

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

**Board of Directors Special Meeting Minutes  
Monday, October 14, 2019**

**Shannon Community Center, Classroom  
11600 Shannon Avenue, Dublin CA 94568**

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1. CALL TO ORDER – Chair John Coleman called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:05 p.m. at the Shannon Community Center, Classroom.

2. PLEDGE TO THE FLAG

3. ROLL CALL – Directors present: Chair John Coleman, Vice Chair Georgan Vonheeder-Leopold, Directors Ed Duarte and Frank Mellon. DERWA Staff present: John Rossi, Authority Manager; Richard Lou, Treasurer; Doug Coty, General Counsel; and Nicole Genzale, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES  
Board, staff, and meeting attendee introductions were made after public comment was taken.

5. PUBLIC COMMENT – 6:06 p.m. – None.

6. CLOSED SESSION

At 6:08 p.m. the Board went into closed session.

As Authorized Pursuant to Government Code Section 54957:  
Public Employee Performance Evaluation: General Counsel

7. REPORT FROM CLOSED SESSION.

At 6:11 p.m. the Board came out of closed session. Chair Coleman reported there was no reportable action.

8. CONSENT CALENDAR

- A. Approve Minutes of Regular Board Meeting of July 22, 2019
- B. Approve the Treasurer's Reports for June 30, July 31, and August 31, 2019

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

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

9. BOARD BUSINESS

- A. Accept the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2019 and 2018

Treasurer Lou reviewed the item for the Board. He noted that DERWA retained a new firm, LSL CPAs and Advisors, to perform the audit.

Motion by Vice Chair Vonheeder-Leopold, Second by Director Duarte to Accept the DERWA Independent Auditor’s Report and Financial Statement for Years Ending June 30, 2019 and 2018. Motion carried (4-0) by the following vote:

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

B. Appoint Downey Brand as DERWA General Counsel and Authorize DERWA Board Chair to Execute Agreement for General Counsel Services

Motion by Director Mellon, Second by Vice Chair Vonheeder-Leopold to Approve Resolution No. 19-5 Appointing Downey Brand and Mr. Scott Shapiro, Principal Attorney, to Serve as DERWA General Counsel, and Authorizing the Board Chair to Execute the Engagement Agreement for General Counsel Services with Downey Brand, along with any related documents, in a form to be approved by the Authority Manager and current-General Counsel, and to Take Additional Actions as Necessary to Implement the Agreement. Motion carried (4-0) by the following vote:

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

C. Approve Proclamation for Doug Coty’s Service to DERWA as General Counsel

Motion by Director Duarte, Second by Director Mellon to Approve Proclamation for Doug Coty’s Service to DERWA as General Counsel. Motion carried (4-0) by the following vote:

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

Chair Coleman presented Mr. Coty with the proclamation and a DERWA journal as thanks for his service. The Board, staff, and meeting attendees further acknowledged the outstanding service Mr. Coty and his firm provided. Mr. Coty expressed his enjoyment working with the Board and staff, and stated he will miss being a part of DERWA.

10. MANAGER’S REPORTS

A. Supplemental Supply Update

- Central Contra Costa Sanitary District Wastewater Diversion Project

DSRSD Engineering Services Manager Judy Zavadil reported this project will go out to bid shortly. Staff expects to present an award of contract to the DSRSD Board for approval in mid-November. A few months for completion of lead time items will follow, with construction expected in the spring of 2020.

- Devil Mountain Wholesale Nursery Well Pilot Project

Authority Manager Rossi reported that DERWA has successfully met PG&E's requirements to execute a license agreement for use of this well. The agreement will give DERWA access to this well for the next four years. Once the agreement is in place, staff can move on to the project management phase. He thanked EBMUD staff Associate Engineer Dr. Grace Su and Senior Real Estate Representative Rob Korn for seeing this effort through.

## B. Operations Updates

- DERWA Program Facilities Electrical Outage Emergency Repair Update

DSRSD Operations Manager Jeff Carson reported on the continued progress of the emergency repairs, and the ongoing efforts by DSRSD operations staff to produce recycled water during the repair work. He reported the facility's west side repairs were completed last month, and the east side repairs are expected to be completed in November following a temporary facility shutdown for equipment installation. He passed around a sample of the new permanent power cables being installed to minimize future power outages. He reported the repair costs will stay within the \$1,000,000 emergency budget approved by the Board. He also noted that there have been no impacts to customer deliveries during the ongoing emergency work.

- Public Safety Power Shutoff (PSPS) Update

DSRSD Operations Manager Carson reported that there have been no customer demand cutbacks during the recent power shutoffs. In response to shutoff warnings, DSRSD staff has been topping off reservoirs, including the Tassajara Reservoir, to store as much supply as possible. Staff advised City of Pleasanton that it may require an emergency generator for Ken Mercer Sports Park to move water if the gravity flow does not bring in enough, as the DERWA recycled water plant and pump stations have no backup power. He reported that DSRSD has crafted an announcement template for DSRSD, EBMUD, and City of Pleasanton to utilize for customer notifications regarding planning for potential power and water loss due to shutoffs. He stated that DSRSD's service area was not affected by the PSPS event beginning on October 9, however, staff has been proactively planning for the worst-case scenario, as PG&E's communications and website resources have been unreliable and ineffective.

- Summer Peak Demand Overview

Authority Manager Rossi reported that there were no recycled water supply shortages this summer and, as a result, no purchases for supplemental potable supply from City of Pleasanton were needed. DSRSD Operations Manager Carson handed out a graph to the Board showing 2007-2019 recycled water demand and production levels, illustrating that this summer was a lower than normal demand season due to weather patterns. He also explained that storing water in the Tassajara Reservoir and experiencing fewer facility shutdowns

have improved DERWA's supply management, averting the need for potable supply.

- Other Updates as Needed

Authority Manager Rossi reported a staff meeting will be held tomorrow to discuss several key elements and strategies concerning DERWA's recycled water supply, including the counter proposal received from City of Livermore regarding DERWA obtaining supplemental wastewater supply.

- C. Confirm Cancellation of November 25, 2019 Board Meeting and Confirm February 3, 2020 Board Meeting

Motion by Director Duarte, Second by Director Mellon to Confirm the Cancellation of the November 25, 2019 Board Meeting and Confirm the February 3, 2020 Board Meeting. Motion carried (4-0) by the following vote:

AYES: Duarte, Mellon, Vonheeder-Leopold, Coleman

NOES:

ABSENT:

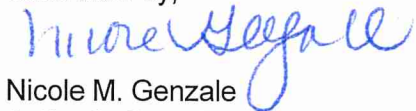
11. BOARDMEMBER ITEMS

Chair Coleman again thanked Mr. Coty for his service, and welcomed new General Counsel firm Downey Brand and new Authority Manager Rossi. He also reflected on and commended DERWA's successful journey since its inception in 1995.

12. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:40 p.m.

Submitted by,



Nicole M. Genzale  
Authority Secretary