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August 2, 2016

Mr. Michael Simmons, Foreperson  
2015-16 Contra Costa County Civil Grand Jury  
725 Court Street  
P.O. Box 431  
Martinez, CA 94553-0091

**SUBJECT: Dublin San Ramon Services District Response to Grand Jury Report 1606 - "Reclaiming Our Water" by the 2015-16 Contra Costa Grand Jury**

Dear Mr. Simmons:

Dublin San Ramon Services District (DSRSD) has received the Contra Costa County Grand Jury Report 1606 - "Reclaiming Our Water." Per your transmittal letter, DSRSD is required to report actions with respect to each Finding, and to reply to each Recommendation. This letter is DSRSD's response to the report's Findings and Recommendations.

DSRSD found your report to be in substantial agreement with its own objectives, policies and practices over the last eleven years. DSRSD has been a regional leader in the potential of reclaiming wastewater for beneficial use. We have planned and funded projects for reclaimed water, which we most often refer to as recycled water (RW); developed District policies to encourage the use of recycled water and labored to encourage public acceptance of RW for beneficial use. We found your report a useful synopsis of the resource and potential DSRSD sees in recycled water. Our perspective is that your report is a high level overview of the work we have been doing in detail and at length for more than 11 years. More recently, in October of 2015, the DSRSD Board adopted a water supply policy that calls for DSRSD to recycle all of its wastewater flows by developing an expanded recycling program. DSRSD, in partnership with East Bay Municipal Utility District (EBMUD), is recycling virtually all its wastewater in the summer months.

Shown below is our response to the individual Findings and Recommendations shown in your letter of May 24, 2016. Per the table of Required Responses in p. 19 of your report, DSRSD is required to respond to Findings 3, 4, 5, 6, 9; and Recommendations 2, 3, 7, 9.

**Finding 3: State matching grants and low-interest loans are available for small indirect potable reuse projects, which could potentially increase water supply.** DSRSD partially disagrees with this finding. In recent conversations with the Department of Water Resources, DSRSD has been informed that the State Revolving Loan and Proposition 1 funding is currently oversubscribed and there are a significant number of projects already in the queue for consideration.

Indirect potable reuse projects may be more expensive than traditional water sources; however, given the limitations in additional water supplies, indirect potable reuse presents a viable alternative. At this time, DSRSD and its partner agencies, the Zone 7 Water Agency, the City of Livermore, the City of Pleasanton, as well as Cal Water, are studying the feasibility of potable reuse for the region. In order to develop and

implement an indirect potable reuse project funding assistance is required to reduce cost impacts to the communities that DSRSD serves.

**Finding 4: Indirect potable reuse projects are ideal for areas in the County where other new water sources are unavailable.** DSRSD partially disagrees with the finding. Indirect potable reuse (IPR) is a viable project when a surface water reservoir or groundwater basin can retain water for a period of time, as is required by regulations. DSRSD does not have its own reservoir. Furthermore, DSRSD's past planning and research studies show that the "fringe" groundwater basin within the DSRSD's service area has been found to be too saline, too impervious and the installation too costly to locate a workable IPR project in these areas. DSRSD is actively collaborating with its partner agencies so that we may use our collective resources to develop and implement a potable reuse project.

**Finding 5: It is difficult to develop large recycled water projects without the cooperation and commitment of water purveyors and customers.** DSRSD agrees with this finding. In the past, DSRSD and East Bay Municipal Utility District (EBMUD) created the DSRSD-EBMUD Recycled Water Authority (DERWA) to achieve economies of scale for the construction and operations of DSRSD's recycled water treatment facilities and the DERWA recycled water distribution system. As potable reuse is under evaluation as an additional water supply for the Tri-Valley Region, DSRSD must work with other agencies to develop the project, potentially achieve economies of scale for project cost, and to cooperate on shared water supply sources that may be impacted by this recycled water project.

**Finding 6: Where recycled water can be wheeled to one customer, it could "free up" an equivalent amount of fresh water that could then be wheeled to another customer who might be willing to pay more, thus creating "win-win" results for recycled water.** DSRSD agrees with this finding. DSRSD assumes that "customer" in this finding refers to water agencies based on the scenario outlined in the report. For this hypothetical win-win situation to be possible, all the obstacles noted on Page 10 of the report must be overcome.

**Finding 9: Satellite wastewater treatment plants are feasible in situations where the user is distant from existing recycled water distributions systems, needs water for irrigation, and is able to meet the costs to build and operate the plant.** DSRSD agrees with this finding. However, the feasibility of satellite treatment plants to provide recycled water for irrigation varies significantly depending on factors such as the location of the facility, the wastewater flow versus the recycled water demand, and the infrastructure to dispose of wastewater solids. As an example, a satellite wastewater treatment facility was evaluated for the Dougherty Valley area where CCCSD provides wastewater services and DSRSD provides water and recycled water services. It was determined that it was more feasible to divert wastewater from the CCCSD system into the DSRSD wastewater system for treatment and production of recycled water at DSRSD's regional treatment facility. DSRSD has initiated discussions about this diversion with CCCSD as means to support recycled water use in Contra Costa County.

**Recommendation 2: CCCSD and CCWD should explore the feasibility of cooperatively developing an IPR injection well project.** DSRSD is not named in Recommendation 2 and has no role in it. Therefore DSRSD cannot give a valid reply per California Penal Code Section 933.05(b).

**Recommendation 3: CCCSD, CCWD and DSRSD should consider the formation of a JPA to expand CCCSD's tertiary treatment capacity in order to free up fresh water for domestic and commercial customers.** This recommendation requires further analysis. A more definitive objective and project would be required before consideration of a JPA.

**Recommendation 7: The District should consider facilitating the use of satellite wastewater treatment plants, where appropriate.** This recommendation has been implemented. DSRSD's policy and procedures require DSRSD to consider the most cost-effective and reliable possibilities when expanding DSRSD's facilities. DSRSD built its initial wastewater treatment plant (WWTP) in the 1950s and has expanded its wastewater treatment facilities through four phases. In the design of each phase, the use of satellite wastewater treatment plants was considered and rejected in favor of expanding the existing WWTP located in Pleasanton, Alameda County. The capital and operating cost of satellite wastewater treatment plants exceed the cost of expanding DSRSD's WWTP.

**Recommendation 9: The County and Districts should consider meeting to discuss each District's need for land for demonstration of scaled-up recycling and desalination projects using green technologies, which may qualify for State grant money, and the County's ability to lease such land.** This recommendation will not be implemented because it is not warranted. DSRSD's recycled water treatment facility is located at its WWTP property in Pleasanton, Alameda County. DSRSD supports the county working with agencies with facilities located within the county to provide land to reduce the cost of recycling and desalination projects.

Furthermore, DSRSD's water supply policy envisions recycling all of its wastewater at its WWTP, making satellite plants superfluous in the DSRSD service area.

Please let us know if you need any further explanation for any of the responses in this letter.

Sincerely,



D.L. "Pat" Howard  
President, DSRSD Board of Directors

SK/ST

cc: Dan McIntyre, General Manager  
Judy Zavadil, Engineering Services Manager  
Rhodora Biagtan, Principal Engineer  
Stan Kolodzie, Associate Civil Engineer SME