

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

NOTICE OF REGULAR MEETING

TIME: 6:00 p.m.

DATE: Monday, February 5, 2018

PLACE: Dublin San Ramon Services District Boardroom
7051 Dublin Boulevard
Dublin, California 94568

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. 18-1)

**Recommended
Action**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Coleman, Howard, Mellon and Vonheeder-Leopold
Alternates: Duarte and Linney
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
 - C. Appointment of Authority Secretary Approve
by Motion
7. APPROVE MINUTES
Special Board Meeting of November 16, 2017 Approve
by Motion
8. 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.

	<u>Recommended Action</u>
A. Treasurer's Reports for November 30, and December 31, 2017	Approve by Motion
B. Quarterly Investment Report – December 31, 2017	Approve by Motion
9. <u>BOARD BUSINESS</u> None	
10. <u>MANAGER'S REPORTS</u> A. Capital Projects Update – Phase 2 Recycled Water Treatment Plant Expansion Project Update B. Supplemental Supply Update C. Confirm Next Board Meeting – March 26, 2018	
11. <u>BOARDMEMBER ITEMS</u>	
12. <u>ADJOURNMENT</u>	

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 2018

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 Authority Secretary since October 26, 2015. It would be appropriate to continue her appointment.

Recommendation:

In three separate motions, it is recommended that the DERWA Board of Directors, by Motion:

- Elect the officers of Chair and Vice Chair for 2018; and
- Appoint Nicole Genzale to continue as DERWA Authority Secretary for 2018.

February 5, 2018

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
2016	Georgian Vonheeder-Leopold	Frank Mellon
2017	Frank Mellon	Dwight "Pat" Howard

At this time the DSRSD Board appointments remain: Georgian Vonheeder-Leopold and Dwight "Pat" Howard as the DSRSD representatives to the DERWA Board, and Ed Duarte as DSRSD Alternative Representative. In January 2018, the EBMUD Board appointed John Coleman and Frank Mellon as EBMUD representatives to the DERWA Board, and Doug Linney as EBMUD Alternative Representative.

Following DERWA's past practice of alternating positions of Chair and Vice Chair between the agencies, the Chair for 2018 should be a DSRSD representative, and the Vice Chair should be an EBMUD representative.

Frank Mellon served as DERWA Chair in 2017 therefore, according to DSRSD Joint Powers Agency Rotation policy, Dwight "Pat" Howard should be nominated as DERWA Chair for 2018.

In accordance with past DERWA practice, John Coleman should be nominated as DERWA Vice Chair for 2018.

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

**Board of Directors Special Meeting Minutes
Monday, November 16, 2017**

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

1. CALL TO ORDER – Chair Frank Mellon called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:01 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair Frank Mellon, Vice Chair Dwight (Pat) Howard, Director John Coleman, and Director Ed Duarte. DERWA Staff present: Mike Tognolini, Authority Manager; Richard Lou, Treasurer; Doug Coty, General Counsel; and Nicole Genzale, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT – 6:02 p.m. - None

6. APPROVE MINUTES – Regular Board Meeting of June 26, 2017

Motion by Vice Chair Howard, Second by Director Coleman, to approve the minutes from the Regular Meeting of June 26, 2017. Motion carried (4-0) by the following vote:

AYES: Howard, Coleman, Duarte, Mellon

NOES:

7. CONSENT CALENDAR

A. Treasurer's Reports for June 30, July 31, August 31, September 30, and October 31, 2017

B. Quarterly Investment Reports – June 30 and September 30, 2017

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

AYES: Coleman, Duarte, Howard, Mellon

NOES:

The Board asked Authority Manager Tognolini to convey the Board's appreciation to Mr. Lou for the work he performs for DERWA.

8. BOARD BUSINESS

A. Authorize the Authority Manager to Enter into an Agreement with Dublin San Ramon Services District (DSRSD), East Bay Municipal Utility District (EBMUD), and City of Pleasanton for the Allocation of State and Federal Funding for the Phase 2 Recycled Water Treatment Plant Expansion Project

Authority Manager Tognolini reviewed the item for the Board. He reported that DSRSD staff has been pursuing state and federal grant funding opportunities for recycled water projects on behalf of DERWA. DERWA is currently being evaluated for a \$2,500,000 grant from the State Water Resources Control Board's Green Project Reserve, which forgives principle and charges no interest, and for more than \$7,600,000 between two federal grants under Title XVI (via Bureau of Reclamation) and the Water Infrastructure Improvements for the Nation Act (WIIN). DSRSD has already received funding from the Bureau of Reclamation for distribution projects and the process has gone as smoothly as can be expected. This proposed agreement will establish the allocation of grant funding to each partner agency based on costs incurred by each partner for the expansion project, as well as affirm EBMUD and City of Pleasanton will share the costs DSRSD has incurred proportional to the grant funding each agency receives. DSRSD has paid more than \$196,000 in necessary costs so far. This agreement has been reviewed by partner agency staff and legal counsel, and will be presented to the partner agency council/boards of directors upon DERWA approval. He credited DSRSD staff and the consulting team for doing a great job pursuing this potential funding. The Board expressed its appreciation for their efforts.

Motion by Director Coleman, Second by Vice Chair Howard to authorize the Authority Manager to Enter into an Agreement with Dublin San Ramon Services District (DSRSD), East Bay Municipal Utility District (EBMUD), and City of Pleasanton for the Allocation of State and Federal Funding for the Phase 2 Recycled Water Treatment Plant Expansion Project. Motion carried (4-0) by the following vote:

AYES: Coleman, Howard, Duarte, Mellon
NOES:

B. Approve DERWA Board Meeting Schedule

Authority Manager Tognolini reviewed the item for the Board which proposed regular Board meetings be held on the fourth Monday of odd months, with the first meeting of the year to be held on the first Monday in February, beginning in 2018.

The Board and staff discussed the proposed schedule and determined the May meeting would conflict with the Memorial Day holiday. The Board agreed to the proposed schedule with the change that the May meeting will be held on the third Monday of that month.

Motion by Vice Chair Howard, Second by Director Coleman, to approve by Resolution the new DERWA Board Meeting Schedule with the change that the May meeting will be held on the third Monday of that month. Motion carried (4-0) by the following vote:

AYES: Howard, Coleman, Duarte, Mellon
NOES:

C. Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2017 and 2016

Treasurer Lou reviewed the item for the Board. Authority Manager Tognolini distributed copies of the Memorandum on Internal Control and Required Communications for year ended June 30, 2017 to the Board. Mr. Lou reported that Maze & Associates (Maze) conducted the audit and DERWA received a clean opinion.

The Board and staff discussed the auditor selection process, noting that DERWA uses the auditor selected by EBMUD via its RFP (request for proposal) process. Maze has worked with EBMUD and DERWA for about 10 years.

General Counsel Coty commented that audit firms who work with agencies for a number of years typically rotate principal auditors to reduce the level of familiarity between the agency and the auditor. Mr. Lou confirmed this was the case for DERWA's audit.

Motion by Director Duarte, Second by Director Coleman, to approve the Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2017 and 2016. Motion carried (4-0) by the following vote:

AYES: Duarte, Coleman, Howard, Mellon

NOES:

9. MANAGER'S REPORTS

A. Capital Projects Update – Phase 2 Recycled Water Treatment Plant Expansion Project

Authority Manager Tognolini introduced DSRSD Associate Civil Engineer and DERWA project manager Robyn Mutoke who gave a presentation of the impressive progress of the expansion project at the DSRSD Regional Wastewater Treatment Plant in Pleasanton. She reported that most of the civil work is done, with electrical and mechanical installations to be done next, and project completion targeted for summer 2018. Shoring was constructed in March to protect the construction area and to allow continued use of holding basin #4, followed by the construction of the foundation, and then the walls in July. So far, inclement weather has affected only the access ramp in the holding tank. She explained the new Actiflo facility will have 10 more UV modules that can be inserted and removed by a small crane affixed within the facility. The contractors are doing an excellent job and work well with staff. Despite multiple construction projects, the plant has remained fully functional, and DSRSD operations staff processed every drop of water available on the hottest days. RFI's (requests for information) from the contractor have been relatively low to date, which speaks well of the project design. The Board expressed its admiration for the project's progress and thanked Ms. Mutoke for her presentation. Additionally, Chair Mellon shared EBMUD's experience with GSE, the contractor building Digester #4, cautioning DSRSD about undue pressure by the union regarding work for carpenters and plumbers. He encouraged staff to use DERWA Boardmembers as resources if they encounter challenges in this respect.

B. Supplemental Supply Update

Authority Manager Tognolini reported that DERWA anticipated having insufficient supply this year, and came close to realizing that this summer. DERWA recycled every drop of water, but fortunately did not have to supplement with much potable water. With new customers coming online for recycled water, DERWA is subject to periods without enough supply to meet the growing demand. The top option to increase supply is to work with Central Contra Costa County Water District (Central San) to divert wastewater flows from San Ramon to the DSRSD collection system. Staff has been working closely with Central San to negotiate an agreement. DERWA would like to initially obtain 1.5 million gallons of flow a day, however Central San is not willing to offer its flow as a permanent supply solution due to concerns for potential negative impacts to infrastructure. A short-term arrangement could possibly be realized by summer of 2019. Other potential supply options include obtaining wastewater flow from Livermore, and pumping groundwater from San Ramon. The Tri-Valley potable reuse study, concluding in December, will provide a framework for the direction of recycled water in the Valley, which may present other long-term alternatives. Staff is hopeful that an agreement with Central San can be presented to the Board in 2018.

The Board agreed a short-term strategy (5 to 10 years) with Central San is desirable and could

potentially lead to a longer-term agreement, or allow DERWA time to determine another longer-term solution. Director Coleman offered his assistance to support staff by reaching out to Central San Boardmembers, if desired.

C. 2017 Operations Update

Authority Manager Tognolini reported 2017 has been a record year, setting records daily from April through early November, with peak recycled water deliveries at close to 9 MGD (million gallons per day) over a seven-day average, the peak day being nearly 10 MGD. In comparison, 2015's seven-day average was 5 to 6 MGD. DERWA has seen a dramatic increase due to City of Pleasanton becoming a customer, and DSRSD's and EBMUD's expanded recycled water programs. He acknowledged DSRSD's operations team's excellent accomplishments adjusting to and handling the new operational challenges brought on with serving Pleasanton, and for taking advantage of customer use patterns to better manage water storage and accomplish other activities on low demand days (Saturdays) for use on peak demand days (typically Mondays). In early September, DERWA alerted large customers (golf courses, large parks, Pleasanton, etc.) to be mindful of use, but supply proved adequate with no need to supplement with potable water from Pleasanton. From January through first week of November, 1.5 billion gallons (4,800 acre-feet) of recycled water was produced, and only 18 million gallons of potable water (about 1% of recycled water delivered) was augmented by Pleasanton.

Chair Mellon requested staff draft a summary report on recycled water production to share with the Boardmembers' respective agencies. Mr. Tognolini agreed to complete and send such a report to the Board. Director Coleman stated DERWA's recycled water service was a tremendous accomplishment by staff and suggested a joint press release be drafted by DSRSD and EBMUD. Mr. Tognolini agreed to speak with staff about best timing for a press release.

D. Cancel Next Board Meeting – December 25, 2017

The Board agreed to cancel the December 25 Board meeting. The next Regular Board meeting will be February 5, 2018 per the new Board meeting schedule approved this evening. The Board requested Mr. Tognolini send the new Board meeting schedule to administrative staff at EBMUD.

10. BOARDMEMBER ITEMS – None

11. ADJOURNMENT

Motion by Director Duarte, Second by Vice Chair Howard, to adjourn the meeting. Motion carried (4-0) by the following vote:

AYES: Duarte, Howard, Coleman, Mellon
NOES:

Chair Frank Mellon adjourned the meeting at 6:54 p.m. He wished everyone happy holidays and thanked the agencies for a great, long-standing relationship.

Submitted by,

Nicole M. Genzale
Authority Secretary

Item 8.A

DERWA Summary & Recommendation

November 30, 2017 Treasurer's Report December 31, 2017 Treasurer's Report

Summary:

Attached are the Treasurer's Reports for the months ending November 30, and December 31, 2017, submitted by Treasurer Richard Lou.

Recommendation:

The Treasurer recommends the DERWA Board of Directors approve, by Motion, the Treasurer's Reports for the months November 30, and December 31, 2017.

February 5, 2018

Attachments

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR NOVEMBER 30, 2017**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending November 30, 2017. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$660,227 in agency reimbursements were received. Also payments of \$130,254 were received from the City of Pleasanton.

Expenses: Current monthly expenditures were \$4,075,151. Fiscal year-to-date expenditures for FY18 total \$6,476,328 of which \$839,092 were operating expenses, and \$5,637,236 were capital expenditures. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY18.

Cash: The cash balance at November 30, 2017 was (\$3,000,441).

Submitted by:



Richard Lou
Treasurer

Dated: December 4, 2017

Prepared by DL (D. Gulseth)
Reviewed by LF (L. Fan)
Reviewed by SK (S. Klein)

DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED NOVEMBER 30, 2017

CAPITAL - PROJECT	Program Budget @ FY 2018	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
Pipeline Reach 1	0	7,560,517	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	0	4,558,120	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	0	2,286,003	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	0	1,614,959	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	0	1,430,991	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	0	6,759,869	0	0	6,759,869	430,784	6,329,085
Treatment Plant	0	15,732,794	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	0	8,563,294	0	0	8,563,294	6,776,648	1,786,646
Water Tanks	0	12,393,483	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	0	3,462,938	0	0	3,462,938	0	3,462,938
Backbone Corrosion	0	1,109,004	0	0	1,109,004	122,302	986,702
SCADA	233,000	15,410	0	326,316	341,726	194,784	146,942
EBMUD Pipeline Phase 2, 3 & 4	0	602,193	0	0	602,193	0	602,193
Fine Screening	0	927,811	0	0	927,811	528,852	398,959
New/Replacement Capital <50K	150,000	253,947	0	0	253,947	144,750	109,197
MF/UV Control Programing Update	0	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	410,000	5,491,623	0	0	5,491,623	2,696,685	2,794,938
Planning Prior Years	0	3,665,330	0	0	3,665,330	1,796,012	1,869,318
Permanent Suppl. Supply	105,000	347,149	0	5,161	352,310	204,339	147,971
PSR-1 VFD Replacement	0	0	0	0	0	0	0
RSR200B Hypo Feed	0	0	0	0	0	0	0
MF Membrane Replace	700,000	1,000	0	642,607	643,607	308,931	334,676
LVAMWA Connection	0	0	0	0	0	0	0
6th RWTP Sand Filter	0	255	0	0	255	27	228
DWR IRWM- Prop 84 Rd 3 Drought Project	0	16,432	0	0	16,432	8,216	8,216
PSR1 /Recy. Water Treatment Expansion	9,383,000	4,992,198	2,803,342	3,400,718	8,392,916	331	8,392,585
Pleasanton Capital Billing/Contingency	0	2,187,689	1,036,853	1,262,434	3,450,123	0	3,450,123
Capitalized Interest	0	1,960,872	0	0	1,960,872	960,827	1,000,045
Total Capital Impr. Proj. Element	10,981,000	86,078,247	3,840,195	5,637,236	91,715,483	40,975,440	50,740,043

OPERATING - ITEM	Budget FY 18	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	234,383	2,907,276	8,830	48,710	2,955,986	2,111,881	844,105
Treasurer	44,250	2,713,822	621	15,268	2,729,090	2,046,817	682,273
Legal Counsel	9,000	425,624	1,705	3,120	428,744	321,558	107,186
Secretary	2,550	200,347	300	2,252	202,599	151,949	50,650
Other	105,000	1,175,647	0	96,705	1,272,352	954,264	318,088
Operation and Maintenance Detail	2,024,372	13,993,406	223,500	673,037	14,666,443	11,342,106	3,324,337
Debt Service	1,645,513	20,383,542	0	0	20,383,542	10,952,080	9,431,462
Total Operating Program Element	4,065,068	41,799,664	234,956	839,092	42,638,756	27,880,655	14,758,101

PROJECT TOTALS	15,046,068	127,877,911	4,075,151	6,476,328	134,354,239	68,856,095	65,498,144
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	580,835	3,353,587
Agency Reimbursements - EBMUD	79,392	1,658,021
Commercial Paper Issued	0	0
Pleasanton payments	130,254	309,717
Interest / Contracts	0	(24)
Misc Income	0	0
TOTAL REVENUES & FUNDING	790,481	5,321,301


CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	284,229	182,804
Beg. Balance Accrual Adj	0	(2,028,218)
Rounding	0	0
Total Revenues & Funding	790,481	5,321,301
Total Expenditures	(4,075,151)	(6,476,328)
Ending Cash	(3,000,441)	(3,000,441)


Prepared by D. Gulseth Date: 11-30-17
Reviewed by Jana Gulseth Date: 11/30/17
Approved by Scott Klein Date: 11/30/17


[illegible]

	Operating	Capital	CK-OP
O	223,501.50	0.00	223,501.50
O	299.50	0.00	299.50
C	0.00	249,682.91	0.00
C	0.00	249,682.91	0.00
C	0.00	425,385.69	0.00
O	1,100.10	0.00	1,100.10
O	154.40	0.00	154.40
O	5,937.50	0.00	5,937.50
O	827.50	0.00	827.50
O	1,704.00	0.00	1,704.00
O	621.00	0.00	621.00
O	772.00	0.00	772.00
C	0.00	787,169.77	0.00
C	0.00	787,169.77	0.00
D	0.00	1,341,104.05	0.00
	38.15	0.00	38.15
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	234,955.65	3,840,195.10	234,955.65

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by 
Dana Gulseth

Reviewed by 
Lawrence Fan

Approved by 
Scott Klein

Date: 11-30-17
Date: 11/30/17
Date: 11/30/17

DERWA CASH REPORT

Cash Balance as of 10/31/17 284,228.97 Reconciled to DERWA TR

Add member agency's contribution:

DSRSD Contribution			
EBMUD Contribution			
Agency Reimbursements - DSRSD	11/20/2017	580,834.95	EBM-DEO-00318
Agency Reimbursements - EBMUD	11/1/2017	79,391.73	EBM-DEO-00314
City of Pleasanton Payments	11/6,11/20	130,254.16	EBM-DEO-00313,316
Interest Income			
Other Reimbursements- Misc			

Less invoice payments:

DSRSD	11/3/2017	(924,751.51)
DSRSD	11/3/2017	(223,801.00)
Office Team	11/3/2017	(1,100.10)
Office Team	11/9/2017	(154.40)
James Bewley	11/17/2017	(5,937.50)
ICF International	11/17/2017	(827.50)
Bold, Polisner, Maddow, Nelson, & Judson	11/17/2017	(1,704.00)
Maze & Associates	11/22/2017	(621.00)
Office Team	11/22/2017	(772.00)
DSRSD	11/22/2017	(2,915,443.59)
Sue Montague	11/22/2017	(38.15)

Cash Balance as of 11/30/17 (3,000,440.94)

Rounding (0.06)

Cash Balance 11/30/17 (3,000,441.00)

Prepared by Dana Gulseth
 Reviewed by Lawrence Far
 Approved by Scott Klein

Date 11-30-17
 Date 11/30/17
 Date 11/30/17

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR DECEMBER 31, 2017**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending December 31, 2017. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$3,372,834 in agency reimbursements were received. Also payments of \$40,352 were received from the City of Pleasanton.

Expenses: Current monthly expenditures were \$1,564,299. Fiscal year-to-date expenditures for FY18 total \$8,040,627 of which \$1,193,155 were operating expenses, and \$6,847,472 were capital expenditures. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY18.

Cash: The cash balance at December 31, 2017 was (\$1,151,554).

Submitted by:

Richard Lou
Treasurer

Dated: January 8, 2018

Prepared by DM (D. Gulseth)
Reviewed by LF (L. Fan)
Reviewed by OK (S. Klein)

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2017**

CAPITAL - PROJECT	Program Budget @ FY 2018	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
Pipeline Reach 1	0	7,560,517	0	0	7,560,517	4,383,920	3,176,597
Pipeline Reach 2	0	4,558,120	0	0	4,558,120	3,882,264	675,856
Pipeline Reach 3	0	2,286,003	0	0	2,286,003	1,719,204	566,799
Pipeline Reach 4	0	1,614,959	0	0	1,614,959	363,685	1,251,274
Pipeline Reach 5	0	1,430,991	0	0	1,430,991	200,195	1,230,796
Pipeline Reach 6	0	6,759,869	0	0	6,759,869	430,784	6,329,085
Treatment Plant	0	15,732,794	0	0	15,732,794	8,948,843	6,783,951
Pump Stations	0	8,563,294	0	0	8,563,294	6,776,648	1,786,646
Water Tanks	0	12,393,483	0	0	12,393,483	7,221,552	5,171,931
Phase 2 Pipeline & Pump Station	0	3,462,938	0	0	3,462,938	0	3,462,938
Backbone Corrosion	0	1,109,004	0	0	1,109,004	122,302	986,702
SCADA	233,000	15,410	0	326,316	341,726	194,784	146,942
EBMUD Pipeline Phase 2, 3 & 4	0	602,193	0	0	602,193	0	602,193
Fine Screening	0	927,811	0	0	927,811	528,852	398,959
New/Replacement Capital <50K	150,000	253,947	0	0	253,947	144,750	109,197
MF/UV Control Programing Update	0	144,366	0	0	144,366	82,289	62,077
Program Planning & Air Relief	410,000	5,491,623	0	0	5,491,623	2,696,685	2,794,938
Planning Prior Years	0	3,665,330	0	0	3,665,330	1,796,012	1,869,318
Permanent Suppl. Supply	105,000	347,149	0	5,161	352,310	204,339	147,971
PSR-1 VFD Replacement	0	0	0	0	0	0	0
RSR200B Hypo Feed	0	0	0	0	0	0	0
MF Membrane Replace	700,000	1,000	55,227	697,833	698,833	335,440	363,393
LVAMWA Connection	0	0	0	0	0	0	0
6th RWTP Sand Filter	0	255	0	0	255	27	228
DWR IRWM- Prop 84 Rd 3 Drought Project	0	16,432	0	0	16,432	8,216	8,216
PSR1 /Recy. Water Treatment Expansion	9,383,000	4,992,198	1,155,010	4,555,728	9,547,926	331	9,547,595
Pleasanton Capital Billing/Contingency	0	2,187,689	0	1,262,434	3,450,123	0	3,450,123
Capitalized Interest	0	1,960,872	0	0	1,960,872	960,827	1,000,045
Total Capital Impr. Proj. Element	10,981,000	86,078,247	1,210,237	6,847,472	92,925,719	41,001,949	51,923,770

OPERATING - ITEM	Budget FY 18	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	234,383	2,907,276	25,229	73,938	2,981,214	2,130,530	850,684
Treasurer	44,250	2,713,822	4,563	19,832	2,733,654	2,050,240	683,414
Legal Counsel	9,000	425,624	1,091	4,211	429,835	322,376	107,459
Secretary	2,550	200,347	2,215	4,467	204,814	153,610	51,204
Other	105,000	1,175,647	0	96,705	1,272,352	954,264	318,088
Operation and Maintenance Detail	2,024,372	13,993,406	320,965	994,002	14,987,408	11,582,830	3,404,578
Debt Service	1,645,513	20,383,542	0	0	20,383,542	10,952,080	9,431,462
Total Operating Program Element	4,065,068	41,799,664	354,062	1,193,155	42,992,819	28,145,930	14,846,889

PROJECT TOTALS	15,046,068	127,877,911	1,564,299	8,040,627	135,918,538	69,147,879	66,770,659
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution	0	0
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	1,942,566	3,438,056
Agency Reimbursements - EBMUD	1,430,268	1,571,184
Commercial Paper Issued	0	0
Pleasanton payments	40,352	350,068
Interest / Contracts	0	(24)
Misc Income	0	0
TOTAL REVENUES & FUNDING	3,413,185	5,359,285

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	(3,000,441)	182,804
Beg. Balance Accrual Adj	0	1,346,984
Rounding	0	0
Total Revenues & Funding	3,413,185	5,359,286
Total Expenditures	(1,564,299)	(8,040,627)
Ending Cash	(1,151,555)	(1,151,554)

Prepared by D. Gulseth Date: 1-4-18
Reviewed by Dana Gulseth Date: 1/4/18
Approved by Lawrence Fan Date: 1/4/18
Scott Klein

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount
12/01/17	2505773	EBMUD	Op- Trea- Cost Acct(75/25)	3,297.94	2,473.45	824.49
12/01/17	2505773	EBMUD	Op-Prg Manager(75/25)	7,167.81	5,375.86	1,791.95
12/01/17	2505773	EBMUD	Op- Trea-Salary(75/25)	1,266.45	949.84	316.61
12/01/17	2505773	EBMUD	Op-Prg Manager-Staff (75/25)	8,999.77	6,749.83	2,249.94
12/01/17	2505920	Office Team	Op-Prg Manager-Staff (75/25)	617.60	463.20	154.40
12/01/17	2506039	WaterReuse	Op-Prg Manager-Other(75/25)	695.50	521.63	173.87
12/01/17	2505920	Office Team	Op-Prg Manager-Staff (75/25)	810.60	607.95	202.65
12/01/17	2505788	Federal Express	Op-Prg Manager-Other(75/25)	184.76	138.57	46.19
12/08/17	2506350	Office Team	Op-Prg Manager-Staff (75/25)	675.50	506.62	168.88
12/08/17	2506171	James Bewley	Op-Prg Manager- Consulting(75/25)	2,897.50	2,173.12	724.38
12/15/17	2506590	Bold, Polisner, et al	Op-Legal (75/25)	1,090.70	818.02	272.68
12/15/17	2506639	DSRSD- membrane replacement	Cap-Membrane (Pleasanton Billing-16%)	9,277.57		
12/15/17	2506639	DSRSD- membrane replacement	Cap-Membrane (DSRSD 48%)	27,832.71	27,832.71	
12/15/17	2506639	DSRSD- membrane replacement	Cap-Membrane(EBMUD 36%)	20,874.54		20,874.54
12/15/17	2506639	DSRSD-Operating	Op-Secretary (75/25)	737.77	553.33	184.44
12/15/17	2506639	DSRSD-Operating	Op-Operating (75/25)	209,124.52	156,843.39	52,281.13
12/15/17	2506687	ICF- Jones & Stokes	Op-Prg Mgr-Public Info (49/51)	860.00	437.97	422.03
12/15/17	2506759	Office Team	Op-Prg Manager-Staff (75/25)	887.80	665.85	221.95
12/15/17	2506652	Federal Express	Op-Prg Manager-Other(75/25)	17.14	12.86	4.29
12/22/17	2507143	Office Team	Op-Prg Manager-Staff (75/25)	810.60	607.95	202.65
12/29/17	2507518	Office Team	Op-Prg Manager-Staff (75/25)	617.60	463.20	154.40
12/29/17		DSRSD- Recycled Water	Cap-RWP(Pleasanton Billing-(27%))	311,852.78		
12/29/17	2507407	DSRSD- Recycled Water	Cap-RWP(EBMUD-(27%))	311,852.78		311,852.78
12/29/17	2507407	DSRSD- Recycled Water	Cap-RWP(DERWA)-46%	531,304.72	531,304.72	
12/29/17	2507407	DSRSD-Operating	Op-Secretary (75/25)	1,461.99	1,096.49	365.50
12/29/17	2507407	DSRSD-Operating	Op-Secr. Expense (75/25)	15.38	11.54	3.85
12/29/17	2507407	DSRSD-Operating	Op-Operating (75/25)	111,839.10	83,879.33	27,959.78
12/29/17	2507407	DSRSD-Capital	Cap-Corrections to DERWA (EBMUD)	(2,758.30)	-	(2,758.30)
12/19/17	REFUND	Federal Express	Op-Prg Manager-Other(75/25)	(14.00)	(10.50)	(3.50)
				1,564,298.83	824,476.91	418,691.57
Certificates of Disb.						
Wk Ending	Amount					
12/11/17	\$	23,040.43				
12/8/17	\$	3,573.00				
12/15/17	\$	270,702.75				
12/22/17	\$	810.60				
12/29/17	\$	1,266,186.05				
12/19/18	\$	(14.00)				
					OP	354,062.03
					CAP	1,210,236.80
				\$ 1,564,298.83		

Date: 1-14-18

Date: _____

Date: _____

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

DERWA CASH REPORT

Cash Balance as of

11/30/17

(3,000,440.94) Reconciled to DERWA TR

Add member agency's contribution:

DSRSD Contribution			
EBMUD Contribution			
Agency Reimbursements - DSRSD	12/11/2017	1,942,565.68	EBM-DEO-00321 & 323
Agency Reimbursements - EBMUD	12/15/2017	1,430,268.06	EBM-DEO-00317,320,322,319
City of Pleasanton Payments	12/18/2018	40,351.71	EBM-DEO-00319
Interest Income			
Other Reimbursements- Misc			

Less invoice payments:

EBMUD	12/1/2017	(20,731.97)
Office Team	12/1/2017	(617.60)
WaterReuse	12/1/2017	(695.50)
Office Team	12/1/2017	(810.60)
Federal Express	12/1/2017	(184.76)
Office Team	12/8/2017	(675.50)
James Bewley	12/8/2017	(2,897.50)
Bold, Polisner, et al	12/15/2017	(1,090.70)
DSRSD-Capital	12/15/2017	(57,984.82)
DSRSD-Operating	12/15/2017	(209,862.29)
ICF Jones & Stokes	12/15/2017	(860.00)
Office Team	12/15/2017	(887.80)
Federal Express	12/15/2017	(17.14)
Office Team	12/22/2017	(810.60)
Office Team	12/29/2017	(617.60)
DSRSD-Capital	12/29/2017	(1,155,010.28)
DSRSD-Operating	12/29/2017	(110,558.17)
Federal Express	12/19 Refund	14.00

Cash Balance as of

12/31/17

(1,151,554.32)

Rounding

(0.68)

Cash Balance 12/31/17

(1,151,555.00)

Prepared by D. Gulseth
 Reviewed by Lawrence Fort
 Approved by Scott Klein

Date 1-4-18
 Date 1/4/18
 Date 1/4/18

Item 8.B

DERWA Summary & Recommendation

Quarterly Investment Report – December 31, 2018

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 December 31, 2017 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 that the DERWA Board of Directors approve, by Motion, the Quarterly Investment Reports for December 31, 2018.

February 5, 2018

MANAGER'S REPORTS

- A. Capital Projects Update— Phase 2 Recycled Water Treatment Plant Expansion Project Update
- B. Supplemental Supply Update
- C. Confirm Next Board Meeting – March 26, 2018

DERWA Information Memorandum

Phase 2 Recycled Water Treatment Plant Expansion Project Update

Discussion

The Phase 2 project will increase the recycled water treatment capacity from 9.7 mgd to 16.2 mgd. The project is adding a ballasted flocculation system (Actiflo Turbo™) to provide pre-treatment for influent. Additional ultraviolet (UV) disinfection modules will be added to the treatment train as part of the project. Pumping capacities for the Tertiary Influent Pump Station (TIPS) and for Pump Station R1 (PSR1) distribution pumping will also be improved.

As of January 22, 2018, mechanical equipment is being installed in the Actiflo structure. Electrical improvements and programming for the operational control systems is underway. A new access ramp is under construction in Holding Basin 4. The UV channels are being modified and readied for installation of the existing and new UV modules.

Startup and testing will commence in March/April 2018, with final commissioning in summer 2018. DSRSD maintained full operations, producing recycled water to meet customer demands throughout project construction in 2017 and will continue to do so in 2018.

Prior to summer peak demands, Heating, ventilation and air-conditioning (HVAC), improvements will be made at Building P (UV connex) and Building N (PSR1 Variable Frequency Drive (VFD) and compressor building). The Phase 2 expansion is adding new heat loads to the treatment plant, but the addition of cooling capacity was not considered in the original project design. One hundred new electronic ballasts which support the added UV modules and lamps are being added to Building P. Two additional VFDs are being installed in Building N for the two new PSR1 pumps. Based on recent HVAC calculations, two new HVAC units are required to support the additional heat loads for Building N. The two new units require new electrical breakers and minor structural support work. There are six existing HVAC units (four units in Building P; two units in Building N) which have been in service since 2006 and have reached the ends of their useful lives (10 years). As noted last summer during 115-degree days, the HVAC plays a critical role in DERWA's ability to produce recycled water with automatic shutdowns on the UV system if the electronic systems are registering very high temperatures.

The HVAC improvements work is estimated to be approximately \$165,000, split between the two installations, Building N cost is \$95,300; and Building P is \$69,700. The work will be assigned to the general contractor under the current expansion project, utilizing the existing construction change order (CO) contingency for the project to accomplish the work. The HVAC work can be completed within the original Phase 2 Water Treatment Plant Expansion project budget.

February 5, 2018