

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

**NOTICE OF SPECIAL MEETING**

**TIME:** 6:00 p.m.  
**PLACE:** Dublin San Ramon Services District Boardroom  
7051 Dublin Boulevard  
Dublin, California 94568

**DATE:** Thursday, November 16, 2017

**AGENDA**

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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.

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(Next Resolution No. 17-2)

**Recommended  
Action**

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1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Coleman, Howard, Mellon and Vonheeder-Leopold  
Alternates: Duarte 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. APPROVE MINUTES  
Regular Board Meeting of June 26, 2017
7. 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. Treasurer's Reports for June 30, July 31, August 31, September 30, and October 31, 2017

Approve  
by Motion

Approve  
by Motion

	<u>Recommended Action</u>
B. Quarterly Investment Reports – June 30 and September 30, 2017	Approve by Motion
8. <u>BOARD BUSINESS</u>	
A. Authorize the Authority Manager to Enter into an Agreement with Dublin San Ramon Services District (DSRSD), East Bay Municipal Utility District (EBMUD), and City of Pleasanton for the Allocation of State and Federal Funding for the Phase 2 Recycled Water Treatment Plant Expansion Project	Approve by Motion
B. Approve DERWA Board Meeting Schedule	Approve by Resolution
C. Transmittal of the DERWA Independent Auditor's Report and Financial Statements for Years Ending June 30, 2017 and 2016	Accept by Motion
9. <u>MANAGER'S REPORTS</u>	
A. Capital Projects Update – Phase 2 Recycled Water Treatment Plant Expansion Project	
B. Supplemental Supply Update	
C. 2017 Operations Update	
D. Cancel Next Board Meeting – December 25, 2017	
10. <u>BOARDMEMBER ITEMS</u>	
11. <u>ADJOURNMENT</u>	

Information about and copies of supporting materials on agenda items are available for public review at 7051 Dublin Boulevard, Dublin, 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.

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

**Board of Directors Regular Meeting Minutes  
Monday, June 26, 2017**

**Dublin San Ramon Services District  
7051 Dublin Boulevard, Dublin, California 94568**

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1. CALL TO ORDER – Chair Mellon called the DSRSD • EBMUD Recycled Water Authority (DERWA) meeting to order at 6:00 p.m. at the Dublin San Ramon Services District Boardroom.

2. PLEDGE TO THE FLAG

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES - None

5. PUBLIC COMMENT – 6:01 p.m. - None

6. APPROVE MINUTES – Special Board Meeting of March 6, 2017

Motion by Vice Chair Howard, Second by Director Vonheeder-Leopold, to approve the minutes from the Special Meeting of March 6, 2017. Motion carried (4-0) by the following vote:

AYES: Howard, Vonheeder-Leopold, Coleman, Mellon

NOES:

7. CONSENT CALENDAR

A. Treasurer's Reports for February 28, March 31, April 30 and May 31, 2017

B. Quarterly Investment Reports – March 31, 2017

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

AYES: Vonheeder-Leopold, Coleman, Howard, Mellon

NOES:

8. BOARD BUSINESS

A. Authorize the Authority Manager to Implement the Pump Station R1 Variable Frequency Drives (VFD) Replacement Project as a Change Order to the Phase 2 Recycled Water Treatment Plant Expansion Project

Authority Manager Tognolini reviewed the item for the Board. The Board and staff discussed the item, notably the life expectancy of the Variable Frequency Drives (VFD) parts, which staff

**DRAFT**

reported is about five years, and the ongoing dissatisfaction with the parts manufacturers for providing limited products, support, and replacement parts to clients who need to equip or expand existing systems. As a result, clients are stockpiling parts, further depleting supply for others. They also discussed possible means within the water/wastewater industry to force manufacturers to offer ample parts and support longer than a year, such as creating a consortium, appealing to taxpayers, or working with industry organizations, such as CASA (California Association of Sanitation Agencies), BACWA (Bay Area Coalition of Water Agencies), ACWA (Association of California Water Agencies), AWWA (American Water Works Association), as well as possibly California manufacturing entities.

The Board requested the General Manager to work with DERWA to submit a letter to CASA planning and legislative committees, ACWA (via Director Coleman), and copy member agencies DSRSD and EBMUD, requesting examination of a legislative solution to this issue. Staff also reported that DERWA currently has spare parts by way of the standby pump already at the facility.

Motion by Director Coleman, Second by Director Vonheeder-Leopold, to authorize the Authority Manager to Implement the Pump Station R1 Variable Frequency Drives (VFD) Replacement Project as a Change Order to the Phase 2 Recycled Water Treatment Plant Expansion Project. Motion carried (4-0) by the following vote:

AYES: Coleman, Vonheeder-Leopold, Howard, Mellon

NOES:

The Board commended staff on a well thought out approach to resolve the need for the replacement VFD's via the change order to the existing project.

## 9. MANAGER'S REPORTS

### A. Information Memorandum – Response to Board Questions Regarding the Terms of DERWA Board Officers

Authority Manager Tognolini reviewed the item for the Board which responded to questions the Board raised at the March 6 meeting pertaining to Board meeting scheduling and the term of DERWA Board officers. The Board and staff discussed various ideas regarding both aspects. The Board agreed to hold officer elections in January to align with officer elections of the DERWA member agencies, and to move meetings to odd calendar months. They also discussed the possible lengthening of officer terms, from one to two years, and how to formally make such a change within the JPA. Mr. Tognolini reminded the Board that part of the consulting work assigned to previous Authority Manager Jim Bewley is to perform a review of the JPA, sales/supply agreements in concert with General Counsel, DSRSD and EBMUD. Recommended updates will be presented to the Board at a future meeting.

### B. Capital Projects Update – Phase 2 Recycled Water Treatment Plant Expansion Project

Authority Manager Tognolini reported the project is moving along very well thanks to the DSRSD team managing the project. He introduced Chris Davenport from the Covello Group, the construction management consultant, to provide an update to the Board.

Speaker: Chris Davenport, Covello Group - Mr. Davenport gave a presentation to the Board explaining the construction process and project progress to date. He showed a time-lapsed video of the facility's development over a six month period, noting what a

marvel the assembly of this structure is due to the complex steps the contractor must define and perform to reach the desired end product. He reported that they will continue to photograph the effort and the full video history will be available on DSRSD's website. The Board thanked Mr. Davenport for his presentation this evening.

C. Summer 2017 Operations Update

Authority Manager Tognolini reported that an all-time record was set on June 19 with nearly 10 million gallons delivered, followed by three more days at this level. These deliveries were supplemented with a small percentage of potable water as the plant's supply was exhausted, however, it was worthwhile to meet the peak demand. He hopes going forward DERWA will see a good level of demand without many spikes due to hot weather. He complimented the tremendous team at DSRSD for handling the various demands placed on them while consistently meeting customer needs.

Mr. Tognolini added that DERWA continues to connect new customers which drives the need to obtain supplemental supply. The conversation with Central Contra Costa Sanitary District (CCCSD) regarding diversion of wastewater supply to DERWA is going slowly but progressing. DSRSD Engineering Services Manager Judy Zavadil added that since holding meetings with CCCSD Board and staff (Director Mike McGill and General Manager Roger Bailey in February, and Boardmembers Tad Pilecki and Paul Causey on the Real Estate, Environmental & Planning Committee in March) DERWA is preparing an operations plan to present to CCCSD on the best way to divert wastewater and address their concerns including potential facilities impacts caused by decreased flow.

D. Confirm Next Meeting Date – August 28, 2017

The Board agreed to keep the next Board meeting on the calendar for now and determine later if it is needed. General Manager Tognolini stated there is a fair chance there will be no need for an August meeting, but staff will inform the Board as the date nears.

10. BOARDMEMBER ITEMS

Director Coleman stated he was impressed that DERWA is still going strong after all these years, and that he and Director Vonheeder-Leopold have been involved since its inception in 1995.

Chair Mellon described the tour he took at the San Diego desalination plant in April, noting the water tasted just like purified water and is treated five times. He added that legislation is getting primed to take this water straight to the tap.

11. ADJOURNMENT

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

Submitted by,

Nicole M. Genzale  
Authority Secretary

# Item 7.A

## **DERWA Summary & Recommendation**

**June 30, 2017 Treasurer's Report**  
**July 31, 2017 Treasurer's Report**  
**August 31, 2017 Treasurer's Report**  
**September 30, 2017 Treasurer's Report**  
**October 31, 2017 Treasurer's Report**

### **Summary:**

Attached are the Treasurer's Reports for the months ending June 30, July 31, August 31, September 30, and October 31, 2017 submitted by Treasurer Richard Lou.

### **Recommendation:**

The Treasurer recommends the DERWA Board of Directors approve, by Motion, the Treasurer's Reports for the months June 30, July 31, August 31, September 30, and October 31, 2017.

November 16, 2017

Attachments

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR JUNE 30, 2017**

**STAFF REPORT**

Attached is the DERWA Treasurer's Report for the month ending June 30, 2017. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$1,802,474 in agency reimbursement was received. Fiscal year-to-date revenues for FY17 total \$8,919,245, of which \$3,946,174 was received from the City of Pleasanton.

Expenses: Current month expenditures were \$6,209,438. Fiscal year-to-date expenditures for FY17 total \$10,855,104; of which \$3,798,383 were operating expenses and \$7,056,721 were capital expenses. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY17.




Cash: The cash balance at June 30, 2017 was (\$1,851,059).

Submitted by:



Richard Lou  
Treasurer

Dated: July 14, 2017

Prepared by  (D. Gulseth)  
Reviewed by  (L. Fan)  
Reviewed by  (S. Klein)

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT  
FOR THE PERIOD ENDED JUNE 30, 2017**

CAPITAL - PROJECT	Program Budget @ FY 2017	Expenditures FY 16 and Prior (a)	Expenditures Current Month	Expenditures FY 17 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	15,410	0	0	15,410	8,784	6,626
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	228,408	29,104	25,539	253,947	144,750	109,197
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	326,922	0	20,227	347,149	201,345	145,804
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	0	0	1,000	1,000	480	520
LVAWWA 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	82,716	3,284,576	4,909,482	4,992,198	331	4,991,867
Pleasanton Capital Billing/Contingency	0	87,216	563,715	2,100,473	2,187,689	0	2,187,689
Capitalized Interest	0	1,960,872	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>10,981,000</b>	<b>79,021,526</b>	<b>3,877,395</b>	<b>7,056,721</b>	<b>86,078,247</b>	<b>40,477,995</b>	<b>45,600,252</b>

OPERATING - ITEM	Budget FY 17	Expenditures FY 16 and Prior (a)	Expenditures Current Month	Expenditures FY 17 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	234,383	2,907,276	37,454	175,010	3,082,286	2,193,494	888,792
Treasurer	44,250	2,713,822	5,370	30,984	2,744,806	2,058,604	686,202
Legal Counsel	9,000	425,624	2,171	10,588	436,212	327,159	109,053
Secretary	2,550	200,347	3,481	9,168	209,515	157,136	52,379
Other	105,000	1,079,325	0	96,322	1,175,647	881,735	293,912
Operation and Maintenance Detail	2,024,372	12,162,609	638,053	1,830,798	13,993,407	10,837,329	3,156,077
Debt Service	1,645,513	18,738,028	1,645,514	1,645,514	20,383,542	15,287,657	5,095,885
<b>Total Operating Program Element</b>	<b>4,065,068</b>	<b>38,227,031</b>	<b>2,332,043</b>	<b>3,798,383</b>	<b>42,025,415</b>	<b>31,743,114</b>	<b>10,282,300</b>

<b>PROJECT TOTALS</b>	<b>15,046,068</b>	<b>117,248,557</b>	<b>6,209,438</b>	<b>10,855,104</b>	<b>128,103,661</b>	<b>72,221,109</b>	<b>55,882,552</b>
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution	0	0
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	914,330	3,120,710
Agency Reimbursements - EBMUD	888,144	1,849,940
Commercial Paper Issued	0	0
Pleasanton payments	11,723	3,946,174
Interest / Contracts	0	2,421
Misc Income	0	0
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>1,814,197</b>	<b>8,919,245</b>

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	2,544,182	(264,890)
Beg. Balance Accural Adj	0	349,690
LAIF Int Adjustment	0	0
Commercial Paper payoff	0	0
Total Revenues & Funding	1,814,197	8,919,245
Total Expenditures	(6,209,438)	(10,855,104)
<b>Ending Cash</b>	<b>(1,851,059)</b>	<b>(1,851,059)</b>

Prepared by *[Signature]* Date: 7-12-17  
Reviewed by *[Signature]* Date: 7/12/17  
Approved by *[Signature]* Date: 7/12  
Scott Klein



**DSRSD/EBMUD RECYCLED WATER AUTHORITY**  
**SUMMARY OF EXPENDITURES**  
**FOR THE PERIOD ENDED**  
**June 30, 2017**

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount		Operating	Capital	CK-OP
06/02/17	2495574	ICF International- Jones & Stokes	Op-Public Info/Prog.Mgr Staff (49/51)	5,128.37	2,512.90	2,615.47	O	5,128.37	0.00	5,128.37
06/09/17	2495881	DSRSD- March	Cap- Pleasanton Billings-	3,500.38	-	-	C	0.00	3,500.38	0.00 P
06/09/17	2495881	DSRSD- March	Cap- New Cap <50K	2,357.94	1,344.03	1,013.91	C	0.00	2,357.94	0.00
06/09/17	2495881	DSRSD- March	Op-Sec. Salary (75/25)	1,197.99	898.49	299.50	O	1,197.99	0.00	1,197.99
06/09/17	2495881	DSRSD- March	Op-Sec. Expenses (75/25)	33.27	24.95	8.32	O	33.27	0.00	33.27
06/09/17	2495881	DSRSD- March	Op-Operations (75/25)	81,819.62	61,364.72	20,454.90	O	81,819.62	0.00	81,819.62
06/09/17	2495881	DSRSD- April	Cap- Pleasanton Billings-	5,094.41	-	-	C	0.00	5,094.41	0.00 P
06/09/17	2495881	DSRSD- April	Cap- New Cap <50K	26,745.66	15,245.03	11,500.63	C	0.00	26,745.66	0.00
06/09/17	2495881	DSRSD- April	Op-Sec. Salary (75/25)	1,186.92	890.19	296.73	O	1,186.92	0.00	1,186.92
06/09/17	2495881	DSRSD- April	Op-Operations (75/25)	135,759.02	101,819.27	33,939.75	O	135,759.02	0.00	135,759.02
06/09/17	2496081	San Ramon Center- Sodexo	Op-Public Info (49/51)	2,381.50	1,166.93	1,214.57	O	2,381.50	0.00	2,381.50
06/09/17	2495849	CWSRF (Accounting Office) Loan Payment	Op- Princ (49.23%/50.77%)	798,251.57	392,979.25	405,272.32	O	798,251.57	0.00	798,251.57
06/09/17	2495849	CWSRF (Accounting Office) Loan Payment	Op- Interest (49.23 / 50.77)	198,655.26	97,797.98	100,857.28	O	198,655.26	0.00	198,655.26
06/09/17	2495850	SWRCB (Accounting Office) Loan Payment	Op- Princ (49.23%/50.77%)	506,690.85	249,443.91	257,246.94	O	506,690.85	0.00	506,690.85
06/09/17	2495850	SWRCB (Accounting Office) Loan Payment	Op- Interest (49.23 / 50.77)	141,916.28	69,865.38	72,050.90	O	141,916.28	0.00	141,916.28
06/16/17	2496458	Office Team	Op-Prog.Mgr Staff (75/25)	193.00	144.75	48.25	O	193.00	0.00	193.00
06/16/17	2496291	Bold, Polisner, et al	Op-Legal Services (75/25)	960.00	720.00	240.00	O	960.00	0.00	960.00
06/16/17	2496340	EBMUD- WS	Op-Treas.Cost Acctg (75/25)	2,000.65	1,500.49	500.16	O	2,000.65	0.00	2,000.65
06/16/17	2496340	EBMUD- WS	Op-Treas.Salary (75/25)	418.56	313.92	104.64	O	418.56	0.00	418.56
06/16/17	2496340	EBMUD- WS	Op-Prog Manager (75/25)	4,385.59	3,289.19	1,096.40	O	4,385.59	0.00	4,385.59
06/16/17	2496340	EBMUD- WS	Op-Prog Manager/Staff (75/25)	4,457.30	3,342.97	1,114.33	O	4,457.30	0.00	4,457.30
06/16/17	2496458	Office Team	Op-Prog.Mgr Staff (75/25)	1,061.50	796.12	265.38	O	1,061.50	0.00	1,061.50
06/16/17	2496336	DSRSD- Phase 2 Recycled Water Plant	Cap- Pleasanton Billings m(27%)	404,921.22	-	-	C	0.00	404,921.22	0.00 P
06/16/17	2496336	DSRSD- Phase 2 Recycled Water Plant	Cap-EBMUD (27%) DSRSD (46%)	1,094,787.01	689,865.79	404,921.22	C	0.00	1,094,787.01	0.00
06/16/17	2496336	DSRSD- Phase 2 Recycled Water Plant	Cap- Pleasanton Billings m(27%)	149,942.07	-	-	C	0.00	149,942.07	0.00 P
06/16/17	2496336	DSRSD- Phase 2 Recycled Water Plant	Cap-EBMUD (27%) DSRSD (46%)	405,398.94	255,456.87	149,942.07	C	0.00	405,398.94	0.00
06/23/17	2496871	Office Team	Op-Prog.Mgr Staff (75/25)	829.90	622.43	207.48	O	829.90	0.00	829.90 P
06/23/17	2496739	DSRSD- May	Cap- Pleasanton Billings-	257.00	-	-	C	0.00	257.00	0.00
06/23/17	2496739	DSRSD- May	Op-Operations (75/25)	171,003.11	128,252.33	42,750.78	O	171,003.11	0.00	171,003.11
06/23/17	2496739	DSRSD- May	Op-Sec. Salary (75/25)	1,062.67	797.00	265.67	O	1,062.67	0.00	1,062.67
06/30/17	2497279	Office Team	Op-Prog.Mgr Staff (75/25)	791.30	593.48	197.83	O	791.30	0.00	791.30
06/30/17	2497080	Bold, Polisner, et al	Op-Legal Services (75/25)	1,210.70	908.03	302.68	O	1,210.70	0.00	1,210.70
06/30/17	2497358	Sue Montague	Op-Prg Manager/Other (75/25)	55.15	41.36	13.79	O	55.15	0.00	55.15
06/30/17	2497279	Office Team	Op-Prog.Mgr Staff (75/25)	501.80	376.35	125.45	O	501.80	0.00	501.80
6/30/17P	pending	ICF International- Jones & Stokes	Op-Public Info/Prog.Mgr Staff (49/51)	9,470.94	4,640.76	4,830.18	O	9,470.94	0.00	9,470.94
6/30/17P	pending	EBMUD- WS	Op-Treas.Cost Acctg (75/25)	2,113.68	1,585.26	528.42	O	2,113.68	0.00	2,113.68
6/30/17P	pending	EBMUD- WS	Op-Treas.Salary (75/25)	837.12	627.84	209.28	O	837.12	0.00	837.12
6/30/17P	pending	EBMUD- WS	Op-Prog Manager (75/25)	4,074.06	3,055.55	1,018.51	O	4,074.06	0.00	4,074.06
6/30/17P	pending	EBMUD- WS	Op-Prog Manager/Staff (75/25)	1,736.29	1,302.22	434.07	O	1,736.29	0.00	1,736.29
6/30/17P	pending	Office Team	Op-Prog.Mgr Staff (75/25)	868.50	425.57	442.94	O	868.50	0.00	868.50
6/30/17P	pending	ICF International- Jones & Stokes	Op-Public Info/Prog.Mgr Staff (49/51)	1,518.50	744.07	774.44	O	1,518.50	0.00	1,518.50
Accrual	6/30 ACC	DSRSD- June	Capital	1,784,390.05	892,195.03	892,195.02	C	0.00	1,784,390.05	0.00
Accrual	6/30 ACC	DSRSD- June	Op-Operations (75/25)	249,472.34	187,104.26	62,368.09	O	249,472.34	0.00	249,472.34
				6,209,437.99	3,174,054.64	2,471,668.26				
					-	-				
							O 0.00 0.00 0.00			
							C 2,332,043.31 3,877,394.68 2,332,043.31			

Certificates of Disb.	
Wk Ending	Amount
6/2/17	\$ 5,128.37
6/9/17	\$ 1,905,590.67
6/16/17	\$ 2,068,525.84
6/23/17	\$ 173,152.68
6/30/17	\$ 2,558.95
6/30/17P	\$ 20,619.09
ACCRUAL	\$ 2,033,862.39
	\$ 6,209,437.99

Prepared by

*D Gulseth*  
Dana Gulseth

Date:

7-12-17

Reviewed by

*L Fan*  
Lawrence Fan

Date:

7/12/17

Approved by

*S Klein*  
Scott Klein

Date:

7/12

# DERWA CASH REPORT

Cash Balance as of 05/31/17 2,544,182.75 Reconciled to DERWA TR previous month

## Add member agency's contribution:

Interest Income		
Loans		
DSRSD Contribution		
EBMUD Contribution		
Agency Reimbursements - DSRSD	3 pymts	914,329.53
Agency Reimbursements - EBMUD	3 pymts	888,143.75
City of Pleasanton Payments	6/19/2017	11,723.35
Other Reimbursements- Misc		

## Less invoice payments:

ICF International- Jones & Stokes	6/2/2017	(5,128.37)
DSRSD- March	6/9/2017	(88,909.20)
DSRSD- April	6/9/2017	(168,786.01)
San Ramon Center - Sodexo	6/9/2017	(2,381.50)
CWSRF (Accounting Office) Loan Payment	6/9/2017	(648,607.13)
SWRCB (Accounting Office) Loan Payment	6/9/2017	(996,906.83)
Office Team	6/16/2017	(193.00)
Bold, Poliner, Maddow, et al	6/16/2017	(960.00)
EBMUD-WS (Acctg and Prog.Mgmr)	6/16/2017	(11,262.10)
Office Team	6/16/2017	(1,061.50)
DSRSD- Phase 2 Recycled Water Plant	6/16/2017	(1,499,708.23)
DSRSD- Phase 2 Recycled Water Plant	6/16/2017	(555,341.01)
Office Team	6/23/2017	(829.90)
DSRSD- May	6/23/2017	(172,322.78)
Office Team	6/30/2017	(791.30)
Bold, Poliner, Maddow, et al	6/30/2017	(1,210.70)
Sue Montague	6/30/2017	(55.15)
Office Team	6/30/2017	(501.80)
ICF International- Jones & Stokes	6/30/2017 P	(9,470.94)
Office Team	6/30/2017 P	(868.50)
EBMUD-WS (Acctg and Prog.Mgmr)	6/30/2017 P	(8,761.15)
ICF International- Jones & Stokes	6/30/2017 P	(1,518.50)

Cash Balance as of 06/30/17 182,803.78

Cash Balance 06/30/17 182,803.78

Accruals (2,033,862.39)

Cash Balance with Accruals 06/30/17 (1,851,058.61)

Prepared by Dana Gulseth  
 Reviewed by Lawrence Fan  
 Approved by Scott Klein

Date 7-12-17  
 Date 7/12/17  
 Date 7/12

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR JULY 31, 2017**

**STAFF REPORT**

Attached is the DERWA Treasurer's Report for the month ending July 31, 2017. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$1,842,113 in agency reimbursements were received. No other miscellaneous payments were received this month.

Expenses: Current month expenditures were \$4,358. Fiscal year-to-date expenditures for FY18 total (\$2,029,504); of which \$4,358 were operating expenses. Accrual reversals totaled (\$2,033,862). Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY18.




Cash: The cash balance at July 31, 2017 was \$2,020,558.

Submitted by:



Richard Lou  
Treasurer

Dated: August 1, 2017

Prepared by  (D. Gulseth)  
Reviewed by  (L. Fan)  
Reviewed by  (S. Klein)



**DSRSD/EBMUD RECYCLED WATER AUTHORITY**  
**TREASURER'S REPORT**  
**FOR THE PERIOD ENDED JULY 31, 2017**

CAPITAL - PROJECT	Program Budget @ FY 2018	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 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	15,410	0	0	15,410	8,784	6,626
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	253,947	0	0	253,947	144,750	109,197
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	347,149	0	0	347,149	187,380	159,769
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	1,000	0	0	1,000	480	520
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	4,992,198	(1,784,390)	(1,784,390)	3,207,808	331	3,207,477
Pleasanton Capital Billing/Contingency	0	2,187,689	0	0	2,187,689	0	2,187,689
Capitalized Interest	0	1,960,872	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>10,981,000</b>	<b>86,078,247</b>	<b>(1,784,390)</b>	<b>(1,784,390)</b>	<b>84,293,857</b>	<b>40,464,030</b>	<b>43,829,827</b>

OPERATING - ITEM	Budget FY 18	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	234,383	2,907,276	2,495	2,495	2,909,771	2,077,915	831,857
Treasurer	44,250	2,713,822	1,863	1,863	2,715,685	2,036,763	678,922
Legal Counsel	9,000	425,624	0	0	425,624	319,218	106,406
Secretary	2,550	200,347	0	0	200,347	150,260	50,087
Other	105,000	1,175,647	0	0	1,175,647	881,736	293,911
Operation and Maintenance Detail	2,024,372	13,993,406	(249,471)	(249,471)	13,743,935	10,650,225	3,093,710
Debt Service	1,645,513	20,383,542	0	0	20,383,542	10,952,080	9,431,462
<b>Total Operating Program Element</b>	<b>4,065,068</b>	<b>41,799,664</b>	<b>(245,113)</b>	<b>(245,113)</b>	<b>41,554,551</b>	<b>27,068,197</b>	<b>14,486,355</b>

<b>PROJECT TOTALS</b>	<b>15,046,068</b>	<b>127,877,911</b>	<b>(2,029,503)</b>	<b>(2,029,503)</b>	<b>125,848,408</b>	<b>67,532,227</b>	<b>58,316,182</b>
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	1,284,669	1,284,669
Agency Reimbursements - EBMUD	557,444	557,444
Commercial Paper Issued	0	0
Pleasanton payments	0	0
Interest / Contracts	0	0
Misc Income	0	0
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>1,842,113</b>	<b>1,842,113</b>

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	182,804	182,804
Beg. Balance Accrual Adj	(2,033,862)	(2,033,862)
Rounding	0	0
Total Revenues & Funding	1,842,113	1,842,113
Total Expenditures	2,029,503	2,029,503
<b>Ending Cash</b>	<b>2,020,558</b>	<b>2,020,558</b>

Prepared by *[Signature]* Date: 8-1-17  
Reviewed by *[Signature]* Date: 8/1/17  
Approved by *[Signature]* Date: 8/1  
*Scott Klein*

[illegible][illegible]

0.00 Reconciled  
0.00 Reconciled  
0.00 Reconciled

Prepared by Dana Gulseth  
Reviewed by Lawrence Fan  
Approved by Scott Klein

Date: 8-1-17

Date: 8/1/17

Date: 8/1

## DERWA CASH REPORT

Cash Balance as of

06/30/17

182,803.78 Reconciled to DERWA TR1  
Prior Year End w/o Accruals

### Add member agency's contribution:

DSRSD Contribution			
EBMUD Contribution			
Agency Reimbursements - DSRSD	7/3/2017 & 7/27/2017	1,284,668.84	EBM-DEO 00304,306A
Agency Reimbursements - EBMUD	7/3/2017	557,444.04	EBM-DEO 00305
City of Pleasanton Payments			
Interest Income			
Other Reimbursements- Misc			

### Less invoice payments:

Maze	7/21/2017	(1,863.00)
Office Team	7/21/2017	(694.80)
Office Team	7/21/2017	(694.80)
Underground Alert	7/28/2017	(1,105.63)



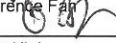
Cash Balance as of

07/31/17

2,020,558.43

Cash Balance 07/31/17

2,020,558.43

Prepared by   
Dana Gulseth  
Reviewed by   
Lawrence Farr  
Approved by   
Scott Klein

Date 8-1-17  
Date 8/1/17  
Date 8/1/17

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR AUGUST 31, 2017**

**STAFF REPORT**

Attached is the DERWA Treasurer's Report for the month ending August 31, 2017. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$128,592 in agency reimbursements were received. There was an interest payment of \$5,619 received which had been accrued in FY2017.

Expenses: Current month expenditures, excluding \$633,353 for FY2017 Pleasanton accrual, were \$2,380,676. Fiscal year-to-date expenditures for FY18 total \$984,527 of which \$28,419 were operating expenses. Accrual reversals totaled (\$2,028,218). Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY18.




Cash: The cash balance at August 31, 2017 was (\$859,261).

Submitted by:



Richard Lou  
Treasurer

Dated: September 1, 2017

Prepared by  (D. Gulseth)  
Reviewed by  (D. Siu)  
Reviewed by  (L. Fan)



**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT  
FOR THE PERIOD ENDED AUGUST 31, 2017**

CAPITAL - PROJECT	Program Budget @ FY 2018	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 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	15,410	326,316	326,316	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	253,947	0	0	253,947	144,750	109,197
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	347,149	0	0	347,149	187,380	159,769
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	1,000	642,607	642,607	643,607	308,931	334,676
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	4,992,198	1,138,222	(12,815)	4,979,383	331	4,979,052
Pleasanton Capital Billing	0	2,187,689	0	0	2,187,689	0	2,187,689
Capitalized Interest	0	1,960,872	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>10,981,000</b>	<b>86,078,247</b>	<b>2,107,145</b>	<b>956,108</b>	<b>87,034,355</b>	<b>40,958,481</b>	<b>46,075,874</b>

OPERATING - ITEM	Budget FY 18	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	234,383	2,907,276	4,091	6,587	2,913,863	2,080,642	833,222
Treasurer	44,250	2,713,822	0	1,863	2,715,685	2,036,763	678,922
Legal Counsel	9,000	425,624	48	48	425,672	319,254	106,418
Secretary	2,550	200,347	489	489	200,836	150,628	50,208
Other	105,000	1,175,647	0	0	1,175,647	881,736	293,911
Operation and Maintenance Detail	2,024,372	13,993,406	268,903	19,432	14,012,838	10,851,903	3,160,935
Debt Service	1,645,513	20,383,542	0	0	20,383,542	10,952,080	9,431,462
<b>Total Operating Program Element</b>	<b>4,065,068</b>	<b>41,799,664</b>	<b>273,531</b>	<b>28,419</b>	<b>41,828,083</b>	<b>27,273,006</b>	<b>14,555,078</b>

<b>PROJECT TOTALS</b>	<b>15,046,068</b>	<b>127,877,911</b>	<b>2,380,676</b>	<b>984,527</b>	<b>128,862,438</b>	<b>68,231,487</b>	<b>60,630,952</b>
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution	0	0
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	3,269	1,287,937
Agency Reimbursements - EBMUD	125,323	682,767
Commercial Paper Issued	0	0
Pleasanton payments	0	0
Interest / Contracts	5,619	(24)
Misc Income	0	0
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>134,211</b>	<b>1,970,680</b>

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	2,020,558	182,804
Beg. Balance Accrual Adj	(633,353)	(2,028,218)
Rounding	0	0
	0	0
<b>Total Revenues &amp; Funding</b>	<b>134,211</b>	<b>1,970,680</b>
<b>Total Expenditures</b>	<b>(2,380,677)</b>	<b>(984,527)</b>
<b>Ending Cash</b>	<b>(859,261)</b>	<b>(859,261)</b>

Prepared by Diana Gulseth Date: 8/31  
Reviewed by Lawrence Farn Date: 9/6  
Approved by Scott Klein Date: 9/6



**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
SUMMARY OF EXPENDITURES  
FOR THE PERIOD ENDED  
August 31, 2017**

Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount		Operating	Capital	CK-OP
08/04/17	2499217	Office Team	Op-Program Manager Staff (75/25)	733.40	550.05	183.35	O	733.40	0.00	733.40
08/11/17	2499470	Bold, Polisner, et al	Op-Legal (75/25)	48.00	36.00	12.00	O	48.00	0.00	48.00
08/18/17	2500002	Office Team	Op-Program Manager Staff (75/25)	733.40	550.05	183.35	O	733.40	0.00	733.40
08/18/17	2500002	Office Team	Op-Program Manager Staff (75/25)	501.80	376.35	125.45	O	501.80	0.00	501.80
08/18/17	2499877	DSRSD-June	Op-Operations (75/25)	268,903.83	201,677.87	67,225.96	O	268,903.83	0.00	268,903.83
08/18/17	2499877	DSRSD-June	Op-Sec Salary (75/25)	479.20	359.40	119.80	O	479.20	0.00	479.20
08/18/17	2499877	DSRSD-June	Op-Sec- Expenses (75/25)	10.02	7.51	2.51	O	10.02	0.00	10.02
08/25/17	2500273	DSRSD-Capital	C-Recycled Water Plant Phase 2-D	814,924.55	814,924.55		C	0.00	814,924.55	0.00
08/25/17	2500273	DSRSD-Capital	C-Recycled Water Plant Phase 2-E	478,325.29		478,325.29	C	0.00	478,325.29	0.00
08/25/17	2500273	DSRSD-Capital	C-Recycled Water Plant Ph. 2-Pleasanton	478,325.29	-	-	C	0.00	478,325.29	0.00 P
08/25/17	2500273	DSRSD-Capital	C-Membrane Preplacement -D	308,451.27	308,451.27	-	C	0.00	308,451.27	0.00
08/25/17	2500273	DSRSD-Capital	C-Membrane Preplacement -E	231,338.45	-	231,338.45	C	0.00	231,338.45	0.00
08/25/17	2500273	DSRSD-Capital	C-Membrane Preplacement -Pleasanton	102,817.09	-	-	C	0.00	102,817.09	0.00 P
08/25/17	2500273	DSRSD-Capital	C-Recycled Water & SCADA-D	156,631.50	156,631.50	-	C	0.00	156,631.50	0.00
08/25/17	2500273	DSRSD-Capital	C-Recycled Water & SCADA-E	117,473.63	-	117,473.63	C	0.00	117,473.63	0.00
08/25/17	2500273	DSRSD-Capital	C-Recycled Water & SCADA-Pleasanton	52,210.50	-	-	C	0.00	52,210.50	0.00 P
08/25/17	2500395	Office Team	Op-Program Manager Staff (75/25)	810.60	607.95	202.65	O	810.60	0.00	810.60
08/25/17	2500321	ICF	Op-Prog Manger/Public Info(49/51)	1,312.50	643.13	669.38	O	1,312.50	0.00	1,312.50
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				3,014,030.32	1,484,815.63	895,861.81		0.00	0.00	0.00
								273,532.75	2,740,497.57	273,532.75

Certificates of Disb.	
Wk Ending	Amount
8/4/17	\$ 733.40
8/11/17	\$ 48.00
8/18/17	\$ 270,628.25
8/25/17	\$ 2,742,620.67
	\$ -
	\$ -
	\$ -
	\$ -
	\$ 3,014,030.32

Pleasanton  
633,352.88

OP 273,532.75  
CAP 2,740,497.57

0.00 Reconciled  
0.00 Reconciled  
0.00 Reconciled

Prepared by

*D. Gulseth*  
Dan Gulseth

Date:

*8-31*

Reviewed by

*L. Lawrence*  
Lawrence P. Lawrence

Date:

*9/6*

Approved by

*S. Klein*  
Scott Klein

Date:

*9/6*

# DERWA CASH REPORT

Cash Balance as of

07/31/17

2,020,558.43 Reconciled to DERWA TR

## Add member agency's contribution:

DSRSD Contribution			
EBMUD Contribution			
Agency Reimbursements - DSRSD	8/21/2017	3,268.67	EBM-DEO-00308
Agency Reimbursements - EBMUD	8/4/2017 & 8/11/2017	125,323.23	EBM-DEO-00307A,309
City of Pleasanton Payments			
Interest Income	Rec'd 7/21/2017, recorded	5,619.04	
Other Reimbursements- Misc			

## Less invoice payments:

Office Team	8/4/2017	(733.40)
Bold, Polisner, et al	8/11/2017	(48.00)
Office Team	8/18/2017	(733.40)
Office Team	8/18/2017	(501.80)
DSRSD- June	8/18/2017	(269,393.05)
DSRSD- Capital Invoices	8/25/2017	(1,771,575.13)
DSRSD- Capital Invoices	8/25/2017	(642,606.81)
DSRSD- Capital Invoices	8/25/2017	(326,315.63)
Office Team	8/25/2017	(810.60)
ICF Consulting Group	8/25/2017	(1,312.50)

Cash Balance as of

08/31/17

(859,260.95)

Rounding

(0.05)

Cash Balance 08/31/17

(859,261.00)

Prepared by Dana Gulseth  
 Reviewed by Lawrence Far  
 Approved by Scott Klein

Date 8-31  
 Date 9/6  
 Date 9/6

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR SEPTEMBER 30, 2017**

**STAFF REPORT**

Attached is the DERWA Treasurer's Report for the month ending September 30, 2017. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$1,484,816 in agency reimbursements were received. Also, a payment of \$179,463 was received from the City of Pleasanton.

Expenses: Current month expenditures were \$316,051. Fiscal year-to-date expenditures for FY18 total \$1,300,577 of which \$342,667 were operating expenses, and \$957,910 were capital expenditures. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY18.




Cash: The cash balance at September 30, 2017 was \$488,967.

Submitted by:



Richard Lou  
Treasurer

Dated: October 7, 2017

Prepared by  (D. Gulseth)  
Reviewed by  (L. Fan)  
Reviewed by  (S. Klein)

**DSRSD/EBMUD RECYCLED WATER AUTHORITY**  
**TREASURER'S REPORT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

CAPITAL - PROJECT	Program Budget @ FY 2018	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 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	15,410	0	326,316	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	253,947	0	0	253,947	144,750	109,197
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	347,149	1,802	1,802	348,951	202,391	146,560
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	1,000	0	642,607	643,607	308,931	334,676
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	4,992,198	0	(12,815)	4,979,383	331	4,979,052
Pleasanton Capital Billing/Contingency	0	2,187,689	0	0	2,187,689	0	2,187,689
Capitalized Interest	0	1,960,872	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>10,981,000</b>	<b>86,078,247</b>	<b>1,802</b>	<b>957,910</b>	<b>87,036,157</b>	<b>40,973,492</b>	<b>46,062,665</b>

OPERATING - ITEM	Budget FY 18	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	234,383	2,907,276	9,921	16,507	2,923,783	2,088,009	835,775
Treasurer	44,250	2,713,822	6,536	8,399	2,722,221	2,041,665	680,556
Legal Counsel	9,000	425,624	48	96	425,720	319,290	106,430
Secretary	2,550	200,347	1,461	1,950	202,297	151,723	50,574
Other	105,000	1,175,647	96,705	96,705	1,272,352	954,264	318,088
Operation and Maintenance Detail	2,024,372	13,993,406	199,578	219,010	14,212,416	11,001,586	3,210,830
Debt Service	1,645,513	20,383,542	0	0	20,383,542	10,952,080	9,431,462
<b>Total Operating Program Element</b>	<b>4,065,068</b>	<b>41,799,664</b>	<b>314,249</b>	<b>342,667</b>	<b>42,142,331</b>	<b>27,508,617</b>	<b>14,633,715</b>

<b>PROJECT TOTALS</b>	<b>15,046,068</b>	<b>127,877,911</b>	<b>316,051</b>	<b>1,300,577</b>	<b>129,178,488</b>	<b>68,482,109</b>	<b>60,696,380</b>
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	1,484,816	2,772,752
Agency Reimbursements - EBMUD	0	682,767
Commercial Paper Issued	0	0
Pleasanton payments	179,463	179,463
Interest / Contracts	0	(24)
Misc Income	0	0
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>1,664,279</b>	<b>3,634,958</b>

	Current Month	Fiscal Year
CASH AVAILABLE		
Beginning Cash	(859,261)	182,804
Beg. Balance Accrual Adj	0	(2,028,218)
Rounding	0	0
Total Revenues & Funding	1,664,279	3,634,958
Total Expenditures	(316,051)	(1,300,577)
<b>Ending Cash</b>	<b>488,967</b>	<b>488,967</b>

Prepared by *Debra Gulseth* Date: 10-2-17  
Reviewed by *Debra Gulseth* Date: 10/2/17  
Approved by *Scott Klein* Date: 10/2/17  
Scott Klein

[illegible]

Labott

Dana Gulseth

Lawrence Fa

10-2-17

10/2/17

10/2/17



## DERWA CASH REPORT

Cash Balance as of

08/31/17

(859,260.95) Reconciled to DERWA TR

Add member agency's contribution:

DSRSD Contribution			
EBMUD Contribution			
Agency Reimbursements - DSRSD	9/21/2017	1,484,815.63	EBM-DEO-00312
Agency Reimbursements - EBMUD			
City of Pleasanton Payments	9/18/2017	179,462.58	EBM-DEO-00310
Interest Income			
Other Reimbursements- Misc			

Less invoice payments:

Office Team	9/1/2017	(733.40)
EBMUD	9/1/2017	(8,378.05)
DSRSD	9/1/2017	(202,840.76)
Office Team	9/7/2017	(772.00)
Michael Tognolini	9/5/2017	(89.08)
Bold, Polisner, et al	9/15/2017	(48.00)
Office Team	9/15/2017	(839.55)
ICF International	9/15/2017	(280.00)
Office Team	9/22/2017	(694.80)
Alliant Insurance	9/22/2017	(96,705.17)
Michael Tognolini	9/19/2017	(93.15)
Office Team	9/29/2017	(849.20)
Maze & Associates	9/29/2017	(3,727.00)

Cash Balance as of

09/30/17


488,967.10


Rounding

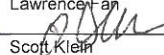
(0.10)

Cash Balance 09/30/17

488,967.00

Prepared by   
Daria Gulseth

Reviewed by   
Lawrence Fan

Approved by   
Scott Klein

Date 10-2-17

Date 10/2/17

Date 10/2/17

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT FOR OCTOBER 31, 2017**

**STAFF REPORT**

Attached is the DERWA Treasurer's Report for the month ending October 31, 2017. A summary of transactions and recommendation follows.

Revenues/Funding: During the month, \$1,132,520 in agency reimbursements were received. No Payments was received from the City of Pleasanton.

Expenses: Current month expenditures were \$1,100,600. Fiscal year-to-date expenditures for FY18 total \$2,401,177 of which \$604,137 were operating expenses, and \$1,797,040 were capital expenditures. Expenditures do not reflect all staff and consultant costs incurred but not yet billed to DERWA in FY18.




Cash: The cash balance at October 31, 2017 was \$520,887.

Submitted by:



Richard Lou  
Treasurer

Dated: November 3, 2017

Prepared by  (D. Gulseth)  
Reviewed by  (L. Fan)  
Reviewed by  (S. Klein)

**DSRSD/EBMUD RECYCLED WATER AUTHORITY  
TREASURER'S REPORT  
FOR THE PERIOD ENDED OCTOBER 31, 2017**

CAPITAL - PROJECT	Program Budget @ FY 2018	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 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	15,410	0	326,316	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	253,947	0	0	253,947	144,750	109,197
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	1,798,012	1,869,318
Permanent Suppl. Supply	105,000	347,149	3,359	5,161	352,310	204,339	147,971
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	1,000	0	642,607	643,607	308,931	334,676
LVMWA 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	4,992,198	610,190	597,375	5,589,573	331	5,589,242
Pleasanton Capital Billing/Contingency	0	2,187,689	225,581	225,581	2,413,270	0	2,413,270
Capitalized Interest	0	1,960,872	0	0	1,960,872	960,827	1,000,045
<b>Total Capital Impr. Proj. Element</b>	<b>10,981,000</b>	<b>86,078,247</b>	<b>839,130</b>	<b>1,797,040</b>	<b>87,875,287</b>	<b>40,975,440</b>	<b>46,899,847</b>

OPERATING - ITEM	Budget FY 18	Expenditures FY 17 and Prior (a)	Expenditures Current Month	Expenditures FY 18 YTD (b)	Expenditures Grand Total (a+b)	DSRSD EXP Grand Total	EBMUD EXP Grand Total
DERWA Program Manager	234,383	2,907,276	23,373	39,880	2,947,156	2,105,472	841,684
Treasurer	44,250	2,713,822	6,249	14,647	2,728,469	2,046,351	682,118
Legal Counsel	9,000	425,624	1,320	1,416	427,040	320,280	106,760
Secretary	2,550	200,347	3	1,953	202,300	151,725	50,575
Other	105,000	1,175,647	0	96,705	1,272,352	954,264	318,088
Operation and Maintenance Detail	2,024,372	13,993,406	230,524	449,536	14,442,942	11,174,481	3,268,461
Debt Service	1,645,513	20,383,542	0	0	20,383,542	10,952,080	9,431,462
<b>Total Operating Program Element</b>	<b>4,065,068</b>	<b>41,799,664</b>	<b>261,469</b>	<b>604,137</b>	<b>42,403,801</b>	<b>27,704,653</b>	<b>14,699,148</b>

<b>PROJECT TOTALS</b>	<b>15,046,068</b>	<b>127,877,911</b>	<b>1,100,600</b>	<b>2,401,177</b>	<b>130,279,088</b>	<b>68,680,093</b>	<b>61,598,995</b>
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REVENUES & FUNDING	Current Month	Fiscal Year
Agency Contribution		
DSRSD	0	0
EBMUD	0	0
Agency Reimbursements - DSRSD	236,658	3,009,411
Agency Reimbursements - EBMUD	895,862	1,578,629
Commercial Paper Issued	0	0
Pleasanton payments	0	179,463
Interest / Contracts	0	(24)
Misc Income	0	0
<b>TOTAL REVENUES &amp; FUNDING</b>	<b>1,132,520</b>	<b>4,767,479</b>

CASH AVAILABLE	Current Month	Fiscal Year
Beginning Cash	488,967	182,804
Beg. Balance Accrual Adj	0	(2,028,219)
Rounding	0	0
	0	0
Total Revenues & Funding	1,132,520	4,767,479
Total Expenditures	(1,100,600)	(2,401,177)
<b>Ending Cash</b>	<b>520,887</b>	<b>520,887</b>

Prepared by Don Gulseth Date: 10-31-2017  
Reviewed by Don Gulseth Date: 10/31/17  
Approved by Scott Klein Date: 10/31/17



DSRSD/EBMUD RECYCLED WATER AUTHORITY  
SUMMARY OF EXPENDITURES  
FOR THE PERIOD ENDED  
OCTOBER 31, 2017


Check Date	Check Number	Payee	Category	TOTAL Amount	DSRSD Amount	EBMUD Amount		Operating	Capital	CK-OP
10/06/17	2502723	Office Team	Op-Program Manager Staff (75/25)	849.20	636.90	212.30	O	849.20	0.00	849.20
10/06/17	2502606	DSRSD- August Capital	Cap Expense RWTP- DSRSD Portion	384,323.21	384,323.21		C	0.00	384,323.21	0.00
10/06/17	2502606	DSRSD- August Capital	Cap Expense RWTP-EBMUD Portion	225,581.02		225,581.02	C	0.00	225,581.02	0.00
10/06/17	2502606	DSRSD- August	P-Cap Expense RWTP- City of Pleasanton	225,581.02			P	0.00	225,581.02	0.00
10/13/17	2502941	Bold, Polisner, et al	Op-Legal (75/25)	1,320.00	990.00	330.00	O	1,320.00	0.00	1,320.00
10/13/17	2502975	DSRSD- August Operating	Cap- EBMUD Connections to DERWA	2,758.30	-	2,758.30	C	0.00	2,758.30	0.00
10/13/17	2502975	DSRSD- August Operating	Cap Expense Supple. Water	600.75	348.43	252.32	C	0.00	600.75	0.00
10/13/17	2502975	DSRSD- August Operating	Op-Operations	230,525.38	172,894.03	57,631.35	O	230,525.38	0.00	230,525.38
10/13/17	2502975	DSRSD- August Operating	Op- Secretary Exp	2.76	2.07	0.69	O	2.76	0.00	2.76
10/13/17	2502978	EBMUD-Aug & Sept	Op-Treas-Cost Acctg (25/75)	5,408.62	4,056.46	1,352.16	O	5,408.62	0.00	5,408.62
10/13/17	2502978	EBMUD-Aug & Sept	Op-Treas-Salary (25/75)	840.10	630.07	210.03	O	840.10	0.00	840.10
10/13/17	2502978	EBMUD-Aug & Sept	Op-Program Manager (25/75)	6,827.72	5,120.79	1,706.93	O	6,827.72	0.00	6,827.72
10/13/17	2502978	EBMUD-Aug & Sept	Op-Program Manager-Staff (25/75)	13,974.06	10,480.55	3,493.51	O	13,974.06	0.00	13,974.06
10/13/17	2502978	EBMUD-Aug & Sept	Cap Expense RWTP- (49/51)	286.00	140.14	145.86	C	0.00	286.00	0.00
10/20/17	2503499	Office Team	Op-Program Manager Staff (75/25)	694.80	521.10	173.70	O	694.80	0.00	694.80
10/20/17	2503410	ICF International	Op-Public Info (49/51)	255.00	112.20	142.80	O	255.00	0.00	255.00
10/27/17	2503913	Office Team	Op-Program Manager Staff (75/25)	772.00	579.00	193.00	O	772.00	0.00	772.00
				-	-	-		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	0.00
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				-	-	-		0.00	0.00	0.00
				1,100,599.94	580,834.95	294,183.96		261,469.64	839,130.30	261,469.64

Wk Ending	Amount
10/6/17	\$ 836,334.45
10/13/17	\$ 262,543.69
10/20/17	\$ 949.80
10/27/17	\$ 772.00
	\$ -
	\$ -
	<u>\$ 1,100,599.94</u>

Pleasanton  
225,581.02

OP	261,469.64
CAP	839,130.30

0.00 Reconciled  
0.00 Reconciled  
0.00 Reconciled

Prepared by   
Dana Gulseth

Reviewed by   
Lawrence Pan

Approved by   
Scott Klein

Date: 10-31-2017  
Date: 10/31/17  
Date: 10/31/17

## DERWA CASH REPORT

Cash Balance as of

09/30/17

488,967.10 Reconciled to DERWA TR

### Add member agency's contribution:

DSRSD Contribution			
EBMUD Contribution			
Agency Reimbursements - DSRSD	10/23/2017	236,658.42	EBM-DEO-00315
Agency Reimbursements - EBMUD	10/23/2017	895,861.81	EBM-DEO-00311
City of Pleasanton Payments			EBM-DEO-00
Interest Income			
Other Reimbursements- Misc			

### Less invoice payments:

Office Team	10/6/2017	(849.20)
DSRSD	10/6/2017	(835,485.25)
Bold, Polisner, Maddow, et al	10/13/2017	(1,320.00)
DSRSD	10/13/2017	(233,887.19)
EBMUD-Acctg	10/13/2017	(27,336.50)
Office Team	10/20/2017	(694.80)
ICF International	10/20/2017	(255.00)
Office Team	10/27/2017	(772.00)

Cash Balance as of

10/31/17


520,887.39


Rounding


(0.39)

Cash Balance 10/31/17

520,887.00

Prepared by   
Dana Gulseth

Reviewed by   
Lawrence Klein

Approved by   
Scott Klein

Date 10-31-2017

Date 10/31/17

Date 10/31/17

# Item 7.B

## **DERWA** **Summary & Recommendation**

### **Quarterly Investment Reports – June 30 and September 30, 2017**

#### **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 and September 30, 2017 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 Reports for June 30, and September 30, 2017.

November 16, 2017

# Item 8.A

## **DERWA Summary & Recommendation**

### **Authorize the Authority Manager to Enter into an Agreement with Dublin San Ramon Services District (DSRSD), East Bay Municipal Utility District (EBMUD), and City of Pleasanton for the Allocation of State and Federal Funding for the Phase 2 Recycled Water Treatment Plant Expansion Project**

#### **Summary:**

DERWA and DSRSD have applied for state and federal funding to help offset the cost of the DERWA Phase 2 Recycled Water Treatment Plant Expansion Project (Project), which is currently under construction. The State Water Resources Control Board is evaluating the DERWA project for eligibility to receive \$2,500,000 in principal forgiveness funding under its Green Project Reserve. Grant applications for \$4,550,000 under Title XVI and \$3,087,131 under the Water Infrastructure Improvements for the Nation Act of 2016 were submitted to the United States Bureau of Reclamation. To date, DSRSD's net cost in pursuing federal funding for this project is \$196,547.

The partners in the Project (DERWA, DSRSD, EBMUD, City of Pleasanton) would agree to share the cost incurred in pursuing state and federal funding and to allocate funding secured in accordance with the capital cost sharing for this project as specified in the DERWA FY18-19 budget (46% DSRSD, 27% EBMUD, 27% Pleasanton). The parties also agree to meet and discuss any other future funding opportunities for this project, and share cost and funding allocation in accordance with the capital cost sharing for this project.

#### **Recommendation:**

The Authority Manager recommends the DERWA Board of Directors authorize, by Motion, the Authority Manager to enter into an agreement with the Dublin San Ramon Services District, East Bay Municipal Utility District, and City of Pleasanton, in a form to be approved by legal counsel, for the allocation of state and federal funding for the DERWA Phase 2 Recycled Water Treatment Plant Expansion Project.

November 16, 2017

## Item 8.B

### **DERWA Summary & Recommendation**

#### **Approve DERWA Board Meeting Schedule**

##### **Summary:**

At the March 6, 2017 Board meeting, Board members expressed an interest in considering a change to the Board meeting schedule so that DERWA Board officers could be elected as soon as is practical after Board representatives have been appointed to DERWA by the member agencies in January. The proposed meeting schedule would hold the first meeting of the year on the first Monday of February. Subsequent Board meetings would be held on the fourth Monday of odd months (March, May, July, September, and November) each year.

Currently, DERWA Board meetings are scheduled for the fourth Monday of even months (February, April, June, August, October, and December). Meetings can be cancelled if there are no significant or timely Board items for consideration. The proposed changes to the DERWA Board meeting schedule would allow election of officers earlier in the year, and eliminate conflicts in late December.

##### **Recommendation:**

The Authority Manager recommends the DERWA Board of Directors approve, by Resolution, the new DERWA meeting schedule starting in January 2018, to the first Monday of February, and thereafter on the fourth Monday of odd numbered months.

November 16, 2017

DERWA  
RESOLUTION NO. \_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY (DERWA) CHANGING THE CALENDAR MONTHS IN WHICH REGULAR MEETINGS OF THE AUTHORITY BOARD OF DIRECTORS SHALL BE HELD AND RESCINDING RESOLUTION NO. 07-5.

---

WHEREAS, the DSRSD•EBMUD Recycled Water Authority (Authority) requires regular meetings to conduct the business of the Authority; and

WHEREAS, the Joint Exercise of Powers Agreement, upon which the Authority is organized, requires the Authority to determine the frequency of regular meetings and specify by resolution the date, time, and place at which regular meetings shall be held; and

WHEREAS, the DERWA Board currently holds its regular meetings on the fourth Monday of every other calendar month, occurring in the even months, at 6 p.m. at Dublin San Ramon Services District, 7051 Dublin Boulevard, Dublin, California 94568; and

WHEREAS, the Board desires to change the dates on which regular meetings are held.

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 regular meetings of the Board of Directors shall be held on the fourth Monday of odd calendar months (March, May, July, September, November), with the first meeting of the year being held on the first Monday in February, at 6 p.m. at Dublin San Ramon Services District, 7051 Dublin Boulevard, Dublin, California 94568 commencing in January 2018, and that Resolution No. 07-5, attached as Exhibit A, be rescinded as of January 2018.

DERWA  
Res. No. \_\_\_\_\_

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 Special Meeting held on the 16th day of November, 2017 and passed by  
the following vote:

AYES:

NOES:

\_\_\_\_\_  
Frank Mellon, Chair

Attest:

\_\_\_\_\_  
Nicole Genzale, Authority Secretary

DERWA  
RESOLUTION NO. 07-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DSRSD•EBMUD RECYCLED WATER AUTHORITY CHANGING THE DAY, PLACE, AND TIME WHICH REGULAR MEETINGS OF THE AUTHORITY BOARD OF DIRECTORS SHALL BE HELD AND RESCINDING RESOLUTION NO. 05-4

---

WHEREAS, the DSRSD•EBMUD Recycled Water Authority ("Authority") requires regular meetings to conduct the business of the Authority; and

WHEREAS, the Joint Exercise of Powers Agreement, upon which the Authority is organized, requires the Authority to determine the frequency of regular meetings and specify by resolution the date, time, and place at which regular meetings shall be held; and

WHEREAS, the DERWA Board currently holds its regular meetings on the fourth Monday of each calendar month at 6:00 p.m. at Dublin San Ramon Services District, 7051 Dublin Boulevard, Dublin, California 94568; and

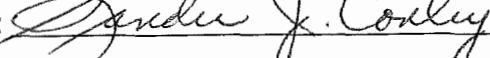
WHEREAS, the DERWA Board desires to change the frequency of the regular meetings.

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

That the regular meetings of the Board of Directors shall be held on the fourth Monday of every other calendar month, at 6:00 p.m. at the Dublin San Ramon Services District located at 7051 Dublin Boulevard, Dublin, California 94568 commencing in August 2007 and that Resolution No. 05-4 is hereby rescinded.

ADOPTED by the Board of Directors of the DSRSD•EBMUD Recycled Water Authority at its Special Meeting held on the 6<sup>th</sup> day of August, 2007 and passed by the following vote:

AYES: 4 - Directors Richard M. Halket, Frank Mellon, Jeffrey G. Hansen,  
John A. Coleman  
NOES: 0

ATTEST:   
for Nancy G. Hatfield, Authority Secretary

  
John A. Coleman, Chair



**DERWA**  
**Summary & Recommendation**

**Transmittal of the DERWA Independent Auditor's Report and  
Financial Statements for Years Ending June 30, 2017 and 2016**

**Summary:**

Attached are the annual reports on the audited DERWA Financial Statements as of June 30, 2017 and 2016 and the Memorandum on Internal Control Structure. The audit did not find any issues, deficiencies, material weaknesses or findings with the DERWA accounting practices and internal controls.

**Recommendation:**

Staff recommends the DERWA Board of Directors accept, by Motion, the DERWA Independent Auditor's Report.

November 16, 2017

Attachment

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

**BASIC FINANCIAL STATEMENTS**

**June 30, 2017 and 2016**

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**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY  
BASIC FINANCIAL STATEMENTS  
For The Years Ended June 30, 2017 and 2016**

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## INDEPENDENT AUDITOR'S REPORT

To Board of Directors  
Dublin San Ramon Services District/  
East Bay Municipal Utility District Recycled Water Authority  
Oakland, California

### ***Report on Financial Statements***

We have audited the financial statements of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (Authority) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Accountancy Corporation**  
3478 Buskirk Avenue, Suite 215  
Pleasant Hill, CA 94523

T 925.930.0902  
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E [maze@mazeassociates.com](mailto:maze@mazeassociates.com)  
W [mazeassociates.com](http://mazeassociates.com)

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2017 and 2016, and changes in financial position and, cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Maze + Associates*

Pleasant Hill, California  
October 2, 2017

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Management's Discussion and Analysis

June 30, 2017 and 2016

This section presents management's analysis of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (the Authority) financial condition and activities as of and for the years ended June 30, 2017 and 2016. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to the Agency's basic financial statements. The MDA represents management's examination and analysis of the Authority's financial condition and performance.

This information should be read in conjunction with the audited financial statements that follow this section. The information in the MDA is presented under the following headings:

- Organization and Business
- Overview of the Financial Statements
- Financial Analysis
- Request for Information

**Organization and Business**

The Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (the Authority) is a public entity established pursuant to California Government Code Section 6500 et seq. The Authority was created in accordance with the terms of a Joint Exercise of Powers Agreement, dated June 28, 1995, between Dublin San Ramon Services District (DSRSD) and East Bay Municipal Utility District (EBMUD). The Authority was established to supply recycled water to DSRSD and EBMUD through the construction and operation of a water recycling facility with a planned capacity of a minimum of 5.2 million gallons per day. The water recycling facility started operation on February 1, 2006.

For additional information, please see the notes to the basic financial statements.

**Overview of the Financial Statements**

The basic financial statements include a *statement of net position*, a *statement of revenues, expenses, and changes in net position*, a *statement of cash flows*, and *notes to financial statements*. The report also contains other required supplementary information in addition to the basic financial statements.

The Authority's basic financial statements include:

The *statement of net position* presents information on the Authority's assets and liabilities, with the difference between the two reported as net position. It provides information about the nature and amount of resources and obligations at year-end.

The *statement of revenues, expenses, and changes in net position* presents the results of the Authority's operations over the course of the fiscal year and information as to how the *net position* changed during the year.

The *statement of cash flows* presents changes in cash and cash equivalents resulting from operational, capital and related financing, and investing activities. This statement summarizes the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt.



**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Management's Discussion and Analysis

June 30, 2017 and 2016

The *notes to basic financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 11 to 18 of this report.

**Financial Analysis:**

Table 1 summarizes net assets at June 30, 2017 and 2016, and Table 2 summarizes revenues, expenses and changes in net position for the years ended June 30, 2017 and 2016. Both tables also include variances from the prior year.

**Table 1**  
**Summary of Net Position**  
June 30, 2017 and 2016

	<u>2017</u>		<u>2016</u>		<u>Variance</u>
Assets:					
Current assets	\$ 3,830,039	\$	365,978	\$	3,464,061
Capital assets	<u>65,778,500</u>		<u>61,884,137</u>		<u>3,894,363</u>
Total assets	<u>69,608,539</u>		<u>62,250,115</u>		<u>7,358,424</u>
Liabilities:					
Current liabilities	3,392,549		1,543,252		1,849,297
Long-term liabilities	<u>10,980,353</u>		<u>12,317,918</u>		<u>(1,337,565)</u>
Total liabilities	<u>14,372,902</u>		<u>13,861,170</u>		<u>511,732</u>
Net position:					
Net investment in capital assets	53,460,581		48,261,276		5,199,305
Unrestricted	<u>1,775,056</u>		<u>127,669</u>		<u>1,647,387</u>
Total net position	<u>\$ 55,235,637</u>	\$	<u>48,388,945</u>	\$	<u>6,846,692</u>

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Management's Discussion and Analysis

June 30, 2017 and 2016

**Table 2**  
**Summary of Revenues, Expenses and Changes in Net Position**  
Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Operating revenue:	\$ 12,502,492	\$ 4,208,978	\$ 8,293,514
Operating expenses:			
Professional services	(3,708)	(6,028)	2,320
General and administrative	(318,363)	(298,401)	(19,962)
Operation and maintenance	(1,830,799)	(1,599,648)	(231,151)
Depreciation	<u>(3,162,358)</u>	<u>(1,728,946)</u>	<u>(1,433,412)</u>
Total operating expenses	(5,315,228)	(3,633,023)	(1,682,205)
Nonoperating income (expenses):			
Interest on state loan	<u>(340,572)</u>	<u>(372,399)</u>	<u>31,827</u>
Total other income (expenses)	(340,572)	(372,399)	31,827
Change in net position	6,846,692	203,556	6,643,136
Total net position - beginning	<u>48,388,945</u>	<u>48,185,389</u>	<u>203,556</u>
Total net position - ending	\$ <u><u>55,235,637</u></u>	\$ <u><u>48,388,945</u></u>	\$ <u><u>6,846,692</u></u>

- Current assets of the Authority increased \$3.5 million due to increased receivables from prior year.
- The net position of the Authority in 2017 increased by \$6.6 million from the prior year. The primary reason for this increase was an \$8.3 million increase in total operating revenue, along with a \$1.7 million increase in operating expenses.
- Capital assets as of June 30, 2017 increased by \$3.8 million primarily due to added capital assets of \$5.2 million and the increase of the \$1.4 million depreciation expense for the year.
- Total liabilities as of June 30, 2017 increased by \$0.5 million from the prior year. The principal reason for increase was the \$1.3 decrease in the outstanding loan balance and \$1.8 million increase in accounts payable.
- The Authority borrowed a 20-year loan in the amount of \$24.7 million with a 2.5% fixed interest rate. After repayment of the eleventh installment of \$1.3 million for fiscal year 2017, as of June 30, 2017, \$11.0 million was the long term liability outstanding.

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Management's Discussion and Analysis

June 30, 2017 and 2016

**Request for Information**

This financial report is designed to provide readers with a general overview of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority's finances and demonstrate the Authority's accountability for the monies it manages. If you have any questions about this report or need additional information, please contact: DERWA Authority Treasurer, MS #402, P.O. Box 24055, Oakland, CA 94623-1055.

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2017 AND JUNE 30, 2016**

ASSETS	2017	2016
Current Assets:		
Cash and cash equivalents (overdraft) (Note 2)	\$ 212,534	\$ (26,559)
Receivables:		
East Bay Municipal Utility District	1,517,106	101,605
Dublin San Ramon Services District	2,094,755	273,646
City of Pleasanton	0	17,286
Interest Receivables	5,644	0
Total Current Assets	<u>3,830,039</u>	<u>365,978</u>
Capital Assets (Note 3):		
Structures, buildings, and equipment	81,828,764	76,649,795
Less accumulated depreciation	(20,171,721)	(17,009,364)
Subtotal	<u>61,657,043</u>	<u>59,640,431</u>
Land and rights-of-way	1,890,977	1,890,977
Construction in progress	2,230,480	352,729
Total Capital Assets, Net of Accumulated Depreciation	<u>65,778,500</u>	<u>61,884,137</u>
Total Assets	<u>69,608,539</u>	<u>62,250,115</u>
LIABILITIES		
Current Liabilities:		
Current portion of State loan payable (Note 5)	1,337,566	1,304,943
Accounts payable	42,329	8,402
Payable to members:		
East Bay Municipal Utility District	8,791	27,791
Dublin San Ramon Services District	2,003,863	202,116
Total Current Liabilities	<u>3,392,549</u>	<u>1,543,252</u>
Long-term Liabilities:		
State loan payable (Note 5)	10,980,353	12,317,918
Total Noncurrent Liabilities	<u>10,980,353</u>	<u>12,317,918</u>
Total Liabilities	<u>14,372,902</u>	<u>13,861,170</u>
NET POSITION (Note 1)		
Net Investment in capital assets	53,460,581	48,261,276
Unrestricted	1,775,056	127,669
Total Net Position	<u>\$ 55,235,637</u>	<u>\$ 48,388,945</u>

See accompanying notes to financial statements.

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEEARS ENED JUNE 30, 2017 AND JUNE 30, 2016**

	<u>2017</u>	<u>2016</u>
Operating Revenue:		
Contributions from members	\$ 8,565,510	\$ 4,208,978
Contributions from others	<u>3,936,982</u>	<u>-</u>
Total Contributions	12,502,492	4,208,978
Operating (Expenses):		
Professional services	(3,708)	(6,028)
General and administrative	(318,363)	(298,401)
Operation and maintenance	(1,830,800)	(1,599,648)
Depreciation (Note 3)	<u>(3,162,357)</u>	<u>(1,728,946)</u>
Total Operating (Expenses)	<u>(5,315,228)</u>	<u>(3,633,023)</u>
Net Operating Income (Loss)	<u>7,187,264</u>	<u>575,955</u>
Nonoperating Revenue (Expense):		
Interest on state loan	<u>(340,572)</u>	<u>(372,399)</u>
Total Nonoperating Revenue (Expenses)	<u>(340,572)</u>	<u>(372,399)</u>
Changes in Net Position	6,846,692	203,556
Total Net Position - Beginning	<u>48,388,945</u>	<u>48,185,389</u>
Total Net Position - Ending	<u><u>\$ 55,235,637</u></u>	<u><u>\$ 48,388,945</u></u>

See accompanying notes to financial statements.

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**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received for sales of water	\$ 9,277,524	\$ 4,065,240
Cash (paid) received from bank overdrafts	(26,559)	(413,494)
Cash paid for supplies and services	<u>(336,196)</u>	<u>(1,911,769)</u>
Net cash provided by operating activities	<u>8,914,769</u>	<u>1,739,977</u>
Cash flows from capital and related financing activities:		
Cash paid for interest	(340,573)	(372,399)
Cash paid on State loan	(1,304,942)	(1,273,115)
Cash paid for construction of capital assets	<u>(7,056,720)</u>	<u>(94,418)</u>
Net cash (used in) provided by capital and related financing activities	<u>(8,702,235)</u>	<u>(1,739,932)</u>
Cash flows provided by investing activities:		
Interest and other income received	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	212,534	-
Cash and investments at beginning of period	<u>-</u>	<u>-</u>
Cash and investments at end of period	\$ <u><u>212,534</u></u>	\$ <u><u>-</u></u>
Reconciliation of operating income/(loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 7,187,264	\$ 575,955
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:		
Depreciation	3,162,357	1,728,946
Changes in operating assets and liabilities:		
Accounts receivable	(3,224,968)	63,495
Accounts payable	1,816,675	(214,925)
Bank Overdraft	<u>(26,559)</u>	<u>(413,494)</u>
Net cash provided by operating activities	\$ <u><u>8,914,769</u></u>	\$ <u><u>1,739,977</u></u>

See accompanying notes to financial statements.

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**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 1 –NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**A. *Description of Reporting Entity***

The Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (the Authority) is a public entity established pursuant to California Government Code Section 6500 et seq. The Authority was created in accordance with the terms of a Joint Exercise of Powers Agreement, dated June 28, 1995, between Dublin San Ramon Services District (DSRSD) and East Bay Municipal Utility District (EBMUD). The Authority was established to supply recycled water to DSRSD and EBMUD through the construction and operation of a water recycling facility with a planned capacity of a minimum of 5.2 million gallons per day. The water recycling facility is fully operational.

An additional member, or members, may be added to the Authority upon request evidenced by submission of a certified copy of a resolution adopted by the governing body of the public agency requesting membership in the Authority. Such request must be approved by the governing bodies of all the existing members. The Board may require a party seeking to become a member to meet any terms and conditions the Board deems appropriate.

The facilities became operational on February 1, 2006. Operation and maintenance expenses are allocated based on each member's actual usage. General and administrative expenses were allocated equally to DSRSD and EBMUD during the first year of operation ending on March 31, 2007; after the first operation year, the costs are allocated based on the member's actual water usage. Capital costs', including debt service, is allocated based on each member's proportional value of capital assets assigned to each member agency.

**B. *Basis of Accounting***

The accompanying financial statements report the financial position of the Authority in accordance with accounting standards generally accepted in the United States of America. As the Authority is a governmental entity, the preparation of its financial statements is governed by the pronouncements of the Governmental Accounting Standards Board (GASB).

The Authority, as a proprietary enterprise, is accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 1 –NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Statement of Net Position*– The statement of net position is designed to display the financial position of the Authority. The Authority’s fund equity is reported as net position, which is the excess of all of the Authority’s assets over all its liabilities. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position and are described below:

*Net investment in capital assets*, describes the Authority’s capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and fees charged for the provision of future water resources.

*Unrestricted* describes the portion of Net Position which is not restricted to use.

*Statement of Revenues, Expenses, and Changes in Net Position* – The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. Revenues are reported by major source. This statement distinguishes between operating and nonoperating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income.

**C. *Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 1 –NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***D. Capital Assets***

The additions to capital assets are capitalized at historical cost. Cost includes material, direct labor and fringe benefits, transportation, and such indirect items as engineering, supervision, and interest on borrowed funds during construction, net of interest earned on unspent construction proceeds. Repairs, maintenance, and minor purchases of equipment are charged to expenses as incurred.

The purpose of depreciation is to spread the cost of capital assets equitably among all customers over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of depreciable capital assets.

Depreciation of all capital assets in service, excluding land, is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of the capital assets.

Capital assets are depreciated using the straight line method of depreciation, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the assets is fully depreciated. The Authority has assigned the useful lives listed below to capital assets:

Utility plant:	Years
Water Treatment	20-75
Pumping Plants	25-75
Reservoirs	25-100
Pipeline	25-75

***E. Preoperating Costs***

In accordance with accounting principles generally accepted in the United States of America, preoperating costs which have no discernible future economic benefit are expensed as incurred.

***F. Cash and Cash Equivalents***

The Authority considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

***Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**NOTE 2 – BANK DEPOSIT (OVERDRAFT)**

**A. Composition**

The Authority's cash and cash equivalents at June 30 consisted of the following deposits and investments held by EBMUD on the Authority's behalf:

	<u>2017</u>	<u>2016</u>
Demand deposits with banks (overdraft)	\$ <u>212,534</u>	\$ <u>(26,559)</u>

**B. Collateralization of Cash and Cash Equivalents**

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit or first trust deed mortgage notes with a value of 150% of the Authority's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the Authority's name and places the Authority ahead of general creditors of the institution pledging the collateral. The Authority has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 3 – CAPITAL ASSETS**

***A. Additions and Retirements***

Capital assets activity for the year ended June 30, 2017 was as follows:

	Balance at June 30, 2016	Additions and Transfers, net	Retirements and Transfers, net	Balance at June 30, 2017
Capital assets not being depreciated:				
Land and rights-of-way	\$1,890,977			\$1,890,977
Construction in progress	352,729	\$7,056,720	(\$5,178,969)	2,230,480
Total capital assets not being depreciated	2,243,706	7,056,720	(5,178,969)	4,121,457
Capital assets, being depreciated:				
Water treatment	20,129,460	5,015,677		25,145,137
Pumping plants	13,792,192			13,792,192
Reservoirs	14,439,008			14,439,008
Pipelines	28,289,135	163,292		28,452,427
Total capital assets being depreciated	76,649,795	5,178,969		81,828,764
Less accumulated depreciation for:				
Water treatment	(5,183,642)	(1,924,900)		(7,108,542)
Pumping plants	(3,122,893)	(345,067)		(3,467,960)
Reservoirs	(2,973,559)	(289,045)		(3,262,604)
Pipelines	(5,729,270)	(603,345)		(6,332,615)
Total accumulated depreciation	(17,009,364)	(3,162,357)		(20,171,721)
Net capital assets being depreciated	59,640,431	2,016,612	(5,178,969)	56,478,074
Capital assets, net	\$61,884,137	\$9,073,332	(5,178,969)	\$65,778,500

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 4 - COMMERCIAL PAPER NOTES PAYABLE**

The Authority's Board of Directors authorized a short-term commercial paper borrowing program of up to \$50,000,000 on December 15, 2003. The proceeds from the issuance of commercial paper are used to finance the acquisition and construction of facilities for the treatment, transmission, distribution and storage of recycled water. The Authority may issue commercial paper notes at the prevailing interest rate for periods not more than 270 days from the date of issuance. The commercial paper notes are collateralized solely by the revenues of the Authority, after payment of specific operating and maintenance expenses.

As of June 30, 2017, there were no commercial paper notes outstanding under this program.

To provide liquidity for the program, the Authority maintains a liquidity support agreement (line of credit) with a commercial bank. Combined borrowings by the East Bay Municipal Utility District Water System and Wastewater System, with the commercial paper and bank notes, cannot exceed the amount of this agreement. Drawings under the agreement are restricted to pay maturing commercial paper. There were no borrowings under the line of credit agreement during the years ended June 30, 2017 and 2016.

**NOTE 5 – STATE WATER RESOURCES CONTROL BOARD LOAN**

**A. *Composition and Change***

The Authority's Board of Directors authorized a long-term borrowing program from the State Water Resource Control Board of up to \$24,764,850 on July 25, 2005. The Authority drew down \$22,993,368 as of the fiscal year ended June 30, 2006, the proceeds from which were used to finance the acquisition and construction of facilities for the treatment, transmission, distribution and storage of recycled water. As of June 30, 2008, the Authority drew down an additional amount of \$1,685,283. The loan has a 20-year term at a 2.5% fixed interest rate. The repayment of the loans and interest are made in annual installments commencing on July 1, 2007. The loan is collateralized solely by the revenues of the Authority, after payment of specific operating and maintenance expenses.

The following is the activity in the State Loan Program during the fiscal year ended June 30, 2017:

	Balance June 30, 2016	Retirements	Balance June 30, 2017
2006 State Water Resource Loan			
2.5%, due 07/25/2025	\$13,622,861	\$ 1,304,942	\$12,317,919
Less amount due within one year	<u>1,304,943</u>	<u>                    </u>	<u>1,337,566</u>
Noncurrent portion	<u>\$12,317,918</u>	<u>\$1,304,942</u>	<u>\$10,980,353</u>

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 5 – STATE WATER RESOURCES CONTROL BOARD LOAN (continued)**

***B. Debt Service Requirements***

Annual debt service requirements are shown below for the loan:

Year ending June 30	Principal	Interest	Total
2018	\$ 1,337,566	\$ 307,948	\$ 1,645,514
2019	1,371,005	274,509	1,645,514
2020	1,405,280	240,234	1,645,514
2021	1,440,412	205,102	1,645,514
2022	1,476,423	159,091	1,635,514
2022-2026	<u>5,287,233</u>	<u>307,916</u>	<u>5,595,149</u>
Totals	<u>\$ 12,317,919</u>	<u>\$ 1,494,800</u>	<u>\$ 13,812,719</u>

**NOTE 6 – RELATED PARTY TRANSACTIONS**

DSRSD is responsible for the operation of the facility. DSRSD and EBMUD both provide professional services that are capitalized as well as administrative services. In addition, as the Authority does not have any employees, EBMUD provides certain treasury management and accounting services including conducting all cash transactions and providing for the annual audit. The two members received the following total reimbursements for their services for the years ended June 30:

	<u>2017</u>	<u>2016</u>
DSRSD	\$8,691,623	\$1,832,679
EBMUD	<u>122,243</u>	<u>67,383</u>
	<u>\$8,813,866</u>	<u>\$1,900,062</u>

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 7 – RISK MANAGEMENT**

The Authority's liability and property risks are insured by commercial insurance carriers.

Selected insurance coverages include:

<u><b>Coverage</b></u>	<u><b>Policy limit</b></u>
Bodily injury	\$ 10,000,000
Property damage	10,000,000
Personal injury	10,000,000
Non-owned and hired automobile liability	10,000,000
Public officials errors and omissions	10,000,000
Fire damage liability	1,000,000
Employment practices liability	5,000,000

Any liability the Authority may have for uninsured claims is limited to general liability claims. However, the Authority has experienced no losses from such claims during the preceding three years and it therefore believes there is no liability for claims incurred but not reported.

**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Dublin San Ramon Services District/East Bay  
Municipal Utility District Recycled Water Authority  
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (Authority), as of and for the year ended June 30, 2017 and the related notes to the financial statements, and have issued our report thereon dated October 2, 2017.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated October 2, 2017 which is an integral part of our audit and should be read in conjunction with this report.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze + Associates*

Pleasant Hill, California  
October 2, 2017

**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED  
JUNE 30, 2017**

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**DUBLIN SAN RAMON SERVICES DISTRICT/  
EAST BAY MUNICIPAL UTILITY DISTRICT  
RECYCLED WATER AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2017**

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## MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors of  
Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water  
Authority  
Oakland, California

In planning and performing our audit of the financial statements of the Authority as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Pleasant Hill, California  
October 2, 2017

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## **REQUIRED COMMUNICATIONS**

To the Board of Directors of  
Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water  
Authority  
Oakland, California

We have audited the basic financial statements of the Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority (Authority) for the year ended June 30, 2017. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and *Government Audit Standards*.

### **Significant Audit Findings**

#### ***Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are included in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year

#### ***Unusual Transactions, Controversial or Emerging Areas***

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### ***Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

#### ***Disclosures***

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the Authority's financial reporting process.



Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated October 2, 2017.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### ***Other Matters***

### ***Other Information Accompanying the Financial Statements***

With respect to the required supplementary information accompanying the financial statements, we applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Pleasant Hill, California  
October 2, 2107

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**MANAGER'S REPORTS**

- A. Capital Projects Update – Phase 2 Recycled Water Treatment Plant Expansion Project
- B. Supplemental Supply Update
- C. 2017 Operations Update
- D. Cancel Next Board Meeting - December 25, 2017