

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

NOTICE OF REGULAR MEETING

TIME: 6 p.m.

DATE: Monday, May 20, 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. 19-4)

**Recommended
Action**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Coleman, Howard, 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.

Approve
by Motion

 - A. Approve Minutes of Regular Board Meeting of March 25, 2019
 - B. Approve Minutes of Special Board Meeting of April 16, 2019
 - C. Approve Minutes of Special Board Meeting of May 13, 2019
 - D. Approve the Treasurer's Reports for March 31 and April 30, 2019
 - E. Approve the Quarterly Investment Report for March 31, 2019

	<u>Recommended Action</u>
7. <u>BOARD BUSINESS</u>	
A. Appoint John V. Rossi as Authority Manager, and Authorize an Agreement with Ralph Andersen & Associates to Provide Executive Services for a Period of Three Years and take additional Actions as Necessary to Implement the Agreement	Approve by Resolution
B. Approve Proclamation for Michael T. Tognolini's Service to DERWA as Authority Manager	Approve by Motion
C. Authorize the Authority Manager to Enter into an Agreement with Dublin San Ramon Services District to Provide Conveyance, Treatment and Disposal of Supplemental Supply Water	Authorize by Motion
8. <u>MANAGER'S REPORTS</u>	
A. Supplemental Supply Update	
B. Confirm Next Board Meeting – July 22, 2019	
C. DERWA Program Facilities Electrical Outage Emergency Repair Update	
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 Regular Meeting Minutes
Monday, March 25, 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 6:01p.m. at the Shannon Community Center, Ambrose Hall.
2. PLEDGE TO THE FLAG
3. ROLL CALL – Directors present: Chair John Coleman, Vice Chair Georgean Vonheeder-Leopold, and Directors Ed Duarte and Frank Mellon. DERWA Staff present: Mike Tognolini, Authority Manager; Richard Lou, Treasurer; Doug Coty, General Counsel; and Nicole Genzale, Authority Secretary.
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – Chair Coleman recognized Mr. Robert Maddow, past General Counsel for DERWA, in the audience this evening. Mr. Maddow commented on the history of DERWA’s legal counsel.
5. PUBLIC COMMENT – 6:03 p.m. – None
6. CONSENT CALENDAR
 - A. Approve Minutes of Special Board Meeting of February 4, 2019
 - B. Treasurer’s Reports for January 31, and February 28, 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:

7. BOARD BUSINESS

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

Authority Manager Tognolini reviewed the item for the Board.
Motion by Director Duarte. Second by Vice Chair Vonheeder-Leopold to approve and adopt by Resolution No. 19-2 the Fiscal Year 2019-2020 Capital and Operating Expenditure Budget.
Motion carried (4-0) by the following vote:

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

DRAFT

- B. Approve and Adopt Resolution No. 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

Authority Manager Tognolini reviewed the item for the Board and reported it is imperative for DERWA to stem growth of recycled water demand until permanent supply is secured. He confirmed that recent EBMUD user connections would be grandfathered in to receive supply should a moratorium be initiated.

The Board and staff discussed potential use of other supply resources:

- San Ramon golf course wells:
 - Canyon Lakes and Crow Canyon – neither golf course has groundwater supplies available.
 - Royal Vista (which is closing) – is not a DERWA customer and has not expressed interest in working with DERWA. The Board asked staff to look into whether or not DERWA could legally access those wells if the property is converted to another use.
- City of Livermore's wastewater – a meeting to discuss a potential supply agreement will be held Wednesday, March 27, 2019.

The Board inquired what DERWA's approach would be if the recycled water supply is depleted. Staff confirmed a potable connection would be implemented. The Board also inquired as to how demand management measures would impact City of Pleasanton. Staff confirmed that City of Pleasanton would not be subject to a moratorium and, thus far, has been cooperative with efficient supply use.

General Counsel Coty clarified for the Board that the action staff is asking the Board to take this evening does not necessarily mean a moratorium would be declared, but rather is directing Mr. Tognolini to take certain demand management steps with the partner agencies per the DERWA sales agreement.

The Boardmembers agreed, and acknowledged for the record, that it goes against DERWA's grain philosophically to curtail customer deliveries, but acknowledged DERWA cannot deliver what it does not have. The Board expressed its hope that this circumstance will help create momentum in acquiring supplemental supply.

Motion by Director Mellon. Second by Director Duarte to Approve and Adopt Resolution No. 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. Motion carried (4-0) by the following vote:

AYES: Mellon, Duarte, Vonheeder-Leopold, Coleman

NOES:

ABSENT:

8. MANAGER'S REPORTS

A. Authority Manager Recruitment Update

Authority Manager Tognolini reported that the Authority Manager position recruitment will

close on Monday, April 1. At its conclusion, DSRSD and EBMUD plan to conduct an agency level review of the candidates and present select candidates for Board interviews in early May. The Board will consider appointment of the final candidate at the May 20 Board meeting. Mr. Tognolini confirmed that, per the Board's previous direction, partner agency senior management retirees familiar with DERWA were notified of the recruitment.

B. Supplemental Supply Update

Authority Manager Tognolini reported on the following supplemental supply options:

- City of Livermore wastewater supply
A meeting has been scheduled for Wednesday, March 27 to further discuss a potential supply agreement.
- Central Contra Costa Sanitary District wastewater diversion project
Staff has reviewed the 75% design submittals and returned them to the engineer. Staff hopes to have the project available for bid by the end of April and is in the process of obtaining construction permits. The project is progressing smoothly, so far, and given a 45-day construction period, the diversion should be online by this July.
- Devil Mountain Wholesale Nursery well pilot project
This project is in initial design and could be online in summer of 2020. This project would pump ground water, via a connection to DSRSD's wastewater system, to supplement wastewater supply on peak summer days. PG&E owns the well, but negotiations on the draft lease agreement have gone quiet since PG&E declared bankruptcy. Staff will explore the possibility of negotiating directly with the nursery, via its existing lease, if PG&E does not re-engage.
- Other possible well sites
Staff is conducting a broad regional study (hydrogeological assessment) of other ground water opportunities, especially on DSRSD property, where new wells could be installed. He confirmed that old wells owned by DSRSD near its District Office were destroyed.

C. Confirm Next Board Meeting – May 20, 2019

The Board confirmed that the May 20, 2019 meeting will be held as scheduled. The Board also agreed to hold a special Board meeting on Monday, May 13 at 6 p.m., to conduct Authority Manager candidate interviews in closed session.

9. BOARDMEMBER ITEMS – None

10. CLOSED SESSION

At 6:30 p.m. the Board went into Closed Session.

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

11. REPORT FROM CLOSED SESSION

At 6:57 p.m. the Board came out of Closed Session.
Chair Coleman announced that there was no reportable action.

12. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:58 p.m.

Submitted by,

Nicole M. Genzale, CMC
Authority Secretary

Item 6.B

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

**Board of Directors Special Meeting Minutes
Tuesday, April 16, 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 5:30 p.m. at the Shannon Community Center, Ambrose Hall.
2. PLEDGE TO THE FLAG
3. ROLL CALL – Directors present: Chair John Coleman, Vice Chair Georgean Vonheeder-Leopold, Directors Ed Duarte and Frank Mellon. 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 – 5:31 p.m. – None
6. DERWA Program Facilities Electrical Outage Emergency
 - A. Ratify DSRSD, EBMUD, and DERWA Authority Manager Actions in Response to Recycled Water Treatment Facility Emergency
 - B. Authorize DSRSD to Spend Up to \$500,000 in Emergency Funds for the Recycled Water Treatment Facility

DSRSD Operations Manager Jeff Carson reviewed the item for the Board and gave a presentation, which was distributed to the Board, showing a powerful arc flash that occurred at the onset of the electrical outage on Sunday, April 7, 2019. He explained the resulting equipment damage, and the inspections, parts, activities, and estimated timeline to repair the recycled water treatment facility and restore normal production. Staff have provided power, via emergency generators, while repairs are being made. Staff reported that customer recycled water deliveries have not been impacted by the outage.

The Board and staff discussed the estimated repairs, costs, and potential inspection findings. They determined it would be prudent to approve emergency funding of up to \$1,000,000 (rather than the \$500,000 initially proposed) to ensure sufficient resources should additional costs be identified during the repair and inspection work.

Motion by Director Mellon. Second by Director Duarte to Ratify DSRSD, EBMUD, and DERWA Authority Manager Actions in Response to Recycled Water Treatment Facility Emergency and Authorize DSRSD to Spend Up to \$1,000,000 in Emergency Funds for the Recycled Water Treatment Facility. Motion carried (4-0) by the following vote:

DRAFT

AYES: Mellon, Duarte, Vonheeder-Leopold, Coleman

NOES:

ABSENT:

7. ADJOURNMENT

Chair Coleman adjourned the meeting at 5:48 p.m.

Submitted by,

Nicole M. Genzale, CMC

Authority Secretary

Item 6.C

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

**Board of Directors Special Meeting Minutes
Monday, May 13, 2019**

**The Wave Community Room,
4201 Central Parkway, 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 Wave Community Room.
2. PLEDGE TO THE FLAG
3. ROLL CALL – Directors present: Chair John Coleman, Vice Chair Georgean Vonheeder-Leopold, Directors Ed Duarte and Frank Mellon. DERWA Staff present: Mike Tognolini, Authority Manager; and Robert B. Maddow, Assistant General Counsel.
4. PUBLIC COMMENT – 6:01 p.m. – None
5. CLOSED SESSION

At 6:03 p.m. the Board went into Closed Session.

As Authorized Pursuant to Government Code Section 54957:
Public Employment
Position: Authority Manager

As Authorized Pursuant to Government Code Section 54957.6:
Conference with Labor Negotiator
Agency Designated Representative: Board Chair
Heather Renschler, Recruiter
Unrepresented Employee: Authority Manager

6. REPORT FROM CLOSED SESSION.

At 8:30 p.m. the Board came out of Closed Session. Chair Coleman announced that there was no reportable action.

7. ADJOURNMENT

Chair Coleman adjourned the meeting at 8:31 p.m.

Submitted by,

Nicole M. Genzale, CMC
Authority Secretary

DRAFT

Item 6.D

DERWA
Summary & Recommendation
March 31, 2019 Treasurer's Report
April 30, 2019 Treasurer's Report

Summary:

Attached are the Treasurer's Reports for the months ending March 31, 2019 and April 30, 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 March 31, and April 30, 2019.

May 20, 2019

Attachments

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

STAFF REPORT

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

Revenues/Funding: During the month, \$47,236 in agency reimbursements was received. Also, \$2.5 million in grant money was received.

Expenses: Current monthly expenditures were \$728,211. Fiscal year-to-date expenditures for FY19 total \$2,885,150 of which \$1,759,377 was operating expenses and \$1,125,773 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 March 31, 2019 was 1,017,839.

Submitted by:



Richard Lou
Treasurer

Dated: April 11, 2019

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

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED MARCH 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	28,297	94,805	468,272	271,597	196,675
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
LVAWMA 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	26,967	752,607	14,232,003	9,136,381	5,095,622
Pleasanton Capital Billing/Contingency	0	5,334,659	9,974	278,361	5,613,020	0	5,613,020
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	65,238	1,125,773	99,906,300	50,215,315	49,690,985

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	21,399	109,121	3,278,918	2,342,940	935,977
Treasurer	38,500	2,756,326	4,710	49,034	2,805,360	2,104,020	701,340
Legal Counsel	15,000	434,886	1,300	6,536	441,422	331,067	110,355
Secretary	3,620	211,323	7,726	10,826	222,149	166,612	55,537
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	627,838	1,484,568	17,628,206	13,563,429	4,064,778
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	662,973	1,759,377	47,776,755	31,643,064	16,133,691

PROJECT TOTALS	15,133,353	144,797,905	728,211	2,885,150	147,683,055	81,858,379	65,824,676
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	31,684	3,471,876
Agency Reimbursements - EBMUD	15,552	1,476,167
Commercial Paper Issued	0	0
Pleasanton payments	0	397,527
Interest / Contracts	0	0
Misc Income	2,500,000	2,500,000
TOTAL REVENUES & FUNDING	2,547,235	7,845,570

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	(801,185)	(2,480,866)
Beg. Balance Accrual Adj	0	(1,461,715)
Rounding	0	0
Total Revenues & Funding	2,547,235	7,845,570
Total Expenditures	(728,211)	(2,885,150)
Ending Cash	1,017,839	1,017,839

Prepared by  Date: 4-11-19
 Approved by  Date: 4-11

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
SUMMARY OF EXPENDITURES
FOR THE PERIOD ENDED
March 31, 2019**

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount	Operating	Capital	CK-OP	
03/01/19		BBSI	Op-Prg Manager-Staff (73/27)	838.50	612.11	226.40	O	838.50	0.00	838.50
03/01/19		Underground Service Alert	Op-Prgr. Mgr. Other (73/27)	1,351.36	986.49	364.87	O	1,351.36	0.00	1,351.36
03/01/19		ICF- Jones & Stokes	Op-Prg Mgr-Public Info (49/51)	1,170.00	573.30	596.70	O	1,170.00	0.00	1,170.00
03/08/19		DSRSD-Capital	Cap-DSRSD Inv RWTP (D-portion 46%)	16,992.98	16,992.98	-	C	0.00	16,992.98	0.00
03/08/19		DSRSD-Capital	Cap-DSRSD Inv RWTP (E-portion 27%)	9,974.13	-	9,974.13	C	0.00	9,974.13	0.00
03/08/19		DSRSD-Capital	Cap-DSRSD Inv RWTP (Pleasanton27%)	9,974.13	-	-	C	0.00	9,974.13	0.00
03/08/19		DSRSD-Operating	Op-Secretary (73/27)	7,726.06	5,640.02	2,086.04	O	7,726.06	0.00	7,726.06
03/08/19		DSRSD-Operating	Op-Operating (73/27)	627,838.05	458,321.78	169,516.27	O	627,838.05	0.00	627,838.05
03/08/19		DSRSD-Operating	Op-Other (73/27)	250.00	182.50	67.50	O	250.00	0.00	250.00
03/08/19		BBSI	Op-Prg Manager-Staff (73/27)	1,053.00	768.69	284.31	O	1,053.00	0.00	1,053.00
03/08/19		Sue Montague	Op- Prgm Mgr Expenses (73/27)	156.53	114.27	42.26	O	156.53	0.00	156.53
03/15/19		Bold, Polisner, Maddow, Nelson & Judson	Op-Prg Manager-Staff (73/27)	1,300.00	949.00	351.00	O	1,300.00	0.00	1,300.00
03/15/19		BBSI	Op-Prg Manager-Staff (73/27)	156.00	113.88	42.12	O	156.00	0.00	156.00
03/15/19		EBMUD	Op- Trea- Cost Acct(73/27)	1,777.17	1,297.33	479.84	O	1,777.17	0.00	1,777.17
03/15/19		EBMUD	Op-Prg Manager(73/27)	2,504.97	1,828.63	676.34	O	2,504.97	0.00	2,504.97
03/15/19		EBMUD	Op-Prg Manager-Staff (73/27)	2,598.08	1,896.60	701.48	O	2,598.08	0.00	2,598.08
03/15/19		EBMUD	Cap - Prm Suppl Wtr Sup (58/42)	2,428.90	1,408.76	1,020.14	C	0.00	2,428.90	0.00
03/22/19		BBSI	Op-Prg Manager-Staff (73/27)	780.00	569.40	210.60	O	780.00	0.00	780.00
03/22/19		BBSI	Op-Prg Manager-Staff (73/27)	936.00	683.28	252.72	O	936.00	0.00	936.00
03/29/19		EBMUD	Op- Trea- Cost Acct(73/27)	2,031.09	1,482.70	548.39	O	2,031.09	0.00	2,031.09
03/29/19		EBMUD	Op-Prg Manager(73/27)	2,862.81	2,089.85	772.96	O	2,862.81	0.00	2,862.81
03/29/19		EBMUD	Op-Prg Manager-Staff (73/27)	3,855.26	2,814.34	1,040.92	O	3,855.26	0.00	3,855.26
03/29/19		EBMUD	Cap - Prm Suppl Wtr Sup (58/42)	25,868.15	18,883.75	6,984.40	C	0.00	25,868.15	0.00
03/29/19		EBMUD	Op- Trea-Salary(73/27)	901.70	658.24	243.46	O	901.70	0.00	901.70
03/29/19		ICF- Jones & Stokes	Op-Prg Mgr-Public Info (49/51)	1,442.50	706.83	735.68	O	1,442.50	0.00	1,442.50
03/29/19		BBSI	Op-Prg Manager-Staff (73/27)	1,326.00	967.98	358.02	O	1,326.00	0.00	1,326.00
03/29/19		Sue Montague	Op- Prgm Mgr Expenses (73/27)	118.18	86.27	31.91	O	118.18	0.00	118.18
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				728,211.55	520,628.97	197,608.45		662,973.26	65,238.29	662,973.26

Certificates of Disb.	
Wk Ending	Amount
3/1/19	\$ 3,359.86
3/8/19	\$ 673,964.88
3/15/19	\$ 10,765.12
3/22/19	\$ 1,716.00
3/29/19	\$ 38,405.69
\$ 728,211.55	

Pleasanton- 9,974.13

OP 662,973.26
CAP 65,238.29

0.00 Reconciled
0.00 Reconciled
0.00 Reconciled

Prepared by Manuel Alvarez Jr. Date: 4-11-19

Approved by Scott Klein Date: 4/11

DERWA CASH REPORT

Cash Balance as of 02/28/19 (801,185.13) Reconciled to DERWA TR

Add member agency's contribution:

DSRSD Contribution		
EBMUD Contribution		
Agency Reimbursements - DSRSD	3/22/2019	31,683.74
Agency Reimbursements - EBMUD	3/22/2019	15,551.83
City of Pleasanton Payments	3/8/2019	0.00
Interest Income		
Other Reimbursements- Misc	3/18/2019	2,500,000.00

Less invoice payments:

BBSI	3/1/2019	(838.50)
Underground Service Alert	3/1/2019	(1,351.36)
ICF Jones & Stokes	3/1/2019	(1,170.00)
DSRSD	3/8/2019	(329,452.33)
DSRSD	3/8/2019	(180,397.47)
DSRSD	3/8/2019	(162,905.55)
BBSI	3/8/2019	(1,053.00)
Sue Montague	3/8/2019	(156.53)
EBMUD	3/15/2019	(9,309.12)
BPMNJ	3/15/2019	(1,300.00)
BBSI	3/15/2019	(156.00)
BBSI	3/22/2019	(780.00)
BBSI	3/22/2019	(936.00)
EBMUD	3/29/2019	(35,519.01)
ICF Jones & Stokes	3/29/2019	(1,442.50)
BBSI	3/29/2019	(1,326.00)
Sue Montague	3/29/2019	(118.18)

	03/31/19	<u>1,017,838.89</u>
Cash Balance as of	Rounding	0.11
	Cash Balance 03/31/19	1,017,839.00

Prepared by 	Date <u>4-11-19</u>
Manuel Alvarez Jr.	
Approved by 	Date <u>4-11</u>
Scott Klein	

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT FOR APRIL 30, 2019**

STAFF REPORT

Attached is the DERWA Treasurer's Report for the month ending April 30, 2019. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$385,658 in agency reimbursements was received.

Expenses: Current monthly expenditures were \$496,751. Fiscal year-to-date expenditures for FY19 total \$3,381,900 of which \$1,984,125 is operating expenses and \$1,397,775 is 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 April 30, 2019 is \$2,210,210.

Submitted by:



Richard Lou
Treasurer

Dated: May 13, 2019

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

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED APRIL 30, 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	94,805	468,272	271,597	196,675
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	198,561	951,168	14,430,564	9,261,502	5,169,062
Pleasanton Capital Billing/Contingency	0	5,334,659	73,440	351,802	5,686,461	0	5,686,461
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	272,002	1,397,775	100,178,302	50,340,436	49,837,866

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	4,271	113,391	3,283,188	2,346,142	937,045
Treasurer	38,500	2,756,326	0	49,034	2,805,360	2,104,020	701,340
Legal Counsel	15,000	434,886	2,198	8,735	443,621	332,716	110,905
Secretary	3,620	211,323	2,275	13,100	224,423	168,317	56,106
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	216,004	1,700,573	17,844,211	13,725,432	4,118,780
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	224,749	1,984,125	48,001,503	31,811,623	16,189,880

PROJECT TOTALS	15,133,353	144,797,905	496,751	3,381,900	148,179,805	82,152,059	66,027,746
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	243,290	3,931,346
Agency Reimbursements - EBMUD	142,368	2,453,962
Commercial Paper Issued	0	0
Pleasanton payments	0	397,527
Interest / Contracts	0	0
Misc Income	0	2,500,000
TOTAL REVENUES & FUNDING	385,658	9,282,835

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	2,321,303	(2,480,866)
Beg. Balance Adj	0	(1,209,859)
Rounding	0	0
Total Revenues & Funding	385,658	9,282,835
Total Expenditures	(496,751)	(3,381,900)
Ending Cash	2,210,210	2,210,210

Prepared by Manuel Alvarez Jr. Date: 5/13/19
 Approved by Scott Klein Date: 5/13

DERWA CASH REPORT

Cash Balance as of 03/31/19 2,321,302.85 Reconciled to DERWA TR

Add member agency's contribution:

DSRSD Contribution	
EBMUD Contribution	
Agency Reimbursements - DSRSD	243,290.06
Agency Reimbursements - EBMUD	142,366.71
City of Pleasanton Payments	
Interest Income	
Other Reimbursements- Misc	

Less invoice payments:

BBSI	4/5/2019	(1,092.00)
DSRSD	4/5/2019	(60,234.30)
BBSI	4/12/2019	(1,014.00)
BPMNJ	4/12/2019	(2,198.20)
DSRSD	4/19/2019	(125,639.75)
DSRSD	4/19/2019	(92,639.15)
DSRSD	4/19/2019	(211,767.23)
BBSI	4/19/2019	(780.00)
BBSI	4/26/2019	(1,384.50)

	04/30/19	2,210,210.49
Cash Balance as of	Rounding	(0.49)
	Cash Balance 04/30/19	2,210,210.00

Prepared by 	Date <u>5/13/19</u>
Manuel Alvarez Jr.	
Approved by 	Date <u>5/7</u>
Scott Klein	

Item 6.E

DERWA Summary & Recommendation

Quarterly Investment Report – March 31, 2019

Summary:

Section 53646 of the Government Code allows the Treasurer of the Authority to submit to the Authority Manager, the Internal Auditor, and the Board of Directors a quarterly investment report. It also stipulates that the investment report must include the types of investments in which the Authority has invested its funds, the issuer, date of maturity, the value of the investment at maturity, and the dollar amount that is invested in the security.

The investments held by the Authority on March 31, 2019 were \$0.00. The investment portfolio is in full compliance with the Board's adopted policy regarding the Authority's investments.

In compliance with Section 53646(b)3 of the Government Code, this report denotes that the Authority will be able to meet expenditure requirements for the next six months from revenues/reimbursements/contributions from member agencies.

Recommendation:

The Treasurer recommends the DERWA Board of Directors approve, by Motion, the Quarterly Investment Report for March 31, 2019.

May 20, 2019

Item 7.A

DERWA Summary & Recommendation

Appoint John V. Rossi as Authority Manager, and Authorize an Agreement with Ralph Andersen & Associates to Provide Executive Services for a Period of Three Years

Summary:

DERWA has had six Authority Managers since its inception in July 1995; Bert Michalczyk, Laura Johnson (August 2001), Robert Whitley (July 2002), Robert Baker (December 2002), James Bewley (January 2006) and Michael Tognolini (April 2016). In February 2019, Mr. Tognolini notified the DERWA Board of Directors of his intention to end his service as Authority Manager in spring 2019. The workload forecast for the Authority Manager in the upcoming years includes amending the JPA agreements and other tasks potentially requiring up to 50% time availability. In consultation with DSRSD and EBMUD management, it was recommended to recruit an outside candidate for the next Authority Manager. Staff briefed the DERWA Board on this approach and proceeded with recruitment. Upon review of the applications submitted for this position, senior management interviewed the best qualified candidates and recommended a short list of finalists to the DERWA Board for final interviews and selection, which were completed on May 13, 2019.

Recommendation:

Based upon the DERWA Board's consideration of the candidates, the Authority Manager recommends that the DERWA Board appoint John V. Rossi to serve as DERWA Authority Manager; and

The Authority Manager further recommends that the DERWA Board of Directors, authorize and direct, by Resolution, that the Board Chair execute an agreement with Ralph Andersen & Associates, Mr. Rossi's employer, for that firm to provide Mr. Rossi's executive staffing services to DERWA for a three (3) year period effective June 1, 2019; and take additional actions as necessary to implement the agreement.

May 20, 2019

Attachment

DERWA
RESOLUTION NO. 19-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT FOR THE SERVICES OF AN AUTHORITY MANAGER BETWEEN THE DSRSD•EBMUD RECYCLED WATER AUTHORITY AND RALPH ANDERSEN & ASSOCIATES

WHEREAS, the DSRSD•EBMUD Recycled Water Authority ("Authority") requires the services of an Authority Manager who shall function as the chief executive officer of the Authority, and

WHEREAS, Ralph Andersen & Associates have been selected by the Board of Directors for this purpose.

NOW, THEREFORE, 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, hereby resolves:

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 attached as Exhibit "A", in a form approved by the Authority's General Counsel for the services of Ralph Andersen & Associates as Authority Manager.

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 20th day of May, 2019 and passed by the following vote:

AYES:

NOES:

ABSENT:

John A. Coleman, DERWA Chair

ATTEST: _____

Nicole Genzale, Authority Secretary

**DSRSD•EBMUD RECYCLED WATER AUTHORITY
AND
RALPH ANDERSEN & ASSOCIATES
AGREEMENT FOR EXECUTIVE STAFFING SERVICES**

THIS AGREEMENT, made and entered into this ___th day of May, 2019 by and between DUBLIN SAN RAMON SERVICES DISTRICT – EAST BAY MUNICIPAL UTILITY DISTRICT [DSRSD-EBMUD] RECYCLED WATER AUTHORITY, a Joint Powers Authority located in the counties of Alameda and Contra Costa, California (“DERWA” or “Authority”) and Ralph Andersen & Associates, a California corporation (“Contractor”), 5800 Stanford Ranch Road, Suite 410, Rocklin, CA 95765.

WHEREAS, DERWA requires executive staffing services with regard to performance of the duties and responsibilities of Authority Manager; and

WHEREAS, Contractor and its principals are duly authorized to provide human resources consulting and executive staff services in the State of California, and Contractor specifically represents that it is experienced in performing and fully qualified to provide executive staffing services; and

WHEREAS, DERWA desires to engage Contractor to provide such executive staff services.

NOW, THEREFORE, in consideration of the promises and covenants herein, the parties hereto agree as follows:

1. SERVICES. Pursuant to the terms and conditions set forth in this Agreement, Contractor shall provide to DERWA the professional services of its employee John V. Rossi, who shall serve as DERWA’s Authority Manager (“Manager” or “Authority Manager”). Manager shall perform the full range of duties and responsibilities of Authority Manager as described and defined from time to time by the DERWA Board of Directors. Manager shall serve in this capacity for the Period of Service set forth in Section 6 below. Compensation to Contractor for providing such services to DERWA shall be payable pursuant to Section 2 below.

2. COMPENSATION. DERWA shall compensate Contractor for all services performed by Contractor pursuant to Section 1 above. Total compensation is set forth in Exhibit “A.” Contractor’s professional fees, exclusive of expenses, shall be One Hundred Eighty Dollars (\$180.00) per hour. Contractor shall invoice DERWA in monthly installments as provided in Exhibit “A.”

DERWA shall reimburse Contractor for other expenses directly incurred in performing services hereunder, if any, as described in Exhibit “A.”

Compensation and reimbursement of expenses shall be payable by DERWA within thirty (30) days upon receipt of billing by Contractor. The billing shall include an itemized statement briefly describing the services rendered and costs incurred and the authorized amount remaining.

3. RECORDS. Contractor shall keep and maintain accurate records of all time expended and costs and expenses incurred relating to services to be performed by Contractor hereunder. Said records shall be available to DERWA for review and copying during regular business hours at Contractor's place of business, or as otherwise agreed upon by the parties.

4. NON-ASSIGNABILITY. Contractor shall not subcontract, assign, sell, mortgage, hypothecate or otherwise transfer its interest or obligations in this Agreement in any manner. Nothing contained in this paragraph shall prevent Contractor, upon DERWA's written consent, from employing such independent Contractors, associates, and subcontractors as may be necessary to assist in the performance of the services hereunder. Nothing herein shall be construed to give any rights or benefits to anyone other DERWA and Contractor.

5. INDEPENDENT CONTRACTOR. In the performance of services hereunder, Contractor shall be, and is, an independent contractor, and shall not be deemed to be an employee or agent of DERWA. In the performance of services hereunder, Manager shall be, and is, an employee of Contractor.

6. PERIOD OF SERVICE. Unless extended by mutual written agreement of the parties, this Agreement shall expire on June 30, 2022.

7. PERFORMANCE STANDARDS. In performing services hereunder, Contractor's terms and conditions of employment of Manager shall expressly require Manager to adhere to the standards generally prevailing for the performance of professional management of a public entity, and Manager shall exercise the same degree of care, skill, and diligence in the performance of the duties and responsibilities of the Authority Manager as is ordinarily provided by a professional under similar circumstances. In addition, Contractor shall expressly provide that Manager shall be subject to periodic establishment by the DERWA Board of Directors of objectives and performance expectations, and to conduct by the DERWA Board of Directors periodic performance evaluations. DERWA is relying upon the Manager's qualifications concerning the services furnished hereunder and, therefore, the fact that DERWA has accepted or approved the Manager's work shall in no way relieve the Contractor of these responsibilities.

8. TERMINATION. Either party may terminate this Agreement without cause by giving the other party written notice thereof not less than one hundred and twenty (120) days in advance of the effective date of termination, which date shall be included in said notice.

In the event of such termination, DERWA shall compensate the Contractor for services rendered to the date of termination, as the case may be, calculated in accordance with the provisions of Section 2. In ascertaining services actually rendered to the date of termination, consideration shall be given both to work completed and work in process of completion. Nothing herein contained shall be deemed a limitation upon the exercise of the right of DERWA to terminate this Agreement for cause, or otherwise to exercise such legal or equitable rights, and to seek such remedies as may accrue to DERWA, or to authorize Contractor to terminate this Agreement for cause.

9. TITLE TO, POSSESSION OF, AND RELIANCE UPON DOCUMENTS. All documents, work products, plans, specifications, computer disks, electronic tapes, renderings, data reports, files, estimates and other such papers, information and materials (collectively, "materials"), or copies thereof (except proprietary computer software purchased or developed by Contractor) obtained or prepared by Contractor pursuant to the terms of this Agreement, shall become the property of DERWA. DERWA and Contractor shall, from time to time, specify which materials Contractor shall deliver to DERWA ("Deliverables"). Deliverables are intended to, and may, be relied upon by DERWA, or others designated by DERWA, where appropriate, for those purposes for which DERWA requested their preparation, or for use in connection with planning-level activities. Contractor will not be responsible for use of Deliverables, or portions thereof, for any purpose other than those specified in the preceding sentence.

Materials not delivered to DERWA ("Non-Deliverables") shall be retained by Contractor, but Contractor shall provide DERWA access to such Non-Deliverables at all reasonable times upon DERWA's request. DERWA may make and retain copies of all Non-Deliverables, at DERWA's expense, for information and reference. Unless otherwise specified in writing by Contractor, use thereof for any purpose other than the purpose for which the Non-Deliverables were prepared, or for use in connection with planning-level activities, shall be at the user's sole risk.

10. COMPLIANCE WITH LAWS. In performance of this Agreement, Contractor shall exercise due professional care in compliance with all applicable federal, state and local laws, rules, regulations, orders, codes, criteria and standards. Contractor shall procure all permits, certificates, and licenses necessary to allow Contractor to perform the Services specified herein.

DERWA is an equal opportunity employer and federal contractor or subcontractor. Consequently, the Parties agree that, as applicable, they will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The Parties also agree that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws.

11. NON-DISCLOSURE OF PROPRIETARY INFORMATION. Contractor shall consider and treat all reports, studies, specifications, and other documents and information provided to Contractor by DERWA in furtherance of this Agreement to be DERWA's proprietary information, unless said information is available from public sources other than DERWA. Contractor shall not publish or disclose DERWA's proprietary information for any purpose other than in the performance of services hereunder without the prior written authorization of DERWA or in response to legal process. Nothing herein

contained shall be deemed to abrogate compliance with the California Public Records Act (Government Code Section 6250, et seq.); provided that DERWA shall determine and advise Contractor which documents, if any, are required to be disclosed under said Act.

12. INSURANCE. DERWA shall procure and maintain, for the duration of this Agreement, and any Task Orders issued hereunder, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Contractor, its agents, representatives, or employees. Contractor shall procure and maintain, for the duration of this Agreement, Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

13. INDEMNIFICATION. The Parties hereto agree that Contractor assumes all responsibility for all employment-related obligations relating to its employee(s) assigned to perform services at the Authority, including but not limited to obligations under wage and hour laws, employee benefits laws, immigration laws, workers' compensation laws, and any other local, state or federal laws and regulations relating to employment. If any employment-related action, complaint, claim or charge is filed with a court, agency, department, commission or arbitrator by any of Contractor's employees assigned to perform services at the Authority (collectively "Employment Claims"), Contractor agrees to defend the Authority, the Authority's directors, officers, employees and agents, the Authority's member agencies, their governing bodies directors, officers, employees, and agents (collectively "Indemnitees") with respect to any such Employment Claim; excepting however such Employment Claims arising from willful misconduct by Indemnitees. Furthermore, to the extent permitted by law, Contractor agrees to indemnify and hold harmless the Indemnitees against any and all Employment Claims, and related charges, demands, costs and expenses, including attorneys' fees,; excepting however such Employment Claims and related charges, demands, costs and expenses, including attorneys' fees, arising from willful misconduct by Indemnitees. This Section shall survive the expiration or termination of this Agreement.

Contractor shall also hold harmless, indemnify and defend Indemnitees from and against all claims for liability, losses, damages, expenses, costs (including, without limitation, costs and fees of litigation) of every nature, kind and description, which may be brought against or suffered or sustained by Indemnitees, to the extent caused in whole or in part by the negligence, intentional tortious acts or omissions, or willful misconduct of Contractor, its officers, employees or agents, in the performance of any services or work pursuant to this Agreement. Notwithstanding the foregoing, Contractor's indemnity obligation shall not include the negligent acts or omissions of the Authority Manager in the performance of the full range of duties and responsibilities of Authority Manager, as described and defined from time to time by the DERWA Board of Directors.

A. In the event Contractor provides a defense pursuant to this Section 13 and such action or other claim is resolved by a final judicial determination, which includes a finding that there was no negligence on the part of Contractor, its officers, employees or agents, the Authority shall refund to Contractor all defense costs, judgments and/or amounts paid by Contractor on behalf of Indemnitees.

B. In the event Contractor provides a defense pursuant to this Section 13 and such action or other claim is resolved by a final judicial determination which includes a finding as to the respective negligence of Contractor, its officers, employees or agents and any Indemnitees(s), then the Authority shall be responsible to pay that portion of the judgment attributed to Indemnitees(s), and shall refund to Contractor a pro rata share of any defense costs expended on behalf of Indemnitees.

C. In the event Contractor provides a defense pursuant to this Section and such action or other claim is finally resolved by any other means than those stated in Sections 13(A) and 13(B), or in the event Contractor fails to provide a defense to Indemnitees, Contractor and the Authority shall meet and confer in an attempt to reach a mutual agreement regarding the apportionment of costs (including attorneys' fees), judgments and/or amounts paid by Contractor and/or Indemnitees. In the event Contractor and the Authority are unable to reach agreement regarding such an apportionment, said dispute shall be submitted to arbitration in accordance with the Arbitration Rules of the American Arbitration Association in effect on the date a demand for arbitration is submitted. The arbitration panel shall award the prevailing party its costs (including attorneys' fees) incurred in the arbitration.

14. DISCLOSURE. Upon DERWA's determination that the services provided through this Agreement involve making, or participation in making, decisions which may foreseeably have a material effect on a financial interest, Contractor and/or any of its employees identified by DERWA shall prepare and file an Economic Disclosure Statement(s) consistent with DERWA's conflict of interest code and the Political Reform Act.

15. SECTION HEADINGS. Section headings as used herein are for convenience only and shall not be deemed to be a part of any such paragraph and shall not be construed to change the meaning thereof.

16. WAIVER. A waiver by either DERWA or Contractor of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

17. SURVIVABILITY. The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void.

18. INTEGRATION AND MODIFICATION. This Agreement, together with the Exhibit "A", is adopted by DERWA and Contractor as a complete and exclusive statement of the terms of this Agreement between DERWA and Contractor, except to the extent revised and/or implemented through issuance of Task Orders hereunder. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between the DERWA and Contractor, whether written or

oral.

19. AMENDMENTS. This Agreement may be amended or supplemented by the parties by written agreement approved and executed in the same manner as this Agreement.

20. SUCCESSORS AND ASSIGNS. This agreement shall be binding upon the respective successors, executors, administrators, assigns, and legal representatives to the parties.

21. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

22. DISPUTE RESOLUTION. The parties agree to first submit any dispute arising out of or in connection with this Agreement to a mutually acceptable professional mediator and to negotiate in good faith toward an agreement with respect to the dispute. Either party within thirty (30) days of providing written notice may initiate mediation. Either party within sixty (60) days of having participated in the first mediation session may provide notice of termination of mediation and thereafter proceed with whatever remedies it may choose in law or in equity.

23. NOTICES. All notices to be given hereunder shall be written, and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

To DERWA:	General Counsel Dublin San Ramon Services District- East Bay Municipal Utility District Recycled Water Authority 7051 Dublin Boulevard Dublin, CA 94568
To Contractor :	Heather Renschler, President/CEO Ralph Andersen & Associates 5800 Stanford Ranch Road, Suite 410 Rocklin, CA 95765

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first written.

DUBLIN SAN RAMON SERVICES DISTRICT•
EAST BAY MUNICIPAL UTILITY DISTRICT
RECYCLED WATER AUTHORITY,
a public agency

By _____
John Coleman, Chair
DERWA Board of Directors

Attest:

Nicole Genzale, Authority Secretary

Contractor
RALPH ANDERSEN & ASSOCIATES

Heather Renschler, President/CEO

EXHIBIT "A"

Contractor will provide consulting and staffing services to DERWA and will function in the executive level role of Authority Manager for the Authority. Staffing will be provided by Mr. John V. Rossi. A biographical summary of Mr. Rossi is included herein.

In accordance with the recruitment brochure and solicitation for Authority Manager conducted by Ralph Andersen & Associates, Mr. Ross was selected by DERWA's Board of Director's on Monday, May 13, 2019, as their top candidate of choice for Authority Manager. Mr. Rossi is employed by Contractor as a Senior Consultant.

As an employee of Contractor, the following billable rate schedule will prevail for Mr. Rossi, as Senior Consultant and other administrative staff, if further authorized by the DERWA Board:

Professional Services:

Senior Consultant (Authorized) \$180.00 per hour

Expenses (If Needed / Authorized)

Administrative Support \$ 60.00 per hour

Meeting Costs / Attendance As Incurred

Travel Outside of authorized trips As Incurred

Other Misc. Costs Upon Board Authorization

It is anticipated that the following hourly billing projections will prevail, unless further authorized in writing by the Board President, for the term of this agreement:

Year #1 Includes - 1,000 hours maximum

Year #2 Includes - 1,000 hours maximum

Year #3 Includes - 500 hours maximum

Billings to DERWA will be made monthly and will detail the date and hours worked per defined task. Billing cycle to DERWA will be every 30 days. Payment is anticipated within 30 days of invoice submittal.

Based on anticipated hours, the following professional services (not including additional services outside the scope of this assignment or additional trips) would reflect:

Year #1 - \$180,000

Year #2 - \$180,000

Year #3 - \$ 90,000

All travel for Mr. Rossi will be based out of the firm's Corporate Office (located in Rocklin, California) to comply with the 100-mile radius requirement in the original solicitation for the Authority Manager. There will be no additional travel expenses billed to DERWA unless deemed as exceeding the parameters noted here or beyond the scope of this agreement. Based on the anticipated on-site visits, Contractor is prepared

to include the following on-site visits, effective for the term of the three year agreement:

Year #1 Includes:* - 12 on site-visits (assumed to be two days / one night's lodging)

Year #2 Includes:** - 9 on site-visits

Year #3 Includes:** - 9 on site -visits

*Meetings include 6-regular bi-monthly meetings, 2 semi-annual breakfast meetings with participating member agencies, 1-Communication Meeting (held in June), 3-Introductory meetings. No allotment of special meetings has been budgeted. A total of 12 trips are anticipated.

**Meetings include 6-regular bi-monthly meetings, 2-semi-Annual breakfast meetings with participating member agencies and 1-Communication Meeting (held in June). No allotment of special meetings has been budgeted. A total of 9 trips are anticipated.

Should the DERWA Board authorize any special meetings or on-site visits beyond the specific visits detailed, the costs of those trips will be billed at the hourly consultant rate plus incurred costs. There would be no charge for consultant travel time. Authorization for additional trips will be made by the President of the Board in advance of the travel date, as appropriate. An email request by the Board President, or one or both member agency General Managers, is required for documentation and billing purposes. These additional fees and costs would be anticipated to be covered by the \$15,000 contingency fee detailed below.

Contingency - It is anticipated that the DERWA Board may request additional services or on-site visits beyond those provided for in the Year 1, 2, and 3 costs detailed above. For this reason, a minimum contingency allowance may be advisable of \$15,000 to cover any unexpected amounts. Any billing against this contingency, in terms of professional services or travel expenses for site visits would require the advance written approval of the Board President, or one or both member agency General Managers.

John V. Rossi, Senior Consultant

Mr. John V. Rossi recently joined Ralph Andersen & Associates as a Senior Consultant and specializes in executive search and consulting for water utilities and other public agencies. He has had an extensive career in the public water and wastewater utility sector. He has held the positions of CEO/General Manager with three agencies in California over the past 18 years. As general manager of the Western Municipal Water District, Mr. Rossi was responsible for the 500-square mile water district including wholesale and retail water, wastewater, and reclaimed water operations. Mr. Rossi was previously a court appointed Watermaster for the Santa Ana River surface water and Western ground water adjudications.

Mr. Rossi has served on a number of boards of state and national water related associations such as the Association of California Water Agencies, WaterReuse, Urban Water Institute, and the California Municipal Utilities Association where he served as President. He was a founding member of the California Utility Executives Management Association and past President as well as being elected to his local water board – the Rancho California Water District. Mr. Rossi was recognized by the Association of California Water Agencies with their Excellence in Leadership award in 2013 for his contributions to the water industry. He also served on the University of California Riverside’s Board of the Water Policy and Science Center.

Prior to work in the water utility industry, Mr. Rossi began his career in public accounting and specialized in work with private water companies and water districts including rate work with the California Public Utilities Commission.

Item 7.B

DERWA Summary & Recommendation

Proclamation for Michael T. Tognolini's Service to DERWA as Authority Manager

Summary:

At the February 4, 2019 DERWA Board meeting, Mr. Tognolini advised the Board of Directors of his intention to end his service as Authority Manager in the spring of 2019 after serving in that role for three years. He served DERWA and its member agencies well, and contributed significantly to the Authority and to its success.

Recommendation:

The Authority General Counsel recommends the DERWA Board of Directors approve, by Motion, the Proclamation for Service to DERWA by Michael T. Tognolini.

May 20, 2019

Attachment

DERWA
PROCLAMATION FOR SERVICE

WHEREAS, the Dublin San Ramon Services District•East Bay Municipal Utility District Recycled Water Authority (DERWA) was formed by its Member Agencies to implement a recycled water program from a public policy perspective that benefits portions of the San Ramon and Livermore-Amador Valleys; and

WHEREAS, Michael T. Tognolini has embraced the vision of recycled water as an integral element of the water supply for the next decade; and

WHEREAS, Michael T. Tognolini is known to be a man of integrity and stepped up to the DERWA Authority Manager role in a respectful and impartial manner that was fair to the member agencies; and

WHEREAS, during his tenure as DERWA Authority Manager, Michael T. Tognolini successfully guided DERWA through the design and build of DERWA's Recycled Water Treatment Plant Phase 2 Expansion Project; and

WHEREAS, under Michael T. Tognolini's leadership, DERWA secured over \$6 million in State funding to help expand the DERWA program; and

WHEREAS, Michael T. Tognolini has exhaustively sought out and vetted potential supplemental wastewater supplies from across the Tri-Valley, forming promising supply relationships; and

WHEREAS, Michael T. Tognolini successfully strived and obtained an agreement for much needed wastewater from Central Contra Costa Sanitary District to supplement the recycled water supply; and

WHEREAS, Michael T. Tognolini, in his role as Superman, navigated DERWA's course not only for the two years he originally anticipated, but at the request of DSRSD and EBMUD, for yet an additional year whilst also filling multiple positions at EBMUD; and

WHEREAS, Michael T. Tognolini has earned the trust, respect, and friendship of all who have worked with him; and

WHEREAS, Michael T. Tognolini, in the eleventh hour of his tenure, was plunged into resolving a million dollar electrical emergency; and

WHEREAS, Michael T. Tognolini has served as Authority Manager since April 2016, and has met or exceeded all expectations of the DERWA Board of Directors in the discharge of his duties.

NOW, THEREFORE, BE IT PROCLAIMED that the Board of Directors of the Dublin San Ramon Services District•East Bay Municipal Utility District Recycled Water Authority hereby expresses its sincere appreciation for the contributions of

Michael T. Tognolini

Passed and adopted the 20th day of May 2019 by the DSRSD•EBMUD Recycled Water Authority Board of Directors.

John A. Coleman
Chair

Georgian Vonheeder-Leopold
Vice Chair

Frank Mellon
Director

Edward Duarte
Director

Nicole M. Genzale CMC
Authority Secretary

DERWA Summary & Recommendation

Authorize the Authority Manager to Enter into an Agreement with Dublin San Ramon Services District to Provide Conveyance, Treatment, and Disposal of Supplemental Supply Water

Summary:

DERWA and Central Contra Costa Sanitary District (CCCSD) entered into an agreement for the Temporary Diversion of Wastewater (Agreement) dated February 4, 2019. The Agreement allows DERWA to divert a portion of CCCSD's wastewater upstream of the San Ramon Pumping Station to serve as a source for the production of tertiary treated recycled water at the Dublin San Ramon Services District (DSRSD) wastewater treatment plant (WWTP) to help meet the recycled water demands while long-term supply options, including groundwater, are identified.

Some supplemental water secured will need to be conveyed and treated to secondary levels by DSRSD at its WWTP prior to entering the DERWA facility for tertiary treatment. DERWA will need to enter into an agreement with DSRSD for the conveyance, treatment, biosolids disposal, and occasional disposal of supplemental supply water. DSRSD will incur additional costs to treat the supplemental supply water. DERWA will pay DSRSD a unit cost for supplemental water treatment based on additional chemical and energy costs incurred during peak months of demand which include June, July, August, and September. The unit cost will be estimated based on actual cost data for the peak months from the prior contract year (a contract year extends from April 1 to March 31). At the end of each contract year, DERWA and DSRSD will perform an audit to determine the actual cost of treatment and reconcile the unit cost. The estimated cost for future years will be adjusted accordingly.

If the total quantity of supplemental supply water conveyed and treated exceeds the quantity that can be beneficially used as a recycled water supply, then DERWA will pay the pumping cost to convey the excess supplemental supply to the East Bay Dischargers Authority via the Livermore Amador Valley Water Management Agency (LAVWMA) pipeline. Pumping costs will be based on actual costs charged to DSRSD and paid to LAVWMA. DSRSD shall be entitled to include the cost of biosolids disposal in the calculation of the unit cost for the supplemental water treatment after the third year of the agreement, and cost will be calculated and provided to DERWA no later than three months prior to the end of the third year of the agreement.

Recommendation:

The Authority Manager recommends the DERWA Board of Directors, authorize, by Motion, the Authority Manager to enter into an agreement with DSRSD to provide conveyance, treatment, and disposal of supplemental supply water, in a form to be approved by legal counsel.

May 20, 2019

MANAGER'S REPORTS

- A. Supplemental Supply Update
- B. Confirm Next Board Meeting – July 22, 2019
- C. DERWA Program Facilities Electrical Outage Emergency Repair Update