

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

NOTICE OF REGULAR MEETING

TIME: 6:00 p.m.

DATE: Monday, March 26, 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. 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. Approve Minutes of Regular Board Meeting of February 5, 2018
 - B. Treasurer's Reports for January 31, and February 28, 2018
 - C. Approve Task Order No.16 for Fiscal Year 2018-19 for Public Information Services with ICF Jones & Stokes, Inc.
 - D. Approve Resolution No. 18-1 Amendment to DERWA's Conflict of Interest Code and Rescind Resolution No. 96-1
7. BOARD BUSINESS
 - A. Approve and Adopt the Fiscal Year 2018-2019 Capital and Operating Expenditure Budget

Approve
by Motion

Approve by
Resolution

Recommended
Action

8. MANAGER'S REPORTS

- A. Capital Projects – Phase 2 Recycled Water Treatment Plant Expansion Project Update
- B. Supply and Demand Update
- C. Confirm Next Board Meeting – May 21, 2018

9. BOARDMEMBER ITEMS

10. 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.

Item 6.A

DSRSD • EBMUD RECYCLED WATER AUTHORITY (DERWA)

Board of Directors Regular Meeting Minutes Monday, February 5, 2018

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

1. CALL TO ORDER – Chair Mellon called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:03 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 Georgean Vonheeder-Leopold. DERWA Staff present: Mike Tognolini, Authority Manager; Richard Lou, Treasurer; Robert Maddow, Assistant General Counsel; and Nicole Genzale, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT – 6:04 p.m. - None

6. BOARD REORGANIZATION

A. Election of Board Chair

Authority Manager Tognolini reported that a listing of past DERWA officers has been handed out to the Board as it was missing from the agenda packet item.

Motion by Chair Mellon, Second by Director Vonheeder-Leopold to elect Vice Chair Howard as DERWA Board Chair for 2018.

Motion by Director Vonheeder-Leopold, Second by Chair Mellon to close nominations as no other nominations were made. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Coleman, Howard

NOES:

Director Mellon congratulated Chair Howard on his selection.

B. Election of Board Vice Chair

Motion by Director Vonheeder-Leopold, Second by Director Mellon to nominate Director Coleman as DERWA Board Vice Chair for 2018.

Motion by Director Vonheeder-Leopold, Second by Chair Mellon to close nominations as no other nominations were made. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Mellon, Coleman, Howard

NOES:

DRAFT

C. Appointment of Secretary

Motion by Director Mellon, Second by Director Vonheeder-Leopold to appoint Nicole M. Genzale as the continuing DERWA Authority Secretary for 2018. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Coleman, Howard

NOES:

7. APPROVE MINUTES – Special Board Meeting of November 16, 2017

Authority Manager Tognolini reported that a revised set of minutes has been handed out proposing a clarification to Item 9.A.

Motion by Vice Chair Coleman, Second by Director Vonheeder-Leopold to approve the minutes from the Special Meeting of November 16, 2017 with the proposed revision to Item 9.A. Motion carried (4-0) by the following vote:

AYES: Coleman, Vonheeder-Leopold, Mellon, Howard

NOES:

8. CONSENT CALENDAR

A. Treasurer's Reports for November 30, and December 31, 2017

B. Quarterly Investment Reports –December 31, 2017

Vice Chair Coleman inquired as to why DERWA shows \$0.00 in investments. Treasurer Lou explained DERWA is running a deficit due to large capital expenditures.

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

AYES: Coleman, Vonheeder-Leopold, Mellon, Howard

NOES:

9. BOARD BUSINESS - None

10. MANAGER'S REPORT

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

Authority Manager Tognolini reviewed the item for the Board. He noted the project is progressing well with regards to budget and schedule. Substantial completion is expected in April, followed by testing and final permitting, with operational readiness expected this summer. He noted that heating, ventilation, and air conditioning (HVAC) improvements will be made, via the existing construction change order, to address new heat loads and mitigate treatment limitations. The Board and staff discussed DERWA's preparedness to meet upcoming demand this summer, noting that there were 10 days last summer that saw every drop of water used for recycled water supply, and that potable water supplementation has been key at certain peak times. Mr. Tognolini stated DERWA could request customers

reduce use, explore groundwater opportunities, and switch a few customers to potable supply to meet upcoming demands. Supplemental supply opportunities are still being considered.

- Supplemental Supply Update

Authority Manager Tognolini reported that staff met with Central Contra Costa Sanitary District (Central San) at a recent Board Committee meeting to discuss potential diversion of some of its wastewater to supplement DERWA's recycled water supply. Central San staff recommended that its Board not proceed with considering such a proposal, however, the Committee indicated interest in pursuing a pilot and recommended the matter be considered at the Central San Board meeting on March 1. The Board and staff then discussed DERWA representation at that meeting to show support for the proposal. DSRSD will also hold a liaison meeting with Central San March 6 to discuss this possible coordination effort.

Authority Manager Tognolini presented outgoing Chair Mellon with a DERWA journal as thanks for his service as DERWA Chair 2017.

- Confirm Next Meeting Date – March 26, 2018

The Board confirmed the next meeting will be held as scheduled on March 26, 2018.

11. BOARDMEMBER ITEMS

The Boardmembers expressed their hope for more rain.

12. ADJOURNMENT

Chair Howard adjourned the meeting at 6:19 p.m.

Submitted by,

Nicole M. Genzale, CMC
Authority Secretary

Item 6.B

DERWA
Summary & Recommendation
January 31, 2018 Treasurer's Report
February 28, 2018 Treasurer's Report

Summary:

Attached are the Treasurer's Reports for the months ending January 31, 2018 and February 28, 2018 submitted by Treasurer Richard Lou.

Recommendation:

The Treasurer recommends the DERWA Board of Directors approve, by Motion, the Treasurer's Reports for the months January 31, 2018 and February 28, 2018.

March 26, 2018

Attachments

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR JANUARY 31, 2018**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending January 31, 2018. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, no agency reimbursements or other revenues were received.

Expenses: Current monthly expenditures were \$27,951. Fiscal year-to-date expenditures for FY18 total \$8,068,579 of which \$1,219,480 was operating expenses and \$6,849,099 was 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 January 31, 2018 was (\$1,179,506).

Submitted by:



Richard Lou
Treasurer

Dated: February 8, 2018

Prepared by  (M. Alvarez)
Reviewed by  (L. Fan)
Reviewed by  (S. Klein)

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED JANUARY 31, 2018**

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	1,627	6,788	353,937	205,283	148,654
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	697,833	698,833	335,440	363,393
LVAWMA 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	0	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	1,627	6,849,099	92,927,346	41,002,893	51,924,453

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	20,856	94,793	3,002,069	2,146,075	855,995
Treasurer	44,250	2,713,822	5,276	25,110	2,738,932	2,054,198	684,734
Legal Counsel	9,000	425,624	192	4,403	430,027	322,520	107,507
Secretary	2,550	200,347	0	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	0	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	26,324	1,219,480	43,019,144	28,165,577	14,853,568

PROJECT TOTALS	15,046,068	127,877,911	27,951	8,068,579	135,946,490	69,168,470	66,778,021
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	0	3,438,056
Agency Reimbursements - EBMUD	0	1,571,184
Commercial Paper Issued	0	0
Pleasanton payments	0	350,068
Interest / Contracts	0	(24)
Misc Income	0	0
TOTAL REVENUES & FUNDING	0	5,359,285

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	(1,151,555)	182,804
Beg. Balance Accrual Adj	0	1,346,984
Rounding	0	0
Total Revenues & Funding	0	5,359,286
Total Expenditures	(27,951)	(8,068,579)
Ending Cash	(1,179,506)	(1,179,506)

Prepared by MA Date: 2-9-18
 Reviewed by Manuel Alvarez Jr. Date: 2/9/18
 Approved by Lawrence Fan Date: 2/9
 Scott Klein

DERWA CASH REPORT

Cash Balance as of 12/31/17 (1,151,554.32) Reconciled to DERWA TR

Add member agency's contribution:

DSRSD Contribution
 EBMUD Contribution
 Agency Reimbursements - DSRSD
 Agency Reimbursements - EBMUD
 City of Pleasanton Payments
 Interest Income
 Other Reimbursements- Misc

Less invoice payments:

Office Team	1/12/2018	(694.80)
Bold, Polisner, et al	1/12/2018	(192.00)
Office Team	1/19/2018	(692.58)
EBMUD	1/26/2018	(25,166.68)
Office Team	1/26/2018	(658.32)
ICF Jones & Stokes	1/26/2018	(372.50)
Mike Tognolini	1/26/2018	(174.50)

Cash Balance as of	01/31/18	<u>(1,179,505.70)</u>
	Rounding	(0.30)
	Cash Balance 01/31/18	<u>(1,179,506.00)</u>

Prepared by MA
 Manuel Alvarez Jr.
 Reviewed by LF
 Lawrence Fan
 Approved by SK
 Scott Klein

Date 2-6-18
 Date 2/7/18
 Date 2/9/18

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR February 28, 2018**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending February 28, 2018. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$1,245,927 in agency reimbursements was received. Also payments of \$15,768 was received from the City of Pleasanton

Expenses: Current monthly expenditures were \$1,241,236. Fiscal year-to-date expenditures for FY18 total \$9,309,815 of which \$1,394,920 was operating expenses and \$7,914,895 was 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 February 28, 2018 was (\$1,199,399).

Submitted by:



Richard Lou
Treasurer

Dated: March 8, 2018

Prepared by WA (M. Alvarez)
Reviewed by LF (L. Fan)
Reviewed by SK (S. Klein)

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED FEBRUARY 28, 2018**

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	6,788	353,937	205,283	148,654
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	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	1,065,796	5,621,524	10,613,722	331	10,613,391
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	1,065,796	7,914,895	93,993,142	41,002,893	52,990,249

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	4,667	99,461	3,006,738	2,149,576	857,161
Treasurer	44,250	2,713,822	0	25,110	2,738,932	2,054,198	684,734
Legal Counsel	9,000	425,624	600	5,003	430,627	322,970	107,657
Secretary	2,550	200,347	301	4,769	205,116	153,837	51,279
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	169,872	1,163,872	15,157,278	11,710,233	3,447,045
Debt Service	1,645,513	20,383,542	0	0	20,383,542	10,952,080	9,431,463
Total Operating Program Element	4,065,068	41,799,664	175,440	1,394,920	43,194,585	28,297,158	14,897,427

PROJECT TOTALS	15,046,068	127,877,911	1,241,236	9,309,815	137,187,727	69,300,051	67,887,676
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	824,477	4,262,533
Agency Reimbursements - EBMUD	421,450	1,952,282
Commercial Paper Issued	0	0
Pleasanton payments	15,768	365,837
Interest / Contracts	0	(24)
Misc Income	0	0
TOTAL REVENUES & FUNDING	1,261,695	6,580,628

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	(1,219,858)	182,804
Beg. Balance Accrual Adj	0	1,346,984
Rounding	0	0
Total Revenues & Funding	1,261,695	6,580,628
Total Expenditures	(1,241,236)	(9,309,815)
Ending Cash	(1,199,399)	(1,199,399)

Prepared by *[Signature]* Date: 3-6-18
Reviewed by *[Signature]* Date: 3/6/18
Approved by *[Signature]* Date: 3/6
Scott Klein

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
SUMMARY OF EXPENDITURES
FOR THE PERIOD ENDED
FEBRUARY 28, 2018**

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount	Operating	Capital	CK-OP	
02/02/18	2509370	Office Team	Op-Prg Manager-Staff (75/25)	946.34	709.76	236.59	○	946.34	0.00	946.34
02/02/18	2509261	DSRSD-Capital	Cap-DSRSD Inv RWTP (D-portion 46%)	490,266.01	490,266.01	-	○	0.00	490,266.01	0.00
02/02/18	2509261	DSRSD-Capital	Cap-DSRSD Inv RWTP (E-portion 27%)	287,764.84	-	287,764.84	○	0.00	287,764.84	0.00
02/02/18	2509261	DSRSD-Capital	Cap-DSRSD Inv RWTP (Pleasanton27%)	287,764.84	-	-	○	0.00	287,764.84	0.00
02/09/18	2509676	DSRSD-Operating	Op-Secretary (75/25)	300.73	225.55	75.18	○	300.73	0.00	300.73
02/09/18	2509676	DSRSD-Operating	Op-Secr. Expense (75/25)	0.46	0.35	0.12	○	0.46	0.00	0.46
02/09/18	2509676	DSRSD-Operating	Op-Operating (75/25)	169,871.53	127,403.65	42,467.88	○	169,871.53	0.00	169,871.53
02/09/18	2509813	Office Team	Op-Prg Manager-Staff (75/25)	1,028.63	771.47	257.16	○	1,028.63	0.00	1,028.63
02/06/18	2509547	Michael Tognolini	Op-Program Manager Exp (75/25)	239.40	179.55	59.85	○	239.40	0.00	239.40
02/16/18	2510016	Bold, Polisner, Maddow, Nelson & Judson	Op-Prg Manager-Staff (75/25)	600.00	450.00	150.00	○	600.00	0.00	600.00
02/16/18	2510183	Office Team	Op-Prg Manager-Staff (75/25)	1,152.06	864.05	288.02	○	1,152.06	0.00	1,152.06
02/16/18	2510244	Sue Monatague	Op-Prgm Mgr Expenses (75/25)	107.84	80.88	26.96	○	107.84	0.00	107.84
02/23/18	2510183	Office Team	Op-Prg Manager-Staff (75/25)	1,193.21	894.91	298.30	○	1,193.21	0.00	1,193.21
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				1,241,235.89	621,846.16	331,624.89		175,440.20	1,065,795.69	175,440.20

Certificates of Disb.	
Wk Ending	Amount
2/2/18	\$1,066,742.03
2/9/18	\$ 171,440.75
2/16/18	\$ 1,859.90
2/23/18	\$ 1,193.21
	\$ 1,241,235.89

Pleasanton- 287,764.84

OP 175,440.20

CAP 1,065,795.69

0.00 Reconciled

0.00 Reconciled

0.00 Reconciled

Prepared by Date: 3-6-18

Reviewed by Date: 3/6/18

Approved by Date: 3/6/18

DERWA CASH REPORT

Cash Balance as of 01/31/18 (1,219,857.41) Reconciled to DERWA TR

Add member agency's contribution:

DSRSD Contribution		
EBMUD Contribution		
Agency Reimbursements - DSRSD	2/5/2018	824,476.91
Agency Reimbursements - EBMUD	2/2/2018	421,449.87
City of Pleasanton Payments	2/5/2018	15,768.33
Interest Income		
Other Reimbursements- Misc		

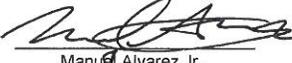
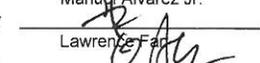
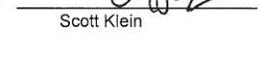
Less invoice payments:

Office Team	2/2/2018	(946.34)
DSRSD-Capital	2/2/2018	(1,065,795.69)
DSRSD	2/9/2018	(170,172.72)
Office Team	2/9/2018	(1,028.63)
Mike Tognilini	2/6/2018	(239.40)
Bold, Polisner, Maddow, Nelson & Judson	2/16/2018	(600.00)
Office Team	2/16/2018	(1,152.06)
Sue Montague	2/16/2018	(107.84)
Office Team	2/23/2018	(1,193.21)

Cash Balance as of 02/28/18 (1,199,398.19)

Rounding (0.81)

Cash Balance 02/28/18 (1,199,399.00)

Prepared by <u></u>	Date <u>3-6-18</u>
Reviewed by <u></u>	Date <u>3/6/18</u>
Approved by <u></u>	Date <u>3/6/18</u>

Item 6.C

DERWA Summary & Recommendation

Approve Task Order No. 16 for Fiscal Year 2018-19 for Public Information Services with ICF Jones & Stokes, Inc.

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
- Website Maintenance

ICF Jones & Stokes, Inc., has been providing consultant services to the Public Information Program for many years. Proposed Task Order No. 16 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 2018 through June 2019 will be the planning and facilitation of the Annual Communications Roundtable Exercise, the updating of the informational materials used to facilitate smooth communications between the member agencies in both normal and emergency situations, and updating and supporting the maintenance of the San Ramon Valley Recycled Water Program website. The 2017-18 authorized Task Order amount was \$28,530. The estimated cost of the work for Task Order No. 16 is \$31,866. The higher cost reflects the increased amount of time needed to update the website as requested, on a regular basis.

Recommendation:

The Authority Manager recommends the DERWA Board of Directors approve, by Motion, Task Order No. 16 to the August 18, 2008 Professional Services Agreement with ICF Jones & Stokes for the period July 2018 through June 2019 in an amount not to exceed \$31,866.

March 26, 2018

Attachment

**Dublin San Ramon Services District – East Bay Municipal Utility District
Recycled Water Authority (DERWA)
Operations Phase
Public Information / Agency Outreach Program
Draft Scope of Work - Task Order No.16
July 1, 2018 – June 30, 2019**

Task 16. Public Information / Agency Outreach Activities

16.1 Plan and Facilitate the Annual Communications Roundtable Exercise

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.

16.2 Update Informational Materials

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

16.3 Website Maintenance

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

DERWA Summary & Recommendation

Approve Resolution No. 18-1 Amendment to DERWA's Conflict of Interest Code and Rescind Resolution No. 96-1

Summary:

Pursuant to the Political Reform Act (Act), DERWA is required to review its Conflict of Interest Code (COI) every two years. The purpose of the review is to determine if revisions are required to comply with changes to State law and Fair Political Practices Commission (FPPC) regulations. DERWA first adopted Resolution No. 96-1 on January 22, 1996, which adopted a standard COI. DERWA's current COI has been in effect since 2005 without substantive revision. DERWA staff undertook the necessary review process in January 2017 and determined that changes to the COI were warranted and submitted to the FPPC a proposed COI with supporting materials on May 8, 2017. Additional changes were requested by the FPPC during the review process. Notable revisions include:

- Designated filers are now required to submit statements of economic interests via the FPPC electronic filing system (e-Disclosure)
- "Designated Employees" renamed to "Designated Positions" which contains an updated listing of filers
- Disclosure categories broadened to two defined categories for designated positions
- Investment management officials identified as Manager and Treasurer; with filing requirements clarified
- Clarification on Attorney, Manager and Treasurer position staffing
- Out of date and/or redundant information was removed

Pursuant to FPPC regulations, a "Notice of Intention to Amend the Conflict of Interest Code for Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (DERWA)" was provided to affected DERWA filers on November 7, 2017. A required 45-day written comment period was established commencing on November 8, 2017 and concluding on December 22, 2017. In accordance with the regulations, the Notice specified that a public hearing would be held concerning the proposed COI amendment only if an interested person requested such a hearing at least 15 days prior to the close of the written comment period. No interested person requested a public hearing nor were any comments received; therefore, a public hearing on this matter is not required. The FPPC's notice of approval was sent to DERWA staff February 5, 2018.

Recommendation:

The Authority Manager recommends the DERWA Board of Directors approve, by Resolution, the amended Conflict of Interest Code and Appendix as certified by the Fair Political Practices Commission on January 31, 2018, and rescind Resolution No. 96-1.

March 26, 2018

DERWA
RESOLUTION NO. 18-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY (DERWA) ADOPTING AN AMENDED CONFLICT OF INTEREST CODE AND RESCINDING RESOLUTION NO. 96-1

WHEREAS, pursuant to the Political Reform Act of 1974, as amended (Government Code Section 81000, et seq.) and further pursuant to Regulations (2 California Code of Regulations Section 18730) of the Fair Political Practices Commission (“FPPC”), local government agencies are required to adopt and promulgate a Conflict of Interest Code (COI), this Board first adopted Resolution No. 96-1 on January 22, 1996 which adopted through incorporation by reference, a standard COI; and

WHEREAS, a COI was most recently approved by the FPPC in 2005 (2005 COI); and

WHEREAS, the Appendix to the 2005 COI sets forth designated positions subject to the COI and corresponding disclosure categories for each position so designated; and

WHEREAS, the 2005 COI requires amendment to reflect a new electronic filing requirement, clarified designation position listing, broadened disclosure categories, identified investment management officials, staffing clarifications, removal of out of date content, and to make certain other non-substantive changes to the COI; and

WHEREAS, a draft COI for the DSRSD•EBMUD Recycled Water Authority (DERWA) - Amendment and Revisions was submitted to the FPPC on May 8, 2017 for review; and

WHEREAS, following the FPPC’s review and approval of said COI amendments and revisions, a Notice of Intention to Amend the Conflict of Interest Code of the DSRSD•EBMUD Recycled Water Authority (Notice) and, Upon Timely Request, to Hold a Public Hearing (Notice) was filed with the FPPC and circulated to affected DERWA filers on November 7, 2017 with a public comment period open between November 8, 2017 and December 22, 2017; and

WHEREAS, 15 days prior to the close of the written comment period, a public hearing was not required to be held and was not held; and

WHEREAS, following its submission on May 8, 2017 and revision as requested by the FPPC, the draft COI for the DSRSD•EBMUD Recycled Water Authority - Amendment and Revisions was approved by the FPPC on January 31, 2018; and

WHEREAS, this Board desires to approve an amended Conflict of Interest Code in the form of the COI and Appendix to the COI attached hereto, marked Exhibit "A," and by this reference incorporated herein as if fully set forth.

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. The Conflict of Interest Code of the DSRSD•EBMUD Recycled Water Authority, heretofore adopted by this Board and incorporating by reference the Standard Conflict of Interest Code of the Fair Political Practices Commission pursuant to 2 California Code of Regulations Section 18730, is hereby amended by substituting the Conflict of Interest Code and Appendix, attached hereto as Exhibit "A," for and in place of the Conflict of Interest and Appendix heretofore approved and currently in effect, and the Conflict of Interest and Appendix attached hereto are hereby approved.
2. Resolution No. 96-1, and all subsequent resolutions and Board actions adopting a conflict of interest code are hereby rescinded (Exhibit "B").
3. The Authority Manager and the Authority Secretary are each hereby authorized to execute any and all additional documents as may be necessary to submit to the Fair Political Practices Commission the Code and Appendix hereby approved, each in a form approved by General Counsel.
4. This resolution shall be effective upon its adoption and the amendment to the COI approved hereby shall thereupon become effective.

DERWA
Res. No. 18-1

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Public Agency located in the Counties of Alameda and Contra Costa, California, at its Regular Meeting held on the 26th day of March, 2018 and passed by the following vote:

AYES:

NOES:

Dwight "Pat" Howard, DERWA Chair

Attest:

Nicole M. Genzale, Authority Secretary

CONFLICT OF INTEREST CODE FOR
THE DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY (DERWA)

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the regulation may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix A, designating officials and positions, and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (DERWA).

All designated officials and employees must file their statements of economic interests electronically with the Fair Political Practices Commission and will be made available for public inspection and reproduction under Government Code Section 81008.

CONFLICT OF INTEREST CODE FOR
THE DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY (DERWA)

APPENDIX "A"

<u>DESIGNATED POSITIONS</u>	<u>DISCLOSURE CATEGORY</u>
Director	1, 2
Alternate Director	1, 2
Attorney	1, 2
Consultants/New Positions*	

Note: The position of Attorney is a contracted position but acts in a staff capacity.

*Consultants/new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure requirements in this conflict of interest code subject to the following limitation:

The Manager may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments and will file a statement of economic interests pursuant to Government Code Section 87200.

- Manager
- Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been incorrectly categorized. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

Note: The positions of Manager and Treasurer are filled by employees of East Bay Municipal Utility District (EBMUD) who act in a staff capacity for DERWA.

CONFLICT OF INTEREST CODE FOR
THE DUBLIN SAN RAMON SERVICES DISTRICT/
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY (DERWA)

DISCLOSURE CATEGORIES DEFINED

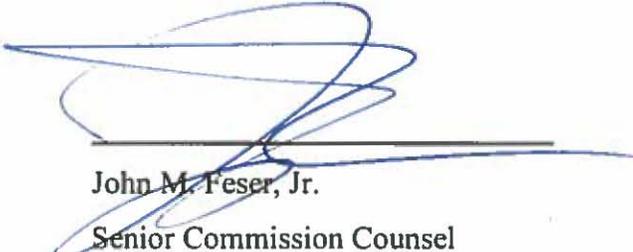
1. All interests in real property located in, or within two miles of, the service area of DERWA's member agencies or located within two miles of any DERWA facility.
2. All investments and business positions in business entities and sources of income, including receipt of gifts, loans and travel payments from sources of the type to contract or supply services to DERWA or its member agencies.

This is the last page of the conflict of interest code for **Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (DERWA)**.



CERTIFICATION OF FPPC APPROVAL

Pursuant to Government Code Section 87303, the conflict of interest code for **Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (DERWA)** was approved on 1/31 2018. This code will become effective on 3/21 2018.



John M. Feser, Jr.

Senior Commission Counsel

Fair Political Practices Commission

DERWA
RESOLUTION NO. 96-1

RESOLUTION ADOPTING, BY REFERENCE, CONFLICT OF INTEREST CODE FOR THE DUBLIN SAN RAMON SERVICES DISTRICT • EAST BAY MUNICIPAL UTILITY DISTRICT RECYCLED WATER AUTHORITY ("DERWA")

WHEREAS, the Political Reform Act of 1974, as amended (Cal. Gov't. Code, Section 81000 et seq.), requires every state or local government agency to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the California Fair Political Practices Commission has by regulation (2 Cal. Code of Regulations Section 18730) adopted a standard model Conflict of Interest Code, which may be adopted by other public agencies by reference, subject to amendment by the Fair Political Practices Commission to conform to amendments to the Political Reform Act; and

WHEREAS, the attached Exhibit "A" provides that the standard model Conflict of Interest Code shall constitute the Conflict of Interest Code of DERWA; and

WHEREAS, the attached Appendix "A" to Exhibit "A" sets forth positions of employment for this agency determined to be "designated positions" and "disclosure categories" for each such position, respectively, which categories establish reportable financial interests for said positions under the Code adopted hereby; and

WHEREAS, this Board considered adoption of said Conflict of Interest Code following public hearing thereon at its meeting on January 22, 1996.

NOW, THEREFORE;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DUBLIN SAN RAMON SERVICES DISTRICT • EAST BAY MUNICIPAL UTILITY DISTRICT RECYCLED WATER AUTHORITY ("DERWA"), AS FOLLOWS:

Res. No. 96-1

1. As set forth in Exhibit "A" hereto, the terms of 2 California Code of Regulations Section 18730 and any amendments thereto duly adopted by the Fair Political Practices Commission, together with the attached Appendix "A", in which officials and employees are designated and their respective disclosure categories are set forth, are hereby adopted and incorporated by reference herein, to constitute the Conflict of Interest Code of DERWA.

2. Pursuant to the provisions of Section 4(B) of the Code adopted hereby, all persons holding designated positions shall file statements of economic interests with the Secretary, DERWA, who shall make and retain a copy and forward the originals to the Fair Political Practices Commission of the State of California.

3. This resolution shall become effective upon its adoption; provided, that the Conflict of Interest Code approved hereby shall become effective on the 30th day following approval of the code by the Fair Political Practices Commission.

ADOPTED by the Board of Directors of DERWA, a public entity, at its regular meeting held on the 22nd day of January 1996, and passed by the following vote:

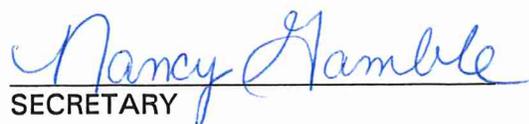
AYES: 3 - Directors Coleman, Jones, Hansen

NOES: 0

ABSENT: 1 - Director Gioia


CHAIRMAN, Board of Directors

ATTEST:


SECRETARY

DERWA Summary & Recommendation

Approve and Adopt the Fiscal Year 2018-2019 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 2017-2018 Budget: The projects in the FY 2018-2019 capital plan can be funded under the existing capital appropriation of \$105.067 million. Capital projects continuing from the FY 2017-2018 budget are Permanent Supplemental Water Supply, New/Replacement Capital <\$50K, PSR1 VFD Replacement, and the Recycled Water Treatment Plant Expansion. There are no new capital projects proposed in the FY 2018-2019 budget.

The FY 2018-2019 proposed operating budget has been increased by \$ 513,613 (12%), with increasing projected recycled water deliveries from 4,234 acre-feet to 4,917 (14%) and increased operating labor to operate the new ACTIFLO treatment process. DSRSD has submitted a budget of \$2.501 million for the operations and maintenance of the DERWA project for FY 2018-2019. Agency contributions plus estimated revenue from water sales to the City of Pleasanton will cover the \$4.669 million budget for the O&M and administrative expenses and debt service payments. The FY 2018-2019 budget for the state loan repayment is \$1.645 million.

Expenditures and Appropriations:

The capital expenditure for FY 2018-2019 is \$1.591 million. The required contribution for operations from the Member Agencies will be based on the actual water sales for FY 2017-2018, currently projected at 73.5% DSRSD and 26.5% EBMUD. The required contributions for the state loan repayment will be based on the allocation of capital facilities at the time of payment.

For DSRSD, the estimated FY 2018-2019 contribution is \$2.641 million for the operating budget and \$0.649 million for the capital budget; for EBMUD the estimated contribution is \$1.478 million for the operating budget and \$0.381 million for the capital budget; for City of Pleasanton the estimated payments for recycled water deliveries are \$0.550 million. An anticipated grant of \$2.5 million from Proposition 1 will be used to offset capital expenditures in FY19.

Table 13 shows the Capital Project expenses and cost sharing in adherence to the adopted Water Sales Agreement.

Funding: The Capital Program has secured \$5 million in grants, \$24.7 million in loans from Proposition 13 funding, and \$14.9 million in federal funding.

Recommendation:

The Authority Manager and Treasurer recommend the DERWA Board of Directors approve, by Resolution, the DERWA Fiscal Year 2018-2019 Budget.

March 26, 2018

Attachments

Report by: RL

Reviewed by: MT

DERWA
RESOLUTION NO. 18-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED
WATER AUTHORITY APPROVING AND ADOPTING THE FISCAL YEAR 2018-2019 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 2018-2019; and presented the proposed budget at the March 26, 2018 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 \$4.669 million is hereby approved and adopted for FY 2018-2019 as presented in "Attachment A".
2. The capital budget appropriation is unchanged and remains at \$105.067 million as presented 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 2018-2019 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 2018-2019 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 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 2018-2019, except those listed in the operating budget, are capital expenditures.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Public Agency located in the Counties of Alameda and Contra Costa, California, at its Regular Meeting held on the 26th day of March 2018, passed by the following vote:

AYES:

NOES:

ABSENT:

Dwight "Pat" Howard, DERWA Chair

ATTEST

Nicole M. Genzale, Authority Secretary

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**DUBLIN SAN RAMON
SERVICES DISTRICT**



**DSRSD-EBMUD RECYCLED WATER
AUTHORITY**

**SAN RAMON VALLEY RECYCLED
WATER PROGRAM**

**Proposed
FISCAL YEAR 2018-19 BUDGET**

March 26, 2018

**DSRSD • EBMUD RECYCLED WATER
AUTHORITY**

**SAN RAMON VALLEY RECYCLED
WATER PROGRAM**

**Proposed
FISCAL YEAR 2018-19 BUDGET**

Presented on March 26, 2018

DERWA FY 2018-19 BUDGET

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DERWA
RESOLUTION NO. 18-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED
WATER AUTHORITY APPROVING AND ADOPTING THE FISCAL YEAR 2018-2019 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 2018-2019; and presented the proposed budget at the March 26, 2018 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 \$4.669 million is hereby approved and adopted for FY 2018-2019 as presented in "Attachment A".
2. The capital budget appropriation is unchanged and remains at \$105.067 million as presented 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 2018-2019 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 2018-2019 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 and between DERWA and the City of Pleasanton, state and federal grants or loans,

DERWA
Res. No. 18-2

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 2018-2019, except those listed in the operating budget, are capital expenditures.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Public Agency located in the Counties of Alameda and Contra Costa, California, at its Regular Meeting held on the 26th day of March 2018, passed by the following vote:

AYES:

NOES:

ABSENT:

Dwight "Pat" Howard, DERWA Chair

ATTEST

Nicole M. Genzale, Authority Secretary

DERWA
Summary & Recommendation

**Approve and Adopt the Fiscal Year 2018-2019 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 2017-2018 Budget: The projects in the FY 2018-2019 capital plan can be funded under the existing capital appropriation of \$105.067 million. Capital projects continuing from the FY 2017-2018 budget are Permanent Supplemental Water Supply, New/Replacement Capital <\$50K, PSR1 VFD Replacement, and the Recycled Water Treatment Plant Expansion. There are no new capital projects proposed in the FY 2018-2019 budget.

The FY 2018-2019 proposed operating budget has been increased by \$ 513,613 (12%), with increasing projected recycled water deliveries from 4,234 acre-feet to 4,917 (14%) and increased operating labor to operate the new ACTIFLO treatment process. DSRSD has submitted a budget of \$2.501 million for the operations and maintenance of the DERWA project for FY 2018-2019. Agency contributions plus estimated revenue from water sales to the City of Pleasanton will cover the \$4.669 million budget for the O&M and administrative expenses and debt service payments. The FY 2018-2019 budget for the state loan repayment is \$1.645 million.

Expenditures and Appropriations:

The capital expenditure for FY 2018-2019 is \$1.591 million. The required contribution for operations from the Member Agencies will be based on the actual water sales for FY 2017-2018, currently projected at 73.5% DSRSD and 26.5% EBMUD. The required contributions for the state loan repayment will be based on the allocation of capital facilities at the time of payment.

For DSRSD, the estimated FY 2018-2019 contribution is \$2.641 million for the operating budget and \$0.649 million for the capital budget; for EBMUD the estimated contribution is \$1.478 million for the operating budget and \$0.381 million for the capital budget; for City of Pleasanton the estimated payments for recycled water deliveries are \$0.550 million. An anticipated grant of \$2.5 million from Proposition 1 will be used to offset capital expenditures in FY19.

Table 13 shows the Capital Project expenses and cost sharing in adherence to the adopted Water Sales Agreement.

Funding: The Capital Program has secured \$5 million in grants, \$24.7 million in loans from Proposition 13 funding, and \$14.9 million in federal funding.

Recommendation:

The Authority Manager and Treasurer recommend the DERWA Board of Directors approve, by Resolution, the DERWA Fiscal Year 2018-2019 Budget.

March 26, 2018

Attachments

Report by: RL

Reviewed by: MT

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DERWA PROGRAM BUDGET FY19

Table 1
Appropriations (\$000's)

	Prior Appr	FY19 Appr
Capital Appropriations	105,067	-
Operating Appropriations	52,602	4,283

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

	Prior Spending	Estimated FY18	Projected FY19	Future	Total
Completed Projects	77,812				77,812
Continuing Projects	3,781	15,566	1,591	2,193	23,131
Capitalized Interest during construction	2,187			13	2,200
Contingency				1,000	1,000
Total	83,780	15,566	1,591	3,206	104,143

Table 3
Operating Budget (\$000's)

		Estimated FY18 Expenses	Budgeted FY18 Expenses	Proposed FY19 Expenses	Difference
Operating Budget		2,452,100	2,509,840	3,023,453	513,613
Debt Service		1,645,513	1,645,513	1,645,513	0
Total		4,097,613	4,155,353	4,668,966	513,613

DERWA PROGRAM BUDGET FY19

Table 4
DERWA FY19 PROJECTED CONTRIBUTION BY AGENCY

(\$000's)

	Estimated FY18	Projected FY19
<i>CAPITAL</i>		
AGENCY CONTRIBUTION		
DSRSD	6,900	649
EBMUD	4,050	381
PLEASANTON CONTR	948	
STATE LOAN/GRANT		2,500
TOTAL CAPITAL	11,898	3,529
<i>OPERATING</i>		
AGENCY CONTRIBUTION*		
DSRSD	2,384	2,641
EBMUD	1,213	1,478
PLEASANTON PAYMENT	500	550
TOTAL OPERATING	4,098	4,669

*Agency contribution are calculated based on O&M costs, administrative costs and debt service costs. For 2019, O&M and administrative costs less payments from Pleasanton are split 73.5% DSRSD/26.5% 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 FY19 OPERATING BUDGET

Table 5

Work Element	FY18 Budget	Estimated FY18 Expenses	Proposed FY19 Budget	Budget Difference
Program Manager	\$ 196,350	\$ 218,800	\$ 213,500	\$ 17,150
Treasurer	38,500	44,200	48,000	9,500
Legal Counsel	18,000	8,000	18,000	0
Secretary	3,620	9,100	9,120	5,500
Other (Insurance)	108,000	97,000	108,000	0
Operations	2,145,370	2,075,000	2,626,833	481,463
Debt Service	1,645,513	1,645,513	1,645,513	0
Total	4,155,353	4,097,613	4,668,966	513,613

DERWA PROGRAM BUDGET FY19

DERWA PROGRAM MANAGER

Table 6

	FY18 Budget	Estimated FY18 Expenses	Proposed FY19 Budget
Authority Manager	\$97,350	\$50,000	\$75,000
Staff	40,100	113,000	95,000
Expenses	1,000	1,000	1,000
DSRSD charges	3,400	0	0
Travel	0	0	0
Office supplies	500	300	500
Other	7,000	4,000	4,000
Public Information	32,000	37,500	38,000
Consultant Support	15,000	13,000	0
Total	\$ 196,350	\$ 218,800	\$ 213,500

DERWA TREASURER DETAIL

Table 7

	FY18 Budget	Estimated FY18 Expenses	Proposed FY19 Budget
Salary	\$4,500	\$8,000	\$8,000
Cost Accounting	30,000	30,000	33,000
Audit	4,000	6,200	7,000
Commerical Paper Fees	-		
TOTAL	38,500	44,200	48,000

DERWA PROGRAM BUDGET FY19

DERWA LEGAL COUNSEL

Table 8

	FY18 Budget	Estimated FY18 Expenses	Proposed FY19 Budget
Contract	\$15,000	\$8,000	\$18,000

DERWA SECRETARY DETAIL

Table 9

	FY18 Budget	Estimated FY18 Expenses	Proposed FY19 Budget
Salary	\$3,500	\$9,000	\$9,000
Expenses	120	100	120
Training	0		
TOTAL	3,620	9,100	9,120

DERWA OTHER DETAIL

Table 10

	FY18 Budget	Estimated FY18 Expenses	Proposed FY19 Budget
Insurance	\$ 108,000	\$ 97,000	\$ 108,000
TOTAL	108,000	97,000	108,000

DERWA PROGRAM BUDGET FY19

DERWA OPERATIONS

Table 11

	FY18 Budget	Estimated FY18 Expenses	Proposed FY19 Budget
Capital Reserve Account	\$125,000	\$125,000	\$125,000
DSRSD Operations	2,020,370	1,950,000	\$2,501,833
TOTAL	2,145,370	2,075,000	2,626,833

DERWA DEBT SERVICE

Table 12

	FY18 Budget	Estimated FY18 Expenses	Proposed FY19 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
Competed 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	927	529	398	
MR/UV Control Upgrade	DSRSD	144	82	62	
EBMUD Distribution	DERWA	602	0	602	
Air Relief	DERWA	40	23	17	
Pump Station Phase 2*	DERWA	3,463	0	3,463	
6th Sand Filter	DSRSD	255	0	0	255
MF Membrane Replace	DSRSD	700	335	251	114
SCADA	DSRSD	341	194	147	
Studies and Predesigns	DERWA	5,746	2,880	2,866	
Program Planning	DERWA	3,585	1,757	1,828	
Completed Projects Subtotal		77,812	39,850	37,593	369
Continuing and New Projects					
New/Replacement Capital <\$50k	DERWA	\$ 1,278	\$ 576	\$ 418	284
PSR1 VFD Replacement	DSRSD	526	310	132	84
Permanent Supplemental Supply	DERWA	2,496	1,448	1,048	
RWTP Expansion	DSRSD	18,831	8,663	5,084	5,084
Contingency	DERWA	1,000	333	333	333
Capitalized Interest	DERWA	2,200	1,184	1,016	
Continuing Projects Subtotal		26,331	12,514	8,031	
TOTAL		\$ 104,143	\$ 52,364	\$ 45,624	\$ 5,785
		100%	50.3%	43.8%	5.6%

*Pump Station Phase 2 only contains DERWA local cost share of Corps of Engineers' Project

DETAILED PROJECT ELEMENT SUMMARIES

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CONTINUING CAPITAL PROJECTS

PERMANENT SUPPLEMENTAL WATER SUPPLY

NEW/REPLACEMENT CAPITAL <\$50K EACH

PSR1 VFD REPLACEMENT

RECYCLED WATER TREATMENT PLAN EXPANSION

NEW CAPITAL PROJECTS FY19

NONE

CAPITAL PROJECTS COMPLETED in FY18

SCADA UPGRADE

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 (CCCSD), 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. In FY 2019, the DERWA will work toward completion of the CCCSD diversion and perform detailed studies of opportunities to use groundwater to meet peak demands.

Lead Agency: DERWA
Project Manager: Michael Tognolini

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)

Supplemental Water Supply

Project	Lead Agency	Activity	Prior Spending	Estimated FY 18	Proposed		Approved Budget
					FY 19	Future	Total
Program	DERWA	Planning	271	50	90	76	487
Planning		Design	7	20	87	136	250
		Property	8	0	0	252	260
		Constructio	23	0	550	506	1,079
		Const. Mgr	0	0	63	97	160
		Admin	3	0	40	87	130
		Other	13	0	0	117	130
		Total	325	70	830	1,271	2,496

Total Project Element Cost: \$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 Tognolini

Cost Sharing:

Planning	42%	DSRSD	31%	EBMUD	27%	Pleasanton
Design	42%	DSRSD	31%	EBMUD	27%	Pleasanton
Property	42%	DSRSD	31%	EBMUD	27%	Pleasanton
Construction	42%	DSRSD	31%	EBMUD	27%	Pleasanton
Const Mgmt	42%	DSRSD	31%	EBMUD	27%	Pleasanton

Grant/Loan Eligible: 0% Design 0% Construction

In Service Date: N/A

(\$000)

New/Replacement Capital <\$50k

Project	Lead Agency	Activity	Prior Spending	Estimated FY 18	Proposed FY 19	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	281	0	75	668	1,024
		Const. Mgmt	0	0	0	0	0
		Admin	0	0	0	23	23
		Other	0	0	0	0	0
		Total	281	0	75	922	1,278

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

Capital Improvement Project Summary

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. The project is being completed as a change order to the Recycled Water Treatment Plant Expansion Project. The cost estimate for installation of replacement drives is \$526,000.

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: **Summer 2018**

(\$000)
Pump Station R1 VFD Replacement

Project	Lead Agency	Activity	Prior Spending	Estimated FY 18	Proposed FY 19	Future	Approved Budget Total
PSR1 VFD Replacement	DSRSD	Planning	0	0	0	0	0
		Design	11	0	0	0	11
		Property	0	0	0	0	0
		Construction	0	325	150	0	475
		Const. Mgr	0	30	10	0	39
		Admin	0	0	0	0	0
		Other	0	0	1	0	1
		Total	11	355	161	0	526

Total Project Element Costs: \$526,000

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. Construction is expected to be complete in 2018 with testing and filter rating continuing into 2019. \$2.5 million in grant funding from the state is anticipated to offset capital costs.

Lead Agency: DSRSD
Project Manager: Robyn Mutobe

Cost Sharing:

Planning	46%	DSRSD	27%	EBMUD	27%	Pleasanton
Design	46%	DSRSD	27%	EBMUD	27%	Pleasanton
Property	46%	DSRSD	27%	EBMUD	27%	Pleasanton
Construction	46%	DSRSD	27%	EBMUD	27%	Pleasanton
Const Mgmt	46%	DSRSD	27%	EBMUD	27%	Pleasanton

Grant/Loan Eligible: 0%__ Design 0%__ Construction

In Service Date: 2018

(\$000)

Recycled Water Treatment Plant Expansion

Project	Lead Agency	Activity	Prior Spending	Estimated FY 18	Proposed FY 19	Future	Approved Budget Total
Recycled Water Treatment Plant Expansion	DSRSD	Planning	17	0	0	0	15
		Design	1745	0	0	0	1,536
		Property	0	0	0	0	0
		Constructio	1287	13117	400	0	13,146
		Const. Mgr	0	1825	75	0	4,004
		Admin	115	200	50	0	130
		Other	0	0	0	0	0
		Total	3164	15142	525	0	18,831

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

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MANAGER'S REPORTS

- A. Capital Projects – Phase 2 Recycled Water Treatment Plant Expansion Project Update
- B. Supply and Demand Update
- C. Confirm Next Board Meeting – May 21, 2018