

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

**Board of Directors Regular Meeting Minutes
Monday, January 23, 2006**

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 6:00 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 Pro tem Rich Halket, Director Dan Scannell, and Director John Coleman. DERWA Staff present: Robert Baker, Authority Manager; Richard Lou, Treasurer; Robert Maddow, General Counsel; and Nancy Gamble Hatfield, Authority Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

Chair Mellon announced that Director Halket replaced Vice Chair Jeffrey Hansen as the DSRSD representative to DERWA.

Director Scannell attended a San Ramon City Council meeting for an award presentation. He displayed a DERWA recognition award from the City of San Ramon for DERWA's contribution to the Alcosta Boulevard Tree Planting project.

5. PUBLIC COMMENT – 6:02 p.m. – None received.

6. CLOSED SESSION

Before the Board entered into Closed Session, Chair Mellon announced that with the replacement of the DSRSD Directors and the loss of a Vice Chair, he had designated Director Halket as the Vice Chair Pro tem for the evening as the change of officers would not occur until the next DERWA Board meeting.

A. Public Employee Appointment—Pursuant to Government Code Section 4957
Title: Authority Manager

7. REPORT FROM CLOSED SESSION

Chair Mellon reported that the Board had reviewed the contract for Public Employee Appointment. Clarification of the contract will be addressed as part of Item 10.A on the regular agenda.

8. APPROVE MINUTES – Regular Meeting of *November 28, 2005*, Special Meeting of *December 21, 2005*

Motion by Director Scannell, Second by Director Coleman to approve the minutes from November 28, 2005 and December 21, 2005. Motion carried (4-0) by the following vote:

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

9. CONSENT CALENDAR

A. November 30, 2005 Treasurer's Report

B. December 31, 2005 Treasurer's Report

C. Quarterly Investment Report – December 31, 2005

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

AYES: Halket, Coleman, Scannell, Mellon

NOES: None

10. BOARD BUSINESS

A. Authorization to Execute Agreement for Services for Authority Manager

Chair Mellon noted that paragraph 8 of the agreement, distributed to Boardmembers prior to the Closed Session, discussed termination of the agreement. In that paragraph, the terminology "one month's severance" was clarified to mean one-twelfth of the annual maximum salary. Authority Manager Bewley agreed to the proposed amendment.

Motion by Director Scannell, Second by Director Coleman, to adopt Resolution No. 06-1 approving and authorizing the Board Chair and Authority Secretary to execute an amended agreement in a form approved by the Authority's General Counsel for the services of James B. Bewley as Authority Manager.

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

AYES: Scannell, Coleman, Halket, Mellon

NOES: None

B. Agreement for Continuation of Services of Robert A. Baker

Chair Mellon stated there had been discussion of terms and conditions for continued services by Robert A. Baker. Mr. Baker indicated his concurrence with the agreement.

Motion by Director Coleman, Second by Director Scannell that the Chair of this Board and the Authority Secretary are hereby authorized and directed to execute for and on behalf of the Authority and to attest thereto, respectively, an Agreement for Continuation of Services of Robert A. Baker. Motion carried (4-0) by the following vote:

AYES: Coleman, Scannell, Halket, Mellon

NOES: None

Chair Mellon thanked Mr. Baker for his services to DERWA and asked the Authority Secretary to prepare a Certificate of Appreciation for Mr. Baker and to be presented at the next meeting.

11. MONTHLY WORKSHOP

Ms. Ingrid Norgaard from Jones & Stokes presented DERWA Grand Opening Celebration suggestions for discussion. Included in the Board packet was an overview of the event celebrating the opening of the Treatment Plant and advertising DERWA's first irrigation season. Discussion ensued of potential dates, times and attendees for the event. Ms. Norgaard will present another update at the February Board meeting.

12. MANAGER'S REPORT

- Contracts Initiated since the Board Meeting of October 24, 2005 – None
- DERWA Startup – Authority Manager Baker indicated EBMUD has connected four customers in the North Gale Ridge area. In addition, they soon will add two more customers and start serving water. DSRSD is still utilizing the UV/MF plant for producing recycled water. The Tertiary Treatment Plant construction is complete, but a problem with the UV system is holding up the permit for the facility. The contractor is motivated to make changes that will allow the facility to pass the tests.
- Joint Landscape Project with Central Contra Costa Sanitary District (CCCSD) – In October 2003 the DERWA Board reviewed the details of this joint landscaping project in San Ramon. DERWA will contribute four recycled water meters worth approximately \$50,000, and CCCSD will complete the rest of the project. Other entities will pay for the water. The Board gave Mr. Baker permission to confirm DERWA's participation in the joint landscaping project as outlined in the letter to CCCSD included in the Board packet.
- Representatives to WaterReuse Finance Authority – Following discussion of whether DERWA representation on the WaterReuse Finance Authority is vested in the DERWA Board Chair and DERWA Authority Manager positions, or with the individuals occupying those positions, the decision was made to include discussion of this matter on the next DERWA Board agenda.
- Confirm Next Meeting Date – The next DERWA Board meeting is scheduled for February 27, 2006 at 6:00 p.m. A reception welcoming Jim Bewley as the new DERWA Authority Manager will be held at 5:00 p.m prior to the Board meeting. Director Coleman indicated he and Director Foulkes will be in Washington D.C. that day.

Mr. Baker noted a press release would be sent out announcing the hiring of Mr. Bewley as the new DERWA Authority Manager. Mr. Bewley expressed his thanks to the Board for their expression of confidence in him and commented that he is looking forward to serving as Authority Manager.

13. BOARDMEMBER ITEMS

Director Coleman thanked Mr. Baker for his service that moved the San Ramon Valley Recycled Water Program project ahead during his tenure. Director Coleman commented that he is looking forward to working with Mr. Bewley.

Director Scannell also expressed his appreciation for Bob Baker's service in getting the project to where it is today. He hoped Mr. Baker would look back on the experience with fond memories.

Chair Mellon reiterated his appreciation for Mr. Baker's accomplishments as Authority Manager and wished him smooth sailing.

V.C. Pro tem Halket thanked those present for their warm welcome. Recycled water is important to him and he is looking forward to the coming year. He would like to have worked with Mr. Baker, but is looking forward to working with Mr. Bewley.

14. CLOSED SESSION

At 6:41 p.m. the Board went into Closed Session.

- 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

15. REPORTS FROM CLOSED SESSION

At 7:14 p.m. the Board came out of Closed Session. Chair Mellon announced there was no reportable action.

16. ADJOURNMENT

Chair Mellon adjourned the meeting at 7:15 p.m.

Submitted by,

Nancy Gamble Hatfield
Authority Secretary