

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

NOTICE OF REGULAR MEETING

TIME: 6 p.m.

DATE: Monday, July 22, 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. 19-5)

Recommended
Action

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Coleman, Duarte, Mellon and Vonheeder-Leopold
Alternates: Linney and Misheloff
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 Regular Board Meeting of May 20, 2019
B. Approve the Treasurer's Report for May 31, 2019
C. Approve the Quarterly Investment Report for June 30, 2019

Approve
by Motion
7. BOARD BUSINESS
A. Authorize the Authority Manager to Execute the Potable Water Agreement with the City of Pleasanton

Authorize
By Motion

Board Business (continued)

**Recommended
Action**

- B. Authorize the Authority Manager to Enter into a License Agreement With Pacific Gas & Electric (PG&E) to use an Existing Well for Supplemental Water Supply Authorize by Motion

8. MANAGER'S REPORTS

- A. Supplemental Supply Update
- B. Operations Updates
- C. Update on Plan to Develop Agreement for Implementing Demand Management with Agencies
- D. Update on June 13, 2019 Roundtable Meeting
- E. Confirm Next Board Meeting – September 22, 2019

9. BOARDMEMBER ITEMS

10. CLOSED SESSION

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

11. REPORT FROM CLOSED SESSION

12. ADJOURNMENT

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, May 20, 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 6:06 p.m. at the Shannon Community Center, Ambrose Hall.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Directors present: Chair John Coleman, Vice Chair Georgan Vonheeder-Leopold, Directors Edward 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 – 6:07 p.m. – None

6. CONSENT CALENDAR

- 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

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

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

7. BOARD BUSINESS

- 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

Chair Coleman reviewed the item for the Board.

Motion by Director Mellon, Second by Director Duarte to Appoint John V. Rossi as Authority Manager, and Approve and Authorize, by Resolution No. 19-4, Execution of an Agreement

DRAFT

for the Services of an Authority Manager Between the DSRSD•EBMUD Recycled Water Authority and Ralph Andersen & Associates. Motion carried (4-0) by the following vote:

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

Director Mellon stated his thanks for efforts by Authority Manager Tognolini and staff, and that he is looking forward to working with Mr. Rossi.

Chair Coleman noted Mr. Rossi was not present this evening, but would join DERWA as Authority Manager at the July 22 Board meeting.

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

Chair Coleman reviewed the item for the Board.

Motion by Vice Chair Vonheeder-Leopold, Second by Director Duarte to approve the Proclamation for Service to DERWA by Michael T. Tognolini. Motion carried (4-0) by the following vote:

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

The Board thanked Authority Manager Tognolini for his service, leadership, professionalism, and competence. Chair Coleman acknowledged that DERWA was very fortunate to have Mr. Tognolini serve as Authority Manager and that he did an excellent job given the many demands placed on him during his tenure. He presented him with the proclamation and an inscribed DERWA journal.

Mr. Tognolini reviewed DERWA's accomplishments and successes during his three-year tenure, including partnering with City of Pleasanton, completion of the sixth filter and recycled water treatment plant expansion projects, negotiating an agreement with Central Contra Costa Sanitary District for acquiring supplemental wastewater supply, managing through facility emergencies, optimizing storage, and producing the maximum customer supply possible. He thanked the DERWA, DSRSD and EMBUD staff members for their work and support. He also thanked the Board for its direction and leadership, as well as the opportunity to perform this position.

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

Motion by Director Mellon, Second by Director Duarte to authorize 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. Motion carried (4-0) by the following vote:

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

ABSENT:

8. MANAGER'S REPORTS

A. Supplemental Supply Update

Authority Manager Tognolini reported on the following supplemental supply options:

- Central Contra Costa Sanitary District Wastewater Diversion Project
This project is at 100% design and will be out for bid in approximately a week. Staff anticipates the Notice to Proceed to occur by July, with the diversion being online as soon as August. The project is not a complex construction effort, so should move quickly.
- City of Livermore wastewater supply
There may be an opportunity to negotiate an agreement with City of Livermore to obtain .5 - .7 MGD (million gallons per day) of its wastewater within a year's time, to supplement DERWA's recycled water supply during peak needs. There would be a low up front cost, but an appropriate per gallon cost would be charged by Livermore. The longer-term availability of this supplemental source will not be known until the Tri-Valley agencies (DSRSD, Dublin, Livermore, Pleasanton, San Ramon, California Water Agency, Zone 7 Water Agency) come to consensus on their future use of resources for possible potable reuse projects.
- Devil Mountain Wholesale Nursery well pilot project
Staff is working to obtain access to the well, which is owned by PG&E. PG&E's recent bankruptcy has halted progress on this effort, but staff will continue to try to push forward with the nursery through its existing lease.
- Other possible well sites
Staff will continue to investigate other possible locations to conduct groundwater exploration, including the DSRSD District Office property.

B. Confirm Next Board Meeting – July 22, 2019

The Board confirmed that the July 22, 2019 meeting will be held as scheduled.

C. DERWA Program Facilities Electrical Outage Emergency Repair Update

DSRSD Operations Manager Jeff Carson reported on progress of the emergency repairs, and noted the recent rains have been benefitted supply as recycled water demand begins to increase. He reported the design work is underway and normal operations should resume no later than the second week of July. A minor shut-down will occur to tie in the new system. He also reported that an equipment vulnerability (lack of equipment to hook up emergency power) has been identified on the other side (east side) of the facility, so staff is considering solutions to upgrade the east side in order to avoid possible failure. Approval for performing this additional work will be sought from the Board at the next Board meeting. Mr. Carson reported that \$150,000 - \$180,000 of the approved \$1,000,000 emergency budget has been spent, so far.

The Board and staff discussed potential scenarios and solutions should the recycled water plant suffer another emergency, including shutdown of power by PG&E due to wildfires, and possible integration of potable water if recycled water supply cannot be produced. They also

discussed air quality restrictions that could constrain agencies from using emergency generators to move and treat water for critical functions such as firefighting and hospitals. Lastly, they discussed the need for seeking possible legislative solutions to remove constraints during emergencies that would prevent critical water deliveries. Mr. Tognolini recommended EBMUD and DSRSD staff begin coordinating to explore possible joint legislative efforts. He also noted the recycled water facility is not set-up for emergency power, so in the case of a PG&E outage DERWA would be unable to continue customer deliveries, thus DERWA should notify customers that they may not receive water should an emergency occur. The Board directed the partner agencies notify customers that deliveries could be compromised in an emergency.

9. BOARDMEMBER ITEMS

Director Mellon expressed he was looking forward to an exciting year ahead. He congratulated Authority Manager Tognolini and EBMUD Manager of Water Supply Improvements Linda Hu on their respective growth and recent promotions at EBMUD.

Director Duarte expressed that DERWA must begin discussions to determine and acquire back-up facility power.

Chair Coleman again thanked Authority Manager Tognolini for his service to DERWA.

10. CLOSED SESSION

At 6:43 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 6:54 p.m. the Board came out of Closed Session. Chair Coleman reported that there was no reportable action.

12. ADJOURNMENT

Chair Coleman adjourned the meeting at 6:55 p.m.

Submitted by,

Nicole M. Genzale, CMC
Authority Secretary

Item 6.B

DERWA
Summary & Recommendation
May 31, 2019 Treasurer's Report

Summary:

Attached is the Treasurer's Reports for the month ending May 31, 2019 submitted by Treasurer Richard Lou.

Recommendation:

The Treasurer recommends the DERWA Board of Directors approve, by Motion, the Treasurer's Report for the month ending May 31, 2019.

July 22, 2019

Attachments

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

STAFF REPORT

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

Revenues/Funding: During the month, \$791,939 in agency reimbursements was received. Also a payment of \$318 was received from the City of Pleasanton.

Expenses: Current monthly expenditures were \$212,601. Fiscal year-to-date expenditures for FY19 total \$3,594,501 of which \$2,129,130 is operating expenses and \$1,465,371 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 May 31, 2019 is \$2,789,548.

Submitted by:



Richard Lou
Treasurer

Dated: June 13, 2019

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

**DSRSD/EBMUD RECYCLED WATER AUTHORITY
TREASURER'S REPORT
FOR THE PERIOD ENDED MAY 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 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	18,800	113,605	487,072	282,501	204,571
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	35,621	986,789	14,466,185	9,283,948	5,182,237
Pleasanton Capital Billing/Contingency	0	5,334,659	13,175	364,977	5,699,636	0	5,699,636
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	67,596	1,465,371	100,245,898	50,373,786	49,872,111

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	13,891	127,282	3,297,079	2,356,164	940,914
Treasurer	38,500	2,756,326	6,030	55,064	2,811,390	2,108,542	702,848
Legal Counsel	15,000	434,886	2,012	10,746	445,632	334,224	111,408
Secretary	3,620	211,323	835	13,936	225,259	168,944	56,315
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	122,237	1,822,810	17,966,448	13,817,110	4,149,339
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	145,005	2,129,130	48,146,508	31,919,980	16,226,528

PROJECT TOTALS	15,133,353	144,797,905	212,601	3,594,501	148,392,406	82,293,766	66,098,639
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	594,013	4,525,359
Agency Reimbursements - EBMUD	197,608	2,651,570
Commercial Paper Issued	0	0
Pleasanton payments	318	397,845
Interest / Contracts	0	0
Misc Income	0	2,500,000
TOTAL REVENUES & FUNDING	791,939	10,074,774

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	2,210,210	(2,480,866)
Beg. Balance Adj	0	(1,209,859)
Rounding	0	0
Total Revenues & Funding	791,939	10,074,774
Total Expenditures	(212,601)	(3,594,501)
Ending Cash	2,789,548	2,789,548

Prepared by  Date: 6-12-19
 Approved by  Date: 6/12/19
 Manuel Alvarez Jr.
 Scott Klein

DERWA CASH REPORT

Cash Balance as of 04/30/19 2,210,210.49 Reconciled to DERWA TR

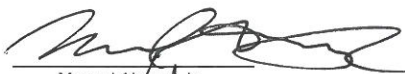
Add member agency's contribution:

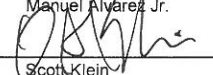
DSRSD Contribution	
EBMUD Contribution	
Agency Reimbursements - DSRSD	594,012.97
Agency Reimbursements - EBMUD	197,608.45
City of Pleasanton Payments	317.90
Interest Income	
Other Reimbursements- Misc	

Less invoice payments:

BBSI	5/3/2019	(1,404.00)
BBSI	5/10/2019	(955.50)
DSRSD	5/10/2019	(48,796.15)
EBMUD	5/10/2019	(33,449.26)
BPMNJ	5/17/2019	(2,011.60)
BBSI	5/17/2019	(390.00)
FedEx	5/17/2019	(24.95)
DSRSD	5/31/2019	(123,072.69)
ICF Jones & Stokes	5/31/2019	(1,526.60)
Sue Montague	5/31/2019	(151.61)
BBSI	5/31/2019	(819.00)

	05/31/19	2,789,548.45
Cash Balance as of	Rounding	(0.45)
	Cash Balance 05/31/19	2,789,548.00

Prepared by 
 Manuel Alvarez Jr.

Approved by 
 Scott Klein

Date 6-12-19

Date 6/13/19

Item 6.C

DERWA Summary & Recommendation

Quarterly Investment Report – June 30, 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 June 30, 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 June 30, 2019.

July 22, 2019

Item 7.A

DERWA Summary & Recommendation

Authorize the Authority Manager to Execute the Potable Water Agreement with the City of Pleasanton

Summary:

DERWA continues to develop additional water supplies to meet summer-time peak demands. In 2016, DERWA and the City of Pleasanton entered into an agreement for the City to provide temporary potable water supply to the treatment plant during shortage periods. A turnout was installed on the Pleasanton 16" water line at the north boundary of the Regional Wastewater Treatment Plant.

DERWA and City staff have developed an agreement for a long-term potable supply. The agreement contemplates that such deliveries will benefit DERWA by offsetting supply shortages, and the City will benefit by improving water quality in its potable water distribution system. Further, the parties have common goals to maximize the use of recycled water for landscaping irrigation to preserve potable water supplies; and to meet customers' recycled water demands whenever possible.

The attached agreement includes various provisions for the requesting of and delivery of potable water to DERWA.

Recommendation:

The Authority Manager recommends the DERWA Board of Directors, authorize, by Motion, the Authority Manager to enter into an agreement with City of Pleasanton, in a form to be approved by legal counsel, to provide potable water to DERWA for peak recycled water demands.

July 22, 2019

Attachment

**DSRSD•EBMUD RECYCLED WATER AUTHORITY
AND
CITY OF PLEASANTON
AGREEMENT TO PROVIDE WATER SUPPLY**

This Agreement is entered into this ____day of _____, _____, 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, organized and existing under Government Code sec. 6500 et seq. (hereinafter “DERWA”) and the City of Pleasanton, a California municipal corporation (hereinafter “Pleasanton” or “City”), for the purpose of defining the terms and conditions under which Pleasanton will provide DERWA potable water to augment the recycled water supply or to improve Pleasanton’s water quality in its potable water distribution system. DERWA and Pleasanton are individually referred to as “Party” and collectively as “Parties”.

RECITALS

WHEREAS, DERWA and Pleasanton entered into the Agreement to Provide Temporary Water Supply By and Between DERWA and the City of Pleasanton (“Temporary Agreement”) dated January 24, 2017; and

WHEREAS, a temporary water supply turnout from Pleasanton was established due to construction of the DERWA Recycled Water Treatment Facilities Phase 2 Project which has been completed as of **[INSERT DATE OF COMPLETION]**; and

WHEREAS, the Parties wish to continue to use the water supply turnout on a long-term basis under specific conditions; and

WHEREAS, the Parties recognize that from time to time Pleasanton may want to utilize the turnout to improve water quality in its potable water distribution system; and

WHEREAS, DERWA will request potable water from Pleasanton when it is available to meet recycled water demand during shortages; and

WHEREAS, the Parties share the mutual desire to maximize the use of recycled water for landscaping irrigation to preserve potable water supplies; and

WHEREAS, the Parties recognize that DERWA may be unable to supply adequate recycled water to meet its customers’ peak demands for short periods of time; and

WHEREAS, interruptions exceeding 24 hours may cause significant harm to public amenities such as parks or school yards and to private landscaping; and

WHEREAS, augmenting the recycled water supply with potable water when available and as needed will minimize supply outages to recycled water customers.

NOW, THEREFORE, in consideration of these Recitals and the terms, conditions and covenants contained herein, it is mutually understood and agreed as follows:

SECTION 1: GENERAL CONDITIONS, WATER SUPPLY TURNOUT

1.1 The potable water point of delivery to the recycled water system will be located at the existing tee connection on the Pleasanton 16-inch water line located on the north boundary of the Dublin San Ramon Services District (“DSRSD”) Regional Wastewater Treatment Plant.

1.2 A water supply turnout was established in accordance with the Temporary Agreement, including a billing meter, flow control valve, and backflow prevention device. DERWA is responsible for operation and maintenance of all facilities downstream of the point of delivery including the billing meter in accordance with Pleasanton metering requirements. Control of flow through the turnout shall be through the flow control valve. Real time water flow data shall be transmitted to the Pleasanton Supervisory Control And Data Acquisition (“SCADA”) monitoring system. Introduction of potable water to the recycled water system shall meet all applicable public health requirements for backflow prevention. Any future modification of the turnout, including but not limited to the billing meter, flow control valve, and backflow prevention device, shall be approved by Pleasanton before being put into service.

1.3 The billing meter shall be owned and regularly maintained by DERWA. Pleasanton shall bill DERWA for the quantities of potable water utilized when a supply request is initiated by DERWA. Pleasanton shall not bill DERWA for the quantities of potable water supplied when Pleasanton initiates use of the turnout to improve its potable water quality. DERWA shall be responsible for maintaining the billing meter, including all related costs, in a manner consistent with DSRSD standard practice

SECTION 2: TURNOUT OPERATION REQUESTS AND NOTIFICATIONS

2.1 So long as potable water is available at the turnout, the flow control valve may be operated by DERWA or DSRSD as needed to ensure DERWA’s ability to meet daily recycled water demands or to comply with any supply request from Pleasanton in order to improve water quality in Pleasanton’s potable water distribution system.

2.2 If initiated by Pleasanton, the Pleasanton Operations Services Department shall, as soon as practicable, notify the DSRSD Operations Manager by phone of the request to operate the turnout for the benefit of Pleasanton.

2.3 The DSRSD Operations Manager, in coordination with DERWA, shall, as soon as practicable, notify the Pleasanton Operations Services Department by phone any time the turnout is opened and placed into operation for the benefit of DERWA.

2.4 The DSRSD Operations Manager, in coordination with DERWA, shall, as soon as practicable, notify the Pleasanton Operations Services Department of any significant changes to the estimated rate and duration of use when the turnout is open and will, as soon as practicable, provide notification when use of the turnout is terminated.

2.5 Notifications and requests required pursuant to this Section 2 shall include a description of the request, the estimated rate of flow required, and the estimated duration of time the turnout should remain in operation.

2.6 DERWA will not operate the turnout in excess of seven hundred and fifty (750) gallons per minute without prior approval from the Pleasanton Operations Services Department.

2.7 If necessary, the DSRSD Operations Manager, in coordination with DERWA, will reduce or curtail deliveries of potable water if directed to do so by the Pleasanton Operations Services Department.

2.8 DERWA and Pleasanton agree to coordinate, as necessary, demands on the turnout to avoid or limit conflicting supply requests.

2.9 In the case of an emergency, as determined in Pleasanton's reasonable discretion, involving Pleasanton's potable water distribution system, Pleasanton staff are expressly authorized to operate the turnout in order to close the flow control valve and shut off the flow of water at the turnout.

SECTION 3: WATER SUPPLY RATES AND PAYMENT

3.1 Pleasanton will set the rate to be charged per unit of volume of water used as follows:

- The volume of water delivered from the turnout to DERWA to meet demand during shortages will be charged at the City of Pleasanton potable irrigation rate in effect at the time of delivery to the DERWA system.
- There will be no charge to DERWA for the volume of water delivered from the system at Pleasanton's request in order to improve water quality in Pleasanton's potable water distribution system.

3.2 Due to the interruptible and limited nature of this supply, DERWA will not be assessed a connection fee for installation and use of the turnout.

3.3 DERWA shall report the volume of water delivered for DERWA use over the preceding 30 days (net of all deliveries requested by Pleasanton) to the Pleasanton Operations Services Department by the 15th of each month.

3.4 Pleasanton shall, no more than monthly, bill DERWA for the quantities of potable water utilized and DERWA shall remit payment within 60days of the date of the invoice received.

SECTION 4: SUSPENSION OF SERVICE

4.1 The partial or complete provision of potable water service under this agreement may be suspended by Pleasanton at any time due to water supply or water distribution issues that jeopardize adequate potable water service within Pleasanton's water service area, or acts of God and similar force majeure conditions, including but not limited to conditions of severe multi-year drought, or groundwater pumping restrictions or prohibitions imposed by State or regional authorities.

4.2 A notice of suspension shall be in writing to DERWA and the DSRSD Operations Manager. The notice shall provide the reasons for the suspension and an estimate of the duration of the suspension.

4.3 Pleasanton shall keep DERWA informed of progress during the suspension, on a schedule to be agreed upon by Pleasanton and DERWA.

4.4 Pleasanton shall provide DERWA and the DSRSD Operations Manager written notification when the suspension of service is lifted.

SECTION 5: INDEMNIFICATION

In performance of this Agreement, each Party and its agents, employees, and contractors shall act in an independent capacity and not as officers, employees, or agents of any other Party. Except as otherwise declared herein, no Party assumes any liability for the activities of any other Party in performance of this Agreement. Each Party is responsible in proportion to its fault for liability, including but not limited to personal injury or property damage that may arise out of this Agreement, except to the extent such injury, damage, or loss was caused by the sole negligence or willful misconduct of the other Party, or its elected officials, officers, agents, or employees. Each Party expressly agrees to defend, indemnify, and hold harmless any other Party and its elected officials, officers, agents and employees from and against any and all loss, liability, expense, claims, suits, and damages, including attorneys' fees, arising out of or resulting from the first Party's, its elected officials', officers', agents', and employees' negligent acts, errors or omissions, or willful misconduct, in its performance under this Agreement.

Each Party shall be responsible for any adverse impacts to its own customers that may result from the operation or performance of this Agreement, except as arising out of or resulting from the negligent acts, errors or omissions, or willful misconduct of any other Party, its elected officials, officers, agents, and employees.

Each Party shall exercise reasonable care in the performance of its obligations and rights under this Agreement, particularly with regard to the facilities and operations, of other Parties to this Agreement.

SECTION 6: BREACH: CURE OR EXCUSED

Neither Party shall be in default or breach of this Agreement unless a Party fails to cure any failure to timely perform its obligations hereunder within 30 days after receiving written notice of same from the other Party; provided, however, that if the failure cannot reasonably be cured within such 30 day period, then a Party shall not be in breach of this Agreement if it commences such cure within such 30 day period and thereafter diligently pursues such cure to completion.

SECTION 7: DISPUTE RESOLUTION

In the event of a dispute between the Parties in the interpretation of any provision of this Agreement or of the performance of either party expressly or impliedly required hereunder, prior to instituting any legal proceeding or action, the Party claiming dispute shall notify the other Party in writing of the nature of said dispute and request a meeting to confer regarding resolution thereof. The Parties shall meet and confer within 10 days of the date of said notice and shall endeavor in good faith to resolve the dispute by agreement or they may provide, by written mutual agreement, for the dispute to be resolved through mediation. Any such agreement shall specify the mediator to be used. If the Parties desire to resolve the dispute through mediation but are unable to agree upon a mediator, the dispute shall be submitted to the Superior Court to select a mediator. The cost of mediation shall be shared equally by the Parties. If the Parties do not agree to mediation, or agreement or resolution through mediation cannot be achieved within 120 days from the date that the mediator has been determined, the Parties may enforce their respective rights as they shall individually or collectively determine consistent with the laws of the State of California. Any legal action against the other Party shall be filed in the Alameda County Superior Court.

SECTION 8: GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for all disputes shall be proper in the Superior Court of Alameda County.

SECTION 9: AMENDMENTS AND SUPPLEMENTAL AGREEMENTS

This Agreement may be amended or supplemented only by a writing approved and executed by the Parties in the same manner as this Agreement. This Section shall not limit the Parties from entering into other Agreements or other contracts for services not provided for under the terms and conditions of this Agreement.

SECTION 10: TERM, TERMINATION AND RENEWAL

This agreement shall become effective immediately upon execution by both Parties. The initial term of the agreement shall be 10 years. At the conclusion of the initial term, or any subsequent renewal term, the agreement shall automatically renew in additional 10 year increments. This Agreement may be terminated upon mutual agreement of the Parties. DERWA may terminate the agreement by providing written notice of its intent to terminate no less than 30 days, but no longer than 180 days before the proposed date of termination.

SECTION 11: SUCCESSORS

This Agreement, and the respective rights, duties and obligations of the Parties hereunder shall be binding upon and inure to the benefit of their successors and assigns.

SECTION 12: THIRD PARTY BENEFICIARIES

Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the Parties and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

SECTION 13: ENTIRE AGREEMENT

This Agreement constitutes the complete agreement between the Parties and supersedes any prior written or oral communications between the Parties.

SECTION 14: COUNTERPART SIGNATURES

This Agreement may be executed in counterparts each of which shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement.

SECTION 15: NOTICES

Any notice under this Agreement may be sent by electronic mail, USPS mail, or overnight mail to the person or persons designated from time to time by each Party.

SECTION 16: WAIVER

No waiver of any kind pursuant to this Agreement will constitute a continuing waiver unless so stated in a writing signed by the waiving Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, on the day and year set opposite the name of each of the Parties.

CITY OF PLEASANTON
A Municipal Corporation

By: _____
Jerry Thorne, Mayor

Dated: _____

ATTEST:

By: _____
Karen Diaz, City Clerk

Dated: _____

APPROVED AS TO FORM:

By: _____
City Attorney

Dated: _____

DSRSD•EBMUD Recycled Water Authority
A Joint Powers Agency

By: _____
John V. Rossi, Authority Manager

Dated: _____

ATTEST:

By: _____
Nicole Genzale, Authority Secretary

Dated: _____

APPROVED AS TO FORM:

By: _____
Doug Coty, General Counsel

Dated: _____

Item 7.B

DERWA Summary & Recommendation

Authorize the Authority Manager to Enter into a License Agreement with Pacific Gas & Electric (PG&E) to use an Existing Well for Supplemental Water Supply

Summary:

DERWA and Pacific Gas & Electric (PG&E) are planning to enter into a License Agreement for a period of three years that would enable DERWA to use an existing well for supplemental water supply during peak demand periods. PG&E owns a property with an irrigation well known as the San Ramon Substation, Assessor's Parcel Number 212-030-008-8, located in the City of San Ramon, Contra Costa County, State of California. The Agreement will allow DERWA to install a well pump, upgrade the power supply, install a pipeline to connect the well to DSRSD's wastewater system, and take other necessary actions to provide supplemental water supply to the recycled water system in the San Ramon Valley during peak demand periods. DERWA is required to pay PG&E a license fee of \$4,750 on or before execution of the License Agreement.

Groundwater is one of several supplemental supply options being developed by DERWA. DERWA plans to use the well on the PG&E property in a pilot project to obtain additional information on the well water quality and yield to determine whether the well can be used long-term. The expected duration of the pilot project is up to three years during peak demand months. Once sufficient data has been obtained from the pilot, DERWA will decide whether to enter into a longer term agreement with PG&E to use the well. The estimated pumping capacity of the well is up to 0.2 million gallons per day.

Recommendation:

The Authority Manager recommends the DERWA Board of Directors, authorize, by Motion, the Authority Manager to enter into a License Agreement with PG&E to use their existing well for supplemental supply.

July 22, 2019

MANAGER'S REPORTS

- A. Supplemental Supply Update
 - Central Contra Costa Sanitary District Wastewater Diversion Project
 - Devil Mountain Wholesale Nursery Well Pilot Project
 - Discussions with Zone 7 Water Agency Regarding Ground Water
- B. Operations Updates
 - DERWA Program Facilities Electrical Outage Emergency Repair Update
 - Public Safety Power Shutoff (PSPS) Update
 - Information Regarding Changes in PG&E Peaking Periods
- C. Update on Plan to Develop Agreement for Implementing Demand Management with Agencies
- D. Update on June 13, 2019 Roundtable Meeting
- E. Confirm Next Board Meeting – September 22, 2019