

**DSRSD•EBMUD Recycled Water Authority
(DERWA)
Board of Directors**

NOTICE OF REGULAR MEETING

TIME: 6 p.m.

DATE: Monday, March 25, 2019

PLACE: Shannon Community Center
Ambrose Hall
11600 Shannon Avenue
Dublin, CA 94568

AGENDA

The mission of the DSRSD•EBMUD Recycled Water Authority is to maximize the amount of recycled water delivered while recovering its costs; in doing so it will provide a reliable and consistent supply of recycled water to DSRSD and EBMUD for service to each of the agencies' customers.

(Next Resolution No. 19-2)

**Recommended
Action**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Coleman, Duarte, Mellon and Vonheeder-Leopold
Alternates: Misheloff and Linney
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (Meeting Open to Public)
At this time, those in the audience may address the Board on any item not already included in the agenda. Comments should not exceed five minutes. If this is not considered sufficient time to address the issue, please arrange with the Secretary to have that item placed on the agenda for a future Board meeting.
6. CONSENT CALENDAR
Matters listed under this item are considered routine and will be enacted by one action in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board or the public prior to the time the Board votes on the Motion to adopt.

A. Approve Minutes of Special Board Meeting of February 4, 2019
B. Treasurer's Reports for January 31, and February 28, 2019

Approve
by Motion

7. BOARD BUSINESS
A. Approve and Adopt the Fiscal Year 2019-2020 Capital and
Operating Expenditure Budget

Approve by
Resolution

| | <u>Recommended Action</u> |
|---|-------------------------------|
| B. Approve and Adopt Resolution 19-3 Requesting that Its Member Agencies Take Action to Reduce Recycled Water Demands and Directing that the Authority Manager Implement Demand Management and Allocation Adjustments Pursuant to the DERWA Sales Agreement | Approve by Resolution |
| 8. <u>MANAGER'S REPORTS</u> | |
| A. Authority Manager Recruitment Update | |
| B. Supplemental Supply Update | |
| C. Confirm Next Board Meeting – May 20, 2019 | |
| 9. <u>BOARDMEMBER ITEMS</u> | |
| 10. <u>CLOSED SESSION</u> | |
| As Authorized Pursuant to Government Code Section 54957 – Public Employee Performance Evaluation: General Counsel | |
| 11. <u>REPORT FROM CLOSED SESSION</u> | |
| 12. <u>ADJOURNMENT</u> | |

Information about and copies of supporting materials on agenda items are available for public review at 7035 Commerce Circle, Pleasanton, at the Reception Desk, or by calling the Authority Secretary at (925) 828-0515. A fee may be charged for copies. During the meeting, information and supporting materials are available by the doorway into the Boardroom. Authority facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the Authority Secretary as soon as possible, but at least two days prior to the meeting.

Item 6.A

DSRSD • EBMUD RECYCLED WATER AUTHORITY (DERWA)

Board of Directors Special Meeting Minutes Monday, February 4, 2019

Shannon Community Center, Ambrose Hall
11600 Shannon Avenue, Dublin CA 94568

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

2. PLEDGE TO THE FLAG

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES - None

5. PUBLIC COMMENT – 6:01 p.m. - None

6. BOARD REORGANIZATION

A. Election of Board Chair

Motion by Director Mellon, Second by Director Duarte to elect Vice Chair Coleman as DERWA Board Chair for 2019. Motion carried (4-0) by the following vote:

AYES: Mellon, Duarte, Vonheeder-Leopold, Coleman

NOES:

ABSENT:

B. Election of Board Vice Chair

Motion by Director Mellon, Second by Duarte to elect Director Vonheeder-Leopold as DERWA Board Vice Chair for 2019. Motion carried (4-0) by the following vote:

AYES: Mellon, Duarte, Vonheeder-Leopold, Coleman

NOES:

ABSENT:

C. Appointment of Authority Secretary

DRAFT

Motion by Vice Chair Vonheeder-Leopold, Second by Director Mellon to appoint Nicole M. Genzale as the continuing DERWA Authority Secretary for 2019. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Mellon, Duarte, Coleman

NOES:

ABSENT:

7. CONSENT CALENDAR

- A. Approve Minutes of Special Board Meeting of November 26, 2018
- B. Treasurer's Reports for November 30, and December 31, 2018
- C. Quarterly Investment Report – December 31, 2018
- D. Approve Task Order No.17 for Fiscal Year 2019-20 for Public Information Services with ICF Jones & Stokes, Inc.

Director Mellon inquired if some of the information in item 7.B was shown in color to call special attention to it. Treasurer Lou confirmed it was not. 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:

8. BOARD BUSINESS

- A. Approve Change of Meeting Location of Regular DERWA Board Meetings

Motion by Vice Chair Vonheeder-Leopold, Second by Director Duarte, to approve by Resolution No. 19-1 the Change of Meeting Location of Regular DERWA Board Meetings. Motion carried (4-0) by the following vote:

AYES: Vonheeder-Leopold, Duarte, Mellon, Coleman

NOES:

ABSENT:

- B. Authorize the Authority Manager to Execute a Temporary Wastewater Diversion Agreement with Central Contra Costa Sanitary District

The Board thanked Central Contra Costa Sanitary District (Central San) and its Board for approving this agreement and expressed that DERWA is looking forward to working with Central San on this effort.

Motion by Director Mellon, Second by Vice Chair Vonheeder-Leopold, to Authorize the Authority Manager to Execute a Temporary Wastewater Diversion Agreement with Central Contra Costa Sanitary District. Motion carried (4-0) by the following vote:

AYES: Mellon, Vonheeder-Leopold, Duarte, Coleman

NOES:

ABSENT:

- C. Indicate Support to Implement Additional Sand Filter Loading Rate Testing as Part of the Phase 2 Recycled Water Treatment Facility Expansion (Phase 2) and Authorize the Authority Manager to Negotiate Necessary Agreement Amendment(s) and Present a Budget Adjustment for the Phase 2 Project for Approval at a Future DERWA Board Meeting

Authority Manager Tognolini reviewed the item for the Board. He stated this additional sand filter loading rate testing is necessary to achieve DERWA's desired production capacity of 16.2 million gallons per day. If the Board is supportive, he will present a budget adjustment to cover this additional testing and permit capacity increase effort for Board approval at the March 25 meeting.

Motion by Director Mellon, Second by Director Duarte, to Indicate Support to Implement Additional Sand Filter Loading Rate Testing as Part of the Phase 2 Recycled Water Treatment Facility Expansion (Phase 2) and Authorize the Authority Manager to Negotiate Necessary Agreement Amendment(s) and Present a Budget Adjustment for the Phase 2 Project for Approval at a Future DERWA Board Meeting. Motion carried (4-0) by the following vote:

AYES: Mellon, Duarte, Vonheeder-Leopold, Coleman

NOES:

ABSENT:

9. MANAGER'S REPORTS

A. Authority Manager Recruitment Update

Authority Manager Tognolini reported that he will remain in the Authority Manager role during the new Authority Manager recruitment process, which should be completed in May. DSRSD is leading the recruitment effort. He gave the Board an overview of the process which should culminate with two final candidates presented to the Board for selection. Director Mellon expressed concern in staffing the position with an outside candidate due to cost and loss of internal knowledge. Mr. Tognolini acknowledged there are skilled staff to take the position, but neither agency can take on the position due to short-staffing. The DERWA partner agency General Managers also felt it would be advantageous to have an independent Authority Manager handle the anticipated updates to the DERWA sales and supply agreements, and JPA, in the next two years. Negotiations between DSRSD and EBMUD are also coming up which may be better handled by an objective party. After further discussion, the Board asked staff to ensure invitations to the

recruitment be extended to qualified retirees that are familiar with DERWA.

A. Supplemental Supply Update

Authority Manager Tognolini reported progress on acquiring additional supply:

- Staff continues to work with Devil Mountain Wholesale Nursery in San Ramon for use of the existing well located on that property. PG&E owns the property and has engaged with DERWA on working on a draft agreement that could supply 0.2 million gallons per day for peak day use next summer.
- Staff is looking at installing new wells on DSRSD property. To date, PG&E is the only well owner willing to work with DERWA on a supplemental supply project.
- Staff will meet with City of Livermore in the next few weeks regarding DERWA's interest in obtaining supplemental supplies

B. Confirm Next Board Meeting – March 25, 2019

The Board confirmed that the March 25, 2019 meeting will be held as scheduled.

10. BOARDMEMBER ITEMS

Vice Chair Vonheeder-Leopold commented that she attended the California Association of Sanitation Agencies conference last month and attended a session regarding the California Voting Rights Act. She spoke to a City of Goleta representative who mentioned the city was granted an extension to transition its election system upon release of the 2020 census data. DSRSD is currently going through the transition process after receiving a demand letter sent to San Ramon Valley agencies in November 2018.

Director Mellon reported he will be attending a desalination conference in Palm Springs this week.

Chair Coleman reported he will be attending the Association of California Water Agencies Board meeting in Washington DC February 25-28. On behalf of the Bay Planning Coalition, he is hoping to approach the San Francisco Regional Water Quality Control Board to reduce to fines, expedite administrative action, and prevent harmful lawsuits for agencies that experience wastewater overflows.

11. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:33 p.m.

Submitted by,

Nicole M. Genzale
Authority Secretary

Item 6.B

DERWA
Summary & Recommendation
January 31, 2019 Treasurer's Report
February 28, 2019 Treasurer's Report

Summary:

Attached are the Treasurer's Reports for the months ending January 31, and February 28, 2019 submitted by Treasurer Richard Lou.

Recommendation:

The Treasurer recommends the DERWA Board of Directors approve, by Motion, the Treasurer's Reports for the months ending January 31, and February 28, 2019.

March 25, 2019

Attachments

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR JANUARY 31, 2019**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending January 31, 2019. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$39,054 in agency reimbursements was received.

Expenses: Current monthly expenditures were \$47,235. Fiscal year-to-date expenditures for FY19 total \$1,630,672 of which \$1,090,913 was operating expenses and \$539,759 was capital expenditures. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY19.

Cash: The cash balance at January 31, 2019 was (\$289,116).

Submitted by:



Richard Lou
Treasurer

Dated: February 20, 2019

Prepared by MA (M. Alvarez Jr)
Reviewed by LF (L. Fan)
Reviewed by SK (S. Klein)

DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED JANUARY 31, 2019

| CAPITAL - PROJECT | Program Budget @ FY 2019 | Expenditures FY 18 and Prior (a) | Expenditures Current Month | Expenditures FY 19 YTD (b) | Expenditures Grand Total (a+b) | DSRSD EXP Grand Total | EBMUD EXP Grand Total |
|--|--------------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|-----------------------|-----------------------|
| Pipeline Reach 1 | 0 | 7,560,517 | 0 | 0 | 7,560,517 | 4,383,920 | 3,176,597 |
| Pipeline Reach 2 | 0 | 4,558,120 | 0 | 0 | 4,558,120 | 3,882,264 | 675,856 |
| Pipeline Reach 3 | 0 | 2,286,003 | 0 | 0 | 2,286,003 | 1,719,204 | 566,799 |
| Pipeline Reach 4 | 0 | 1,614,959 | 0 | 0 | 1,614,959 | 363,685 | 1,251,274 |
| Pipeline Reach 5 | 0 | 1,430,991 | 0 | 0 | 1,430,991 | 200,195 | 1,230,796 |
| Pipeline Reach 6 | 0 | 6,759,869 | 0 | 0 | 6,759,869 | 430,784 | 6,329,085 |
| Treatment Plant | 0 | 15,732,794 | 0 | 0 | 15,732,794 | 8,948,843 | 6,783,951 |
| Pump Stations | 0 | 8,563,294 | 0 | 0 | 8,563,294 | 6,776,648 | 1,786,646 |
| Water Tanks | 0 | 12,393,483 | 0 | 0 | 12,393,483 | 7,221,552 | 5,171,931 |
| Phase 2 Pipeline & Pump Station | 0 | 3,462,938 | 0 | 0 | 3,462,938 | 0 | 3,462,938 |
| Backbone Corrosion | 0 | 1,109,004 | 0 | 0 | 1,109,004 | 122,302 | 986,702 |
| SCADA | 233,000 | 341,726 | 0 | 0 | 341,726 | 194,784 | 146,942 |
| EBMUD Pipeline Phase 2, 3 & 4 | 0 | 602,193 | 0 | 0 | 602,193 | 0 | 602,193 |
| Fine Screening | 0 | 927,811 | 0 | 0 | 927,811 | 528,852 | 398,959 |
| New/Replacement Capital <50K | 150,000 | 271,592 | 0 | 0 | 271,592 | 154,808 | 116,784 |
| MF/UV Control Programming Update | 0 | 144,366 | 0 | 0 | 144,366 | 82,289 | 62,077 |
| Program Planning & Air Relief | 410,000 | 5,491,623 | 0 | 0 | 5,491,623 | 2,696,685 | 2,794,938 |
| Planning Prior Years | 0 | 3,665,330 | 0 | 0 | 3,665,330 | 1,796,012 | 1,869,318 |
| Permanent Suppl. Supply | 105,000 | 373,467 | 18,655 | 66,508 | 439,975 | 255,185 | 184,790 |
| PSR-1 VFD Replacement | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSR200B Hypo Feed | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MF Membrane Replace | 700,000 | 698,833 | 0 | 0 | 698,833 | 335,440 | 363,393 |
| LVAMWA Connection | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6th RWTP Sand Filter | 0 | 255 | 0 | 0 | 255 | 27 | 228 |
| DWR IRWM- Prop 84 Rd 3 Drought Project | 0 | 16,432 | 0 | 0 | 16,432 | 8,216 | 8,216 |
| PSR1 /Recy. Water Treatment Expansion | 9,383,000 | 13,479,396 | 0 | 345,473 | 13,824,869 | 8,879,832 | 4,945,037 |
| Pleasanton Capital Billing/Contingency | 0 | 5,334,659 | 0 | 127,778 | 5,462,437 | 0 | 5,462,437 |
| Capitalized Interest | 0 | 1,960,872 | 0 | 0 | 1,960,872 | 960,827 | 1,000,045 |
| Total Capital Impr. Proj. Element | 10,981,000 | 98,780,527 | 18,655 | 539,759 | 99,320,286 | 49,942,354 | 49,377,933 |

| OPERATING - ITEM | Budget FY 19 | Expenditures FY 18 and Prior (a) | Expenditures Current Month | Expenditures FY 19 YTD (b) | Expenditures Grand Total (a+b) | DSRSD EXP Grand Total | EBMUD EXP Grand Total |
|--|------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|-----------------------|-----------------------|
| DERWA Program Manager | 196,350 | 3,169,797 | 17,248 | 83,181 | 3,252,978 | 2,324,462 | 928,515 |
| Treasurer | 38,500 | 2,756,326 | 9,632 | 44,324 | 2,800,650 | 2,100,487 | 700,163 |
| Legal Counsel | 15,000 | 434,886 | 1,700 | 4,286 | 439,172 | 329,379 | 109,793 |
| Secretary | 3,620 | 211,323 | 0 | 3,100 | 214,423 | 160,817 | 53,606 |
| Other | 108,000 | 1,272,352 | 0 | 99,292 | 1,371,644 | 1,028,733 | 342,911 |
| Operation and Maintenance Detail | 2,145,370 | 16,143,638 | 0 | 856,730 | 17,000,368 | 13,092,550 | 3,907,819 |
| Debt Service | 1,645,513 | 22,029,056 | 0 | 0 | 22,029,056 | 12,106,263 | 9,922,793 |
| Total Operating Program Element | 4,152,353 | 46,017,378 | 28,580 | 1,090,913 | 47,108,291 | 31,142,691 | 15,965,600 |

| | | | | | | | |
|-----------------------|-------------------|--------------------|---------------|------------------|--------------------|-------------------|-------------------|
| PROJECT TOTALS | 15,133,353 | 144,797,905 | 47,235 | 1,630,672 | 146,428,577 | 81,085,045 | 65,343,533 |
|-----------------------|-------------------|--------------------|---------------|------------------|--------------------|-------------------|-------------------|

| REVENUES & FUNDING | Current Month | Fiscal Year |
|-------------------------------------|---------------|------------------|
| Agency Contribution | | |
| DSRSD | 0 | 0 |
| EBMUD | 0 | 0 |
| Agency Reimbursements - DSRSD | 27,200 | 3,440,192 |
| Agency Reimbursements - EBMUD | 11,854 | 1,446,418 |
| Commercial Paper Issued | 0 | 0 |
| Pleasanton payments | 0 | 397,527 |
| Interest / Contracts | 0 | 0 |
| Misc Income | 0 | 0 |
| TOTAL REVENUES & FUNDING | 39,054 | 5,284,137 |

| CASH AVAILABLE | Current Month | Fiscal Year |
|--------------------------|------------------|------------------|
| Beginning Cash | (280,935) | (2,480,866) |
| Beg. Balance Accrual Adj | 0 | (1,461,715) |
| Rounding | 0 | 0 |
| Total Revenues & Funding | 39,054 | 5,284,137 |
| Total Expenditures | (47,235) | (1,630,672) |
| Ending Cash | (289,116) | (289,116) |

Prepared by Manuel Alvarez Jr. Date: 2-26-19
Reviewed by Lawrence Fan Date: 2/20/19
Approved by Scott Klein Date: 2/22

[illegible][illegible]

| Certificates of Disb. | |
|-----------------------|--------------|
| Wk Ending | Amount |
| 1/11/19 | \$ 18,972.14 |
| 1/18/19 | \$ 2,051.00 |
| 1/25/19 | \$ 26,212.43 |
| | |
| | \$ 47,235.57 |

Pleasanton-

| | |
|-----|-----------|
| OP | 28,580.71 |
| CAP | 18,654.86 |

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by Manuel Alvarez Jr.
Reviewed by Lawrence Fan
Approved by Scott Klein

Date: 2-20-19
Date: 2/20/18
Date: 2/22

DERWA CASH REPORT

Cash Balance as of

12/31/18

(280,934.66) Reconciled to DERWA TR

Add member agency's contribution:

| | |
|-------------------------------|-----------|
| DSRSD Contribution | |
| EBMUD Contribution | |
| Agency Reimbursements - DSRSD | 27,199.78 |
| Agency Reimbursements - EBMUD | 11,854.59 |
| City of Pleasanton Payments | |
| Interest Income | |
| Other Reimbursements- Misc | |

Less invoice payments:

| | | |
|--------------|-----------|-------------|
| BBSI | 1/11/2019 | (136.50) |
| BBSI | 1/11/2019 | (156.00) |
| BBSI | 1/11/2019 | (624.00) |
| Sue Montague | 1/11/2019 | (59.38) |
| EBMUD | 1/11/2019 | (17,996.26) |
| BPMNJ | 1/18/2019 | (1,700.00) |
| BBSI | 1/18/2019 | (351.00) |
| EBMUD | 1/25/2019 | (25,471.43) |
| BBSI | 1/25/2019 | (741.00) |

Cash Balance as of

01/31/19

(289,115.86)

Rounding

(0.14)

Cash Balance 01/31/19

(289,116.00)

| | | | |
|-------------|---|------|---------|
| Prepared by |  | Date | 2-20-19 |
| Reviewed by | Manuel Alvarez Jr. | Date | 2/20/19 |
| Approved by |  | Date | 2/22 |
| | Lawrence Fan | | |
| |  | | |
| | Scott Klein | | |

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR FEBRUARY 28, 2019**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending February 28, 2019. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$14,197 in agency reimbursements was received.

Expenses: Current monthly expenditures were \$526,266. Fiscal year-to-date expenditures for FY19 total \$2,156,938 of which \$1,096,403 was operating expenses and \$1,060,535 was capital expenditures. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY19.




Cash: The cash balance at February 28, 2019 was (\$801,185).

Submitted by:



Richard Lou
Treasurer

Dated: March 12, 2019

Prepared by  (M. Alvarez Jr)
Reviewed by  (L. Fan)
Reviewed by  (S. Klein)

DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED FEBRUARY 28, 2019




| CAPITAL - PROJECT | Program Budget @ FY 2019 | Expenditures FY 18 and Prior (a) | Expenditures Current Month | Expenditures FY 19 YTD (b) | Expenditures Grand Total (a+b) | DSRSD EXP Grand Total | EBMUD EXP Grand Total |
|--|--------------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|-----------------------|-----------------------|
| Pipeline Reach 1 | 0 | 7,560,517 | 0 | 0 | 7,560,517 | 4,383,920 | 3,176,597 |
| Pipeline Reach 2 | 0 | 4,558,120 | 0 | 0 | 4,558,120 | 3,882,264 | 675,856 |
| Pipeline Reach 3 | 0 | 2,286,003 | 0 | 0 | 2,286,003 | 1,719,204 | 566,799 |
| Pipeline Reach 4 | 0 | 1,614,959 | 0 | 0 | 1,614,959 | 363,685 | 1,251,274 |
| Pipeline Reach 5 | 0 | 1,430,991 | 0 | 0 | 1,430,991 | 200,195 | 1,230,796 |
| Pipeline Reach 6 | 0 | 6,759,869 | 0 | 0 | 6,759,869 | 430,784 | 6,329,085 |
| Treatment Plant | 0 | 15,732,794 | 0 | 0 | 15,732,794 | 8,948,843 | 6,783,951 |
| Pump Stations | 0 | 8,563,294 | 0 | 0 | 8,563,294 | 6,776,648 | 1,786,646 |
| Water Tanks | 0 | 12,393,483 | 0 | 0 | 12,393,483 | 7,221,552 | 5,171,931 |
| Phase 2 Pipeline & Pump Station | 0 | 3,462,938 | 0 | 0 | 3,462,938 | 0 | 3,462,938 |
| Backbone Corrosion | 0 | 1,109,004 | 0 | 0 | 1,109,004 | 122,302 | 986,702 |
| SCADA | 233,000 | 341,726 | 0 | 0 | 341,726 | 194,784 | 146,942 |
| EBMUD Pipeline Phase 2, 3 & 4 | 0 | 602,193 | 0 | 0 | 602,193 | 0 | 602,193 |
| Fine Screening | 0 | 927,811 | 0 | 0 | 927,811 | 528,852 | 398,959 |
| New/Replacement Capital <50K | 150,000 | 271,592 | 0 | 0 | 271,592 | 154,808 | 116,784 |
| MF/UV Control Programing Update | 0 | 144,366 | 0 | 0 | 144,366 | 82,289 | 62,077 |
| Program Planning & Air Relief | 410,000 | 5,491,623 | 0 | 0 | 5,491,623 | 2,696,685 | 2,794,938 |
| Planning Prior Years | 0 | 3,665,330 | 0 | 0 | 3,665,330 | 1,796,012 | 1,869,318 |
| Permanent Suppl. Supply | 105,000 | 373,467 | 0 | 66,508 | 439,975 | 255,185 | 184,790 |
| PSR-1 VFD Replacement | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSR200B Hypo Feed | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MF Membrane Replace | 700,000 | 698,833 | 0 | 0 | 698,833 | 335,440 | 363,393 |
| LVAMWA Connection | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6th RWTP Sand Filter | 0 | 255 | 0 | 0 | 255 | 27 | 228 |
| DWR IRWM- Prop 84 Rd 3 Drought Project | 0 | 16,432 | 0 | 0 | 16,432 | 8,216 | 8,216 |
| PSR1 /Recy. Water Treatment Expansion | 9,383,000 | 13,479,396 | 380,167 | 725,640 | 14,205,036 | 9,119,389 | 5,085,648 |
| Pleasanton Capital Billing/Contingency | 0 | 5,334,659 | 140,610 | 268,387 | 5,603,046 | 0 | 5,603,046 |
| Capitalized Interest | 0 | 1,960,872 | 0 | 0 | 1,960,872 | 960,827 | 1,000,045 |
| Total Capital Impr. Proj. Element | 10,981,000 | 98,780,527 | 520,776 | 1,060,535 | 99,841,062 | 50,181,911 | 49,659,152 |

| OPERATING - ITEM | Budget FY 19 | Expenditures FY 18 and Prior (a) | Expenditures Current Month | Expenditures FY 19 YTD (b) | Expenditures Grand Total (a+b) | DSRSD EXP Grand Total | EBMUD EXP Grand Total |
|--|------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|-----------------------|-----------------------|
| DERWA Program Manager | 196,350 | 3,169,797 | 4,540 | 87,721 | 3,257,518 | 2,327,569 | 929,948 |
| Treasurer | 38,500 | 2,756,326 | 0 | 44,324 | 2,800,650 | 2,100,487 | 700,163 |
| Legal Counsel | 15,000 | 434,886 | 950 | 5,236 | 440,122 | 330,092 | 110,030 |
| Secretary | 3,620 | 211,323 | 0 | 3,100 | 214,423 | 160,817 | 53,606 |
| Other | 108,000 | 1,272,352 | 0 | 99,292 | 1,371,644 | 1,028,733 | 342,911 |
| Operation and Maintenance Detail | 2,145,370 | 16,143,638 | 0 | 856,730 | 17,000,368 | 13,092,550 | 3,907,819 |
| Debt Service | 1,645,513 | 22,029,056 | 0 | 0 | 22,029,056 | 12,106,263 | 9,922,793 |
| Total Operating Program Element | 4,152,353 | 46,017,378 | 5,490 | 1,096,403 | 47,113,781 | 31,146,511 | 15,967,270 |

| | | | | | | | |
|-----------------------|-------------------|--------------------|----------------|------------------|--------------------|-------------------|-------------------|
| PROJECT TOTALS | 15,133,353 | 144,797,905 | 526,266 | 2,156,938 | 146,954,843 | 81,328,422 | 65,626,422 |
|-----------------------|-------------------|--------------------|----------------|------------------|--------------------|-------------------|-------------------|

| REVENUES & FUNDING | Current Month | Fiscal Year |
|-------------------------------------|---------------|------------------|
| Agency Contribution | | |
| DSRSD | 0 | 0 |
| EBMUD | 0 | 0 |
| Agency Reimbursements - DSRSD | 0 | 3,440,192 |
| Agency Reimbursements - EBMUD | 14,197 | 1,460,615 |
| Commercial Paper Issued | 0 | 0 |
| Pleasanton payments | 0 | 397,527 |
| Interest / Contracts | 0 | 0 |
| Misc Income | 0 | 0 |
| TOTAL REVENUES & FUNDING | 14,197 | 5,298,334 |

| CASH AVAILABLE | Current Month | Fiscal Year |
|-------------------------------------|------------------|--------------------|
| Beginning Cash | (289,116) | (2,480,866) |
| Beg. Balance Accrual Adj | 0 | (1,461,715) |
| Rounding | 0 | 0 |
| | 0 | 0 |
| Total Revenues & Funding | 14,197 | 5,298,334 |
| Total Expenditures | (526,266) | (2,156,938) |
| Ending Cash | (801,185) | (801,185) |

Prepared by  Date: 3-12-19
Reviewed by  Date: 3/12/19
Approved by  Date: 3/13

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
SUMMARY OF EXPENDITURES
FOR THE PERIOD ENDED
February 28, 2019**

[illegible]

| Certificates of Disb. | |
|-----------------------|---------------|
| Wk Ending | Amount |
| 2/1/19 | \$ 1,944.50 |
| 2/8/19 | \$ 1,189.50 |
| 2/15/19 | \$ 523,132.32 |
| | |
| | \$ 526,266.32 |

| | |
|-------------|------------|
| Pleasanton- | 140,609.56 |
| OP | 5,490.18 |
| CAP | 520,776.14 |

Prepared by [Signature]

Date: 3-12-19

Reviewed by H

Date: 3/12/19

Lawrence Fan

Date: 3/13

Approved by 

Scott Klein

DERWA CASH REPORT

Cash Balance as of

01/31/19

(289,115.86) Reconciled to DERWA TR

Add member agency's contribution:

| | |
|-------------------------------|-----------|
| DSRSD Contribution | |
| EBMUD Contribution | |
| Agency Reimbursements - DSRSD | |
| Agency Reimbursements - EBMUD | 14,197.05 |
| City of Pleasanton Payments | |
| Interest Income | |
| Other Reimbursements- Misc | |

Less invoice payments:

| | | |
|---|-----------|--------------|
| Jones & Stokes ICF International | 2/1/2019 | (485.00) |
| Jones & Stokes ICF International | 2/1/2019 | (660.00) |
| BBSI | 2/1/2019 | (799.50) |
| BBSI | 2/8/2019 | (1,189.50) |
| Sue Montague | 2/15/2019 | (55.45) |
| DSRSD | 2/15/2019 | (520,776.14) |
| BBSI | 2/15/2019 | (1,014.00) |
| Bold, Polisner, Maddow, Nelson & Judson | 2/15/2019 | (950.00) |
| Michael Tognolini | 2/15/2019 | (336.73) |

Cash Balance as of

02/28/19

(801,185.13)

Rounding

0.13

Cash Balance 02/28/19

(801,185.00)

Prepared by



Date

3-12-19

Reviewed by

Manuel Alvarez Jr.

Date

3/12/19

Approved by

Lawrence Fan

Date

3/13

Scott Klein

DERWA Summary & Recommendation

Approve and Adopt the Fiscal Year 2019-2020 Capital and Operating Expenditure Budget

Summary:

The DERWA Joint Exercise of Powers Agreement (JPA) provides that the Authority must adopt an annual fiscal year budget showing expenditures and means of financing such expenditures.

Changes from Fiscal Year 2018-2019 Budget: The existing capital appropriation requires an increase from \$105.067 million to \$105.640 million to fund the projects in the FY 2019-2020 capital plan. Capital projects continuing from the FY 2018-2019 budget are Permanent Supplemental Water Supply, New/Replacement Capital <\$50K, PSR1 VFD Replacement, and the Recycled Water Treatment Plant Expansion. Two new capital projects, the Tertiary Influent Pump Station (TIPS) Variable Frequency Drives Upgrade and the Sand Filtration Ultraviolet Wiper Arm Replacement are proposed in the FY 2019-2020 budget.

The FY 2019-2020 proposed operating budget has been increased by \$681,447 (15%), with increasing budgeted recycled water deliveries from 4,917 acre-feet to 5,539 (13%) and increased operating labor to operate the new ACTIFLO treatment process. DSRSD has submitted a budget of \$3.080 million for the operations and maintenance of the DERWA project for FY 2019-2020. Agency contributions plus estimated revenue from water sales to the City of Pleasanton will cover the \$5.350 million budget for the O&M and administrative expenses and debt service payments. The FY 2019-2020 budget for the state loan repayment is \$1.646 million.

Expenditures and Appropriations: The capital expenditure for FY 2019-2020 is \$2.266 million. The required contribution for operations from the Member Agencies will be based on the actual water sales for FY 2019-2020, currently projected at 72% DSRSD and 28% EBMUD. Pleasanton will continue to pay a per acre-foot charge for water delivered. The required contributions for the state loan repayment will be based on the allocation of capital facilities.

For DSRSD, the estimated FY 2019-2020 contribution is \$2.993 million for the operating budget and \$1.230 million for the capital budget; for EBMUD the estimated contribution is \$1.667 million for the operating budget and \$0.841 million for the capital budget; for City of Pleasanton the estimated payments for recycled water deliveries are \$0.690 million.

Table 13 shows the Capital Project expenses and cost sharing in adherence to the adopted Water Sales Agreement.

Funding: The Capital Program has secured \$7.5 million in grants, \$24.7 million in loans from Proposition 13 funding, and \$14.9 million in federal funding.

Recommendation:

The Authority Manager and Treasurer recommend the DERWA Board of Directors approve, by Resolution, the DERWA Fiscal Year 2019-2020 Budget.

March 25, 2019

Attachments

Report by: RL

Reviewed by: MT

DERWA
RESOLUTION NO. 19-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED
WATER AUTHORITY APPROVING AND ADOPTING THE FISCAL YEAR 2019-2020 CAPITAL
AND OPERATING EXPENDITURE BUDGET

WHEREAS, the Joint Exercise of Powers Agreement under which DSRSD•EBMUD Recycled Water Authority (DERWA) was formed provides that before the year end, the Authority's Board of Directors must adopt an annual budget for the following fiscal year showing proposed expenditures and the proposed means of financing such expenditures; and

WHEREAS, the DERWA Treasurer and the Member Agencies have reviewed and the Authority Manager has recommended, a proposed Capital and Operating Expenditure Budget for Fiscal Year 2019-2020; and presented the proposed budget at the March 25, 2019 DERWA Board Meeting; and

WHEREAS, the Board of Directors has considered all the oral and written information presented.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Joint Powers Authority, located in the Counties of Alameda and Contra Costa, California, as follows:

1. An operating budget appropriation totaling \$5.231 million is hereby approved and adopted for FY 2019-2020 as presented in "Attachment A".
2. The capital budget appropriation is increased from \$105.067 million to \$105.303 million as presented in "Attachment A". Adjustments between projects shall be subject to the same limits established by DERWA accounting and control procedures for expenditures. For the operating budget, appropriations are made by work element.
3. In order to provide for completion of work on projects authorized but not completed as of the close of the fiscal year, balances remaining at the close of FY 2019-2020 are hereby appropriated for expenditure in the subsequent fiscal year, in addition to the applicable fiscal year appropriations for capital and operating expenditures.
4. The Source of Funds for the capital and operating expenditures for FY 2019-2020 shall be from Member Agency contributions, payments made by City of Pleasanton in accordance with the January 7, 2014 Agreement to Provide Recycled Water Services by and between DERWA and the City of Pleasanton, state and federal grants or loans, and/or borrowed sources such as but not limited to commercial paper as prudently determined by the DERWA Treasurer.

5. After consideration of DERWA reserves and working fund balances as required under Article 13 of the Joint Powers Agreement and given the Source of Funds as described in paragraph 4 above, the capital and operating expenditure budget projects a revenue shortfall.
6. In accordance with Article 18 of the Joint Powers Agreement, a series of demands shall be made of the Member Agencies for funds equal to the revenue shortfall as determined by the percentages in the Water Sales Agreement.
7. All expenditures shall be authorized and revenue shall be collected in accordance with DERWA's adopted Accounting Control Procedures.
8. The Treasurer shall analyze cash flow needs and invoice Member Agencies as needed to maintain a prudent and sufficient working capital balance for DERWA.
9. EBMUD and DSRSD shall share in the expense for the operations and maintenance of the DERWA facilities based on their proportion of actual water deliveries.
10. All expenditures in FY 2019-2020, except those listed in the operating budget, are capital expenditures.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Public Agency located in the Counties of Alameda and Contra Costa, California, at its Regular Meeting held on the 25th day of March 2019, passed by the following vote:

AYES:

NOES:

ABSENT:

John A. Coleman, DERWA Chair

ATTEST

Nicole M. Genzale, Authority Secretary



**DUBLIN SAN RAMON
SERVICES DISTRICT**



**DSRSD • EBMUD RECYCLED WATER
AUTHORITY**

**SAN RAMON VALLEY RECYCLED
WATER PROGRAM**

**Proposed
FISCAL YEAR 2019-2020 BUDGET**

March 25, 2019

**DSRSD•EBMUD RECYCLED WATER
AUTHORITY**

**SAN RAMON VALLEY RECYCLED
WATER PROGRAM**

**Proposed
FISCAL YEAR 2019-2020 BUDGET**

Presented on March 25, 2019

DERWA FY 2019-20 BUDGET

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DERWA
RESOLUTION NO. 19-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED
WATER AUTHORITY APPROVING AND ADOPTING THE FISCAL YEAR 2019-2020 CAPITAL
AND OPERATING EXPENDITURE BUDGET

WHEREAS, the Joint Exercise of Powers Agreement under which DSRSD•EBMUD Recycled Water Authority (DERWA) was formed provides that before the year end, the Authority's Board of Directors must adopt an annual budget for the following fiscal year showing proposed expenditures and the proposed means of financing such expenditures; and

WHEREAS, the DERWA Treasurer and the Member Agencies have reviewed and the Authority Manager has recommended, a proposed Capital and Operating Expenditure Budget for Fiscal Year 2019-2020; and presented the proposed budget at the March 25, 2019 DERWA Board Meeting; and

WHEREAS, the Board of Directors has considered all the oral and written information presented.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Joint Powers Authority, located in the Counties of Alameda and Contra Costa, California, as follows:

1. An operating budget appropriation totaling \$5.350 million is hereby approved and adopted for FY 2019-2020 as presented in "Attachment A".
2. The capital budget appropriation is increased from \$105.067 million to \$105.640 million as presented in "Attachment A". Adjustments between projects shall be subject to the same limits established by DERWA accounting and control procedures for expenditures. For the operating budget, appropriations are made by work element.
3. In order to provide for completion of work on projects authorized but not completed as of the close of the fiscal year, balances remaining at the close of FY 2019-2020 are hereby appropriated for expenditure in the subsequent fiscal year, in addition to the applicable fiscal year appropriations for capital and operating expenditures.
4. The Source of Funds for the capital and operating expenditures for FY 2019-2020 shall be from Member Agency contributions, payments made by City of Pleasanton in accordance with the January 7, 2014 Agreement to Provide Recycled Water Services by and between DERWA and the City of Pleasanton, state and federal grants or loans,

and/or borrowed sources such as but not limited to commercial paper as prudently determined by the DERWA Treasurer.

5. After consideration of DERWA reserves and working fund balances as required under Article 13 of the Joint Powers Agreement and given the Source of Funds as described in paragraph 4 above, the capital and operating expenditure budget projects a revenue shortfall.
6. In accordance with Article 18 of the Joint Powers Agreement, a series of demands shall be made of the Member Agencies for funds equal to the revenue shortfall as determined by the percentages in the Water Sales Agreement.
7. All expenditures shall be authorized and revenue shall be collected in accordance with DERWA's adopted Accounting Control Procedures.
8. The Treasurer shall analyze cash flow needs and invoice Member Agencies as needed to maintain a prudent and sufficient working capital balance for DERWA.
9. EBMUD and DSRSD shall share in the expense for the operations and maintenance of the DERWA facilities based on their proportion of actual water deliveries.
10. All expenditures in FY 2019-2020, except those listed in the operating budget, are capital expenditures.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Public Agency located in the Counties of Alameda and Contra Costa, California, at its Regular Meeting held on the 25th day of March 2019, passed by the following vote:

AYES:

NOES:

ABSENT:

John A. Coleman, DERWA Chair

ATTEST

Nicole M. Genzale, Authority Secretary

DERWA
Summary & Recommendation

**Approve and Adopt the Fiscal Year 2019-2020 Capital and
Operating Expenditure Budget**

Summary:

The DERWA Joint Exercise of Powers Agreement (JPA) provides that the Authority must adopt an annual fiscal year budget showing expenditures and means of financing such expenditures.

Changes from Fiscal Year 2018-2019 Budget: The existing capital appropriation requires an increase from \$105.067 million to \$105.640 million to fund the projects in the FY 2019-2020 capital plan. Capital projects continuing from the FY 2018-2019 budget are Permanent Supplemental Water Supply, New/Replacement Capital <\$50K, PSR1 VFD Replacement, and the Recycled Water Treatment Plant Expansion. Two new capital projects, the Tertiary Influent Pump Station (TIPS) Variable Frequency Drives Upgrade and the Sand Filtration Ultraviolet Wiper Arm Replacement are proposed in the FY 2019-2020 budget.

The FY 2019-2020 proposed operating budget has been increased by \$681,447 (15%), with increasing budgeted recycled water deliveries from 4,917 acre-feet to 5,539 (13%) and increased operating labor to operate the new ACTIFLO treatment process. DSRSD has submitted a budget of \$3.080 million for the operations and maintenance of the DERWA project for FY 2019-2020. Agency contributions plus estimated revenue from water sales to the City of Pleasanton will cover the \$5.350 million budget for the O&M and administrative expenses and debt service payments. The FY 2019-2020 budget for the state loan repayment is \$1.646 million.

Expenditures and Appropriations:

The capital expenditure for FY 2019-2020 is \$2.266 million. The required contribution for operations from the Member Agencies will be based on the actual water sales for FY 2019-2020, currently projected at 72% DSRSD and 28% EBMUD. Pleasanton will continue to pay a per acre-foot charge for water delivered. The required contributions for the state loan repayment will be based on the allocation of capital facilities.

For DSRSD, the estimated FY 2019-2020 contribution is \$2.993 million for the operating budget and \$1.230 million for the capital budget; for EBMUD the estimated contribution is \$1.667 million for the operating budget and \$0.841 million for the capital budget; for City of Pleasanton the estimated payments for recycled water deliveries are \$0.690 million.

Table 13 shows the Capital Project expenses and cost sharing in adherence to the adopted Water Sales Agreement.

Funding: The Capital Program has secured \$7.5 million in grants, \$24.7 million in loans from Proposition 13 funding, and \$14.9 million in federal funding.

Recommendation:

The Authority Manager and Treasurer recommend the DERWA Board of Directors approve, by Resolution, the DERWA Fiscal Year 2019-2020 Budget.

March 25, 2019

Attachments

Report by: RL

Reviewed by: MT

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DERWA PROGRAM BUDGET FY20

Table 1

Appropriations (\$000's)

| | Prior Appr | FY20 Appr |
|--------------------------|---------------|--------------|
| Capital Appropriations | 105,640 | 573 |
| Operating Appropriations | 56,885 | 5,350 |

Table 2

Capital Program

Cash Flow (\$000's)

| | Prior Spending | Estimated FY19 | Proposed FY20 | Future | Total |
|---|-------------------|-------------------|------------------|--------------|----------------|
| Completed Projects | 77,812 | | | | 77,812 |
| Continuing Projects | 18,692 | 1,806 | 2,266 | 1,864 | 24,628 |
| Capitalized Interest during construction | 2,187 | | | 13 | 2,200 |
| Contingency | | | | 1,000 | 1,000 |
| Total | 98,691 | 1,806 | 2,266 | 2,877 | 105,640 |

Table 3

Operating Budget (\$000's)

| | | Estimated FY19 Expenses | Budgeted FY19 Expenses | Proposed FY20 Expenses | Difference |
|------------------|--|-------------------------------|------------------------------|------------------------------|------------|
| Operating Budget | | 3,221 | 3,023 | 3,705 | 681 |
| Debt Service | | 1,646 | 1,646 | 1,646 | 0 |
| Total | | 4,867 | 4,669 | 5,350 | 681 |

DERWA PROGRAM BUDGET FY20

Table 4

DERWA FY20 PROJECTED CONTRIBUTION BY AGENCY

(\$000's)

| | Estimated FY19 | Projected FY20 |
|-------------------------|-------------------|-------------------|
| <i>CAPITAL</i> | | |
| AGENCY CONTRIBUTION | | |
| DSRSD | 2,750 | 1,230 |
| EBMUD | 1,636 | 841 |
| PLEASANTON CONTR | | 195 |
| STATE LOAN/GRANT | 2,500 | |
| TOTAL CAPITAL | 6,886 | 2,266 |
| <i>OPERATING</i> | | |
| AGENCY CONTRIBUTION* | | |
| DSRSD | 2,837 | 2,993 |
| EBMUD | 1,530 | 1,667 |
| PLEASANTON PAYMENT | 500 | 690 |
| TOTAL OPERATING | 4,867 | 5,350 |

*Agency contributions are calculated based on O&M costs, administrative costs and debt service costs. For 2020, O&M and administrative costs, less payments from Pleasanton are split 72% DSRSD/28% EBMUD based on the projected water deliveries and will be adjusted at the end of the water year to reflect actual deliveries per Section V.A. of the sales agreement. Debt service costs are split based on the assigned capital to each agency at the time the payments are made.

DERWA PROGRAM BUDGET FY20

OPERATING BUDGET

Table 5

| Work Element | FY19 Budget | Estimated FY19 Expenses | Proposed FY20 Budget | Budget Difference |
|-------------------|----------------|-------------------------------|----------------------------|----------------------|
| Program Manager | \$ 213,500 | \$ 200,310 | \$ 276,900 | \$ 63,400 |
| Treasurer | 48,000 | 65,000 | 77,000 | 29,000 |
| Legal Counsel | 18,000 | 12,000 | 18,000 | 0 |
| Secretary | 9,120 | 19,000 | 20,000 | 10,880 |
| Other (Insurance) | 108,000 | 100,000 | 108,000 | 0 |
| Operations | 2,626,833 | 2,825,000 | 3,205,000 | 578,167 |
| Debt Service | 1,645,513 | 1,645,513 | 1,645,513 | 0 |
| Total | 4,668,966 | 4,866,823 | 5,350,413 | 681,447 |

DERWA PROGRAM BUDGET FY20

DERWA PROGRAM MANAGER

Table 6

| | FY19 Budget | Estimated FY19 Expenses | Proposed FY20 Budget |
|--------------------|-------------|----------------------------|-------------------------|
| Authority Manager | \$75,000 | \$50,000 | \$150,000 |
| Staff | 95,000 | 105,000 | 80,000 |
| Expenses | 1,000 | 310 | 400 |
| DSRSD charges | 0 | 2,000 | 2,000 |
| Travel | 0 | 0 | 0 |
| Office supplies | 500 | 0 | 500 |
| Other | 4,000 | 5,000 | 5,000 |
| Public Information | 38,000 | 38,000 | 39,000 |
| Consultant Support | 0 | 0 | 0 |
| Total | \$ 213,500 | \$ 200,310 | \$ 276,900 |

DERWA TREASURER DETAIL

Table 7

| | FY19 Budget | Estimated FY19 Expenses | Proposed FY20 Budget |
|-----------------------|-------------|----------------------------|-------------------------|
| Salary | \$8,000 | \$10,000 | \$10,000 |
| Cost Accounting | 33,000 | 50,000 | 60,000 |
| Audit | 7,000 | 5,000 | 7,000 |
| Commerical Paper Fees | - | | |
| TOTAL | 48,000 | 65,000 | 77,000 |

DERWA PROGRAM BUDGET FY20

DERWA LEGAL COUNSEL

Table 8

| | FY19 Budget | Estimated FY19 Expenses | Proposed FY20 Budget |
|----------|-------------|----------------------------|-------------------------|
| Contract | \$18,000 | \$12,000 | \$18,000 |

DERWA SECRETARY DETAIL

Table 9

| | FY19 Budget | Estimated FY19 Expenses | Proposed FY20 Budget |
|----------|-------------|----------------------------|-------------------------|
| Salary | \$9,000 | \$17,000 | \$18,000 |
| Expenses | 120 | 2,000 | 2,000 |
| Training | 0 | | |
| TOTAL | 9,120 | 19,000 | 20,000 |

DERWA OTHER DETAIL

Table 10

| | FY19 Budget | Estimated FY19 Expenses | Proposed FY20 Budget |
|-----------|-------------|----------------------------|-------------------------|
| Insurance | \$108,000 | \$100,000 | \$108,000 |
| TOTAL | 108,000 | 100,000 | 108,000 |

DERWA PROGRAM BUDGET FY20

DERWA OPERATIONS

Table 11

| | FY19 Budget | Estimated FY19 Expenses | Proposed FY20 Budget |
|-------------------------|-------------|----------------------------|-------------------------|
| Capital Reserve Account | \$125,000 | \$125,000 | \$125,000 |
| DSRSD Operations | 2,501,833 | 2,700,000 | \$3,080,000 |
| TOTAL | 2,626,833 | 2,825,000 | 3,205,000 |

DERWA DEBT SERVICE

Table 12

| | FY19 Budget | Estimated FY19 Expenses | Proposed FY20 Budget |
|---------------------|-------------|----------------------------|-------------------------|
| State Loan Payments | \$1,645,513 | \$1,645,513 | \$1,645,513 |
| TOTAL | 1,645,513 | 1,645,513 | 1,645,513 |

Table 13

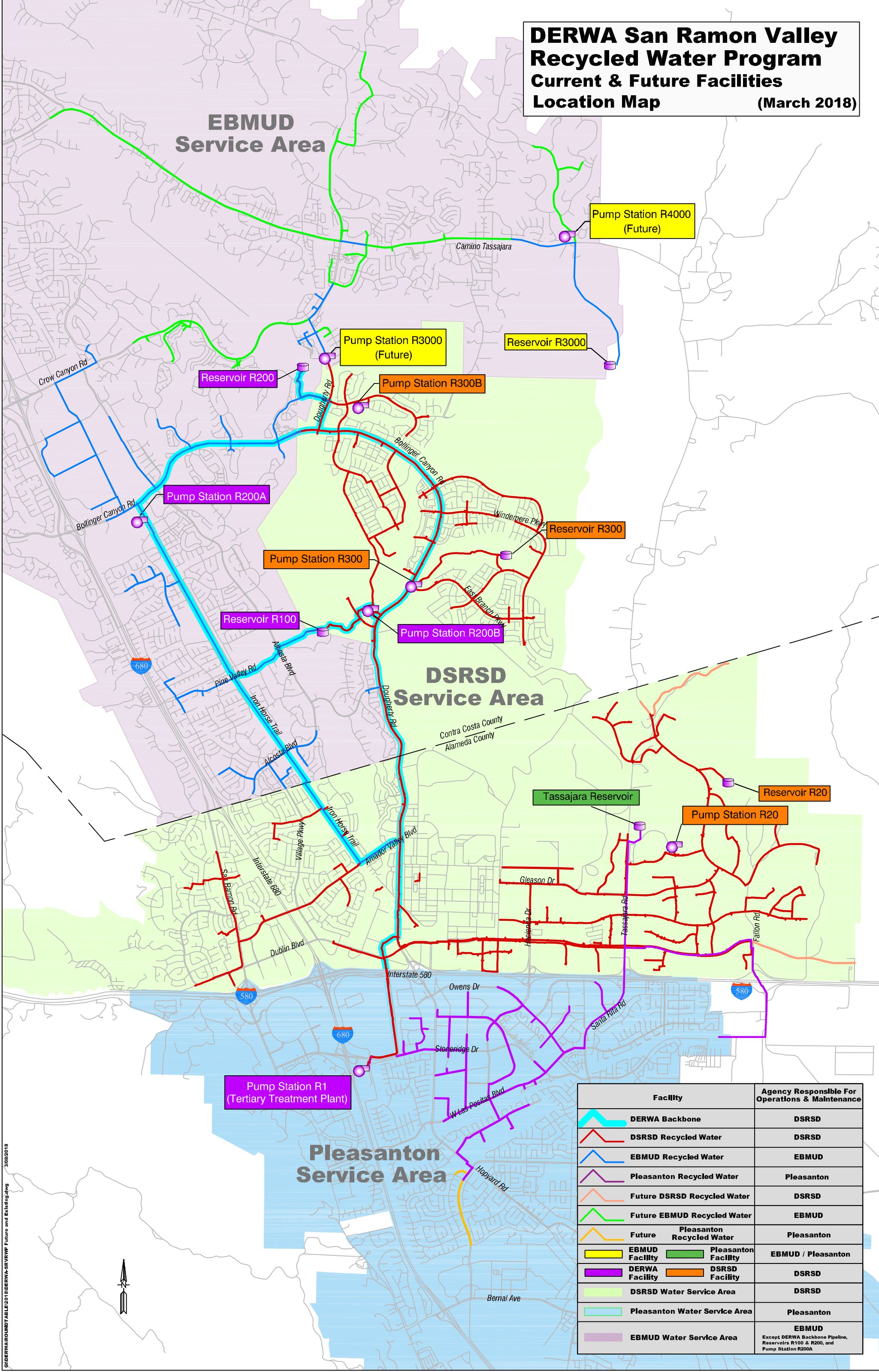
Capital Project Costs and Cost Sharing

(\$000's)

| Project | Lead Agency | Total Costs | DSRSD | EBMUD | PLEASANTON |
|-------------------------------------|---------------|-------------------|------------------|------------------|-----------------|
| Completed Projects | | | | | |
| Pipeline Reach 1 | DSRSD | \$ 7,561 | \$ 4,384 | \$ 3,177 | |
| Pipeline Reach 2 | DSRSD & EBMUD | 4,558 | 3,882 | 676 | |
| Pipeline Reach 3 | DSRSD | 2,286 | 1,719 | 567 | |
| Pipeline Reach 4 | DSRSD & EBMUD | 1,615 | 364 | 1,251 | |
| Pipeline Reach 5 | EBMUD | 1,431 | 200 | 1,231 | |
| Pipeline Reach 6 | EBMUD | 6,760 | 431 | 6,329 | |
| Pump Stations | DSRSD | 8,563 | 6,777 | 1,786 | |
| Water Tanks | EBMUD | 12,393 | 7,222 | 5,171 | |
| Treatment Plant | DSRSD | 15,733 | 8,949 | 6,784 | |
| Backbone Corrosion | DERWA | 1,109 | 122 | 987 | |
| Fine Screening | DSRSD | 927 | 529 | 398 | |
| MR/UV Control Upgrade | DSRSD | 144 | 82 | 62 | |
| EBMUD Distribution | DERWA | 602 | 0 | 602 | |
| Air Relief | DERWA | 40 | 23 | 17 | |
| Pump Station Phase 2* | DERWA | 3,463 | 0 | 3,463 | |
| 6th Sand Filter | DSRSD | 255 | 0 | 0 | 255 |
| MF Membrane Replace | DSRSD | 700 | 335 | 251 | 114 |
| SCADA | DSRSD | 341 | 194 | 147 | |
| Studies and Predesigns | DERWA | 5,746 | 2,880 | 2,866 | |
| Program Planning | DERWA | 3,585 | 1,757 | 1,828 | |
| Completed Projects Subtotal | | 77,812 | 39,850 | 37,593 | 369 |
| Continuing and New Projects | | | | | |
| New/Replacement Capital <\$50k | DERWA | \$ 1,278 | \$ 576 | \$ 418 | 284 |
| PSR1 VFD Replacement | DSRSD | 566 | 334 | 142 | 90 |
| Permanent Supplemental Supply | DERWA | 3,314 | 1,922 | 1,392 | |
| RWTP Expansion | DSRSD | 19,156 | 8,812 | 5,172 | 5,172 |
| TIPS VRF Upgrade | DSRSD | 63 | 29 | 17 | 17 |
| SFUV Wiper Arm Replacement | DSRSD | 251 | 115 | 68 | 68 |
| Contingency | DERWA | 1,000 | 333 | 333 | 333 |
| Capitalized Interest | DERWA | 2,200 | 1,184 | 1,016 | |
| Continuing Projects Subtotal | | 27,828 | 13,305 | 8,558 | |
| TOTAL | | \$ 105,640 | \$ 53,155 | \$ 46,151 | \$ 5,964 |
| | | 100% | 50.3% | 43.7% | 5.6% |

*Pump Station Phase 2 only contains DERWA local cost share of Corps of Engineers' Project

DERWA San Ramon Valley
Recycled Water Program
Current & Future Facilities
Location Map
(March 2018)



| Facility | | Agency Responsible For Operations & Maintenance |
|----------|----------------------------------|---|
| | DERWA Backbone | DSRSD |
| | DSRSD Recycled Water | DSRSD |
| | EBMUD Recycled Water | EBMUD |
| | Pleasanton Recycled Water | Pleasanton |
| | Future DSRSD Recycled Water | DSRSD |
| | Future EBMUD Recycled Water | EBMUD |
| | Future Pleasanton Recycled Water | Pleasanton |
| | EBMUD Facility | EBMUD / Pleasanton |
| | Pleasanton Facility | |
| | DERWA Facility | DSRSD |
| | DSRSD Facility | |
| | DSRSD Water Service Area | DSRSD |
| | Pleasanton Water Service Area | Pleasanton |
| | EBMUD Water Service Area | EBMUD Except DERWA Backbone Pipeline, Reservoirs R100 & R200, and Pump Station R200A |

DETAILED PROJECT ELEMENT SUMMARIES

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CONTINUING CAPITAL PROJECTS

PERMANENT SUPPLEMENTAL WATER SUPPLY

NEW/REPLACEMENT CAPITAL <\$50K EACH

PSR1 VFD REPLACEMENT

RECYCLED WATER TREATMENT PLANT EXPANSION

NEW CAPITAL PROJECTS FY20

TIPS VFD UPGRADES

SFUV WIPER ARMS REPLACEMENT

CAPITAL PROJECTS COMPLETED in FY19

NONE

Capital Improvement Project Summary

Project: **Supplemental Water Supply**

Description: This project will provide Supplemental Water for DERWA that is needed to avoid peak month supply shortfalls that will occur within the next few years. Alternative sources of supply currently under consideration are additional supply of treated wastewater effluent from Livermore and/or raw wastewater from Central Contra Costa Sanitary District (CCCSD), and local groundwater. Preliminary engineering studies of the alternatives were completed in 2005. The January 17, 2014 DERWA/Pleasanton Recycled Water Services agreement allows DERWA to utilize Pleasanton wastewater that is not used by the Pleasanton recycled water program. Current 5-year recycled water demand projections by the participating agencies show the peak month demand will exceed the wastewater flows from DSRSD and Pleasanton. In FY 2020, DERWA will work toward completion of the CCCSD diversion, use of groundwater from local wells, and perform detailed studies of opportunities to use groundwater from the Fringe Basin to meet peak demands. This does not include capital costs for potable water additions.

Lead Agency: DERWA

Project Manager: DERWA Authority Manager

| | | | | |
|----------------------|--------------|------------|------------|---------------|
| Cost Sharing: | Planning | 58 % DSRSD | 42 % EBMUD | 0% Pleasanton |
| | Design | 58 % DSRSD | 42 % EBMUD | 0% Pleasanton |
| | Property | 58 % DSRSD | 42 % EBMUD | 0% Pleasanton |
| | Construction | 58 % DSRSD | 42 % EBMUD | 0% Pleasanton |
| | Const Mgmt | 58 % DSRSD | 42 % EBMUD | 0% Pleasanton |

Grant/Loan Eligible: 0% Design 0% Construction

In Service Date: CCCSD Diversion (Summer 2019)
(\$000)

Supplemental Water Supply

| Project | Lead Agency | Activity | Prior Spending | Estimated FY 19 | Proposed FY20 | Future | Approved Budget Total |
|---------------------|-------------|--------------|----------------|-----------------|---------------|--------|-----------------------|
| Supplemental Supply | DERWA | Planning | 271 | 59 | 82 | 81 | 493 |
| | | Design | 7 | 110 | 213 | 180 | 510 |
| | | Property | 8 | 0 | 0 | 0 | 8 |
| | | Construction | 116 | 306 | 1,124 | 540 | 2,086 |
| | | Const. Mgmt. | 0 | 0 | 110 | 90 | 200 |
| | | Admin | 3 | 0 | 0 | 0 | 3 |
| | | Other | 15 | 0 | 0 | 0 | 15 |
| | | Total | 420 | 475 | 1528 | 891 | 3,314 |

Total Project Element Costs: \$3,314,000

Capital Improvement Project Summary

Project: **New/Replacement Capital < \$50k**

Description: This program is from FY11 through FY22 and provides funding for the acquisition of capital items for the DERWA facilities that cost less than \$50,000 each. Included are new capital items needed for improved reliability and/or efficiency, required by new regulation, and for the replacement or rehabilitation of existing assets that have reached the end of their useful life. Anticipated projects for FY20 include an upgrade of the existing UVT and Turbidimeter analyzers used for both MF and SF processes. The existing units are obsolete and parts are hard to find. The latest models are network capable which allows for better troubleshooting and offers more alarm options. These units also utilize LED technology with a longer useful life, and the readings will be more consistent.

Lead Agency: DERWA

Project Manager: DERWA Authority Manager

Cost Sharing:

| | | | |
|--------------|-----------|-----------|----------------|
| Planning | 42% DSRSD | 31% EBMUD | 27% Pleasanton |
| Design | 42% DSRSD | 31% EBMUD | 27% Pleasanton |
| Property | 42% DSRSD | 31% EBMUD | 27% Pleasanton |
| Construction | 42% DSRSD | 31% EBMUD | 27% Pleasanton |
| Const Mgmt | 42% DSRSD | 31% EBMUD | 27% Pleasanton |

Grant/Loan Eligible: 0% Design 0% Construction

In Service Date: UVT and Turbidimeter (FY 20)
(\$000)

New/Replacement Capital <\$50k

| Project | Lead Agency | Activity | Prior Spending | Estimated FY 19 | Proposed FY20 | Future | Approved Budget Total |
|-----------------------------------|-------------|--------------|----------------|-----------------|---------------|--------|-----------------------|
| New/Replacement Capital <\$50k ea | DERWA | Planning | 0 | 0 | 0 | 0 | 0 |
| | | Design | 0 | 0 | 0 | 231 | 231 |
| | | Property | 0 | 0 | 0 | 0 | 0 |
| | | Construction | 281 | 0 | 24 | 719 | 1,024 |
| | | Const. Mgmt. | 0 | 0 | 0 | 0 | 0 |
| | | Admin | 0 | 0 | 0 | 23 | 23 |
| | | Other | 0 | 0 | 0 | 0 | 0 |
| | | Total | 281 | 0 | 24 | 973 | 1,278 |

Total Project Element Costs: \$1,278,000

Capital Improvement Project Summary

Project: **Pump Station R1 VFD Replacement**

Description: The manufacturer of the variable frequency drives (VFD) that control the pump speed and flow rate at Pump Station R1 is no longer in business. Replacement parts cannot be found and there is no longer any technical support for this equipment. The project is being completed as a change order to the Recycled Water Treatment Plant Expansion Project. The cost estimate for installation of replacement drives is \$566,000.

Lead Agency: DSRSD
Project Manager: Robyn Mutobe

Cost Sharing:

| | | | |
|--------------|-----------|-----------|----------------|
| Planning | 59% DSRSD | 25% EBMUD | 16% Pleasanton |
| Design | 59% DSRSD | 25% EBMUD | 16% Pleasanton |
| Property | 59% DSRSD | 25% EBMUD | 16% Pleasanton |
| Construction | 59% DSRSD | 25% EBMUD | 16% Pleasanton |
| Const Mgmt | 59% DSRSD | 25% EBMUD | 16% Pleasanton |

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date: FY20

(\$000)

Pump Station R1 VFD Replacement

| Project | Lead Agency | Activity | Prior Spending | Estimated FY 19 | Proposed FY20 | Future | Approved Budget Total |
|----------------------|-------------|--------------|----------------|-----------------|---------------|--------|-----------------------|
| PSR1 VFD Replacement | DSRSD | Planning | 0 | 0 | 0 | 0 | 0 |
| | | Design | 11 | 0 | 0 | 0 | 11 |
| | | Property | 0 | 0 | 0 | 0 | 0 |
| | | Construction | 346 | 129 | 40 | 0 | 505 |
| | | Const. Mgmt. | 0 | 39 | 0 | 0 | 49 |
| | | Admin | 0 | 0 | 0 | 0 | 0 |
| | | Other | 0 | 1 | 0 | 0 | 1 |
| Total | | | 357 | 169 | 40 | 0 | 566 |

Total Project Element Costs: \$566,000

Capital Improvement Project Summary

Project: **Recycled Water Treatment Plant Expansion**

Description: This project will expand the recycled water sand filtration and ultraviolet (UV) disinfection facility to meet the DSRSD, EBMUD and Pleasanton's water demand projections through 2019-2020. The projections show the peak day demand will soon exceed the RWTP capacity (including the capacity of the 6th Sand Filter addition). The Microfiltration/Ultraviolet Disinfection Plant can provide the needed peak capacity for the interim if needed. This project will expand the facility capacity from 11.6 to 16.2 mgd. The expansion includes the construction of high-rate ballasted flocculation basins upstream of the existing tertiary filters improving the quality of the filter feed allowing them to operate at a higher loading rate. It also includes the addition of twenty UV disinfection modules, two tertiary influent pumps, two high lift product water pumps and associated electrical and mechanical equipment. Construction was completed in 2018 with testing and filter rating continuing into 2020. \$2.5 million in grant funding from the state is anticipated to offset capital costs.

Lead Agency: DSRSD
Project Manager: Robyn Mutobe

Cost Sharing:

| | | | |
|--------------|-----------|-----------|----------------|
| Planning | 46% DSRSD | 27% EBMUD | 27% Pleasanton |
| Design | 46% DSRSD | 27% EBMUD | 27% Pleasanton |
| Property | 46% DSRSD | 27% EBMUD | 27% Pleasanton |
| Construction | 46% DSRSD | 27% EBMUD | 27% Pleasanton |
| Const Mgmt | 46% DSRSD | 27% EBMUD | 27% Pleasanton |

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date: 2019
 (\$000)

| Project | Lead Agency | Activity | Prior Spending | Estimated FY 19 | Proposed FY20 | Future | Approved Budget Total |
|--|-------------|------------------|----------------|-----------------|---------------|--------|-----------------------|
| Recycled Water Treatment Plant Expansion | DSRSD | Planning | 24 | 0 | 0 | 0 | 24 |
| | | Design | 1,746 | 272 | 0 | 0 | 2,018 |
| | | Property | 0 | 0 | 0 | 0 | 0 |
| | | Construction | 13,894 | 400 | 0 | 0 | 14,294 |
| | | Const. Mgmt. | 1,765 | 300 | 0 | 0 | 2,065 |
| | | Admin/Permitting | 205 | 190 | 360 | 0 | 755 |
| | | Other | 0 | 0 | 0 | 0 | 0 |
| | | Total | 17,634 | 1,162 | 360 | 0 | 19,156 |

Total Project Element Costs: \$19,156,000

Capital Improvement Project Summary

Project: **TIPS VFD Upgrades**

Description: The existing variable frequency drives (VFDs) for the 3 original Tertiary Influent Pump Station (TIPS) pumps are 15+ years old and are obsolete. The scope of this project is to upgrade the 3 VFDs to a newer make and model. While performing the VFD upgrade, the industrial control network will also be upgraded to Ethernet connectivity to allow for ease maintenance and faster recovery from breakdowns. The District will hire a contractor and integrator to perform installation, PLC programming, SCADA configuration, testing, and startup.

Lead Agency: DSRSD/DERWA
Project Manager: DERWA Authority Manager

Cost Sharing:

| | | | | | | |
|--------------|-----|-------|-----|-------|-----|------------|
| Planning | 46% | DSRSD | 27% | EBMUD | 27% | Pleasanton |
| Design | 46% | DSRSD | 27% | EBMUD | 27% | Pleasanton |
| Property | 46% | DSRSD | 27% | EBMUD | 27% | Pleasanton |
| Construction | 46% | DSRSD | 27% | EBMUD | 27% | Pleasanton |
| Const Mgmt | 46% | DSRSD | 27% | EBMUD | 27% | Pleasanton |

Grant/Loan Eligible: 0% Design 0% Construction

In Service Date: 2020

(\$000)

TIPS VFD Upgrades

| Project | Lead Agency | Activity | Prior Spending | Estimated FY 19 | Proposed FY20 | Future | Approved Budget Total |
|-------------------|-------------|--------------|----------------|-----------------|---------------|--------|-----------------------|
| TIPS VFD Upgrades | DERWA | Planning | 0 | 0 | 0 | 0 | 0 |
| | | Design | 0 | 0 | 0 | 0 | 0 |
| | | Property | 0 | 0 | 0 | 0 | 0 |
| | | Construction | 0 | 0 | 63 | 0 | 63 |
| | | Const. Mgmt. | 0 | 0 | 0 | 0 | 0 |
| | | Admin | 0 | 0 | 0 | 0 | 0 |
| | | Other | 0 | 0 | 0 | 0 | 0 |
| | | Total | 0 | 0 | 63 | 0 | 63 |

Total Project Element Costs: \$63,000

Capital Improvement Project Summary

Project: **SFUV Wiper Arms Replacement**

Description: This project will expand the recycled water sand filtration ultraviolet (SFUV) disinfection wiper arms. Most of these arms have been rebuilt once or twice during their fourteen year service life. The project includes 70 new wiper RAM (\$1,800/unit cost) and 2,800 wiper holders (\$22/unit cost).

Lead Agency: DSRSD/DERWA
Project Manager: DERWA Authority Manager

Cost Sharing:

| | | | |
|--------------|-----------|-----------|----------------|
| Planning | 46% DSRSD | 27% EBMUD | 27% Pleasanton |
| Design | 46% DSRSD | 27% EBMUD | 27% Pleasanton |
| Property | 46% DSRSD | 27% EBMUD | 27% Pleasanton |
| Construction | 46% DSRSD | 27% EBMUD | 27% Pleasanton |
| Const Mgmt | 46% DSRSD | 27% EBMUD | 27% Pleasanton |

Grant/Loan Eligible: 0% Design 0% Construction
In Service Date: 2020
(\$000)

SFUV Wiper Arms Replacement

| Project | Lead Agency | Activity | Prior Spending | Estimated FY 19 | Proposed FY20 | Future | Approved Budget Total |
|-----------------------------|-------------|--------------|----------------|-----------------|---------------|--------|-----------------------|
| SFUV Wiper Arms Replacement | DERWA | Planning | 0 | 0 | 0 | 0 | 0 |
| | | Design | 0 | 0 | 0 | 0 | 0 |
| | | Property | 0 | 0 | 0 | 0 | 0 |
| | | Construction | 0 | 0 | 251 | 0 | 251 |
| | | Const. Mgmt. | 0 | 0 | 0 | 0 | 0 |
| | | Admin | 0 | 0 | 0 | 0 | 0 |
| | | Other | 0 | 0 | 0 | 0 | 0 |
| | | Total | 0 | 0 | 251 | 0 | 251 |

Total Project Element Costs: \$251,000

Item 7.B

DERWA Summary & Recommendation

Approve and Adopt Resolution 19-3 Requesting that Its Member Agencies Take Action to Reduce Recycled Water Demands and Directing that the Authority Manager Implement Demand Management and Allocation Adjustments Pursuant to the DERWA Sales Agreement

Summary:

Reduced wastewater flows due to improved water use efficiency and conservation by customers have decreased recycled water supply available for the DERWA program. In addition, the City of Pleasanton's use of recycled water for its recycled water program has reduced the amount of supply available for DERWA's use. Even with supplemental supply from diversion of Central Contra Costa Sanitary District's wastewater, the recycled water demands are expected to exceed the available supply on peak irrigation days in the summer.

Pursuant to the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority to DSRSD and EBMUD (Sales Agreement), the DERWA Authority Manager shall take actions to curtail delivery of recycled water to the member agencies. Given the shortfall in recycled water supply and the complexity of implementing demand management on a real-time peak day basis, the most prudent and practical method of demand management is for the member agencies to implement a connection moratorium, except for EBMUD Phase 2 connections already in progress where significant investment has been made and EBMUD has expended grant funding to complete the distribution system to deliver recycled water. Member agencies should also implement other additional demand management practices to curtail the use of recycled water.

The DERWA Board is requesting that the member agencies implement connection moratorium with the exception noted above and also implement other additional demand management practices to curtail the use of recycled water. The Authority Manager is directed to take all appropriate steps to assist the member agencies to curtail their use of recycled water supply for the upcoming irrigation season, and take further actions to apportion amongst the member agencies, and the City of Pleasanton as applicable, the recycled water supply projected to be available in subsequent years should the supplies remain insufficient to meet projected demands.

Recommendation:

The Authority Manager recommends the DERWA Board of Directors approve, by Resolution, a request that its member agencies take actions to reduce recycled water demands and direct the Authority Manager to implement demand management and allocation adjustments pursuant to the DERWA Sales Agreement.

March 25, 2019

Attachments

DERWA
RESOLUTION NO. 19-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY (DERWA) REQUESTING THAT ITS MEMBER AGENCIES TAKE ACTION TO REDUCE RECYCLED WATER DEMANDS AND DIRECTING THAT THE AUTHORITY MANAGER IMPLEMENT DEMAND MANAGEMENT AND ALLOCATION ADJUSTMENTS PURSUANT TO ARTICLE IV OF THE AGREEMENT FOR THE SALE OF RECYCLED WATER BY THE DSRSD-EBMUD RECYCLED WATER AUTHORITY TO THE DUBLIN SAN RAMON SERVICES DISTRICT AND THE EAST BAY MUNICIPAL UTILITY DISTRICT

WHEREAS, the DSRSD•EBMUD Recycled Water Authority (DERWA), is a joint Powers Authority in Alameda and Contra Costa Counties, formed in 1995 by agreement of the Dublin San Ramon Services District and the East Bay Municipal Utility District for the implementation and construction of the San Ramon Valley Recycled Water Program for the purpose of maximizing the use of recycled water in ways that offset potable irrigation water demand for DERWA's Member Agencies, while recovering costs; and

WHEREAS, the DERWA members and the City of Pleasanton have caused to be constructed Phase 2 modifications to the Recycled Water Treatment Facilities (RWTF) to ultimately provide 16.2 mgd of treatment capacity; and

WHEREAS, the DERWA Board of Directors has received presentations from the Authority Manager on July 23, 2018, November 26, 2018, and February 4, 2019 providing details on peak summer demand recycled water production shortages projected for the 2019 recycled water irrigation season and subsequent years in the absence of the development of supplemental supplies; and

WHEREAS, reduced wastewater flows due to improved water use efficiency and conservation by customers have decreased recycled water supply available for the DERWA program; and

WHEREAS, the City of Pleasanton's increased use of wastewater for its Recycled Water Program has reduced the amount of wastewater available for DERWA's use; and

WHEREAS, the DERWA Board of Directors approved a supplemental supply agreement with the Central Contra Costa Sanitary District (Central San) at its February 4, 2019 Board Meeting to provide additional short-term recycled water supplies; and

WHEREAS, even with the supplemental supply agreement with Central San, based on current projected recycled water demands for the 2019 irrigation season, recycled water demands are expected to exceed the available recycled water supply on peak irrigation days in the summer; and

WHEREAS, based on projected recycled water demands for years beyond the 2019 irrigation season, recycled water demands are expected to exceed the planned available recycled water supply on peak irrigation days in the summer months during subsequent years; and

WHEREAS, EBMUD has made significant investment and has expended grant funding for the Phase 2 Expansion of its recycled water distribution system which will convert existing potable water use to recycled water use; and

WHEREAS, Article IV of the Agreement for the Sale of Recycled Water by the DSRSD-EBMUD Recycled Water Authority to the Dublin San Ramon Services District and the East Bay Municipal Utility District (Sales Agreement) provides that the Member Agencies shall implement demand management for their respective connected customers and the Authority Manager shall take actions to curtail delivery of recycled water to the Member Agencies; and

WHEREAS, Article IV of the Sales Agreement further provides for the allocation of available future recycled water supplies among the Member Agencies when recycled water demands are projected to exceed the recycled water supplies during periods beyond the current contract year; and

WHEREAS, the DERWA Board of Directors desires that the Authority Manager take appropriate steps as outlined in Article IV of the Sales Agreement to assist Member Agencies in the curtailment of their use of recycled water supply for the 2019 irrigation season and to take further actions to allocate amongst the Member Agencies, and the City of Pleasanton as applicable, the recycled water supply projected to be available in subsequent contract years; and

WHEREAS, given the projected current and future shortfall in recycled water supply and the complexity of implementing demand management on a real-time peak day basis, the most prudent and practical method of demand management is for the Member Agencies to implement a connection moratorium on new connections and implement other additional demand management practices to curtail the use of recycled water; and

WHEREAS, the DERWA Board of Directors desires that DERWA continue to research and appropriately develop the supplemental supplies necessary to increase the availability of recycled water for the current and future irrigation seasons.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Joint Powers Authority, does hereby find, request, and direct as follows:

1. The DERWA Board of Directors finds that currently available DERWA recycled water supplies are insufficient to meet the projected recycled water demand of the Member Agencies and the City of Pleasanton on peak irrigations days in the summer during the current year; and
2. The DERWA Board of Directors further finds that recycled water supplies are anticipated to be insufficient to meet the projected demands for recycled water on peak irrigation days in future years; and

3. The DERWA Board of Directors requests that the Member Agencies implement a connection moratorium on new connections except for those EBMUD Phase 2 connections that are already in progress as listed in Exhibit A, and further requests that Member Agencies also implement other demand management practices to curtail use of recycled water; and
4. The DERWA Board of Directors directs the DERWA Authority Manager, consistent with the authority found in Article IV of the Sales Agreement, to take all appropriate steps to assist Member Agencies to curtail their use of recycled water supply for the 2019 irrigation season; and
5. The DERWA Board of Directors directs the DERWA Authority Manager, consistent with the authority found in Article IV of the Sales Agreement, to take further actions to apportion amongst the Member Agencies, and the City of Pleasanton as applicable, the recycled water supply projected to be available in subsequent years should recycled water supplies remain insufficient to meet projected demands.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority, a Public Agency located in the Counties of Alameda and Contra Costa, California, at its Regular Meeting held on the 25th day of March 2019 and passed by the following vote:

AYES:

NOES:

ABSENT

John A. Coleman, DERWA Chair

ATTEST:

Nicole M. Genzale, Authority Secretary

EXHIBIT A

**EBMUD SAN RAMON VALLEY RECYCLED WATER PROJECT
PHASE 2 CUSTOMER SITE RETROFITS/CONNECTIONS IN PROGRESS**

| CUSTOMER SITES | SERVICE ADDRESS |
|---------------------------------------|----------------------------|
| San Ramon Valley Conference Center | 3301 Crow Canyon Road |
| Bishop Ranch BR 6 | 2420 Camino Ramon |
| Sunset Development Co. Service Center | 2453 Camino Ramon |
| Town of Danville Streetscape | 2151 El Capitan Drive |
| City of San Ramon Streetscapes | 3500/3585 Crow Canyon Road |
| Bishop Ranch Veterinary Center | 2000 Bishop Drive |
| Caltrans Hwy 680 Landscapes | 2100/2110 Bishop Drive |
| Canyon Lakes Golf Course | 7300 Bollinger Canyon Road |
| Crow Canyon Country Club Golf Course | 881 Silver Lake Drive |

MANAGER'S REPORTS

- A. Authority Manager Recruitment Update
- B. Supplemental Supply Update
- C. Confirm Next Board Meeting – May 20, 2019