

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

**Board of Directors Regular Meeting Minutes
Monday, October 26, 2015**

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

1. CALL TO ORDER – Chair Coleman called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:05 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair John Coleman, Vice Chair Ed Duarte, Director Frank Mellon and Director Vonheeder-Leopold. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Robert Maddow, Authority Counsel; and Susan Montague, Recording Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT – None received.

6. BOARD REORGANIZATION

Appointment of Authority Secretary

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

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

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

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

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

8. CONSENT CALENDAR

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

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

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

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

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

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

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

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

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

9. BOARD BUSINESS

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

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

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

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

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

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

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

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

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

AYES: Vonheeder-Leopold, Duarte, Mellon, Coleman

NOES:

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

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

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

AYES: Mellon, Vonheeder-Leopold, Duarte, Coleman

NOES:

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

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

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

AYES: Mellon, Duarte, Vonheeder-Leopold, Coleman

NOES:

10. MANAGER'S REPORTS

- Transition Planning for Authority Manager and Legal Counsel

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

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

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

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

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

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

- Capital Projects Update – Recycled Water Treatment Plant
- Expansion Facilities Plan & Supplemental Water Workshop - Authority Manager Bewley reported that the facilities plan has been prepared for the Phase 2 Recycled Water Treatment Plant expansion. He reviewed the timetable of the addition of the Sixth Sand Filter and the Treatment Plant Expansion projects. He noted that these two projects are now on parallel paths, and that while the Sixth Sand Filter project is on the "fast track," the Treatment Plant Expansion is essential in order to meet projected demands in the necessary timeframe. Ms. Zavadil, Principal Engineer for DSRSD, will send out a Request for Proposals shortly for the design of the treatment plant expansion. He also discussed the Supplemental Water Update Workshop and

the concern of not having enough source water at the treatment plant to support future needs. He mentioned several project studies that have been included in the review, noting that four or five have been identified to deserve further evaluation. Mr. Bewley mentioned possible options such as utilizing exported waste water from Livermore, Pleasanton ground water as a peaking factor, and raw sewage from the Dougherty Valley via Contra Costa Central Sanitary District. He noted that direct potable reuse to ground water is considered the direction recycled water is going in the Tri-Valley but this may take 10 or more years to establish, which would not meet DERWA's near to medium term needs. Mr. Bewley reported he will submit a summary to the Board at the February meeting.

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

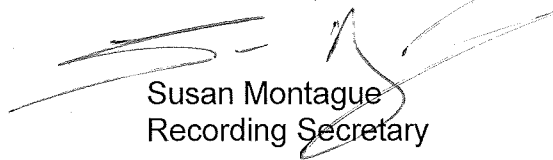
11. BOARDMEMBER ITEMS

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

12. ADJOURNMENT

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

Submitted by,



Susan Montague
Recording Secretary

For: Nicole Genzale, CMC
Authority Secretary