

**DSRSD • EBMUD RECYCLED WATER AUTHORITY
(DERWA)
Board of Directors Regular Meeting Minutes
Monday, August 28, 2006**

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

1. CALL TO ORDER – Chair Halket 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 Rich Halket, Director Frank Mellon, and Director Dan Scannell. DERWA Staff present: James Bewley, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Joan McPherson, Administrative Assistant.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

5. PUBLIC COMMENT – 6:04 p.m. – None received.

6. APPROVE MINUTES – Regular Meeting of *June 26, 2006*

Motion by Director Scannell, Second by Director Mellon to approve the minutes from the June 26, 2006 meeting. Motion carried (3-0) by the following vote:

AYES: Scannell, Mellon, Halket

NOES:

7. CONSENT CALENDAR

A. June 30, 2006 Treasurer's Report

B. July 31, 2006 Treasurer's Report

C. Quarterly Investment Report – June 30, 2006

D. Amendment No. 4 to Contract with Bold, Polisner, Maddow, Nelson & Judson –
Adjustment in Hourly Rates

Authority Manager Bewley noted that the Agreement distributed with the agenda did not include an effective date and a revised Agreement was presented that, if approved, specifies the service rates outlined in Exhibit A to Amendment No. 4 to Agreement with Bold, Polisner, Maddow, Nelson & Judson would become effective on January 1, 2007.

Motion by Director Mellon, Second by Director Scannell, to approve the Consent Calendar and adopt Resolution No. 06-6 approving Amendment No. 4 to the Agreement with Bold, Polisner, Maddow, Nelson & Judson.

Motion carried (3-0) by the following vote:

AYES: Mellon, Scannell, Halket

NOES:

8. BOARD BUSINESS

Chair Halket requested consideration of Item 8.C prior to discussion of Items 8.A and 8.B.

C. Adopt the DERWA Records Retention Schedule and Authorize the Authority Manager to Implement the Approved Records Retention Schedule for Records Retention and Destruction as Related to DERWA Records

Mr. Bewley explained that Authority Secretary Nancy Hatfield and her staff had considered various methods of handling DERWA records retention and destruction. Based on past handling of records by DSRSD staff, it was agreed it would be most efficient and cost-effective for DERWA to adopt DSRSD's Records Retention Schedule in its entirety but use only those sections that apply to DERWA.

Director Mellon pointed out the Government Code (GC) references included in the draft schedule and confirmed that specific wording for various document categories could be found by reviewing referenced GC citations.

In response to a question from Chair Halket, General Counsel Maddow stated his staff had considered the breadth of the records list, including any items that might apply to DERWA but not DSRSD, during their review of this agenda item,

Mr. Bewley clarified that, if approved, the Authority Manager or his delegate would be authorized to implement approved policies for records retention and destruction.

Motion by Director Scannell, Second by Director Mellon to adopt Resolution No. 06-7 adopting the DERWA Records Retention Schedule and authorizing the Authority Manager to implement approved policies for records retention and destruction as they relate to DERWA documents and records.

Director Mellon asked about use of the Personnel Data section of the retention schedule. Mr. Bewley stated DERWA has no employees. Mr. Maddow agreed the Personnel Data section was included only for convenience and did not commit DERWA to acquiring any future employees.

Motion carried (3-0) by the following vote:

AYES: Scannell, Mellon, Halket

NOES:

A. Authorize Authority Manager to Execute a Professional Services Agreement with Jones & Stokes Associates for Public Information Services

Mr. Bewley reviewed the proposed public relations services agreement with Jones & Stokes Associates (Jones & Stokes) for Fiscal Year 2006-2007. He explained that since the beginning of this year most DERWA public relations work has been focused on the operating program rather than the capital program. Two of the task orders included with this item outline the proposed Program's basic services as well as services related to construction of Pump Station R200A and the pipeline on Bollinger Canyon Road in San Ramon. A third task order covers expenses resulting from differences in budgeting and contracting procedures for work completed in the past fiscal year.

Director Mellon asked for a breakdown of the proposed budgets. It was noted that Task Order 1 is about \$78,000, and Task Order 2 is about \$24,000, for an approximate total of \$102,000. Task Order 3 represents the balance of the total contract amount of \$131,744.

Motion by Director Mellon, Second by Director Scannell to adopt Resolution No. 06-8 authorizing the Authority Manager to execute a Professional Services Agreement with Jones & Stokes Associates in the not-to-exceed amount of \$131,744 for public information services.

Motion carried (3-0) by the following vote:

AYES: Mellon, Scannell, Halket

NOES:

B. Authorize the Authority Manager to Give Notice of Invitation of Bids in Trade Journals and Papers in Lieu of Publication in a Newspaper of General Circulation

Mr. Bewley mentioned that some 2006 changes to the Community Service District Law would impact DERWA as a Joint Powers Authority because DERWA operates under DSRSD's authority derived from the Community Service District Law. The proposed resolution relates to the method of advertising for competitive bids.

Motion by Director Scannell, Second by Director Mellon to approve that public notices inviting bids for any contract for which competitive bidding is required may be published in trade journals and papers in lieu of being published in a newspaper of general circulation in the Authority's service area.

Motion carried (3-0) by the following vote:

AYES: Scannell, Mellon, Halket

NOES:

D. Authorize Payment to EBMUD for Installation of Three Non-Potable and One Potable Water Meters for the Central Contra Costa Sanitary District-DERWA Landscape Improvement Project on Portions of the Iron Horse Trail

Mr. Bewley stated approval of this item would result in completion of the commitments DERWA entered into with Central Contra Costa Sanitary District (CCCSD) for the landscape improvement project along some of the Iron Horse Trail in San Ramon. Landscape design was completed and paid for by CCCSD. Construction is expected to start in late summer or early fall 2006 and will be managed by CCCSD. DERWA will pay EBMUD for the meter installation, and the City of San Ramon will pay the water bills. An August 1, 2006 increase for the EBMUD System Capacity Charge brought DERWA's total cost for this project to \$67,972.

Chair Halket asked why one of the meters measured potable water. Mr. Bewley stated there is no recycled water at the 3151 Pine Valley Road installation site at this time because of the stray voltage problem. Eventually recycled water will be available at that site, but not before the landscaping project has been completed.

Motion by Director Scannell, Second by Director Mellon to approve payment to EBMUD of \$67,972 for the installation of four water meters for the Central Contra Costa Sanitary District-DERWA Iron Horse Trail Landscape Improvement Project.

Motion carried (3-0) by the following vote:

AYES: Scannell, Mellon, Halket
NOES:

E. Approve Increased Compensation for Universal Field Services Agreement for Real Estate Consulting Services

Mr. Bewley explained that in 2004 the Authority Manager approved an agreement with Universal Field Services (UFS) for up to \$24,900 for property acquisition work on Pump Station R200A and the related pipeline. A second contract with UFS was approved in 2005 for work on the supplemental water project. The length of time it took to close the Sunset property transactions resulted in increased costs; therefore, an increase up to a maximum of \$35,000 is needed for the 2004 agreement.

Motion by Director Mellon, Second by Director Scannell to approve an increase to the maximum compensation for the Universal Field Services' February 5, 2004 agreement to \$35,000.

Motion carried (3-0) by the following vote:

AYES: Mellon, Scannell, Halket
NOES:

9. MANAGER'S REPORT

- Sunset Property Close of Escrow and Contra Costa County Easements –
 - DERWA is in possession of a Grant Deed for the Sunset property that has been recorded with the County. The purchase agreement with Sunset included a temporary construction easement on a small strip of land immediately adjacent to the pump station site. This temporary easement agreement has been fully executed by Sunset and DERWA.
 - In terms of the Contra Costa County easements that cross the Iron Horse Trail and connect Pump Station R200A to the existing pipeline, the County has given DERWA a Right of Entry agreement that will allow DERWA to proceed with the U.S. Army Corps of Engineers' project. A revised draft easement agreement submitted by the County incorporates responses to all of DERWA's concerns.

- Reservoir R200 Drainage Improvements Project – Reservoir R200 was completed late last year and during heavy winter rains it was found that some drainage improvements are needed. Cost estimates on the improvements are still being finalized by EBMUD, but should be around \$20,000. EBMUD performed the design work and has asked DERWA to take the lead as the contracting agency. As a result, DERWA has developed a standard set of construction specifications based on DSRSD's standards which meet Community Services District legal requirements. DERWA expects to advertise for bids in the next four to six weeks and complete the work before upcoming winter rains begin.

- Treatment Plant Performance Certification and Final Acceptance – This item was not discussed.
- Backbone Corrosion/Stray Voltage Project – The recommendation agreed upon by staff for resolving the stray voltage situation along the Iron Horse Trail relies on PG&E's completion of some work on their system. PG&E had previously indicated they would bond their transmission towers together to a common neutral wire. However, now PG&E does not want to do the work. Staff understands why PG&E is reluctant to proceed. Face-to-face discussions will be scheduled with PG&E, EBMUD electrical engineers and DERWA's design consultant, Safe Engineering Services (SES). Kinder Morgan and CCCSD received DERWA's stray voltage report prior to the recent gasoline line leak in San Ramon. Following the leak, DERWA met with local on-site managers and identified for them the hazards of stray voltage on DERWA's pipeline.

In response to a comment from Chair Halket, Mr. Bewley will look into whether or not the DERWA pipeline has been completely covered in the area where Kinder Morgan is working.

- Contracts Initiated Since the Board Meeting of June 26, 2006 – None.
- Confirm Next Meeting Date –The next Regular Meeting of the DERWA Board is scheduled for September 25, 2006.

11. BOARDMEMBER ITEMS

Director Mellon proudly announced his son's recent marriage ceremony in Hawaii.

Director Scannell asked for a status report on the salt mitigation issue at the next DERWA Board meeting.

Chair Halket asked for a report on the upcoming water program that will be filmed at the DERWA treatment facility. DSRSD Operations Manager Dan Gallagher responded that the Association of California Water Agencies (ACWA) is putting together a program on recycled water and DERWA's facilities will be included.

12. ADJOURNMENT

Chair Halket adjourned the meeting at 6:35 p.m.

Submitted by,



Joan McPherson
Administrative Assistant