

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

NOTICE OF REGULAR MEETING

TIME: 6:00 p.m.
PLACE: Dublin San Ramon Services District Boardroom
7051 Dublin Boulevard
Dublin, California 94568

DATE: Monday, April 22, 2013

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. 13-2)

**Recommended
Action**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Mellon, Vonheeder-Leopold, Coleman and Halket
Alternates: Foulkes and Duarte
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. APPROVE MINUTES
Special Board Meeting of March 13, 2013 Approve
by Motion
7. CONSENT CALENDAR
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 March 31, 2013 Approve
by Motion

**Recommended
Action**

8. **BOARD BUSINESS**

- A. Approve and Adopt the Fiscal Year 2013-14 Capital and Operating Expenditure Budget

Approve by Resolution

9. **MANAGER'S REPORTS**

- Capital Projects Update - None
 - EBMUD Distribution System Phase 2 3 4 Projects Update
- Pleasanton/DERWA Recycled Water Agreement
- Confirm Next Meeting Date – June 24, 2013

10. **BOARDMEMBER ITEMS**

11. **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.

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Special Meeting Minutes
Wednesday, March 13, 2013**

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

1. CALL TO ORDER – Chair Vonheeder-Leopold called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:02 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair Georgean Vonheeder-Leopold, Vice Chair Frank Mellon, Director Richard Halket. Director John Coleman entered the meeting at 6:15 p.m. DERWA Staff present: James Bewley, Authority Manager; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary. Richard Lou, Treasurer, entered the meeting at 6:09 p.m.

4. BOARD REORGANIZATION

A. Election of Board Chair

Motion by Director Halket, Second by Chair Vonheeder-Leopold to elect Director Mellon as DERWA Board Chair for 2013. Motion carried (3-0) by the following vote:

AYES: Halket, Vonheeder-Leopold, Mellon

NOES:

B. Election of Board Vice Chair

Motion by Chair Mellon, Second by Director Vonheeder-Leopold to elect Director Halket as DERWA Board Vice Chair for 2013. Motion carried (3-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Halket

NOES:

C. Appointment of Secretary

Motion by Director Vonheeder-Leopold, Second by V.C. Halket to appoint Nancy Gamble Hatfield as the continuing DERWA Secretary for 2013. Motion carried (3-0) by the following vote:

AYES: Vonheeder-Leopold, Halket, Mellon

NOES:

Chair Mellon complimented and thanked Authority Secretary Hatfield for the many excellent years of service to the DERWA Board.

-DRAFT-

5. SPECIAL ANNOUNCEMENTS/ACTIVITIES

Authority Manager Bewley stated that it is a practice to present a recognition plaque to the Board Chair each year. Mr. Bewley gave Director Vonheeder-Leopold an engraved plaque for her service as Chair in 2012. He also stated there was a plaque that had not been given to Director Coleman for his service as DERWA Chair in 2011 and that he would give that to him once he arrived at the meeting.

6. PUBLIC COMMENT – 6:06 p.m.

7. APPROVE MINUTES – Regular Board Meeting of October 22, 2012

Motion by Director Vonheeder-Leopold, Second by V.C. Halket to approve the minutes from the Regular Meeting of *October 22, 2012*. Motion carried (3-0) by the following vote:

AYES: Vonheeder-Leopold, Halket, Mellon

NOES:

8. CONSENT CALENDAR

A. Treasurer's Reports for October 31, November 30, December 31, 2012, January 31, and February 28, 2013

B. Quarterly Investment Reports – September 30 and December 31, 2012

C. Amendment No. 4 to Agreement for Services as Authority Manager of the DSRSD-EBMUD Recycled Water Authority

Chair Mellon suggested that Items 8.A & 8.B be taken separately from Item 8.C.

Hearing no comments on Items 8.A & 8.B, Chair Mellon asked for a Motion.

Motion by Director Vonheeder-Leopold, Second by V.C. Halket to approve Consent Calendar Items 8.A & 8.B. Motion carried (3-0) by the following vote:

AYES: Vonheeder-Leopold, Halket, Mellon

NOES:

Chair Mellon asked General Counsel Maddow if there was anything special that the Board should know about Item 8.C.

General Counsel Maddow responded that there was nothing unusual and that it followed past practice and the guidance provided in closed session from the October 2012 regular meeting.

Director Vonheeder-Leopold commented that she realized as last year's Chair that the Authority Manager's invoice is signed off without any review from EBMUD or DSRSD staff. She felt uncomfortable about the process because she could not properly validate the information presented on the invoice and asked if this matter could be discussed at a future time. Mr. Maddow agreed this could be.

V.C. Halket commented that Director Vonheeder-Leopold's remarks were more about administrative process and did not affect the agreement presented tonight for the Authority

Manager. He did ask Mr. Maddow if the contract and process were in compliance with new laws concerning executive compensation, including the CPI escalators.

Mr. Maddow confirmed this as correct.

Treasurer Richard Lou entered the meeting at 6:09 p.m.

Motion by V.C. Halket, Second by Chair Mellon to approve Consent Calendar Item 8.C. Motion carried (3-0) by the following vote:

AYES: Halket, Mellon, Vonheeder-Leopold
NOES:

Chair Mellon announced that the Board was continuing to wait for Director Coleman to arrive at the meeting as he was delayed by traffic. He skipped to agenda Item 12.

12. MANAGER'S REPORT

Authority Manager Bewley noted that two of the four Directors who originally hired him are still on the DERWA Board. When he was first hired, he was invited to have a four year contract, but he opted for two years because he did not know what retirement was going to be like. Now, eight years later, he is still enjoying the opportunity to serve as Authority Manager.

- Contracts Initiated since the Board Meeting of October 22, 2012 – Mr. Bewley reported that there have not been any contracts initiated since the last Board meeting.
- Confirm Next Meeting Date – April 22, 2013 – The next meeting was confirmed for April 22, 2013.

The Board took a recess at 6:12 p.m. At 6:15 p.m. the Board came back into open session.

Director Coleman entered the meeting at 6:15 p.m.

9. CLOSED SESSION

Authority Manager Bewley announced that attending along with him in Closed Session for the DERWA negotiating team would be DSRSD District Engineer Dave Requa and EBMUD Director of Water and Natural Resources Richard Sykes.

At 6:16 p.m. the Board went into Closed Session.

- A. Conference with Real Property Negotiator-Pursuant to Government Code Section 54956.8
- | | |
|----------------------|------------------------------------|
| Property: | Water Supply Contract |
| Agency Negotiator: | James B. Bewley, Authority Manager |
| Negotiating Parties: | City of Pleasanton and DERWA |
| Under Negotiation: | Price and Terms |

10. REPORT FROM CLOSED SESSION

At 7:02 p.m. the Board came out of Closed Session. Chair Mellon announced that there was nothing to report.

11. BOARD BUSINESS

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

This item was not discussed. It will be discussed at a future meeting.

13. BOARDMEMBER ITEMS

Authority Manager Bewley gave Director Coleman a plaque honoring his service as DERWA Chair in 2012 that was inadvertently delayed in presentation.

14. ADJOURNMENT

Chair Mellon adjourned the meeting at 7:03 p.m.

Submitted by,

Nancy Gamble Hatfield
Authority Secretary

Item 7.A

DERWA
Summary & Recommendation
March 31, 2013 Treasurer's Report

Summary:

Attached is the Treasurer's Report for the month ending March 31, 2013 submitted by Treasurer Richard Lou.

Recommendation:

The Treasurer recommends the Board approve, by Motion, the Treasurer's report for March 31, 2013 submitted by the Treasurer Richard Lou.

April 22, 2013

Attachments

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR MARCH 31, 2013**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending March 31, 2013. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$79,019 in agency reimbursements were received. Fiscal year-to-date Revenues/Funding totaled \$1,506,322 of which \$1,506,322 represents agency reimbursements.

Expenses: Current month expenditures totaled \$120,904 of which \$3,508 was capitalized and \$124,396 was expensed. Fiscal year-to-date expenditures for FY13 totaled \$1,125,067. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY13.

Cash: The cash balance at March 31, 2013 was (\$227,529).

Submitted by:



Richard Lou
Treasurer

Dated: April 3, 2013

Prepared by  (D. Gulseth)
Reviewed by  (L. Fan)
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 MARCH 31, 2013**

CAPITAL - PROJECT	Program Budget	Expenditures FY 12 and Prior (a)	Expenditures Current Month	Expenditures FY 13 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	8,558,000	8,559,375	0	3,919	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 Backbone Corrosion	3,408,000	3,460,712	81	2,226	3,462,938	0	3,462,938
SCADA	1,109,000	1,109,004	0	0	1,109,004	122,302	986,702
	295,000	15,410	0	0	15,410	8,784	6,626
EBMUD Pipeline Phase 2, 3 & 4	2,477,000	400,555	0	930	401,485	0	401,485
Fine Screening	667,000	667,096	0	0	667,096	380,244	286,852
New/Replacement Capital <50K	1,278,000	131,750	406	2,486	134,236	76,515	57,721
MF/UV Control Programing Update	144,000	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	11,788,000	5,705,265	3,021	9,919	5,715,184	2,829,294	2,885,890
Planning FY02 and Prior Years	0	3,585,898	0	0	3,585,898	1,757,090	1,828,808
Design FY02 and Prior Years	0	79,432	0	0	79,432	38,922	40,510
Contingency	1,000,000	0	0	0	0	0	0
Capitalized Interest	2,000,000	1,960,872	0	0	1,960,872	960,827	1,000,045
Total Capital Impr. Proj. Element	85,061,000	78,156,471	3,508	19,480	78,175,951	40,183,362	37,992,589

OPERATING - ITEM	Budget FY 12	Expenditures FY 12 and Prior (a)	Expenditures Current Month	Expenditures FY 13 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	166,750	2,425,629	6,513	105,661	2,531,290	1,999,718	531,572
Treasurer	65,000	2,595,706	5,841	30,560	2,626,266	2,074,750	551,516
Legal Counsel	7,500	414,399	0	1,011	415,410	328,174	87,236
Secretary	12,750	181,740	491	6,716	188,456	148,881	39,575
Other	100,000	774,529	4,306	92,318	866,847	684,809	182,038
Operation and Maintenance Detail	1,663,131	7,676,073	107,245	869,321	8,545,394	6,750,861	1,794,533
Debt Service	1,650,000	13,801,486	0	0	13,801,486	10,903,174	2,898,312
Total Operating Program Element	3,665,131	27,869,562	124,396	1,105,587	28,975,149	22,890,367	6,084,782

PROJECT TOTALS	88,726,131	106,026,033	127,904	1,125,067	107,151,100	63,073,729	44,077,371
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	58,127	1,120,172
Agency Reimbursements - EBMUD	20,892	386,150
Commercial Paper Issued	0	0
Corps of Engineer Funded	0	0
Grants	0	0
Loans	0	0
Interest Income	0	0
Misc Income	0	0
TOTAL REVENUES & FUNDING	79,019	1,506,322

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	(178,644)	(399,251)
Beginning Balance Adjustment	0	(209,533)
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	79,019	1,506,322
Total Expenditures	(127,904)	(1,125,067)
Ending Cash	(227,529)	(227,529)

Prepared by *Dana Gulseth* Date: 3-29-13
Reviewed by *Dana Gulseth* Date: 3/29/13
Approved by *Scott Klein* Date: 3/29
Scott Klein

Item 8.A

DERWA Summary & Recommendation

Approve and Adopt the Fiscal Year 2013-2014 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 2012-2013 Budget: The capital projects in the FY 2013-2014 capital plan can be funded under the existing capital appropriation of \$86.960 million. All current capital projects will be completed by the end of FY 2013-2014, except for New/Replacement Capital <\$50K, SCADA Upgrades, and Permanent Supplemental Supply. The Pump Station Phase 2 construction was completed in August 2010 and project completion with settlement of all claims was achieved in late 2012. The Phase 2B of the EBMUD Distribution Pipelines 2, 3 and 4 projects was completed in FY 2011-12, the remaining WRDA funds were allocated to EBMUD Distribution Pipeline Phase 2A1 in April 2013. New & Replacement Capital <\$50K is a five-year program through FY 2014-15 with a total budget of \$1,278,000, of which \$20,000 is planned for FY2013-2014. The Permanent Supplemental Water Project continues with a total budget of \$2,496,000, with \$10,000 planned for FY2013-2014. The SCADA Upgrade will be completed in FY2014-2015 with a total budget of \$290,000 for the DERWA portion, with \$80,000 planned for FY2013-2014.

The FY 2013-2014 operating budget has been increased by \$234,939 (9.3%), with increasing projected recycled water deliveries from 2,662 acre-feet to 3,076 acre-feet (15.6%). DSRSD has submitted a budget of \$1.649 million for the operations and maintenance of the DERWA project for FY 2013-2014. Agency contributions will cover the \$3.714 million budget for the O&M and administrative expenses and debt service payments. The FY 2013-2014 budget for the state loan repayment is \$1.645 million.

Expenditures and Appropriations: Table 1 shows prior and future appropriations. The FY 2013-2014 operating appropriation of \$3.714 million will fund administration, operations and maintenance, and debt service expenses. The capital expenditure for FY 2013-2014 is \$0.095 million. Table 5 shows the operating budget by work element. The operating budget for FY 2013-2014 is \$3.714 million including \$1.774 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 2013-2014, currently projected at 76% DSRSD and 24% 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 2013-2014 contribution is \$2.386 million for the operating budget and \$54,250 for the capital budget; for EBMUD the estimated contribution is \$1.328 million for the operating budget and \$40,750 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 52% DSRSD 48% EBMUD.

Funding: Table 4 shows the funding program for DERWA. For FY 2013-2014, the agency operating contribution is \$3.714 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 \$14.5M in federal funding.

Recommendation:

The Authority Manager and Treasurer recommend the Board approve, by Resolution, the DERWA Fiscal Year 2013-2014 Budget.

April 22, 2013

Attachments

Report by: _____

Reviewed by: _____

DERWA
RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED
WATER AUTHORITY APPROVING AND ADOPTING THE FISCAL YEAR 2013-2014 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 2013-2014; and presented the proposed budget at the April 22, 2013 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 \$3.714 million is hereby approved and adopted for FY 2013-2014 as presented in "Attachment A."
2. For the capital budget, 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 2013-2014 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 2013-2014 shall be from Member Agency contributions, 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.

DERWA
Res. No. _____

5. After consideration of DERWA reserves and working fund balances as required under Article 13 of the Joint Exercise of 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 Exercise of 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 2013-2014, 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 regular meeting held on the 22nd day of April 2013, passed by the following vote:

AYES:

NOES:

ABSENT:

Frank Mellon, Chair

ATTEST

Nancy Gamble Hatfield, Authority Secretary



**DUBLIN SAN RAMON
SERVICES DISTRICT**



**DSRSD-EBMUD RECYCLED WATER
AUTHORITY**

**SAN RAMON VALLEY RECYCLED
WATER PROGRAM**

**Proposed
FISCAL YEAR 2013-14 BUDGET**

April 22, 2013

**DSRSD • EBMUD RECYCLED WATER
AUTHORITY**

**SAN RAMON VALLEY RECYCLED
WATER PROGRAM**

**Proposed
FISCAL YEAR 2013-14 BUDGET**

Presented on April 22, 2013

DERWA FY 2013-14 BUDGET

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DERWA
Summary & Recommendation

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Operating Expenditure Budget**

Summary:

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Changes from Fiscal Year 2012-2013 Budget: The capital projects in the FY 2013-2014 capital plan can be funded under the existing capital appropriation of \$86.960 million. All current capital projects will be completed by the end of FY 2013-2014, except for New/Replacement Capital <\$50K, SCADA Upgrades, and Permanent Supplemental Supply. The Pump Station Phase 2 construction was completed in August 2010 and project completion with settlement of all claims was achieved in late 2012. The Phase 2B of the EBMUD Distribution Pipelines 2, 3 and 4 projects was completed in FY 2011-12, the remaining WRDA funds were allocated to EBMUD Distribution Pipeline Phase 2A1 in April 2013. New & Replacement Capital <\$50K is a five-year program through FY 2014-15 with a total budget of \$1,278,000, of which \$20,000 is planned for FY2013-2014. The Permanent Supplemental Water Project continues with a total budget of \$2,496,000, with \$10,000 planned for FY2013-2014. The SCADA Upgrade will be completed in FY2014-2015 with a total budget of \$290,000 for the DERWA portion, with \$80,000 planned for FY2013-2014.

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service payments. The Capital Program has secured \$5M in grants, \$24.7M in loans from Proposition 13 funding and \$14.5M in federal funding.

Recommendation:

The Authority Manager and Treasurer recommend the Board approve, by Resolution, the DERWA Fiscal Year 2013-2014 Budget.

April 22, 2013

Attachments

Report by: _____

Reviewed by: _____

DERWA PROGRAM BUDGET FY14

Table 1
Appropriations (\$000's)

	Prior Appr	FY14 Appr
Capital Appropriations	86,960	
Operating Appropriations	33,081	3,714

Table 2
Capital Program
Cash Flow (\$000's)

	Prior Spending	Estimated FY14	Projected FY15	Future	Total
Completed Projects	75,739	-	-	-	75,739
Continuing Projects					
Planning	261	0	175	51	487
Design	22	45	40	519	626
Property	0	0	0	260	260
Construction	132	5	60	2,050	2,247
Construction Mgmt	1	0	0	160	161
Admin	2	0	18	133	153
Other	11	10	0	109	130
Capitalized Interest during construction	1,961			39	2,000
Contingency			-	1,000	1,000
Total	78,129	60	293	4,321	82,803

Table 3
Operating Budget (\$000's)

	Estimated FY13 Expenses	Budgeted FY13 Expenses	Proposed FY14 Expenses	Difference
Operating Budget	1,796	1,836	2,068	232
Debt Service	1,646	1,646	1,646	-
Total	3,442	3,482	3,714	232

Table 4
DERWA SOURCE OF FUNDS SUMMARY

(\$000's)

SOURCE OF FUNDS	Prior	Estimated FY13	Projected FY14	Total
<i>CAPITALIZED</i>				
AGENCY CONTR				
<i>DSRSD</i>	-	-	-	-
EBMUD	3,860	200	-	4,060
COMMERCIAL PAPER	47,000			47,000
CORPS OF ENG FUNDED	8,024			8,024
GRANTS	5,000			5,000
LOANS	24,700			24,700
TOTAL CAPITALIZED FUNDS				88,784
<i>NET EXPENSED</i>				
AGENCY CONTR				
DSRSD	16,041	2,221	2,386 *	20,648
EBMUD	10,541	1,221	1,328 *	13,090
TOTAL NET EXPENSED FUNDS	26,582	3,442	3,714	33,738

*Agency contribution are calculated based on O&M costs, administrative costs and debt service costs. For 2014, O&M and administrative costs are split 76% DSRSD/24% 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 FY14
OPERATING BUDGET**

Table 5

Work Element	FY13 Budget	Estimated FY13 Expenses	Proposed FY14 Budget	Budget Difference
Program Manager	\$ 113,450	\$ 75,765	\$ 123,050	\$ 9,600
Treasurer	45,000	41,750	43,500	\$ (1,500)
Legal Counsel	5,000	1,850	3,000	\$ (2,000)
Secretary	10,250	8,735	10,250	\$ -
Other (Insurance)	100,000	116,422	115,000	\$ 15,000
Operations	1,562,721	1,551,931	1,773,560	\$ 210,839
Debt Service	1,645,513	1,645,513	1,645,513	\$ -
Total	3,481,934	3,441,966	3,713,873	231,939

DERWA PROGRAM BUDGET FY14

DERWA PROGRAM MANAGER

Table 6

	FY13 Budget	Estimated FY13 Expenses	Proposed FY14 Budget
Contract Payment	\$ 45,000	\$ 15,700	57,200
Staff	24,500	22,600	23,400
Expenses	2,250	2,100	2,250
DSRSD charges	8,500	8,425	8,700
Travel	250	-	250
Office supplies	250	115	250
Other	2,450	1,075	2,250
Public Information	28,750	25,750	28,750
Consultant Support	0	0	0
Agency Support	1,500	-	0
Total	\$ 113,450	\$ 75,765	\$ 123,050

DERWA TREASURER DETAIL

Table 7

	FY13 Budget	Estimated FY13 Expenses	Proposed FY14 Budget
Salary	\$ 12,500	\$ 6,450	\$ 7,500
Expenses	-	-	-
Cost Accounting	23,500	30,000	30,000
Audit	9,000	5,300	6,000
Commerical Paper Fees	-	-	-
TOTAL	45,000	41,750	43,500

DERWA PROGRAM BUDGET FY14

DERWA LEGAL COUNSEL

Table 8

	FY13 Budget	Estimated FY13 Expenses	Proposed FY14 Budget
Contract	\$ 5,000	\$ 1,850	\$ 3,000

DERWA SECRETARY DETAIL

Table 9

	FY13 Budget	Estimated FY13 Expenses	Proposed FY14 Budget
Salary	\$ 10,000	\$ 8,660	\$ 10,000
Expenses	250	75	250
Training	0	0	0
TOTAL	10,250	8,735	10,250

DERWA OTHER DETAIL

Table 10

	FY13 Budget	Estimated FY13 Expenses	Proposed FY14 Budget
Insurance	\$ 100,000	\$ 116,422	\$ 115,000
Property Insurance	-	-	-
TOTAL	100,000	116,422	115,000

DERWA PROGRAM BUDGET FY14

DERWA OPERATIONS

Table 11

	FY13 Budget	Estimated FY13 Expenses	Proposed FY14 Budget
Capital Reserve Account	\$ 125,000	\$ 125,000	\$ 125,000
DSRSD Operations	1,437,721	1,426,931	1,648,560
TOTAL	1,562,721	1,551,931	1,773,560

DERWA DEBT SERVICE

Table 12

	FY13 Budget	Estimated FY13 Expenses	Proposed FY14 Budget
Commercial Paper Interest	\$ -		\$ -
State Loan Payments	1,645,513	1,645,513	1,645,513
Revenue Bond Debt Service	-		-
TOTAL	1,645,513	1,645,513	1,645,513

Table 13

Capital Project Costs and Cost Sharing

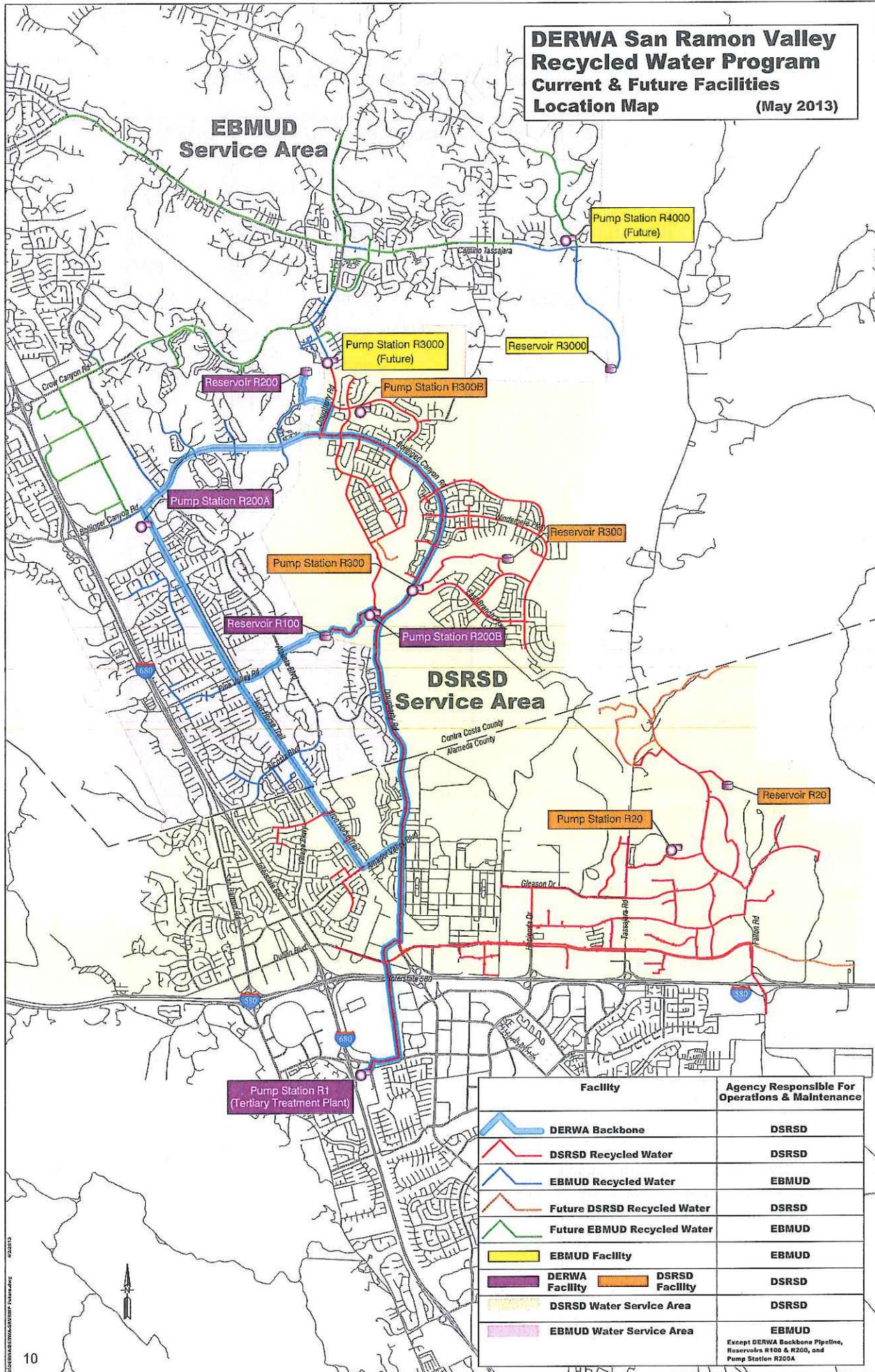
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Project	Lead Agency	Total Costs	DSRSD	EBMUD
Completed Projects				
Pipeline Reach 1	DSRSD	\$ 7,561	4384	3,177
Pipeline Reach 2	DSRSD & EBMUD	4,558	3,882	676
Pipeline Reach 3	DSRSD	2,286	1,719	567
Pipeline Reach 4	DSRSD & EBMUD	1,615	364	1,251
Pipeline 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	989
Fine Screening	DSRSD	667	380	287
MR/UV Control Upgrade	DSRSD	144	82	62
Air Relief	DERWA	32	18	14
EBMUD Distribution*	DERWA	398	0	398
Pump Station Phase 2*	DERWA	3,453	0	3,453
Studies and Predesigns	DERWA	5,309	2,658	2,651
Program Planning	DERWA	3,727	1,826	1,901
Completed Projects Subtotal		75,739	39,014	36,727
Continuing and New Projects				
New/Replacement Capital <\$50k	DERWA	1,278	728	550
SCADA	DSRSD	290	165	125
Permanent Supplemental Supply	DERWA	2,496	1,448	1,048
Contingency	DERWA	1,000	500	500
Capitalized Interest	DERWA	2,000	1,076	924
Continuing Projects Subtotal		7,064	3,917	3,147
TOTAL		82,803	42,931	39,874
TOTAL DERWA FACILITIES**		82,405	42,931	39,476
		100%	52.1%	47.9%

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

**Does not include the EBMUD Distribution Pipeline Phases 2,3 and 4 because this project is not part of the DERWA program facilities as defined by the Water Sales Agreement, and the assets will be transferred to EBMUD upon completion of construction.

**DERWA San Ramon Valley
Recycled Water Program
Current & Future Facilities
Location Map** (May 2013)



Facility	Agency Responsible For Operations & Maintenance
DERWA Backbone	DSRSD
DSRSD Recycled Water	DSRSD
EBMUD Recycled Water	EBMUD
Future DSRSD Recycled Water	DSRSD
Future EBMUD Recycled Water	EBMUD
EBMUD Facility	EBMUD
DERWA Facility	DSRSD
DSRSD Facility	DSRSD
DSRSD Water Service Area	DSRSD
EBMUD Water Service Area	EBMUD Except DERWA Backbone Pipeline, Reservoirs R100 & R200, and Pump Station R200A

DETAILED PROJECT ELEMENT SUMMARIES

CONTINUING CAPITAL PROJECTS

NEW/REPLACEMENT CAPITAL <\$50K EACH

PROGRAM PLANNING
Supplemental Water

SCADA UPGRADE

CAPITAL PROJECTS Completed in FY13

PUMP STATION PHASE 2

EBMUD DISTRIBUTION SYSTEM PHASES 2 3 4

PROGRAM PLANNING
Predesign & Studies of General Benefit

IHT AIR RELIEF IMPROVEMENTS/PIPELINE REACH 6

Capital Improvement Project Summary

Project: New/Replacement Capital < \$50k

Description: This is a five-year program FY 11 through FY 15 to provide funding for acquisition of capital items for the Phase 1 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. No specific projects have been identified for 2013-14. \$20,000 is budgeted for unplanned items that require action during the year.

Lead Agency: DERWA
Project Manager: James Bewley

Cost Sharing:

Planning	57% DSRSD	43% EBMUD
Design	57% DSRSD	43% EBMUD
Property	57% DSRSD	43% EBMUD
Construction	57% DSRSD	43% EBMUD
Const Mgmt	57% DSRSD	43% EBMUD

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date: N/A
 (\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY13	FY14	Future	Approved Budget Total
New/Replacement Capital <\$50k ea	DERWA	Planning	0	0	0	0	0
		Design	0	0	0	231	231
		Property	0	0	0	0	0
		Construction	132	5	20	867	1,024
		Const. Mgmt.	0	0	0	0	0
		Admin	0	0	0	23	23
		Other	0	0	0	0	0
		Total	132	5	20	1,121	1,278

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

Capital Improvement Project Summary

Project: Permanent Supplemental Water Supply

Description: This project will provide Permanent Supplemental Water for DERWA that is needed to avoid Peak Day supply shortfalls that could occur as early as 2012. Additional water will be required when the peak day demand exceeds the design capacity of the treatment plant or when the peak day demand exceeds the contractual supply of water available to DERWA from DSRSD. Three alternatives currently under consideration are additional supply of treated wastewater effluent from Pleasanton and/or Livermore, and local groundwater. Preliminary engineering studies of the alternatives were completed in 2005. New studies by Pleasanton, Livermore, and Zone 7 are currently underway and may impact DERWA's source water supply alternatives. A work plan to update the 2005 alternatives study with information from the current studies and include evaluation of additional surface storage sites and non-potable surface and groundwater supplies may be developed for FY14.

Lead Agency: DERWA
Project Manager: James Bewley

Cost Sharing:	Planning	58 % DSRSD	42 % EBMUD
	Design	58 % DSRSD	42 % EBMUD
	Property	58 % DSRSD	42 % EBMUD
	Construction	58 % DSRSD	42 % EBMUD
	Const Mgmt	58 % DSRSD	42 % EBMUD

Grant/Loan Eligible: 0% Design 0% Construction

In Service Date: Not scheduled

(\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY13	FY14	Future	Approved Budget Total
Program	DERWA	Planning	261	0	175	51	487
Planning		Design	7	0	0	243	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	18	110	130
		Other	11	10	0	109	130
		Total			282	10	193

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

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 FOD Improvements Project is \$2,715,000. The DERWA share of the cost is \$295,000.

Lead Agency: DSRSD
Project Manager: Judy Zavadil

Cost Sharing:

Planning	57% DSRSD	43% EBMUD
Design	57% DSRSD	43% EBMUD
Property	57% DSRSD	43% EBMUD
Construction	57% DSRSD	43% EBMUD
Const Mgmt	57% DSRSD	43% EBMUD

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

Total Project Element Costs: \$290,000
 (\$000)

Project	Lead Agency	Activity	Prior Spending	Estimated FY13	FY14	Future	Approved Budget Total
SCADA Upgrade	DSRSD	Planning	0	0	0	0	0
		Design	15	45	40	0	145
		Property	0	0	0	0	0
		Construction	0	0	40	105	145
		Const. Mgmt.	0	0	0	0	0
		Admin	0	0	0	0	0
		Other	0	0	0	0	0
		Total	15	45	80	230	290

Total Project Element Costs: \$290,000

ITEM 9

MANAGER'S REPORTS

1. Capital Projects Update – None
 - EBMUD Distribution System Phase 2 3 4 Projects Update
2. Pleasanton/DERWA Recycled Water Agreement
3. Confirm Next Meeting Date – June 24, 2013