Reviewed by *[Signature]*
David Siu

Approved by *[Signature]*
Lawrence Fan

Date: _____
Date: 1/4/16
Date: 1/4/16

DERWA CASH REPORT

Cash Balance as of

11/30/15

(300,352.37) Reconciled to DERWA TR previous month

Add member agency's contribution:

Interest Income			
Loans			
DSRSD Contribution			
EBMUD Contribution			
Agency Reimbursements - DSRSD	EBM-DEO-00246, 00249	502,691.20	12/18+12/21/2015
Agency Reimbursements - EBMUD	EBM-DEO-00247, 00248	178,783.14	12/28/15
City of Pleasanton Payments			
Other Reimbursements- Misc			

Less invoice payments:

Office Team	2464916	(713.51)	12/4/2015
EBMUD- Acctg OCT & NOV	2465569	(5,576.31)	12/18/2015
Bold, Pollisner, et al	2465517	(881.50)	12/18/2015
Office Team	2465698	(585.44)	12/18/2015
WateReuse	2465826	(945.50)	12/18/2015
DSRSD October	2465565	(165,164.71)	12/18/2015
ICF Jones & Stokes	2465621	(840.00)	12/18/2015
Office Team	2465698	(1,390.42)	12/18/2015
SWRCB	2465525	(765.00)	12/18/2015
Office Team	2466433	(786.69)	12/31/2015

Cash Balance as of

12/31/15




203,472.89

Rounding

1.11

Cash Balance 12/31/15

203,474.00

Prepared by 
Dana Gulseth
Reviewed by 
David Siu
Approved by 
Lawrence Fan

Date 1-4-16
Date 1/4/16
Date 1/4/16

DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR JANUARY 31, 2016

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending [January 31, 2016](#). A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$44,467 in agency reimbursements were received. Fiscal year-to-date revenues total \$2,015,020.

Expenses: Current month expenditures were \$241,454. Fiscal year-to-date expenditures for FY16 total [\\$1,115,227](#), of which [\\$988,432](#) were operating expenses and [\\$126,795](#) were capital expenses. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY16.




Cash: The cash balance at [January 31, 2016](#) was [\\$6,487](#).

Submitted by:



Richard Lou
Treasurer

[Dated: February 4, 2016](#)

Prepared by  (D. Gulseth)
Reviewed by  (D. Siu)
Reviewed by  (S. Klein)

File: W:\Derwa\Treasurer's Report\Summary & Recommendation.doc

DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED JANUARY 31, 2016

CAPITAL - PROJECT	Program Budget @ FY16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
Pipeline Reach 1	7,561,000	7,560,517	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,563,000	8,563,294	0	0	8,563,294	6,776,648	1,786,646
Water Tanks	12,393,000	12,393,483	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,463,000	3,462,938	0	0	3,462,938	0	3,462,938
Backbone Corrosion	1,109,000	1,109,004	0	0	1,109,004	122,302	986,702
SCADA	542,000	15,410	0	0	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	602,000	602,193	0	0	602,193	0	602,193
Fine Screening	740,000	905,246	0	5,376	910,622	519,054	391,568
New/Replacement Capital <50K	1,278,000	175,044	0	6,342	181,386	103,390	77,996
MF/UV Control Programing Update	144,000	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	3,767,000	5,127,122	0	5,008	5,132,130	2,550,252	2,590,019
Planning Prior Years	5,399,000	3,585,898	0	0	3,585,898	1,757,090	1,828,808
Permanent Suppl. Supply & prior yr design	2,496,000	79,432	8,114	8,114	87,546	38,922	40,510
PSR-1 VFD Replacement	526,000	0	0	0	0	0	0
RSR200B Hypo Feed	410,000	0	0	0	0	0	0
MF Membrane Replace	700,000	0	0	0	0	0	0
LVAMWA Connection	900,000	0	0	0	0	0	0
6th RWTP Sand Filter	1,740,000	0	0	255	255	0	228
DWR IRWM- Prop 84 Rd 3 Drought Project	12,462,000	13,740	37,410	71,225	84,965	27	68,533
PSR1 Expansion	2,134,000	0	0	681	681	0	681
Pleasanton Capital Billing/Contingency	1,000,000	0	12,470	29,794	29,794	0	29,794
Capitalized Interest	2,000,000	1,960,872	0	0	1,960,872	960,827	1,000,045
Total Capital Impr. Proj. Element	102,312,000	78,081,295	57,994	126,795	78,208,089	40,070,031	38,121,653

OPERATING - ITEM	Budget FY 16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	148,710	2,763,844	9,327	46,449	2,810,293	2,220,131	590,162
Treasurer	37,000	2,662,894	2,713	21,581	2,684,475	2,120,734	563,741
Legal Counsel	3,000	418,873	0	4,673	423,546	334,601	88,945
Secretary	6,150	196,688	596	1,464	198,152	156,540	41,612
Other	105,000	979,667	0	93,907	1,073,574	848,123	225,451
Operation and Maintenance Detail	1,922,863	10,668,434	170,823	820,358	11,488,792	9,076,146	2,412,646
Debt Service	1,645,513	17,092,514	0	0	17,092,514	13,503,086	3,589,428
Total Operating Program Element	3,868,236	34,782,914	183,459	988,432	35,771,346	28,259,361	7,511,985

PROJECT TOTALS	106,180,236	112,864,209	241,454	1,115,227	113,979,435	68,329,392	45,633,638
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	0	1,043,264
Agency Reimbursements - EBMUD	44,467	496,756
Pleasanton Payment	0	475,000
Misc Contracts	0	0
Misc Income	0	0
TOTAL REVENUES & FUNDING	44,467	2,015,020

	Current Month	Fiscal Year
CASH AVAILABLE		
Beginning Cash	203,474	(893,306)
Beg. Balance Accrual Adj	0	0
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	44,467	2,015,020
Total Expenditures	(241,454)	(1,115,227)
Ending Cash	6,487	6,487

Prepared by NOY Gulseth Date: 2-2-16
Reviewed by Dana Gulseth Date: 2/2/16
Approved by David Siu Date: 2/2/16
Lawrence Fan

DSRSD/EBMUD RECYCLED WATER AUTHORITY
SUMMARY OF EXPENDITURES
FOR THE PERIOD ENDED
JANUARY 31, 2016

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount
01/08/16	2466746	Office Team	Op-Prg Mgr Staff (75/25)	1,280.66	960.49	320.17
01/15/16	2467048	Fed Ex	Op-Prg Mgr Other (75/25)	56.46	42.34	14.12
01/15/16	2466986	James Bewley	Op-Prg Mgr-contract (75/25)	1,947.50	1,460.62	486.88
01/15/16	2467163	Office Team	Op-Prg Mgr Staff (75/25)	585.44	439.08	146.36
01/22/16	2467457	ICF Jones & Stokes	Op-Public Info-Pgr Mrg (49/51)	1,597.50	782.78	814.73
01/29/16	2467774	DSRSD-Nov	Cap-RWTP Stage 2 Pleasanton	7,964.89		
01/29/16	2467774	DSRSD-Nov	Cap-RWTP Stage 2 D&E	23,894.68	15,929.79	7,964.89
01/29/16	2467774	DSRSD-Nov	Cap- Suppl Water Planning(58/42)	109.69	63.62	46.07
01/29/16	2467774	DSRSD-Nov	Op-Prg Mgr Other (75/25)	746.75	560.06	186.69
01/29/16	2467774	DSRSD-Nov	Op- Secretary Salary(75/25)	209.97	119.68	90.29
01/29/16	2467774	DSRSD-Nov	Op- Secretary Exp(75/25)	23.62	13.70	9.92
01/29/16	2467774	DSRSD-Nov	Op-Operations (75/25)	99,198.64	74,398.98	24,799.66
01/29/16	2467774	DSRSD-Dec	Cap-RWTP Stage 2 Pleasanton	4,505.19		
01/29/16	2467774	DSRSD-Dec	Cap-RWTP Stage 2 D&E	13,515.58	9,010.39	4,505.19
01/29/16	2467774	DSRSD-Dec	Cap- Suppl Water Planning(58/42)	8,004.40	4,642.55	3,361.85
01/29/16	2467774	DSRSD-Dec	Op-Prg Mgr Other (75/25)	746.75	560.06	186.69
01/29/16	2467774	DSRSD-Dec	Op- Secretary Salary(75/25)	361.47	271.10	90.37
01/29/16	2467774	DSRSD-Dec	Op- Secretary Exp(75/25)	0.49	0.37	0.12
01/29/16	2467774	DSRSD-Dec	Op-Operations (75/25)	71,624.80	53,718.60	17,906.20
01/29/16	2467930	Office Team	Op-Prg Mgr Staff (75/25)	622.03	466.52	155.51
01/29/16	2467779	EBMUD- Acctg Dec	Op- Treas/Cost Acctg (75/25)	2,713.13	2,034.85	678.28
01/29/16	2467915	FastSigns	Op=Pgr Mgr Office Supplies (75/25)	44.54	33.41	11.14
01/29/16	2467728	James Bewley	Op-Prg Mgr-exp (75/25)	564.76	423.57	141.19
01/29/16	2467930	Office Team	Op-Prg Mgr Staff (75/25)	1,134.29	850.72	283.57
				241,453.23	166,783.28	62,199.87

Certificates of Disb.	
Wk Ending	Amount
1/8/16	\$ 1,280.66
1/15/16	\$ 2,589.40
1/22/16	\$ 1,597.50
1/29/16	\$ 235,985.67
	\$ -
	\$ 241,453.23

Pleasanton
23,894.68

OP 183,458.80
CAP 57,994.43

Operating	Capital	CK-OP		
1,280.66	0.00	1,280.66	75.0%	25.0%
56.46	0.00	56.46	75.0%	25.0%
1,947.50	0.00	1,947.50	75.0%	25.0%
585.44	0.00	585.44	75.0%	25.0%
1,597.50	0.00	1,597.50	49.0%	51.0%
0.00	7,964.89	0.00	0.0%	0.0%
0.00	23,894.68	0.00	66.7%	33.3%
0.00	109.69	0.00	58.0%	42.0%
746.75	0.00	746.75	75.0%	25.0%
209.97	0.00	209.97	57.0%	43.0%
23.62	0.00	23.62	58.0%	42.0%
99,198.64	0.00	99,198.64	75.0%	25.0%
0.00	4,505.19	0.00	0.0%	0.0%
0.00	13,515.58	0.00	66.7%	33.3%
0.00	8,004.40	0.00	58.0%	42.0%
746.75	0.00	746.75	75.0%	25.0%
361.47	0.00	361.47	75.0%	25.0%
0.49	0.00	0.49	75.0%	25.0%
71,624.80	0.00	71,624.80	75.0%	25.0%
622.03	0.00	622.03	75.0%	25.0%
2,713.13	0.00	2,713.13	75.0%	25.0%
44.54	0.00	44.54	75.0%	25.0%
564.76	0.00	564.76	75.0%	25.0%
1,134.29	0.00	1,134.29	75.0%	25.0%
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
0.00	0.00	0.00	#DIV/0!	#DIV/0!
183,458.80	57,994.43	183,458.80	-	-

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by Dana Gulseth
Reviewed by David Siu
Approved by Lawrence Fan

Date: 1-29-16
Date: 2/2/16
Date: 2/2/16

DERWA CASH REPORT

Cash Balance as of

12/31/15

203,472.89 Reconciled to DERWA TR previous month

Add member agency's contribution:

Interest Income

Loans

DSRSD Contribution

EBMUD Contribution

Agency Reimbursements - DSRSD

EBM-DEO-00

Agency Reimbursements - EBMUD

EBM-DEO-00251

44,467.32 1/27/2016

City of Pleasanton Payments

Other Reimbursements- Misc

Less invoice payments:

Office Team

2466746

(1,280.66) 1/8/2016

Fed Ex

2467048

(56.46) 1/15/2016

James Bewley

2466986

(1,947.50) 1/15/2016

Office Team

2467163

(585.44) 1/15/2016

ICF Jones & Stokes

2467457

(1,597.50) 1/22/2016

DSRSD- Nov

2467774

(132,148.24) 1/29/2016

DSRSD- Dec

2467774

(98,758.68) 1/29/2016

Office Team

2467930

(1,756.32) 1/29/2016

EBMUD-Acctg

2467779

(2,713.13) 1/29/2016

FastSigns

2467915

(44.54) 1/29/2016

James Bewley

2467728

(564.76) 1/29/2016

Cash Balance as of

01/31/16

6,486.98

Rounding

0.02

Cash Balance 01/31/16

6,487.00

Prepared by


Dana Gulseth

Date

1-29-16

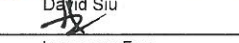
Reviewed by


David Siu

Date

2/2/16

Approved by


Lawrence Fan

Date

2/2/16

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR FEBRUARY 29, 2016**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending February 29, 2016. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$292,796 in agency reimbursements were received. Fiscal year-to-date revenues total \$2,307,816.

Expenses: Current month expenditures were \$13,407. Fiscal year-to-date expenditures for FY16 total \$1,128,634, of which \$994,468 were operating expenses and \$134,166 were capital expenses. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY16.




Cash: The cash balance at February 29, 2016 was \$285,876.

Submitted by:



Richard Lou
Treasurer

Dated: March 4, 2016

Prepared by  (D. Gulseth)
Reviewed by  (D. Siu)
Reviewed by  (L. Fan)

File: W:\Derwa\Treasurer's Report\Summary & Recommendation.doc

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED FEBRUARY 29, 2016**

CAPITAL - PROJECT	Program Budget @ FY16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
Pipeline Reach 1	7,561,000	7,560,517	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	4,558,000	4,558,120	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	2,286,000	2,286,003	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	1,615,000	1,614,959	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	1,431,000	1,430,991	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	6,760,000	6,759,869	0	0	6,759,869	430,784	6,329,085
Treatment Plant	15,733,000	15,732,794	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	8,563,000	8,563,294	0	0	8,563,294	6,776,648	1,786,646
Water Tanks	12,393,000	12,393,483	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	3,463,000	3,462,938	0	0	3,462,938	0	3,462,938
Backbone Corrosion	1,109,000	1,109,004	0	0	1,109,004	122,302	986,702
SCADA	542,000	15,410	0	0	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	602,000	602,193	0	0	602,193	0	602,193
Fine Screening	740,000	905,246	0	5,376	910,622	519,054	391,568
New/Replacement Capital <50K	1,278,000	175,044	0	6,342	181,386	103,390	77,996
MF/UV Control Programming Update	144,000	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	3,767,000	5,127,122	0	5,008	5,132,130	2,550,824	2,590,434
Planning Prior Years	5,399,000	3,585,898	0	0	3,585,898	1,757,090	1,828,808
Permanent Suppl. Supply & prior yr design	2,496,000	79,432	0	9,101	88,533	38,922	40,510
PSR-1 VFD Replacement	526,000	0	0	0	0	0	0
RSR200B Hypo Feed	410,000	0	0	0	0	0	0
MF Membrane Replace	700,000	0	0	0	0	0	0
LVA/MWA Connection	900,000	0	0	0	0	0	0
6th RWTP Sand Filter	1,740,000	0	0	255	255	0	228
DWR IRWM- Prop 84 Rd 3 Drought Project	12,462,000	13,740	0	71,225	84,965	27	68,533
PSR1 Expansion	2,134,000	0	0	681	681	0	681
Pleasanton Capital Billing/Contingency	1,000,000	0	0	36,178	36,178	0	36,178
Capitalized Interest	2,000,000	1,960,872	0	0	1,960,872	960,827	1,000,045
Total Capital Impr. Proj. Element	102,312,000	78,081,295	0	134,166	78,215,460	40,070,603	38,128,452

OPERATING - ITEM	Budget FY 16	Expenditures FY 15 and Prior (a)	Expenditures Current Month	Expenditures FY 16 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	148,710	2,763,844	4,376	49,838	2,813,682	2,222,808	590,874
Treasurer	37,000	2,662,894	2,455	24,036	2,686,930	2,122,674	564,256
Legal Counsel	3,000	418,873	826	5,498	424,371	335,253	89,118
Secretary	6,150	196,688	0	1,464	198,152	156,540	41,612
Other	105,000	979,667	5,750	99,658	1,079,325	852,666	226,659
Operation and Maintenance Detail	1,922,863	10,668,434	0	813,974	11,482,408	9,071,103	2,411,305
Debt Service	1,645,513	17,092,514	0	0	17,092,514	13,503,086	3,589,428
Total Operating Program Element	3,868,236	34,782,914	13,407	994,468	35,777,382	28,264,130	7,513,252

PROJECT TOTALS	106,180,236	112,864,209	13,407	1,128,634	113,992,842	68,334,733	45,641,704
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	292,796	1,336,060
Agency Reimbursements - EBMUD	0	496,756
Pleasanton Payment	0	475,000
Misc Contracts	0	0
Misc Income	0	0
TOTAL REVENUES & FUNDING	292,796	2,307,816

	Current Month	Fiscal Year
CASH AVAILABLE		
Beginning Cash	6,487	(893,306)
Beg. Balance Accrual Adj	0	0
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	292,796	2,307,816
Total Expenditures	(13,407)	(1,128,634)
Ending Cash	285,876	285,876

Prepared by Dana Gulseth Date: 3/2/16
Reviewed by David Siu Date: 03/02/16
Approved by Lawrence Fan Date: 3/2/16

[illegible][illegible]

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by Dana Gulseth
Reviewed by David Siu
Approved by Lawrence Fan

Date: 3/2/16
Date: 3/2/16
Date: 3/2/16

DERWA CASH REPORT

Cash Balance as of

01/31/16

6,486.98 Reconciled to DERWA TR previous month

Add member agency's contribution:

Interest Income

Loans

DSRSD Contribution

EBMUD Contribution

Agency Reimbursements - DSRSD

EBM-DEO-00250

292,796.45 2/1 + 2/29

Agency Reimbursements - EBMUD

EBM-DEO-00237

City of Pleasanton Payments

Other Reimbursements- Misc

Less invoice payments:

Fed Ex

2468579

(29.83) 2/11/2016

Office Team

2468680

(841.57) 2/11/2016

Office Team

2469029

(969.64) 2/19/2016

Bold, Polisner, Maddow, Nelson & Judson

2469280

(825.50) 2/26/2016

Office Team

2469483

(695.21) 2/26/2016

ICF Jones & Stokes, Inc.

2469383

(1,840.00) 2/26/2016

EBMUD - Water System

2469331

(2,454.74) 2/26/2016

Alliant Insurance

2469547

(5,750.25) 2/26/2016

Cash Balance as of

02/29/16

285,876.69

Rounding

(0.69)

Cash Balance 02/29/16

285,876.00

Prepared by Dana Gulseth

Date 3/2/16

Reviewed by Dana Gulseth

Date 03/02/16

Approved by David Siu

Date 3/2/16

Lawrence Fan

Item 8.B

DERWA **Summary & Recommendation**

Quarterly Investment Reports – September 30, 2015 and December 31, 2015

Summary:

Section 53646 of the Government Code allows the Treasurer of the Authority to submit to the Authority Manager, the Internal Auditor, and the Board of Directors a quarterly investment report. It also stipulates that the investment report must include the types of investments in which the Authority has invested its funds, the issuer, date of maturity, the value of the investment at maturity, and the dollar amount that is invested in the security.

The investments held by the Authority on September 30, 2015 and December 31, 2015 were \$0.00. The investment portfolio is in full compliance with the Board's adopted policy regarding the Authority's investments.

In compliance with Section 53646(b)3 of the Government Code, this report denotes that the Authority will be able to meet expenditure requirements for the next six months from revenues/reimbursements/contributions from member agencies.

Recommendation:

The Treasurer recommends the Board approve the Quarterly Investment Reports by Motion.

March 14, 2016

Item 8.C

DERWA Summary & Recommendation

Approve Task Order No. 14 for Fiscal Year 2016-17 for Public Information Services with ICF International

Summary:

The DERWA Public Information Program has been supporting the San Ramon Valley Recycled Water Program during construction, startup and operation phases. The DERWA Public Information Program is coordinated by the Public Affairs Committee made up of public information staff of the member agencies. The program activities include:

- Plan and Facilitate the annual Communications Roundtable Exercise
- Update Informational Materials
- On-call Communications Support
- Web Site Maintenance

Proposed Task Order No. 14 continues the transition from nearly full reliance on consultant support for the DERWA Public Information Program to agency staff leading most of the Public Affairs activities. The work proposed for ICF International for July 2016 through June 2017 will be planning and facilitation of the annual Communications Roundtable Exercise and updating and supporting the maintenance of the San Ramon Valley Recycled Water Program web site. The 2015-16 authorized Task Order amount was \$47,320. The estimated cost of the work for Task Order No. 14 is \$41,725. The increase is primarily due to updating the web site and anticipated communications support with the implementation of the Pleasanton recycled water program.

Recommendation:

The Authority Manager recommends that the DERWA Board of Directors, by Motion, approve Task Order No. 14 to the August 18, 2008 Professional Services Agreement with ICF International for the period July 2016 through June 2017 in an amount not to exceed \$41,725.

March 14, 2016

Attachment

**Dublin San Ramon Services District – East Bay Municipal Utility District
Recycled Water Authority (DERWA)
Operations Phase**

**Public Information / Agency Outreach Program
Scope of Work - Task Order No. 14
July 1, 2016 – June 30, 2017**

Task 14. Public Information / Agency Outreach Activities

14.1 Communications Roundtable

Organize and implement the annual Communication Roundtable for DSRSD, EBMUD and the City of Pleasanton. In coordination with agency staff, facilitate the planning and logistics for the half-day training. Manage the facility arrangements; develop the invitation, agenda, scenarios, and materials, including any updates or revisions to the Communication Roundtable resources provided to attendees. Staff and facilitate the training session.

14.2 Informational Materials

Update all materials, including the program web site, to ensure they accurately reflect the current state of the program, including any City of Pleasanton developments, construction updates or customer news.

14.3 On-call Communications Support

Provide communications staff support as needed to the DERWA Authority Manager or partner agencies for public affairs activities including media relations, award recognition, agency coordination issues, and construction related communications for the San Ramon Valley Recycled Water Program (SRVRWP).

14.4 Web Site Maintenance

Provide ongoing maintenance of the newly updated site. Maintenance will include making refinements to the site (including updating photos and content), fixing broken links, and updating existing HTML text on the site.

Item 8.D

DERWA Summary & Recommendation

Amendment No. 6 to Agreement with Bold, Polisner, Maddow, Nelson, & Judson

Summary:

In February 1996 the DERWA Board of Directors retained Robert B. Maddow of Bold, Polisner, Maddow, Nelson, and Judson (BPMN&J) as Legal Counsel for the Authority and authorized the agreement for legal services. The Board approved amendments to the agreement in March 2000, June 2003, April 2005, August 2006, and October 2008 amending the fee schedule. The hourly rate for attorney services ranged from \$190.00 to \$215.00 per hour.

In December 2015 BPMN&J proposed an adjustment in the hourly rates for DERWA to a new single (blended) hourly rate of \$240 per hour.

The Board of Directors, Authority Manager, and DERWA staff have been very satisfied with the services rendered by BPMN&J during their long tenure with the Authority.

Recommendation:

The Authority Manager recommends the Board of Directors approve, by Resolution, Amendment No. 6 to the Agreement with Bold, Polisner, Maddow, Nelson, and Judson establishing a blended rate for attorney services of \$240.00 per hour.

March 14, 2016

Attachment

DERWA
RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED
WATER AUTHORITY APPROVING AMENDMENT NO. 6 TO THE AGREEMENT WITH BOLD,
POLISNER, MADDOW, NELSON & JUDSON

WHEREAS, in February 1996 the DSRSD•EBMUD Recycled Water Authority (DERWA) retained Robert B. Maddow of the firm of Bold, Polisner, Maddow, Nelson & Judson as Legal Counsel for DERWA; and

WHEREAS, on March 27, 2000 the DERWA Board of Directors unanimously approved Amendment No. 1 to the Agreement with Bold, Polisner, Maddow, Nelson & Judson; and

WHEREAS, on June 23, 2003 the DERWA Board of Directors unanimously approved Amendment No. 2 to the Agreement with Bold, Polisner, Maddow, Nelson & Judson; and

WHEREAS, on April 25, 2005 the DERWA Board of Directors unanimously approved Amendment No. 3 to the Agreement with Bold, Polisner, Maddow, Nelson & Judson; and

WHEREAS, on August 28, 2006 the DERWA Board of Directors unanimously approved Amendment No. 4 to the Agreement with Bold, Polisner, Maddow, Nelson & Judson; and

WHEREAS, on October 27, 2008 the DERWA Board of Directors unanimously approved Amendment No. 5 to the Agreement with Bold, Polisner, Maddow, Nelson & Judson; and

WHEREAS, Mr. Maddow and Bold, Polisner, Maddow, Nelson & Judson have provided and continue to provide exemplary legal services to the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Joint Powers Authority, located in the Counties of Alameda and Contra Costa, California, that (1) Amendment No. 6 to the Professional Services Agreement between Bold, Polisner, Maddow, Nelson & Judson and DSRSD•EBMUD Recycled Water Authority (Attachment "A") is hereby approved; and, (2) the Authority Manager is authorized and directed to execute said Amendment No. 6 on behalf of DERWA.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority at its Special Meeting held on the 14th day of March, 2016 and passed by the following vote:

AYES:

NOES:

, Chair

ATTEST: _____
Nicole Genzale, Authority Secretary

**SIXTH AMENDMENT TO MASTER AGREEMENT FOR LEGAL SERVICES
WITH BOLD, POLISNER, MADDOW, NELSON & JUDSON**

THIS AGREEMENT, made and entered into this _____ day of _____, 2016 by and between the DSRSD•EBMUD Recycled Water Authority, a Joint Powers Authority located in the counties of Alameda and Contra Costa, California ("Authority") and Bold, Polisner, Maddow, Nelson & Judson, ("Consultant");

WITNESSETH:

WHEREAS, the Authority and Consultant entered into a Master Agreement for Legal Services on February 26, 1996; and

WHEREAS, on March 27, 2000 the Board approved the First Amendment to the agreement effective July 1, 2000; and

WHEREAS, on June 23, 2003 the Board approved the Second Amendment to the agreement effective July 1, 2003; and

WHEREAS, on April 25, 2005 the Board approved the Third Amendment to the agreement effective July 1, 2005; and

WHEREAS, on August 28, 2006 the Board approved the Fourth Amendment to the agreement effective January 1, 2007; and

WHEREAS, on October 27, 2008 the Board approved the Fifth Amendment to the agreement effective January 1, 2009.

NOW, THEREFORE, the parties hereto agree as follows:

1. Effective July 1, 2016 the Schedule of Fees contained in the October 28, 2008 Fifth Amendment to the Agreement shall be replaced in its entirety with the attached Exhibit "A" (Schedule of Fees) which is incorporated herein and made apart hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amendment to the Master Agreement the date and year first hereinabove written.

DSRSD•EBMUD RECYCLED WATER AUTHORITY
a Joint Powers Authority

ATTEST:

By _____
James B. Bewley, Authority Manager

By _____
Nicole Genzale, Authority Secretary

BOLD, POLISNER, MADDOW, NELSON &
JUDSON

By _____
Carl Nelson, Shareholder

EXHIBIT "A"

BOLD, POLISNER, MADDOW, NELSON AND JUDSON

SCHEDULE OF FEES

Hourly Billing Rate

Blended Single Rate for Attorney Services

\$240.00*

*\$25.00 per hour litigation surcharge (applicable on a case-by-case basis to work done from initial pleadings through final disposition of each case).

Item 9.A

DERWA Summary & Recommendation

Update Report on Recycled Water Demand Projections and Source Water Supply Alternatives

Summary:

The DERWA Supplemental Water Supply Project was initiated over 16 years ago in response to the projected shortfall between DSRSD's WWTP effluent and DERWA's peak daily demands. Numerous studies and evaluations have been conducted (see attached listing). The basic supply alternatives previously determined feasible were: 1) obtaining available wastewater effluent from other agencies (i.e. Pleasanton, Livermore, Central Contra Costa Sanitary District (CCCSD), 2) recycled water storage during non-peak periods (i.e. Cope Lake), and 3) groundwater (i.e. fringe basin in the DSRSD service area).

In 2015, DSRSD, EBMUD, and Pleasanton staff reviewed and revised their five-year recycled water demand projections. Current projections show that DERWA recycled water demands are projected to increase from an actual demand of 3,222 acre-feet annually in 2015, to 7,244 acre-feet in 2020. This increase is due primarily to significant recycled water demand increases in the DSRSD service area, and the addition of significant new demands by the City of Pleasanton as a result of the implementation of the "*Agreement to Provide Recycled Water Treatment and Delivery Services By and Between DERWA and the City of Pleasanton.*"

Additionally, it is now apparent that peak recycled water demands will exceed recycled water supplies during periods of the summer. Current staff estimates are that by 2020, there will be a shortfall of recycled water supply of over 800 acre-feet per year. Using past studies and updated analysis, staff have been pursuing a number of options to boost the water supply to meet peak recycled water demands. It should be noted that in the absence of supplemental supplies materializing in a timely manner, DERWA's explicit policy is to 1) enact recycled demand management and 2) augment recycled water production with expensive potable water to meet peak day demands.

Staff are currently exploring several of the most promising alternatives for recycled water supply, including 1) LAVWMA Livermore Diversion, 2) CCCSD sewage diversion, 3) Zone 7 Hopyard #7 well, 4) Livermore recycled water to Pleasanton, 5) Pleasanton Well #7, and 6) East Bay Dischargers Authority Secondary Effluent. Staff will provide an overview of these options at the Board meeting.

Recommendation:

The Authority Manager recommends that the DERWA Board of Directors discuss this matter and provide direction to staff.

March 14, 2016

Attachment

DERWA Supplemental Water Alternatives

Previous Studies & Reports

- Ground Water Supply Assessment Technical Memorandum, CDM, August 1999
- Central Contra Costa Sanitary District Wastewater Supply Option Technical Memorandum, CDM, August 1999
- West Dublin Springs Technical Memorandum, CDM, August 2000
- Internal Draft Satellite RWTF Evaluation, Whitley/Burchett, August 2000
- Central Contra Costa Sanitary District as a Recycled Water Source Memorandum, CDM, October 2000
- Summary of Work to Date on Groundwater Reconnaissance Evaluation Draft Technical Memorandum, Luhdorff & Scalmanini, May 2001
- San Ramon Area Wells Memorandum, HydroScience Engineers, June 2001
- Lake "G" Assessment for Recycled Water Storage Draft Report, Dodson & Associates, September 2001
- Assessment of Cope Lake for Recycled Water Storage, December 2003
- Satellite Treatment Synopsis and Analysis, Robert Baker, May 2004
- CCCSD Recycled Water Synopsis and Analysis, Florence Wedington, May 2004
- CCCSD Supply Technical Memo, Dodson & Associates, June 2004
- Diversion of Secondary Effluent from the LAVWMA Livermore Interceptor, Dodson (Albert & Lewandowski), June 2004
- Field Reconnaissance and Well Site Screening, Luhdorff & Scalmanini, September 2004
- Satellite Treatment Technical Memo, Dodson & Associates, February 2005
- DERWA Supply Studies Alternatives Evaluation, ESA, April 2005
- Sunol Valley Water Management Feasibility Study, RMC, March 2006

Item 9.B

DERWA Summary & Recommendation

Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2015 and 2014

Summary:

Attached is the report on the audited DERWA Financial Statements as of June 30, 2015 and 2014 and the Memorandum on Internal Control Structure. The audit did not find any issues, deficiencies, material weaknesses or findings with the DERWA accounting practices and internal controls.

Recommendation:

Staff recommends the DERWA Board of Directors accept, by Motion, the DERWA Independent Auditor's Report.

March 14, 2016

Attachment

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

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**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY
BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2015 and 2014**

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INDEPENDENT AUDITOR'S REPORT

To Board of Directors
Dublin San Ramon Services District/
East Bay Municipal Utility District Recycled Water Authority
Oakland, California

Report on Financial Statements

We have audited the financial statements of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (Authority) as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2015 and 2014, and changes in financial position and, cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2015 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mazze + Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
August 31, 2015

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Management's Discussion and Analysis

June 30, 2015 and 2014

This section presents management's analysis of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (the Authority) financial condition and activities as of and for the years ended June 30, 2015 and 2014. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to the Agency's basic financial statements. The MDA represents management's examination and analysis of the Authority's financial condition and performance.

This information should be read in conjunction with the audited financial statements that follow this section. The information in the MDA is presented under the following headings:

- Organization and Business
- Overview of the Financial Statements
- Financial Analysis
- Request for Information

Organization and Business

The Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (the Authority) is a public entity established pursuant to California Government Code Section 6500 et seq. The Authority was created in accordance with the terms of a Joint Exercise of Powers Agreement, dated June 28, 1995, between Dublin San Ramon Services District (DSRSD) and East Bay Municipal Utility District (EBMUD). The Authority was established to supply recycled water to DSRSD and EBMUD through the construction and operation of a water recycling facility with a planned capacity of a minimum of 5.2 million gallons per day. The water recycling facility started operation on February 1, 2006.

For additional information, please see the notes to the basic financial statements.

Overview of the Financial Statements

The basic financial statements include a *statement of net position*, a *statement of revenues, expenses, and changes in net position*, a *statement of cash flows*, and *notes to financial statements*. The report also contains other required supplementary information in addition to the basic financial statements.

The Authority's basic financial statements include:

The *statement of net position* presents information on the Authority's assets and liabilities, with the difference between the two reported as net position. It provides information about the nature and amount of resources and obligations at year-end.

The *statement of revenues, expenses, and changes in net position* presents the results of the Authority's operations over the course of the fiscal year and information as to how the *net position* changed during the year.

The *statement of cash flows* presents changes in cash and cash equivalents resulting from operational, capital and related financing, and investing activities. This statement summarizes the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Management's Discussion and Analysis

June 30, 2015 and 2014

The *notes to basic financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 11 to 18 of this report.

Financial Analysis:

Table 1 summarizes net assets at June 30, 2015 and 2014, and Table 2 summarizes revenues, expenses and changes in net position for the years ended June 30, 2015 and 2014. Both tables also include variances from the prior year.

Table 1
Summary of Net Position
June 30, 2015 and 2014

	<u>2015</u>		<u>2014</u>		<u>Variance</u>
Assets:					
Current assets	\$ 111,634	\$	192,497	\$	(80,863)
Capital assets	<u>63,422,965</u>		<u>64,930,332</u>		<u>(1,507,367)</u>
Total assets	<u>63,534,599</u>		<u>65,122,829</u>		<u>(1,588,230)</u>
Liabilities:					
Current liabilities	1,726,349		1,722,168		4,181
Long-term liabilities	<u>13,622,861</u>		<u>14,895,976</u>		<u>(1,273,115)</u>
Total liabilities	<u>15,349,210</u>		<u>16,618,144</u>		<u>(1,268,934)</u>
Net position:					
Net investment in capital assets	48,526,989		48,792,293		(265,304)
Unrestricted	<u>(341,600)</u>		<u>(287,608)</u>		<u>(53,992)</u>
Total net position	<u>\$ 48,185,389</u>	\$	<u>48,504,685</u>	\$	<u>(319,296)</u>

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Management's Discussion and Analysis

June 30, 2015 and 2014

Table 2
Summary of Revenues, Expenses and Changes in Net Position
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Operating revenue:	\$ 3,615,528	\$ 3,579,699	\$ 35,829
Operating expenses:			
Professional services	(5,974)	(5,886)	(88)
General and administrative	(253,035)	(233,686)	(19,349)
Operation and maintenance	(1,557,198)	(1,434,772)	(122,426)
Depreciation	<u>(1,715,161)</u>	<u>(1,695,985)</u>	<u>(19,176)</u>
Total operating expenses	(3,531,368)	(3,370,329)	(161,039)
Nonoperating income (expenses):			
Interest on state loan	<u>(403,456)</u>	<u>(433,745)</u>	<u>30,289</u>
Total other income (expenses)	(403,456)	(433,745)	30,289
Change in net position	(319,296)	(224,375)	(94,921)
Total net position - beginning	<u>48,504,685</u>	<u>48,729,060</u>	<u>(224,375)</u>
Total net position - ending	\$ <u><u>48,185,389</u></u>	\$ <u><u>48,504,685</u></u>	\$ <u><u>(319,296)</u></u>

- The net position of the Authority in 2015 decreased by \$0.3 million from the prior year. The primary reason for this decrease was a \$0.2 million increase in total operating expenses.
- Capital assets as of June 30, 2015 decreased by \$1.5 million primarily due to the recording of the \$1.7 million depreciation expense for the year.
- Total liabilities as of June 30, 2015 decreased by \$1.3 million from the prior year. The principal reason for decrease was the \$1.3 decrease in the outstanding loan balance.
- The Authority borrowed a 20-year loan in the amount of \$24.7 million with a 2.5% fixed interest rate. After repayment of the ninth installment of \$1.2 million for fiscal year 2015, as of June 30, 2015, \$13.6 million was the long term liability outstanding.
- Operating revenue from member agencies in 2015 remained in line with prior year with a \$0.04 Million increase.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Management's Discussion and Analysis

June 30, 2015 and 2014

- Operating expenses in 2015 increased by \$0.2 million from the prior year. The primary reason for this increase was a \$0.1 million increase in operation and maintenance expense and a \$0.02 million increase in general and administrative expense, and \$0.02 million increase in depreciation expense for the year.

Request for Information

This financial report is designed to provide readers with a general overview of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority's finances and demonstrate the Authority's accountability for the monies it manages. If you have any questions about this report or need additional information, please contact: DERWA Authority Treasurer, MS #402, P.O. Box 24055, Oakland, CA 94623-1055.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2015 AND JUNE 30, 2014**

ASSETS	2015	2014
Current Assets:		
Cash and cash equivalents (Note 2)	\$ (440,053)	\$ (188,351)
Receivables:		
East Bay Municipal Utility District	165,100	154,954
Dublin San Ramon Services District	386,587	225,894
Total Current Assets	111,634	192,497
Capital Assets (Note 3):		
Structures, buildings, and equipment	76,543,135	76,471,632
Less accumulated depreciation	(15,280,418)	(13,565,257)
Subtotal	61,262,717	62,906,375
Land and rights-of-way	1,890,977	1,890,977
Construction in progress	269,271	132,980
Total Capital Assets, Net of Accumulated Depreciation	63,422,965	64,930,332
Total Assets	63,534,599	65,122,829
LIABILITIES		
Current Liabilities:		
Current portion of State loan payable (Note 5)	1,273,115	1,242,063
Accounts payable	16,094	2,087
Payable to members:		
East Bay Municipal Utility District	3,159	3,159
Dublin San Ramon Services District	433,981	474,859
Total Current Liabilities	1,726,349	1,722,168
Long-term Liabilities:		
State loan payable (Note 5)	13,622,861	14,895,976
Total Noncurrent Liabilities	13,622,861	14,895,976
Total Liabilities	15,349,210	16,618,144
NET POSITION (Note 1)		
Net Investment in capital assets	48,526,989	48,792,293
Unrestricted	(341,600)	(287,608)
Total Net Position	\$ 48,185,389	\$ 48,504,685

See accompanying notes to financial statements.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2015 AND JUNE 30, 2014**

	<u>2015</u>	<u>2014</u>
Operating Revenue:		
Contributions from members	\$ 3,615,528	\$ 3,579,699
Operating (Expenses):		
Professional services	(5,974)	(5,886)
General and administrative	(253,035)	(233,686)
Operation and maintenance	(1,557,198)	(1,434,772)
Depreciation (Note 3)	<u>(1,715,161)</u>	<u>(1,695,985)</u>
Total Operating (Expenses)	<u>(3,531,368)</u>	<u>(3,370,329)</u>
Net Operating Income (Loss)	<u>84,160</u>	<u>209,370</u>
Nonoperating Revenue (Expense):		
Interest on state loan	<u>(403,456)</u>	<u>(433,745)</u>
Total Nonoperating Revenue (Expenses)	<u>(403,456)</u>	<u>(433,745)</u>
Changes in Net Position	(319,296)	(224,375)
Total Net Position - Beginning	<u>48,504,685</u>	<u>48,729,060</u>
Total Net Position - Ending	<u>\$ 48,185,389</u>	<u>\$ 48,504,685</u>

See accompanying notes to financial statements.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from members for sales of water	\$ 3,403,811	\$ 3,482,977
Cash (paid) received from bank overdrafts	251,702	(41,493)
Cash paid for supplies and services	<u>(1,802,200)</u>	<u>(1,678,786)</u>
Net cash provided by operating activities	<u>1,853,313</u>	<u>1,762,698</u>
Cash flows from capital and related financing activities:		
Cash paid for interest	(403,456)	(433,745)
Cash paid on State loan	(1,242,063)	(1,211,769)
Cash paid for construction of capital assets	<u>(207,794)</u>	<u>(117,184)</u>
Net cash (used in) provided by capital and related financing activities	<u>(1,853,313)</u>	<u>(1,762,698)</u>
Cash flows provided by investing activities:		
Interest and other income received	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	-	-
Cash and investments at beginning of period	<u>-</u>	<u>-</u>
Cash and investments at end of period	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of operating income/(loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 84,160	\$ 209,370
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:		
Depreciation	1,715,161	1,695,985
Changes in operating assets and liabilities:		
Accounts receivable	(170,839)	(227,972)
Accounts payable	(26,871)	126,808
Bank Overdraft	<u>251,702</u>	<u>(41,493)</u>
Net cash provided by operating activities	\$ <u>1,853,313</u>	\$ <u>1,762,698</u>

See accompanying notes to financial statements.

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**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2015 and 2014

NOTE 1 –NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. *Description of Reporting Entity*

The Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (the Authority) is a public entity established pursuant to California Government Code Section 6500 et seq. The Authority was created in accordance with the terms of a Joint Exercise of Powers Agreement, dated June 28, 1995, between Dublin San Ramon Services District (DSRSD) and East Bay Municipal Utility District (EBMUD). The Authority was established to supply recycled water to DSRSD and EBMUD through the construction and operation of a water recycling facility with a planned capacity of a minimum of 5.2 million gallons per day. The water recycling facility is fully operational.

An additional member, or members, may be added to the Authority upon request evidenced by submission of a certified copy of a resolution adopted by the governing body of the public agency requesting membership in the Authority. Such request must be approved by the governing bodies of all the existing members. The Board may require a party seeking to become a member to meet any terms and conditions the Board deems appropriate.

The facilities became operational on February 1, 2006. Operation and maintenance expenses are allocated based on each member's actual usage. General and administrative expenses were allocated equally to DSRSD and EBMUD during the first year of operation ending on March 31, 2007; after the first operation year, the costs are allocated based on the member's actual water usage. Capital costs', including debt service, is allocated based on each member's proportional value of capital assets assigned to each member agency.

B. *Basis of Accounting*

The accompanying financial statements report the financial position of the Authority in accordance with accounting standards generally accepted in the United States of America. As the Authority is a governmental entity, the preparation of its financial statements is governed by the pronouncements of the Governmental Accounting Standards Board (GASB).

The Authority, as a proprietary enterprise, is accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2015 and 2014

NOTE 1 –NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement of Net Position– The statement of net position is designed to display the financial position of the Authority. The Authority’s fund equity is reported as net position, which is the excess of all of the Authority’s assets over all its liabilities. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position and are described below:

Net investment in capital assets, describes the Authority’s capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and fees charged for the provision of future water resources.

Unrestricted describes the portion of Net Position which is not restricted to use.

Statement of Revenues, Expenses, and Changes in Net Position – The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. Revenues are reported by major source. This statement distinguishes between operating and nonoperating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income.

C. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2015 and 2014

NOTE 1 –NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Capital Assets

The additions to capital assets are capitalized at historical cost. Cost includes material, direct labor and fringe benefits, transportation, and such indirect items as engineering, supervision, and interest on borrowed funds during construction, net of interest earned on unspent construction proceeds. Repairs, maintenance, and minor purchases of equipment are charged to expenses as incurred.

The purpose of depreciation is to spread the cost of capital assets equitably among all customers over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of depreciable capital assets.

Depreciation of all capital assets in service, excluding land, is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of the capital assets.

Capital assets are depreciated using the straight line method of depreciation, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the assets is fully depreciated. The Authority has assigned the useful lives listed below to capital assets:

Utility plant:	Years
Water Treatment	20-75
Pumping Plants	25-75
Reservoirs	25-100
Pipeline	25-75

E. Preoperating Costs

In accordance with accounting principles generally accepted in the United States of America, preoperating costs which have no discernible future economic benefit are expensed as incurred.

F. Cash and Cash Equivalents

The Authority considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2015 and 2014

NOTE 2 – BANK OVERDRAFT

A. *Composition*

The Authority's cash and cash equivalents at June 30 consisted of the following deposits and investments held by EBMUD on the Authority's behalf:

	<u>2015</u>	<u>2014</u>
Demand deposits with banks	\$ <u>(440,053)</u>	\$ <u>(188,351)</u>

B. *Collateralization of Cash and Cash Equivalents*

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit or first trust deed mortgage notes with a value of 150% of the Authority's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the Authority's name and places the Authority ahead of general creditors of the institution pledging the collateral. The Authority has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2015 and 2014

NOTE 3 – CAPITAL ASSETS

A. Additions and Retirements

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Transfers	Balance at June 30, 2015
Capital assets not being depreciated:				
Land and rights-of-way	\$1,890,977			\$1,890,977
Construction in progress	132,980	\$207,794	(\$71,503)	269,271
Total capital assets not being depreciated	2,023,957	207,794	(71,503)	2,160,248
Capital assets, being depreciated:				
Water treatment	19,986,872		39,736	20,026,608
Pumping plants	13,792,192			13,792,192
Reservoirs	14,408,867		30,141	14,439,008
Pipelines	28,283,701		1,626	28,285,327
Total capital assets being depreciated	76,471,632		71,503	76,543,135
Less accumulated depreciation for:				
Water treatment	(4,146,353)	(509,499)		(4,655,852)
Pumping plants	(2,432,759)	(345,067)		(2,777,826)
Reservoirs	(2,390,446)	(294,068)		(2,684,514)
Pipelines	(4,595,699)	(566,527)		(5,162,226)
Total accumulated depreciation	(13,565,257)	(1,715,161)		(15,280,418)
Net capital assets being depreciated	62,906,375	(1,715,161)	71,503	61,262,717
Capital assets, net	\$64,930,332	(\$1,507,367)		\$63,422,965

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2015 and 2014

NOTE 4 - COMMERCIAL PAPER NOTES PAYABLE

The Authority's Board of Directors authorized a short-term commercial paper borrowing program of up to \$50,000,000 on December 15, 2003. The proceeds from the issuance of commercial paper are used to finance the acquisition and construction of facilities for the treatment, transmission, distribution and storage of recycled water. The Authority may issue commercial paper notes at the prevailing interest rate for periods not more than 270 days from the date of issuance. The commercial paper notes are collateralized solely by the revenues of the Authority, after payment of specific operating and maintenance expenses.

As of June 30, 2015, there were no commercial paper notes outstanding under this program.

To provide liquidity for the program, the Authority maintains a liquidity support agreement (line of credit) with a commercial bank. Combined borrowings by the East Bay Municipal Utility District Water System and Wastewater System, with the commercial paper and bank notes, cannot exceed the amount of this agreement. Drawings under the agreement are restricted to pay maturing commercial paper. There were no borrowings under the line of credit agreement during the years ended June 30, 2015 and 2014.

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2015 and 2014

NOTE 5 – STATE WATER RESOURCES CONTROL BOARD LOAN

A. *Composition and Change*

The Authority's Board of Directors authorized a long-term borrowing program from the State Water Resource Control Board of up to \$24,764,850 on July 25, 2005. The Authority drew down \$22,993,368 as of the fiscal year ended June 30, 2006, the proceeds from which were used to finance the acquisition and construction of facilities for the treatment, transmission, distribution and storage of recycled water. As of June 30, 2008, the Authority drew down an additional amount of \$1,685,283. The loan has a 20-year term at a 2.5% fixed interest rate. The repayment of the loans and interest are made in annual installments commencing on July 1, 2007. The loan is collateralized solely by the revenues of the Authority, after payment of specific operating and maintenance expenses.

The following is the activity in the State Loan Program during the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Retirements	Balance June 30, 2015
2006 State Water Resource Loan			
2.5%, due 07/25/2025	\$16,138,039	\$ 1,242,063	\$14,895,976
Less amount due within one year	<u>1,242,063</u>		<u>1,273,115</u>
Noncurrent portion	<u><u>\$14,895,976</u></u>	<u><u>\$1,242,063</u></u>	<u><u>\$13,622,861</u></u>

B. *Debt Service Requirements*

Annual debt service requirements are shown below for the loan:

Year ending June 30	Principal	Interest	Total
2016	\$ 1,273,115	\$ 372,399	\$ 1,645,514
2017	1,304,943	340,571	1,645,514
2018	1,337,566	307,948	1,645,514
2019	1,371,005	274,509	1,645,514
2020	1,405,280	240,234	1,645,514
2021-2025	7,571,280	656,288	8,227,568
2026	<u>632,787</u>	<u>15,820</u>	<u>648,607</u>
Totals	<u><u>\$ 14,895,976</u></u>	<u><u>\$ 2,207,769</u></u>	<u><u>\$ 17,103,745</u></u>

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2015 and 2014

NOTE 6 – RELATED PARTY TRANSACTIONS

DSRSD is responsible for the operation of the facility. DSRSD and EBMUD both provide professional services that are capitalized as well as administrative services. In addition, as the Authority does not have any employees, EBMUD provides certain treasury management and accounting services including conducting all cash transactions and providing for the annual audit. The two members received the following total reimbursements for their services for the years ended June 30:

	<u>2015</u>	<u>2014</u>
DSRSD	\$1,710,236	\$1,521,104
EBMUD	<u>22,997</u>	<u>34,882</u>
	<u>\$1,733,233</u>	<u>\$1,555,986</u>

NOTE 7 – RISK MANAGEMENT

The Authority's liability and property risks are insured by commercial insurance carriers.

Selected insurance coverages include:

<u>Coverage</u>	<u>Policy limit</u>
Bodily injury	\$ 10,000,000
Property damage	10,000,000
Personal injury	10,000,000
Non-owned and hired automobile liability	10,000,000
Public officials errors and omissions	10,000,000
Fire damage liability	1,000,000
Employment practices liability	5,000,000

Any liability the Authority may have for uninsured claims is limited to general liability claims. However, the Authority has experienced no losses from such claims during the preceding three years and it therefore believes there is no liability for claims incurred but not reported.

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Dublin San Ramon Services District/East Bay
Municipal Utility District Recycled Water Authority
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government* Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (Authority), as of and for the year ended June 30, 2015 and the related notes to the financial statements, and have issued our report thereon dated August 31, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated August 31, 2015 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze + Associates

Pleasant Hill, California
August 31, 2015

**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED
JUNE 30, 2015**

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**DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2015

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MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors of
Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water
Authority
Oakland, California

In planning and performing our audit of the financial statements of the Authority' as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze + Associates' in a cursive, stylized font.

Pleasant Hill, California
August 31, 2015

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REQUIRED COMMUNICATIONS

To the Board of Directors of
Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water
Authority
Oakland, California

We have audited the basic financial statements of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (Authority) for the year ended June 30, 2015. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and *Government Audit Standards*.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are included in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year

The following pronouncement became effective, but did not have a material effect on financial statements:

GASB 68 – Accounting and Financial Reporting for Pension, an Amendment of GASB Statement No. 27

GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, and Amendment of GASB Statement No. 68

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all/certain such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated August 31, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Other Information Accompanying the Financial Statements

With respect to the required supplementary information accompanying the financial statements, we applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California

August 31, 2015

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DERWA Summary & Recommendation

Approve and Adopt the Fiscal Year 2016-2017 Capital and Operating Expenditure Budget

Summary:

The DERWA Joint Exercise of Powers Agreement (JPA) provides that the Authority must adopt an annual fiscal year budget showing expenditures and means of financing such expenditures.

Changes from Fiscal Year 2015-2016 Budget: The projects in the FY 2016-2017 capital plan require a FY 2016-2017 appropriation of \$2.755 million increasing the prior appropriation from \$102.312 million to \$105.067 million. Capital projects continuing from the FY 2015-2016 budget are Permanent Supplemental Water Supply, New/Replacement Capital <\$50K, SCADA Upgrade, and PSR1 VFD Replacement and the Reservoir R200 Chemical Feed System, Pleasanton Sixth Sand Filter (1.9 MGD Expansion), Recycled Water Treatment Plant (RWTP) Expansion, and Microfiltration Plant Membrane Replacement. FY 2015-2016 CIP project Pump Station PSR1 has been incorporated into the Recycled Water Treatment Plant (RWTP) Expansion Project.

The FY 2016-2017 operating budget has been increased by \$197,000 (9%), with increased projected recycled water deliveries from 3,616 acre-feet to 4,159 acre-feet (15%). DSRSD has submitted a budget of \$1.899 million for the operations and maintenance of the DERWA project for FY 2016-2017, a 5% increase from the prior year. Agency contributions plus estimated revenue from water sales to Pleasanton will cover the \$4.065 million budget for the O&M and administrative expenses and debt service payments. The FY 2016-2017 budget for the state loan repayment is \$1.645 million.

Expenditures and Appropriations: Table 1 shows prior and future appropriations. The FY 2016-2017 operating appropriation of \$4.065 million will fund administration, operations and maintenance, and debt service expenses. The capital appropriation for FY 2016-17 is \$2.755 million, increasing the total capital appropriation to \$105,067 million.

The capital expenditure for FY 2016-2017 is \$10.981 million. Table 5 shows the operating budget by work element. The operating budget for FY 2016-2017 is \$4.065 million including \$1.899 million for the operations and maintenance of the DERWA facilities. The required contribution from the Member Agencies will be based on the actual water sales for FY 2016-2017, currently projected at 75% DSRSD and 25% EBMUD. The required contributions for the debt service and state loan repayment will be based on the allocation of capital facilities at the time of payment.

For DSRSD, the estimated FY 2016-2017 contribution is \$2.237 million for the operating budget and \$5.401 for the capital budget; for EBMUD the estimated contribution is \$1.484 million for the operating budget and \$3.122 million for the capital budget; for City of Pleasanton the estimated payments for recycled water deliveries are \$275,000 and \$2.458 million for the capital budget. Table 13 shows the Capital Project expenses and cost sharing in adherence to the adopted Water Sales Agreement. The resulting split for projected Capital expenditures using the percentage specified in the Water Sales Agreement is 54% DSRSD and 46% EBMUD.

Funding: Table 4 shows the funding program for DERWA. For FY 2016-2017, the agency operating contribution is \$4.065 million to cover O&M and administrative expenses and debt service payments. The Capital Program has secured \$5M in grants, \$24.7M in loans from Proposition 13 funding and \$14.9M in federal funding.

Recommendation:

The Authority Manager and Treasurer recommend the Board approve, by Resolution, the DERWA Fiscal Year 2016-2017 Budget.

March 14, 2016

Attachments

DERWA
RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED
WATER AUTHORITY APPROVING AND ADOPTING THE FISCAL YEAR 2016-2017 CAPITAL
AND OPERATING EXPENDITURE BUDGET

WHEREAS, the Joint Exercise of Powers Agreement under which DSRSD•EBMUD Recycled Water Authority (DERWA) was formed provides that before the year end, the Authority's Board of Directors must adopt an annual budget for the following fiscal year showing proposed expenditures and the proposed means of financing such expenditures; and

WHEREAS, the DERWA Treasurer and the Member Agencies have reviewed and the Authority Manager has recommended, a proposed Capital and Operating Expenditure Budget for Fiscal Year 2016-2017; and presented the proposed budget at the March 14, 2016 DERWA Board Meeting; and

WHEREAS, the Board of Directors has considered all the oral and written information presented;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Joint Powers Authority, located in the counties of Alameda and Contra Costa, California, as follows:

1. An operating budget appropriation totaling \$4.065 million is hereby approved and adopted for FY 2016-2017 as presented in "Attachment A".
2. The capital budget appropriation increase of \$2.755 million to a total appropriation of \$105.067 million is hereby approved and adopted as presented in "Attachment A". Capital appropriations shall be made on a project basis, as shown in "Attachment A". Adjustments between projects shall be subject to the same limits established by DERWA accounting and control procedures for expenditures. For the operating budget, appropriations are made by work element.
3. In order to provide for completion of work on projects authorized but not completed as of the close of the fiscal year, balances remaining at the close of FY 2016-2017 are hereby appropriated for expenditure in the subsequent fiscal year, in addition to the applicable fiscal year appropriations for capital and operating expenditures.
4. The Source of Funds for the capital and operating expenditures for FY 2016-2017 shall be from Member Agency contributions, payments made by the City of Pleasanton in accordance with the January 7, 2014 Agreement to Provide Recycled Water Services by

DERWA
Res. No. _____

and between DERWA and the City of Pleasanton, state and federal grants or loans, and/or borrowed sources such as but not limited to commercial paper as prudently determined by the DERWA Treasurer.

5. After consideration of DERWA reserves and working fund balances as required under Article 13 of the Joint Powers Agreement and given the Source of Funds as described in paragraph 4 above, the capital and operating expenditure budget projects a revenue shortfall.
6. In accordance with Article 18 of the Joint Powers Agreement, a series of demands shall be made of the Member Agencies for funds equal to the revenue shortfall as determined by the percentages in the Water Sales Agreement.
7. All expenditures shall be authorized and revenue shall be collected in accordance with DERWA's adopted Accounting Control Procedures.
8. The Treasurer shall analyze cash flow needs and invoice Member Agencies as needed to maintain prudent and sufficient working capital balance for DERWA.
9. EBMUD and DSRSD shall share in the expense for the operations and maintenance of the DERWA facilities based on their proportion of actual water deliveries.
10. All expenditures in FY 2016-2017, except those listed in the operating budget, are capital expenditures.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority at its special meeting held on the 14th day of March 2016, passed by the following vote:

AYES:

NOES:

DERWA Chair

ATTEST

Nicole Genzale, Authority Secretary



**DUBLIN SAN RAMON
SERVICES DISTRICT**



**DSRSD-EBMUD RECYCLED WATER
AUTHORITY**

**SAN RAMON VALLEY RECYCLED
WATER PROGRAM**

**Proposed
FISCAL YEAR 2016-17 BUDGET**

March 14, 2016

**DSRSD•EBMUD RECYCLED WATER
AUTHORITY**

**SAN RAMON VALLEY RECYCLED
WATER PROGRAM**

**Proposed
FISCAL YEAR 2016-17 BUDGET**

Presented on March 14, 2016

DERWA
RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY APPROVING AND ADOPTING THE FISCAL YEAR 2016-2017 CAPITAL AND OPERATING EXPENDITURE BUDGET

WHEREAS, the Joint Exercise of Powers Agreement under which DSRSD•EBMUD Recycled Water Authority (DERWA) was formed provides that before the year end, the Authority's Board of Directors must adopt an annual budget for the following fiscal year showing proposed expenditures and the proposed means of financing such expenditures; and

WHEREAS, the DERWA Treasurer and the Member Agencies have reviewed and the Authority Manager has recommended, a proposed Capital and Operating Expenditure Budget for Fiscal Year 2016-2017; and presented the proposed budget at the March 14, 2015 DERWA Board Meeting; and

WHEREAS, the Board of Directors has considered all the oral and written information presented;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Joint Powers Authority, located in the counties of Alameda and Contra Costa, California, as follows:

1. An operating budget appropriation totaling \$4.065 million is hereby approved and adopted for FY 2016-2017 as presented in "Attachment A".
2. The capital budget appropriation increase of \$2.755 million to a total appropriation of \$105.067 million is hereby approved and adopted as presented in "Attachment A". Capital appropriations shall be made on a project basis, as shown in "Attachment A". Adjustments between projects shall be subject to the same limits established by DERWA accounting and control procedures for expenditures. For the operating budget, appropriations are made by work element.
3. In order to provide for completion of work on projects authorized but not completed as of the close of the fiscal year, balances remaining at the close of FY 2016-2017 are hereby appropriated for expenditure in the subsequent fiscal year, in addition to the applicable fiscal year appropriations for capital and operating expenditures.
4. The Source of Funds for the capital and operating expenditures for FY 2016-2017 shall be from Member Agency contributions, payments made by City of Pleasanton in accordance with the January 7, 2014 Agreement to Provide Recycled Water Services by

DERWA
Res. No. _____

and between DERWA and the City of Pleasanton, state and federal grants or loans, and/or borrowed sources such as but not limited to commercial paper as prudently determined by the DERWA Treasurer.

5. After consideration of DERWA reserves and working fund balances as required under Article 13 of the Joint Powers Agreement and given the Source of Funds as described in paragraph 4 above, the capital and operating expenditure budget projects a revenue shortfall.
6. In accordance with Article 18 of the Joint Powers Agreement, a series of demands shall be made of the Member Agencies for funds equal to the revenue shortfall as determined by the percentages in the Water Sales Agreement.
7. All expenditures shall be authorized and revenue shall be collected in accordance with DERWA's adopted Accounting Control Procedures.
8. The Treasurer shall analyze cash flow needs and invoice Member Agencies as needed to maintain prudent and sufficient working capital balance for DERWA.
9. EBMUD and DSRSD shall share in the expense for the operations and maintenance of the DERWA facilities based on their proportion of actual water deliveries.
10. All expenditures in FY 2016-2017, except those listed in the operating budget, are capital expenditures.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority at its special meeting held on the 14th day of March 2016, passed by the following vote:

AYES:

NOES:

ABSENT:

DERWA Chair

ATTEST

Nicole Genzale, Authority Secretary

DERWA
Summary & Recommendation

**Approve and Adopt the Fiscal Year 2016-2017 Capital and
Operating Expenditure Budget**

Summary:

The DERWA Joint Exercise of Powers Agreement (JPA) provides that the Authority must adopt an annual fiscal year budget showing expenditures and means of financing such expenditures.

Changes from Fiscal Year 2015-2016 Budget: The projects in the FY 2016-2017 capital plan require a FY 2016-2017 appropriation of \$2.755 million increasing the prior appropriation from \$102.312 million to \$105.067 million. Capital projects continuing from the FY 2015-2016 budget are Permanent Supplemental Water Supply, New/Replacement Capital <\$50K, SCADA Upgrade, and PSR1 VFD Replacement and the Reservoir R200 Chemical Feed System, Pleasanton 6th Sand Filter (1.9 MGD Expansion), Recycled Water Treatment Plant (RWTP) Expansion, and Microfiltration Plant Membrane Replacement. FY 2015-2016 CIP project Pump Station PSR1 has been incorporated into the Recycled Water Treatment Plant (RWTP) Expansion project.

The FY 2016-2017 operating budget has been increased by \$197,000 (9%), with increased projected recycled water deliveries from 3,616 acre-feet to 4,159 acre-feet (15%). DSRSD has submitted a budget of \$1.899 million for the operations and maintenance of the DERWA project for FY 2016-2017, a 5% increase from the prior year. Agency contributions plus estimated revenue from water sales to Pleasanton will cover the \$4.065 million budget for the O&M and administrative expenses and debt service payments. The FY 2016-2017 budget for the state loan repayment is \$1.645 million.

Expenditures and Appropriations: Table 1 shows prior and future appropriations. The FY 2016-2017 operating appropriation of \$4.065 million will fund administration, operations and maintenance, and debt service expenses. The capital appropriation for FY 2016-17 is \$2.755 million, increasing the total capital appropriation to \$105,067 million.

The capital expenditure for FY 2016-2017 is \$10.981 million. Table 5 shows the operating budget by work element. The operating budget for FY 2016-2017 is \$4.065 million including \$1.899 million for the operations and maintenance of the DERWA facilities. The required contribution from the Member Agencies will be based on the actual water sales for FY 2016-2017, currently projected at 75% DSRSD and 25% EBMUD. The required contributions for the debt service and state loan repayment will be based on the allocation of capital facilities at the time of payment.

For DSRSD, the estimated FY 2016-2017 contribution is \$2.237 million for the operating budget and \$5.401 for the capital budget; for EBMUD the estimated contribution is \$1.484 million for the operating budget and \$3.122 million for the capital budget; for City of Pleasanton the estimated payments for recycled water deliveries are \$275,000 and \$2.458 million for the capital budget. Table 13 shows the Capital Project expenses and cost sharing in adherence to the adopted Water Sales Agreement. The resulting split for projected Capital expenditures using the percentage specified in the Water Sales Agreement is 54% DSRSD and 46% EBMUD.

Funding: Table 4 shows the funding program for DERWA. For FY 2016-2017, the agency operating contribution is \$4.065 million to cover O&M and administrative expenses and debt service payments. The Capital Program has secured \$5M in grants, \$24.7M in loans from Proposition 13 funding and \$14.9M in federal funding.

Recommendation:

The Authority Manager and Treasurer recommend the Board approve, by Resolution, the DERWA Fiscal Year 2016-2017 Budget.

March 14, 2016

Attachments

DERWA PROGRAM BUDGET FY17

Table 1

Appropriations (\$000's)

	Prior Appr	FY17 Proposed
Capital Appropriations	102,312	2,755
Operating Appropriations	44,385	4,065

Table 2

Capital Program

Cash Flow (\$000's)

	Prior Spending	Estimated FY16	Projected FY17	Future	Total
Completed Projects	76,303	-	-	-	76,303
Continuing Projects	459	2,238	10,981	12,086	25,764
Capitalized Interest during construction	1,961			39	2,000
Contingency			-	1,000	1,000
Total	78,723	2,238	10,981	13,125	105,067

Table 3

Operating Budget (\$000's)

		Estimated FY16 Expenses	Budgeted FY16 Expenses	Proposed FY17 Expenses	Difference
Operating Budget		2,112	2,223	2,420	197
Debt Service		1,646	1,646	1,646	-
Total		3,758	3,868	4,065	197

Table 4
DERWA SOURCE OF FUNDS SUMMARY

(\$000's)

SOURCE OF FUNDS	Prior	Estimated FY16	Projected FY17	Total
<i>CAPITALIZED</i>				
AGENCY CONTR				
DSRSD	24,150	654	5,401	30,205
EBMUD	26,583	372	3,122	30,077
PLEASANTON CONTR		1,212	2,458	3,670
CORPS OF ENG FUNDED	8,024			14,851
GRANTS	5,000			5,000
LOANS	24,700			24,700
TOTAL CAPITALIZED FUNDS	88,457	2,238	10,981	108,503
<i>NET EXPENSED</i>				
AGENCY CONTR				
DSRSD		2,424	2,237 *	
EBMUD		1,334	1,484 *	
PLEASANTON PAYMENT		-	275	
TOTAL NET EXPENSED FUNDS		3,758	4,065	

*Agency contribution are calculated based on O&M costs, administrative costs and debt service costs. For 2017, O&M and administrative costs less payments from Pleasanton are split 75% DSRSD/25% EBMUD based on current water deliveries and will be adjusted at the end of the water year to reflect actual deliveries per Section V.A. of the sales agreement. Debt service costs are split based on the assigned capital to each agency at the time the payments are made.

DERWA PROGRAM BUDGET FY17 **OPERATING BUDGET**

Table 5

Work Element	FY16 Budget	Estimated FY16 Expenses	Proposed FY17 Budget	Budget Difference
Program Manager	\$ 148,710	\$ 120,536	\$ 234,383	\$ 85,673
Treasurer	37,000	40,267	44,250	7,250
Legal Counsel	3,000	7,900	9,000	6,000
Secretary	6,150	2,211	2,550	-3,600
Other (Insurance)	105,000	102,532	105,000	0
Operations	1,922,863	1,839,000	2,024,372	101,509
Debt Service	1,645,513	1,645,513	1,645,513	0
Total	3,868,236	3,757,959	4,065,068	196,832

DERWA PROGRAM BUDGET FY17

DERWA PROGRAM MANAGER

Table 6

	FY16 Budget	Estimated FY16 Expenses	Proposed FY17 Budget
Authority Manager	\$63,850	\$35,343	\$94,848
Staff	23,550	26,011	71,310
Expenses	0	0	0
DSRSD charges	9,160	8,962	9,000
Travel	0	0	0
Office supplies	250	968	1,000
Other	1,900	2,284	2,650
Public Information	50,000	46,500	46,575
Consultant Support	0	468	9,000
Agency Support	0	0	0
Total	\$ 148,710	\$ 120,536	\$ 234,383

DERWA TREASURER DETAIL

Table 7

	FY16 Budget	Estimated FY16 Expenses	Proposed FY17 Budget
Salary	\$3,000	\$4,000	\$6,000
Cost Accounting	30,000	32,650	34,250
Audit	4,000	3,617	4,000
Commerical Paper Fees	-		
TOTAL	37,000	40,267	44,250

DERWA PROGRAM BUDGET FY17

DERWA LEGAL COUNSEL

Table 8

	FY16 Budget	Estimated FY16 Expenses	Proposed FY17 Budget
Contract	\$3,000	\$7,900	\$9,000

DERWA SECRETARY DETAIL

Table 9

	FY16 Budget	Estimated FY16 Expenses	Proposed FY17 Budget
Salary	\$6,000	\$2,151	\$2,400
Expenses	150	60	150
Training	0	0	0
TOTAL	6,150	2,211	2,550

DERWA OTHER DETAIL

Table 10

	FY15 Budget	Estimated FY15 Expenses	Approved FY16 Budget
Insurance	\$ 105,000	\$ 102,532	\$ 105,000
TOTAL	105,000	102,532	105,000

DERWA PROGRAM BUDGET FY17

DERWA OPERATIONS

Table 11

	FY16 Budget	Estimated FY16 Expenses	Proposed FY17 Budget
Capital Reserve Account	\$125,000	\$125,000	\$125,000
DSRSD Operations	1,797,863	1,714,000	\$1,899,372
TOTAL	1,922,863	1,839,000	2,024,372

DERWA DEBT SERVICE

Table 12

	FY16 Budget	Estimated FY16 Expenses	Proposed FY17 Budget
State Loan Payments	\$1,645,513	\$1,645,513	\$1,645,513
TOTAL	1,645,513	1,645,513	1,645,513

Table 13

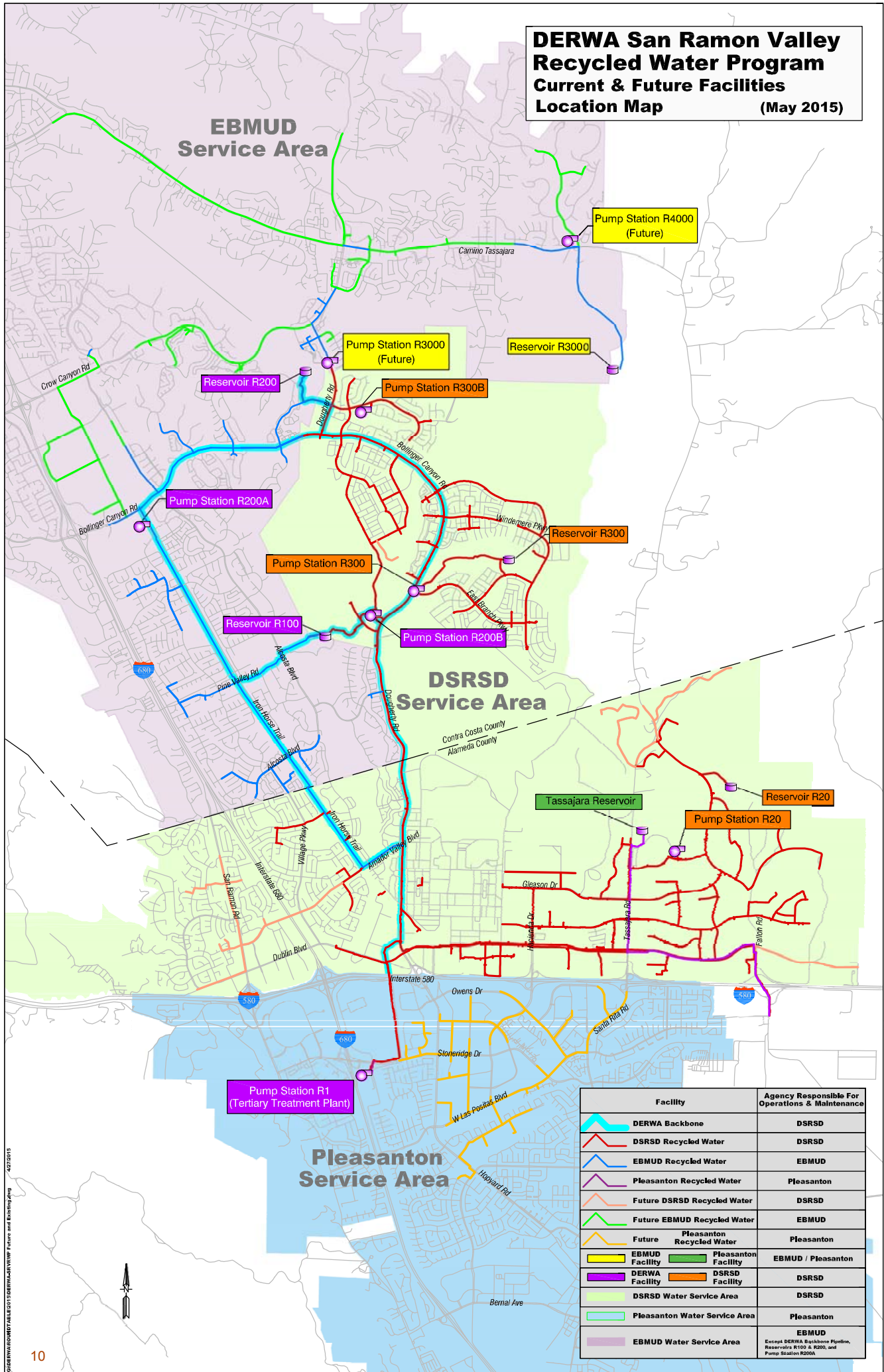
Capital Project Costs and Cost Sharing

(\$000's)

Project	Lead Agency	Total Costs	DSRSD	EBMUD	PLEASANTON
Completed Projects					
Pipeline Reach 1	DSRSD	\$ 7,561	\$ 4,384	\$ 3,177	
Pipeline Reach 2	DSRSD & EBMUD	4,558	3,882	676	
Pipeline Reach 3	DSRSD	2,286	1,719	567	
Pipeline Reach 4	DSRSD & EBMUD	1,615	364	1,251	
Pipeline Reach 5	EBMUD	1,431	200	1,231	
Pipeline Reach 6	EBMUD	6,760	431	6,329	
Pump Stations	DSRSD	8,563	6,777	1,786	
Water Tanks	EBMUD	12,393	7,222	5,171	
Treatment Plant	DSRSD	15,733	8,949	6,784	
Backbone Corrosion	DERWA	1,109	122	987	
Fine Screening	DSRSD	898	512	386	
MR/UV Control Upgrade	DSRSD	144	82	62	
Air Relief	DERWA	61	35	26	
EBMUD Distribution*	DERWA	602	0	602	
Pump Station Phase 2*	DERWA	3,463	0	3,463	
Studies and Predesigns	DERWA	5,399	2,658	2,741	
Program Planning	DERWA	3,727	1,826	1,901	
Completed Projects Subtotal		76,303	39,163	37,140	
Continuing and New Projects					
New/Replacement Capital <\$50k	DERWA	\$ 1,278	\$ 728	\$ 550	
SCADA	DSRSD	542	294	221	27
PSR1 VFD Replacement	DSRSD	502	296	126	80
RSR200B Hypo Feed	DSRSD	410	0	410	
Permanent Supplemental Supply	DERWA	2,496	1,448	1,048	
MF Membrane Replace	DSRSD	700	334	252	114
6th RWTP Sand Filter	DSRSD	1,005	0	0	1,005
RWTP Expansion	DSRSD	18,831	9,604	4,519	4,708
Contingency	DERWA	1,000	500	500	
Capitalized Interest	DERWA	2,000	1,076	924	
Continuing Projects Subtotal		28,764	14,280	8,550	
TOTAL		\$ 105,067	\$ 53,443	\$ 45,690	\$ 5,934
TOTAL DERWA FACILITIES SHARED BY MEMBER AGENCIES**		\$ 98,531	\$ 53,443	\$ 45,088	
		100%	54.2%	45.8%	

*Pump Station Phase 2 and EBMUD Distribution Pipeline Phases 2, 3 and 4 only contain DERWA local cost share of the Corp Project.

DERWA San Ramon Valley Recycled Water Program Current & Future Facilities Location Map (May 2015)



DETAILED PROJECT ELEMENT SUMMARIES

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CONTINUING CAPITAL PROJECTS

PERMANENT SUPPLEMENTAL WATER SUPPLY

NEW/REPLACEMENT CAPITAL <\$50K EACH

SCADA UPGRADE

PSR1 VFD REPLACEMENT

RESERVOIR R200 CHEMICAL FEED SYSEM

PLEASANTON 6TH SAND FILTER ADDITION

RECYCLED WATER TREATMENT PLAN EXPANSION

MICROFILTRATION PLANT MEMBRANE REPLACEMENT

NEW CAPITAL PROJECTS FY17

NONE

Capital Improvement Project Summary

Project: Supplemental Water Supply

Description: This project will provide Supplemental Water for DERWA that is needed to avoid peak month supply shortfalls that will occur within the next few years.

Alternative sources of supply currently under consideration are additional supply of treated wastewater effluent from Livermore and/or raw wastewater from Contra Costa County Sanitary District, and local groundwater. Preliminary engineering studies of the alternatives were completed in 2005. The January 17, 2014 DERWA/Pleasanton Recycled Water Services agreement allows DERWA to utilize Pleasanton wastewater that is not used by the Pleasanton recycled water program. Current 5-year recycled water demand projections by the participating agencies show the peak month demand will exceed the wastewater flows from DSRSD and Pleasanton.

Lead Agency: DERWA
Project Manager: Michael Tognilini

Cost Sharing:

Planning	58 % DSRSD	42 % EBMUD	0% Pleasanton
Design	58 % DSRSD	42 % EBMUD	0% Pleasanton
Property	58 % DSRSD	42 % EBMUD	0% Pleasanton
Construction	58 % DSRSD	42 % EBMUD	0% Pleasanton
Const Mgmt	58 % DSRSD	42 % EBMUD	0% Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction

In Service Date: Not scheduled
 (\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY16	FY17	Future	Approved Budget Total
Program	DERWA	Planning	261	15	15	196	487
Planning		Design	7	0	75	168	250
		Property	0	0	0	260	260
		Construction	1	0	0	1,078	1,079
		Const. Mgmt.	0	0	0	160	160
		Admin	2	0	15	113	130
		Other	13	0	0	117	130
		Total	284	15	105	2,092	2,496

Total Project Element Costs: \$2,496,000

Capital Improvement Project Summary

Project: **New/Replacement Capital < \$50k**

Description: This is program from FY11 through FY22 to provide funding for acquisition of capital items for the DERWA facilities costing less than \$50,000 each. Included are new capital items needed for improved reliability and/or efficiency, required by new regulation, and for replacement or rehabilitation of existing assets that have reached the end of their useful life.

Lead Agency: DERWA
Project Manager: Michael Tognilini

Cost Sha	Planning	57% DSRSD	43% EBMUD	0% Pleasanton
	Design	57% DSRSD	43% EBMUD	0% Pleasanton
	Property	57% DSRSD	43% EBMUD	0% Pleasanton
	Construction	57% DSRSD	43% EBMUD	0% Pleasanton
	Const Mgmt	57% DSRSD	43% EBMUD	0% Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction

In Service Date: N/A

(\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY 16	FY 17	Future	Approved Budget Total
New/Replacment Capital <\$50k ea	DERWA	Planning	0	0	0	0	0
		Design	0	0	0	231	231
		Property	0	0	0	0	0
		Construction	175	75	150	624	1,024
		Const. Mgmt.	0	0	0	0	0
		Admin	0	0	0	23	23
		Other	0	0	0	0	0
		Total	175	75	150	878	1,278

Total Project Element Costs: \$1,278,000

Capital Improvement Project Summary

Project: **SCADA Upgrade**

Description: This is a four- year program upgrading the Supervisory Control and Data Acquisition (SCADA) servers and workstations, moving the servers from Field Operations to the WWTP, replacing the existing serial radio system with an Ethernet radio system, upgrading or replacing all the programmable controllers, upgrading the SCADA facilities, documenting system control strategies, and developing standard controller logic. The total cost of the DSERSD Improvements Project is estimated at \$6,012,991. The DERWA share of the cost is estimated as \$542,000.

Lead Agency: DSRSD
Project Manager: Rudy Portugal

Cost Sharing: Planning 57% DSRSD 43% EBMUD 0% Pleasanton
 Design 57% DSRSD 43% EBMUD 0% Pleasanton
 Property 57% DSRSD 43% EBMUD 0% Pleasanton
 Construction 57% DSRSD 43% EBMUD 0% Pleasanton
 Const Mgmt 57% DSRSD 43% EBMUD 0% Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction

In Service Date:
 (\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY16	FY17	Future	Aproved Budget Total
SCADA Upgrade	DSRSD	Planning	0	3	0	0	3
		Design	0	71	0	0	71
		Property	0	0	0	0	0
		Construction	0	181	180	0	361
		Const. Mgmt.	0	37	37	0	74
		Admin	0	0	0	0	0
		Other	0	17	16	0	33
		Total	0	309	233	0	542

Total Project Element Costs: \$542,000

Capital Improvement Project Summary

Project: **Pump Station R1 VFD Replacement**

Description: The manufacturer of the variable frequency drives (VFD) that control the pump speed and flow rate at Pump Station R1 is no longer in business. Replacement parts cannot be found and there is no longer any technical support for this equipment. DSRSD staff is evaluating alternatives for maintenance or replacement of these drives. The cost estimate for design and installation of replacement drives is \$502,000.

Lead Agency: DSRSD
Project Manager: Rudy Portugal

Cost Sharing:

Planning	59% DSRSD	25% EBMUD	16% Pleasanton
Design	59% DSRSD	25% EBMUD	16% Pleasanton
Property	59% DSRSD	25% EBMUD	16% Pleasanton
Construction	59% DSRSD	25% EBMUD	16% Pleasanton
Const Mgmt	59% DSRSD	25% EBMUD	16% Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date:

(\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY 16	FY17	Future	Aproved Budget Total
PSR1 VFD Replacement	DSRSD	Planning	0	0	0	0	0
		Design	0	11	0	0	11
		Property	0	0	0	0	0
		Construction	0	0	0	451	451
		Const. Mgmt.	0	0	0	40	39
		Admin	0	0	0	0	0
		Other	0	0	0	1	1
		Total	0	11	0	492	502

Total Project Element Costs: \$502,000

Capital Improvement Project Summary

Project: **Reservoir R200 Chemical Addition System**

Description: This project will evaluate and determine the best method to construct a permanent sodium hypochlorite addition facility for Reservoir R200. The existing temporary hypochlorite addition facilities are located in a pump station building, which present safety and corrosion concerns. In addition, the facilities inject hypochlorite into the pump suction line, which can damage the pumps. The new facilities will be housed in a new masonry hypochlorite building located near the existing pump station discharge line outside the main pump station building. The facilities will include a 500 to 1000 gallon storage tank, metering pump and associated piping, emergency shower and eyewash, ventilation system, and associated electrical, instrumentation and controls tied into the existing pump station PLC and SCADA system.

Lead Agency: DSRSD
Project Manager: Jaclyn Yee

Cost Sharing:

Planning	0% DSRSD	100% EBMUD	0% Pleasanton
Design	0% DSRSD	100% EBMUD	0% Pleasanton
Property	0% DSRSD	100% EBMUD	0% Pleasanton
Construction	0% DSRSD	100% EBMUD	0% Pleasanton
Const Mgmt	0% DSRSD	100% EBMUD	0% Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date:

(\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY14	FY15	Future	Aproved Budget Total
R200 Chemical Feed	DSRSD	Planning	0	0	0	0	0
		Design	0	0	0	110	110
		Property	0	0	0	250	250
		Construction	0	0	0	50	50
		Const. Mgmt.	0	0	0	0	0
		Admin	0	0	0	0	0
		Other	0	0	0	0	0
		Total	0	0	0	410	410

Total Project Element Costs: \$410,000

Capital Improvement Project Summary

Project: **Pleasanton 6th Sand Filter Addition**

Description: The January 7, 2014 Agreement to Provide Recycled Water Treatment and Delivery Services between DERWA and Pleasanton provides that Pleasanton may obtain “firm capacity” in the Recycled Water Treatment Plant. The initial project for firm capacity is defined as the 1.9 MGD expansion. The expansion is includes adding a sixth sand filter (installed in the existing filter structure), improvements to one tertiary influent pump, and associated electrical and mechanical improvements. Upon award of the contract for construction of the 1.9 MGD Expansion Project Pleasanton shall pay a “buy-in” cost for existing facilities that support the sixth filter of \$854,390 to DSRSD and \$644,540 to EBMUD.

Lead Agency: DSRSD
Project Manager: Steve Delight

Cost Sharing: Planning 100% Pleasanton
 Design 100% Pleasanton
 Property 100% Pleasanton
 Construction 100% Pleasanton
 Const Mgmt 100% Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date:

(\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY16	FY17	Future	Aproved Budget Total
Pleasanton 6th Sand Filter Addition	DSRSD	Planning	0	0	0	0	0
		Design	0	142	0	0	142
		Property	0	0	0	0	0
		Construction	0	730	0	0	730
		Const. Mgmt.	0	108	0	0	108
		Admin	0	25	0	0	25
		Other	0	0	0	0	0
		Total	0	1005	0	0	1,005

Total Project Element Costs: \$1,005,000

Capital Improvement Project Summary

Project: **Recycled Water Treatment Plant Expansion**

Description: This project will expand the recycled water sand filtration and ultraviolet (UV) disinfection facility to meet the DSRSD, EBMUD and Pleasanton's water demand projections through 2019-2020. The projections show the peak day demand will exceed the RWTP capacity (including the capacity of the 6th Sand Filter addition) by 2017. The Microfiltration/Ultraviolet Disinfection Plant can provide the needed peak capacity for in the interim if needed. This project will expand the facility capacity from 11.6 to 16.2 mgd. The expansion includes the construction of high-rate ballasted flocculation basins upstream of the existing tertiary filters improving the quality of the filter feed allowing them to operate at a higher loading rate. It also includes the addition of twenty UV disinfection modules, two tertiary influent pumps, two high lift product water pumps and associated electrical and mechanical equipment. This project includes the Pump Station R1 Expansion project that was listed as a separate project in the FY16 CIP budget. DERWA is currently seeking state and federal grant funds for this project. Design of the project has commenced.

Lead Agency: DSRSD
Project Manager: Robyn Mutobe

Cost Sharing:

Planning	51% DSRSD	24% EBMUD	25% Pleasanton
Design	51% DSRSD	24% EBMUD	25% Pleasanton
Property	51% DSRSD	24% EBMUD	25% Pleasanton
Construction	51% DSRSD	24% EBMUD	25% Pleasanton
Const Mgmt	51% DSRSD	24% EBMUD	25% Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date:

(\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY16	FY17	Future	Approved Budget Total
Recycled Water Treatment Plant Expansion	DSRSD	Planning	0	15	0	0	15
		Design	0	768	768	0	1,536
		Property	0	0	0	0	0
		Construction	0	0	6,573	6,573	13,146
		Const. Mgmt.	0	0	2,002	2,002	4,004
		Admin	0	40	40	50	130
		Other	0	0	0	0	0
		Total	0	823	9383	8,625	18,831

Total Project Element Costs: \$18,831,000

Capital Improvement Project Summary

Project: **Microfiltration Plant Membrane Replacement**

Description: This project is to replace the membrane modules at the MF/UV Plant. The project is based on the Carollo Engineers October 6, 2014 Microfiltration Membrane Replacement Evaluation Memorandum, Option 1

Lead Agency: DSRSD
Project Manager: Judy Zavadil

Cost Sharing:

Planning	48% DSRSD	36% EBMUD	16% Pleasanton
Design	48% DSRSD	36% EBMUD	16% Pleasanton
Property	48% DSRSD	36% EBMUD	16% Pleasanton
Construction	48% DSRSD	36% EBMUD	16% Pleasanton
Const Mgmt	48% DSRSD	36% EBMUD	16% Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date:

(\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY16	FY17	Future	Approved Budget Total
Microfiltration Plant Membrane Replacement	DSRSD	Planning	0	0	0	0	0
		Design	0	0	60	0	60
		Property	0	0	0	0	0
		Construction	0	0	610	0	610
		Const. Mgmt.	0	0	0	0	0
		Admin	0	0	30	0	30
		Other	0	0	0	0	0
		Total	0	0	700	0	700

Total Project Element Costs: \$700,000

DERWA Summary & Recommendation

Appointment of Authority Manager

Summary:

DERWA has had five Authority Managers since its inception in July 1995; Bert Michalczyk, Laura Johnson (August 2001), Robert Whitley (July 2002), Robert Baker (December 2002), and James Bewley (January 2006). In October 2015 Mr. Bewley notified the DERWA Board of his intention to end his service as Authority Manager in spring 2016. From 1995 through mid-2002 a senior staff member of one of the Member Agencies served as Authority Manager. In the fall of 2015, in consultation with DSRSD and EBMUD management, it was decided to recommend to the DERWA Board that the concept of the Member Agencies providing staff to serve as Authority Manager on a rotational basis be resumed.

Recommendation:

The Authority Manager recommends the Board of Directors, Appoint, by resolution, Michael Tognolini Authority Manager effective April 1, 2016.

March 14, 2016

Attachment

DERWA
RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DSRSD•EBMUD RECYCLED WATER
AUTHORITY APPOINTING AUTHORITY MANAGER

WHEREAS, the DSRSD•EBMUD Recycled Water Authority (“Authority”) requires the services of an Authority Manager who shall function as the chief executive officer of the Authority; and

WHEREAS, James B. Bewley has admirably served as Authority Manager since January 24, 2006; and

WHEREAS, James B. Bewley has notified the DERWA Board of Directors of his desire to end his service as Authority Manager effective March 31, 2016; and

WHEREAS, the Board finds that in the initial years of DERWA’s formation DERWA and its Member Agencies have benefited from a balancing of responsibilities between the two Member Agencies; and

WHEREAS, the Board of Directors desires to resume the practice of appointing a senior staff member of a Member Agency to the position of Authority Manager.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the DSRSD•EBMUD RECYCLED WATER AUTHORITY (DERWA) that Michael Tognolini be appointed as the DERWA AUTHORITY MANAGER April 1, 2016 to serve at the pleasure of and to carry out the will of the DERWA Board, and that in that role to represent equally the interests of each DERWA Member Agency.

BE IT FURTHER RESOLVED that the Board of Directors intends to evaluate the performance and appointment of the Authority Manager on at least a biannual basis or more frequently if events warrant.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority at its Special Meeting held on the 14th day of March, 2016 and passed by the following vote:

AYES:

NOES:

, Chair

ATTEST: _____
Nicole Genzale, Authority Secretary

Item 9.E

DERWA Summary & Recommendation

Agreement for Continuation of Services of James B. Bewley

Summary:

In October 2015 Mr. Bewley notified the DERWA Board of his intention to end his service as Authority Manager in spring 2016. In order to assist in the transition of the management of the Authority, Mr. Bewley has agreed to serve in a consulting role for a period of up to six months.

Recommendation:

The Authority Legal Counsel recommends the Board authorize by Motion, the Board Chair to execute the Agreement for Continuation of Services of James B. Bewley on behalf of DERWA.

March 14, 2016

Attachment

**JAMES B. BEWLEY AND
DSRSD/EBMUD RECYCLED WATER AUTHORITY
PROFESSIONAL SERVICES AGREEMENT**

THIS Agreement is made and entered into this ____ day of April, 2016 by and between the DSRSD/EBMUD RECYCLED WATER AUTHORITY, a public agency in the counties of Alameda and Contra Costa, hereinafter called "Authority," and James B. Bewley hereinafter called "Consultant."

RECITALS

WHEREAS, Authority requires consulting services for transition to a new Authority Manager, project management and DERWA administration; and

WHEREAS, Consultant, James B. Bewley previously served as Authority Manager, and Consultant represents that he has experience, qualifications, and the expertise to perform said services in a professional and competent manner.

NOW, THEREFORE, it is mutually agreed by Authority and Consultant that for the considerations hereinafter set forth, Consultant shall provide said services to Authority, as set forth in greater detail herein.

AGREEMENT

Article 1 SCOPE OF WORK

1. Consultant agrees to furnish services described in Exhibit "A", Scope of Services. The services authorized under this Agreement shall also include all reports, manuals, plans, and specifications as set forth in Exhibit "A". Authority furnished services and data are also specified in Exhibit "A" hereof, attached hereto, and by this reference incorporated herein.
2. Consultant is employed to render professional services, and any payments made to Consultant are compensation solely for such services as may be rendered and any recommendations made in carrying out the work. In performing such services, Consultant agrees to adhere to the standards generally prevailing for the performance of expert technical and consulting services similar to those to be performed by Consultant.
3. The originals of all computations, designs, drawings, graphics, studies, reports, manuals, photographs, videotapes, data computer files, and other documents prepared or caused to be prepared by Consultant or its subconsultants in connection with the work, shall be delivered to and shall become the exclusive property of Authority. Authority may utilize these documents for Authority applications on other projects or extensions of this project, at its own risk
4. Any interest of Consultant or its subconsultants in drawings, graphics, studies, reports, manuals, computation sheets, data computer files, or other documents prepared in connection with these services shall become the property of Authority. However, Consultant, and its subconsultants may retain and use copies of such documents, and have the right of photography and publication of the completed project or portions thereof, for reference and as documentation of its experience and capabilities.

Article 2 COMPENSATION

1. Authority shall compensate Consultant for services to be performed by Consultant pursuant to Article 1 herein. The method for determining said compensation is set forth in Exhibit

"B" hereof, attached hereto and by this reference incorporated herein.

2. Notwithstanding the foregoing, the total amount of compensation and reimbursable expenses payable hereunder shall not exceed the sum of \$49,400 unless the performance of services or the incurring of expenses proposed to be compensated or reimbursed in excess of said amount has been approved in advance by Authority's Board of Directors, evidenced by a motion duly made, approved, and recorded in minutes of an Authority Board meeting.

3. Compensation and reimbursement of expenses shall be payable upon monthly billing therefore by Consultant to Authority, which billing shall include an itemized Statement, briefly describing the services rendered and costs incurred, respectively, for the items billed.

4. In case of changes affecting project scope resulting from new findings, unanticipated conditions, or other conflicts or discrepancies, Consultant shall promptly notify Authority of the identified changes and advise Authority of the recommended solution. Work shall not be performed on such changes without prior written authorization of Authority.

5. If Consultant's Scope of Services is changed by Authority requirement and authorization, the basis of payment, as defined in this Agreement, shall be renegotiated as an amendment to this Agreement.

Article 3 NOTICE TO PROCEED

1. This Agreement shall become effective upon execution of the second signature. Consultant shall commence work upon receipt of Authority's Notice to Proceed, which shall be in the form of a letter signed by Authority's Manager. Authority's Notice to Proceed will authorize all or a portion of the services described in Exhibit "A" with corresponding compensation as described in Article 2 - COMPENSATION. No work shall commence until the Notice to Proceed is issued.

2. Authority may authorize other services described in Exhibit "A", and which correspond to compensation described in Article 2 - COMPENSATION, by issuing subsequent Notices to Proceed which will define the services included therein. No such subsequent Notices to Proceed shall increase the expenditure limitation set forth in Article 2.2 above.

3. The Authority Manager or his/her designated representatives shall be responsible for administering and interpreting the terms and conditions of the Agreement and for liaison and coordination between Authority and Consultant. Authority will direct all coordinating activities with other agencies, other consultants, the public, and institutional and political interests. Consultant may be requested to assist in such coordinating activities as necessary as part of the services. Authority will notify Consultant in writing of its designated representative and of any changes in this position.

Article 4 NON-ASSIGNABILITY

Consultant shall not subcontract, assign, sell, mortgage, hypothecate or otherwise transfer its interest or obligations in this agreement in any manner, without the express prior written consent of Authority.

Article 5 STATUS

In the performance of services hereunder, Consultant shall be, and is, an independent contractor, and shall not be deemed to be an employee or agent of Authority.

Article 6 TERM

Consultant's work products shall be completed and submitted in accordance with the standards and schedule listed in Exhibit "C" hereof, attached hereto, and by this reference incorporated herein; provided that Authority may grant reasonable extensions to the time of performance necessitated by causes beyond Consultant's control. The completion dates specified herein may be modified by mutual agreement between Authority and Consultant. Notification of modified completion dates shall be by letter from Authority's Manager. Time is of the essence for this Agreement.

Article 7 TERMINATION

1. This Agreement may be terminated by Authority immediately for cause or upon 10 days written notice, without cause, during the performance of the work.
2. This Agreement may be terminated by Consultant upon 10 days written notice to Authority only in the event of substantial failure by Authority to fulfill its obligations under this Agreement through no fault of the Consultant.
3. If this Agreement is terminated, Consultant shall be entitled to compensation for services performed to the effective date of termination; provided however, that Authority may condition payment of such compensation upon Consultant's delivery to Authority of any and all documents, photographs, computer software, videotapes, and other materials provided to Consultant or prepared by Consultant for Authority in connection with this Agreement. Upon payment by Authority for the services satisfactorily performed to the effective date of termination, Authority shall be under no further obligation to the Consultant and Consultant shall have no cause of action against Authority for breach of contract or any other legal or equitable cause of action.

Article 8 RECORDS

Consultant shall keep and maintain accurate records of time expended and costs and expenses incurred relating to services to be performed by Consultant hereunder. Said records shall be available to Authority for review and copying during regular business hours at Consultant's place of business, or as otherwise agreed upon by the parties.

Article 9 INSURANCE

Consultant shall provide and maintain at all times during the performance of this Agreement, and for such additional periods as described herein, the insurance listed below. Consultant shall promptly furnish to DERWA certificates of insurance and an endorsement to the policy evidencing that all described coverage is primary, and requiring thirty days prior written notice to DERWA of policy lapse, cancellation or material change in coverage.

a. Comprehensive Automobile Liability Insurance providing bodily injury liability and property damage, to protect Consultant and DERWA against all liability arising out of the use of any owned, leased, passenger or commercial automobile, limits of liability shall not be less than \$1,000,000 combined single limit and \$2,000,000 aggregate.

b. Commercial General Liability Insurance as will protect Consultant and DERWA from any and all claims for damages for personal injuries, including death, or for damages to or destruction of the property of others, which may arise from Consultant's performance under this Agreement. Said policy shall cover the indemnity provisions under this

Agreement and shall provide a minimum of \$1,000,000 combined single limit coverage for each occurrence and \$2,000,000 aggregate.

c. Professional Liability Insurance protecting Consultant and DERWA, against claims arising out of negligent acts, errors, or omissions of Consultant in any work or services being performed by Consultant pursuant to this Agreement, in an amount not less than \$1,000,000 combined single limit coverage and \$1,000,000 aggregate, on a claims made basis with a continuation of coverage extension for two years. Consultant shall furnish DERWA written notification within ten calendar days, by United States mail, delivery service, or hand delivery, of cancellation or any reduction in coverage with respect to professional errors and omissions liability insurance coverage.

With respect to evidence of commercial general liability and automobile liability insurance coverage, Consultant shall furnish DERWA with original endorsements:

d. Precluding cancellation or reduction in coverage before the expiration of thirty days after DERWA shall have received written notification thereof from Consultant by United States mail;

e. Providing that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability (cross-liability endorsement);

f. Naming DERWA, its Board of Directors, boards, commissions, committees, officers, employees and agents, as well as the DERWA Member Agencies (Dublin San Ramon Services District and East Bay Municipal Utility District) as additional insureds; and

g. Providing that for any claims relating to Consultant's services hereunder, Consultant's insurance coverage shall be primary insurance with respect to DERWA, its Board of Directors, officers, employees and agents, and that any insurance or self-insurance maintained by DERWA for itself, its Board of Directors, officers, employees and agents shall be in excess of Consultant's insurance and shall not be contributory with it.

Article 10 Indemnification

Consultant shall hold harmless, indemnify and defend DERWA, its Board of Directors, officers, employees and agents (collectively "Indemnitees") from and against all claims for liability, losses, damages, expenses, costs (including, without limitation, costs and fees of litigation) of every nature, kind and description, which may be brought against or suffered or sustained by Indemnitees, to the extent caused by the gross negligence, intentional tortious acts or omissions, or willful misconduct of Consultant in the performance of any services or work pursuant to this Agreement.

Article 11 COVENANT AGAINST CONTINGENCY FEES

Consultant hereby warrants the Consultant has not employed or retained any company or person, other than a *bona fide* employee working for Consultant, to solicit or secure this agreement, and Consultant has not paid or agreed to pay any company or person, other than a *bona fide* employee, any fee, commission, percentage, brokerage fees, gifts or any other consideration, contingent upon or resulting from the award or formation of this agreement. For breach or violation of this warranty, Authority shall have the right to annul this agreement without liability or at Authority's discretion, to deduct from the agreement price or consideration otherwise recover, the full amount of such fee, commission, percentage, brokerage fees, gifts or contingent fee.

Article 12 NOTICES

Any notice which Authority may desire or is required at any time to give or serve Consultant may be delivered personally, or be sent by United States mail, postage prepaid, addressed to James B. Bewley, PO Box 1889 Nevada City CA 95959, or at such other address as shall have been last furnished in writing by Consultant to Authority.

Any notice which Consultant may desire or is required at any time to give or serve upon Authority may be delivered personally at DSRSD, 7051 Dublin Blvd., Dublin, CA 94568, or be sent by United States mail, postage prepaid, addressed to Nicole Genzale, DERWA Secretary, 7051 Dublin Blvd., Dublin, CA 94568, or at such other address as shall have been last furnished in writing by Authority to Consultant.

Such personal delivery or mailing in such manner shall constitute a good, sufficient and lawful notice and service thereof in all such cases.

Article 13 MISCELLANEOUS

This Agreement represents the entire understanding of Authority and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by amendment in writing signed by each party.

This Agreement is to be binding on the successors and assigns of the parties hereto. The services called for herein are deemed unique and Consultant shall not assign, transfer or otherwise substitute its interest in this Agreement or any of its obligations hereunder without the written consent of Authority.

This Agreement is made in and shall be governed by the laws of the State of California.
IN WITNESS WHEREOF, the parties hereto each herewith subscribe the same in duplicate.
DSRSD/EBMUD RECYCLED WATER AUTHORITY

By: _____, Chair

Date:

Attest:

By: _____
Nicole M. Genzale, Authority Secretary

Approved as to Form:

By: _____
DERWA General Counsel

By: James B. Bewley, Consultant

Date:

**JAMES B. BEWLEY AND
DSRSD/EBMUD RECYCLED WATER AUTHORITY
PROFESSIONAL SERVICES AGREEMENT**

Exhibit "A"
Scope of Services

Mr. Bewley will provide assistance to DERWA in transition to the new Authority Manager, in project management, and in DERWA administration, all under the oversight of the Authority Manager. Assistance will be provided in response to written or oral requests from the Authority Manager.

**JAMES B. BEWLEY AND
DSRSD/EBMUD RECYCLED WATER AUTHORITY
PROFESSIONAL SERVICES AGREEMENT**

Exhibit "B"
Compensation

Authority shall compensate Consultant in an amount equal to Consultant's hourly rate of charge for Consultant's personnel times the number of hours, or portions thereof, of services correspondingly performed by said personnel hereunder. Said rate of charge for Consultant's personnel set forth in this Exhibit "B"

Authority shall reimburse Consultant for expenses directly incurred in performing services hereunder including expenditure for printing documents, long distance telephone charges, computerized data processing or data base services not included in hourly compensation rates, and similar out-of-pocket expense including such additional compensable expenses, if any, described in this Exhibit "B".

<u>Activity</u>	<u>Maximum Hours</u>	<u>Rate</u>	<u>Not to Exceed</u>
Consulting services	260	\$190/hour	\$49,400

**JAMES B. BEWLEY AND
DSRSD/EBMUD RECYCLED WATER AUTHORITY
PROFESSIONAL SERVICES AGREEMENT**

Exhibit "C"
Schedule

It is anticipated that this work will be complete within six months from the day of execution of this Agreement.

DERWA
Summary & Recommendation

Proclamation of Appreciation for Robert Maddow's
Service as Authority Legal Counsel

Summary:

At the October 26, 2015 DERWA Board meeting Mr. Maddow advised the Board of his intention to step down as DERWA Legal Counsel effective with the first Board meeting of 2016. Bob has served as DERWA Legal Counsel for over 20 years providing excellent counsel and advice to DERWA and its member agencies making significant contributions to the success of the Authority.

Recommendation:

The Authority Manager, with full support of the Member Agency Manager's and staff, recommend the DERWA Board approve, by Motion, the Proclamation of Appreciation for Service to DERWA by Robert B. Maddow.

March 14, 2016

Attachment

DERWA
PROCLAMATION FOR SERVICE

WHEREAS, the Dublin San Ramon Services District•East Bay Municipal Utility District Recycled Water Authority (DERWA) was formed by its member agencies to implement a recycled water program that benefits portions of the San Ramon and Livermore-Amador Valleys; and

WHEREAS, Bob Maddow was “keeper of the flame” through several DERWA Board Members and Authority Managers, providing sage counsel for more than 20 years, during which time the Authority developed and grew to provide lasting regional benefit; and

WHEREAS, Bob Maddow’s vast experience in local and statewide water matters occasionally resulted in extended closed session meetings as his counsel included important observations, interesting and often amusing anecdotes, and the occasional speculation, all of which allowed the DERWA Board to choose the correct direction; and

WHEREAS, Bob Maddow’s calm and easy demeanor, unwavering diplomacy, adept negotiating skills and critical understanding of the issues provided pivotal guidance during the formative years of the Authority, and helped to shepherd it through challenging and sometimes protracted deliberations; and

WHEREAS, Bob Maddow’s sound counsel, recently described with appreciation as always stating what needed to be said rather than what the Board Members wanted to hear, successfully guided DERWA to the negotiated settlements of two legal challenges to the program; and

WHEREAS, Bob Maddow was never one to be overcome by adversity and on the spot pronounced it was legal for DERWA to conduct a public meeting in the parking lot of the fire station when the doors to the Boardroom were locked; and

WHEREAS, Bob Maddow’s knowledge of people and historical events related to California water has led to him being described as “The Wikipedia of California Water;” and

WHEREAS, with Bob Maddow’s assistance, Water Sales and Supply Agreements were developed, Service Level Agreements for Design Phase Services for San Ramon Valley Recycled Water Program were approved, the resolution of salinity mitigation issues and legal challenges were addressed; and

WHEREAS, Bob Maddow of Bold, Polisner, Maddow, Nelson & Judson has served as Authority Legal Counsel every year since February 26, 1996.

NOW, THEREFORE, BE IT PROCLAIMED that the Board of Directors of the Dublin San Ramon Services District•East Bay Municipal Utility District Recycled Water Authority hereby expresses its sincere appreciation for the contributions of

Robert B. Maddow

Passed and adopted this 14th day of March, 2016 by the DSRSD•EBMUD Recycled Water Authority Board of Directors.

Georgean Vonheeder-Leopold
Chair

Frank Mellon
Vice Chair

Dwight “Pat” Howard
Director

John A. Coleman
Director

Nicole M. Genzale, CMC
Authority Secretary

DERWA
Summary & Recommendation

Proclamation of Appreciation for James B. Bewley's
Service as Authority Manager

Summary:

At the October 26, 2015 DERWA Board meeting Mr. Bewley advised the Board of his intention to end his service as Authority Manager in the spring of 2016 after serving in that role for ten years. He served DERWA and its member agencies well, and contributed significantly to the Authority and to its success.

Recommendation:

The Authority Legal Counsel recommends the DERWA Board approve, by Motion, the Proclamation of Appreciation for Service to DERWA by James B. Bewley.

March 14, 2016

Attachment

DERWA
PROCLAMATION FOR SERVICE

WHEREAS, the Dublin San Ramon Services District•East Bay Municipal Utility District Recycled Water Authority (DERWA) was formed by its member agencies to implement a recycled water program that benefits portions of the San Ramon and Livermore-Amador Valleys; and

WHEREAS, Jim Bewley’s skill as a sailor assisted him in deftly navigating the turbulent zones created by the independent and divergent directions he occasionally received from the DERWA member agencies, the end result being success for DERWA; and

WHEREAS, Jim Bewley single handedly went into combat with the U.S. Army Corps of Engineers, overseeing the transmission and design of a critically needed pump station for the DERWA program along with the design and construction of treatment plant improvements by DSRSD; and

WHEREAS, Jim Bewley patiently guided DSRSD, EBMUD and Pleasanton into cooperative agreements that have opened the door for recycled water deliveries to Pleasanton and increased recycled water use in the Tri-Valley area benefitting the region’s water supply and improving local collaboration; and

WHEREAS, Jim Bewley was a steadfast advocate for correcting the stray current problems that DERWA faced along the Iron Horse Trail so as to protect the safety of the people operating the system; and

WHEREAS, Jim Bewley has worked diligently and tirelessly with various local, regional, state and federal agencies, his easy going and professional approach were able to put a room at ease when people were wrestling with difficult issues; and

WHEREAS, with the assistance of Jim Bewley, property acquisition for Pump Station R200A, and the resolution of salinity mitigation issues and legal challenges were addressed; and

WHEREAS, Jim Bewley has pulled up anchor and is setting sail for a well-earned second retirement with his wife Sue; and

WHEREAS, Jim Bewley, has served as Authority Manager since February 2006 and has met or exceeded all expectations of the DERWA Board of Directors in the discharge of his duties as Authority Manager.

NOW, THEREFORE, BE IT PROCLAIMED that the Board of Directors of the Dublin San Ramon Services District•East Bay Municipal Utility District Recycled Water Authority hereby expresses its sincere appreciation for the contributions of

James B. Bewley

Passed and adopted this 14th day of March, 2016 by the DSRSD•EBMUD Recycled Water Authority Board of Directors.

Georgian Vonheeder-Leopold
Chair

Frank Mellon
Vice Chair

Dwight “Pat” Howard
Director

John A. Coleman
Director

Nicole M. Genzale, CMC
Authority Secretary

ITEM 10

MANAGER'S REPORTS

1. Capital Projects Update - Recycled Water Treatment Plant
2. Confirm Next Meeting Date – April 25, 2016