

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

**Board of Directors Regular Meeting Minutes
Monday, September 26, 2005**

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 6:04 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 Jeffrey Hansen, Director Dan Scannell, and Director John Coleman. DERWA Staff present: Robert Baker, Authority Manager; Richard Lou, Treasurer; Carl P. A. Nelson, Assistant General Counsel; and Sandra Conley, Administrative Technician.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – It was noted that Assistant General Counsel Carl Nelson and Administrative Technician Sandra Conley were performing General Counsel and Authority Secretary duties, respectively, at this meeting.

5. PUBLIC COMMENT – 6:05 p.m. – None received.

6. APPROVE MINUTES – Regular Meeting of *July 25, 2005*

Motion by Director Scannell, Second by Director Coleman to approve the minutes from July 25, 2005. Motion carried (4-0) by the following vote:

AYES: Scannell, Coleman, Hansen, Mellon
NOES: None

7. CONSENT CALENDAR

A. Treasurer's Report – July 31, 2005

B. Treasurer's Report – August 31, 2005

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

AYES: Coleman, Hansen, Scannell, Mellon
NOES: None

8. BOARD BUSINESS

A. Adopt Addendum to the San Ramon Valley Recycled Water Program Environmental Impact Report for the Alternative Location for Pump Station (200A (aka Pump Station 2A)

Motion by Director Scannell, Second by V.C. Hansen adopting Resolution No. 05-10 adopting an Addendum to the San Ramon Valley Recycled Water Program Environmental Impact Report for the Alternative Location for Pump Station R200A (aka Pump Station 2A) Motion carried (4-0) by the following vote:

AYES: Scannell, Hansen, Coleman, Mellon
NOES: None

B. Approve DERWA Purchase Agreement, Including a Temporary Construction Easement and Grant Deed from Sunset Building Company LLC, for the Purchase of Property for Pump Station R200A (aka Pump Station 2A)

Motion by Director Coleman, Second by Director Scannell adopting Resolution No. 05-11 approving DERWA Purchase Agreement, including a Temporary Construction Easement and Grant Deed from Sunset Building Company LLC, for the Purchase of Property for Pump Station R200A (aka Pump Station 2A).

V.C. Hansen asked about the utility installation and other engineering criteria included in the Grant Deed from Sunset to DERWA. Authority Manager Baker confirmed that Sunset's rights outlined in the deed are compatible with the needs of the San Ramon Valley Recycled Water Program (SRVRWP).

V.C. Hansen also commented on the Purchase Agreement signature page that included a signature of acknowledgement by EBMUD. Authority Manager Baker explained that Sunset had requested EBMUD involvement and the signature confirmed their involvement in the transaction.

Motion carried (4-0) by the following vote:

AYES: Coleman, Scannell, Hansen, Mellon
NOES: None

C. Authorize DERWA Boardmembers to Discuss DERWA Closed Session Items with Representatives of Their Respective DERWA Member Agency

Assistant General Counsel Nelson noted an Attorney General Opinion suggested it was not appropriate for information discussed in a Closed Session of a Joint Powers Authority to be disclosed to the Member Agencies. However, if there were financial and legal implications related to Closed Session items under discussion, the Legislature passed a law that provides for a process that is being followed here with a Resolution, to establish a policy that disclosure could take place with certain designated legal representatives and Boardmembers.

Chair Mellon was pleased to see this item on the agenda. He believed that while operating as an independent Board, nonetheless Boardmembers do have a responsibility to their respective constituencies especially when decisions can carry financial as well as long-term regional impacts.

V.C. Hansen questioned whether or not a Member Agency General Manager could be included in the discussion based on the statute language. Assistant General Counsel Nelson did not believe it was the intent of the law to exclude people who had "an official or central role to play" in a Closed Session as implied by the definition of "Closed Session" under the Brown Act. V.C. Hansen agreed.

Motion by V.C. Hansen, Second by Director Scannell adopting Resolution No. 05-12 authorizing DERWA Boardmembers to discuss DERWA Closed Session items with representatives of their respective DERWA Member Agency.

Motion carried (4-0) by the following vote:

AYES: Hansen, Scannell, Coleman, Mellon

NOES: None

9. MONTHLY WORKSHOP

A. Presentation and Discussion: DSRSD/DERWA Operating Budget

Authority Manager Baker stated the DERWA Operations Agreement requires DSRSD to provide a two-year budget for the operation and maintenance of the DERWA Program Facilities by February 1 of every other calendar year. Following consultation with DSRSD about first year expenses, \$250,000 was budgeted for the first few months of operation to give DSRSD time to put together a budget based on more realistic power and chemical demands.

DSRSD Assistant General Manager David Requa explained that to date a realistic operating experience has not been gained because the DERWA facilities are not yet complete. He noted the transmission system is expected to be fully operational by November 15. Operation of the sand filtration system is more unpredictable due to the timing of the Department of Health Services review.

Mr. Requa requested that rather than submitting a budget to the DERWA Board in October, as planned, the \$250,000 operating budget should continue to serve as a placeholder through January 2006. At that time, DSRSD will present to the Board a proposed operating budget through June 30, 2006. As planned, the operating budget for 2006-08 will be presented to the Board in February 2006.

Director Coleman and V.C. Hansen were satisfied with the plan outlined by Mr. Requa. In response to a question from Director Scannell, Mr. Requa believed that based on testing of the sand filtration plant at higher flows for a month or more, DSRSD should have some good numbers to use during budget preparation. Director Scannell and Chair Hansen also agreed with the plan.

10. MANAGER'S REPORT

- DERWA Startup Update (Attachment)
- Contracts Initiated Since the Board Meeting of July 25, 2005 – None
- Property Transfers Executed by the Authority Manager (Attachment)
EBMUD Engineers Linda Hu and Chieh Wang worked on two EBMUD property transfers necessary for startup, one for pipes and appurtenances and the other a licensing agreement for Tank 2.
- Nextel Proposal
The Nextel proposal will not be finalized because the City of San Ramon will not allow placement of the antenna on top of the hill near the tank site.
- Confirm Next Meeting Date
The next DERWA Board meeting is scheduled for October 24, 2005 at 6:00 p.m.

11. BOARDMEMBER ITEMS

Director Coleman stated he was glad to be back even though he had been very busy. Director Scannell indicated he also had been very busy.

12. CLOSED SESSION

Authority Manager Baker asked EBMUD Director of Wastewater Dave Williams, DSRSD General Manager Bert Michalczyk, and Assistant General Counsel Nelson to participate in the Closed Session. He also indicated DERWA General Counsel Robert Maddow would participate in the Closed Session via telephone conference call.

The Board went into Closed Session at 6:22 p.m.

- A. Conference with Legal Counsel—Anticipated Litigation. Significant Exposure to Litigation Pursuant to Government Code Section 54956.9 (b). One Case.
- B. Conference with Real Estate Property Negotiator—Pursuant to Government Code Section 54956.8
Property: Well Site at California High School
Authority Negotiator: Robert A. Baker, Authority Manager
Negotiating Parties: San Ramon Valley Unified School District and DERWA
Under Negotiation: Price and Terms

13. REPORTS FROM CLOSED SESSION

At 7:23 p.m. the Board came out of Closed Session. Chair Mellon announced there was no reportable action.

14 ADJOURNMENT

Chair Mellon adjourned the meeting at 7:24 p.m.

Submitted by,

Sandra J. Conley
Administrative Technician