

MINUTES

Tuesday, November 12, 2013

**East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California**

Regular Closed Session Meeting

President Andy Katz called to order the Regular Closed Session Meeting of the Board of Directors at 11:04 a.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Katy Foulkes, Doug Linney, Lesa R. McIntosh, Frank Mellon, William B. Patterson, and President Andy Katz were present at roll call.

Staff present included General Manager Alexander R. Coate, General Counsel Jylana Collins, Attorney Xanthe M. Berry (Item 1a), Engineering Manager William R. Kirkpatrick (Item 1a), Director of Finance Eric L. Sandler (Item 2), Director of Administration Carol Y. Nishita (Item 2), Manager of Human Resources Delores A. Turner (Item 2), Attorney Lourdes Matthew (Item 2), Manager of Employee Relations Michael K. Rich (Item 2), and I.E.D.A. representatives Bruce Heid and Glenn Berkheimer (Item 2).

PUBLIC COMMENT

The following persons addressed the Board: 1) Mark Foley, President, AFSCME Local 2019, commented that the Board could settle the three remaining contracts by giving the negotiating team authority to approve the suggested four-year deal that includes retirement contribution increases to 8.75%, health care plan design changes, and a raise above CPI of 1.38% which is 21% lower than the deal negotiated in 2007; and 2) John M. Briceno, President, AFSCME Local 444, said that the unions rolled over their contracts in 2011 which provided the District considerable savings, and since that time employees have had to pick up extra work as a result of unfilled positions. He urged the Board to accept their proposal and end the protracted negotiations.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Katz announced the Closed Session agenda. The Board convened to Conference Room 8A/B for discussion.

Regular Business Meeting

President Andy Katz called to order the Regular Business Meeting of the Board of Directors at 1:23 p.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Katy Foulkes, Doug Linney, Lesa R. McIntosh, Frank Mellon, William B. Patterson, and President Andy Katz were present at roll call.

BOARD OF DIRECTORS

President Katz led the Pledge of Allegiance.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

- Item 13 was removed from the Consent Calendar for discussion.
 - Motion by Director Foulkes, seconded by Director Coleman, to approve Items 1-12 on the Consent Calendar, carried (7-0) by voice vote.
1. **Motion No. 154-13** -- Approved the Regular Meeting Minutes of October 22, 2013.
 2. The following correspondence was filed with the Board: 1) Presentation entitled "Washington Update" dated November 12, 2013; and 2) Presentation entitled "Long-Term Financial Stability Update and Cost of Service Study" dated November 12, 2013.
 3. **Motion No. 155-13** -- Awarded a contract to the lowest responsive/responsible bidders Groeniger & Company and Corix Water Products, Inc. in the estimated annual amounts, after the addition of taxes, of \$715,301 and \$101,119 respectively for supplying resilient seated gate and butterfly valves for the two-year period beginning November 15, 2013 and ending November 14, 2015, with three (3) options to renew for additional one-year periods for a total estimated cost of \$4,082,100 under Request For Quotation No. 1408.
 4. **Motion No. 156-13** -- Authorized an agreement with Raftelis Financial Consultants, Inc. in an amount not to exceed \$150,000 to conduct a Water and Wastewater Cost of Service Study under Request for Proposal No. PUR 091.
 5. **Motion No. 157-13** -- Awarded a contract to the lowest responsive/responsible bidder, Ahtna Government Services Corporation, in the amount of \$1,148,529 for construction of Camanche North Shore Boat Dock Replacement under Specification 2060.

6. **Motion No. 158-13** -- Awarded an amended contract to the lowest responsive/responsible bidder, Monterey Mechanical Co., in the amount of \$598,000 to reflect the correct low bid amount for the construction of the Bryant No. 2 Pumping Plant Electrical Rehabilitation under Specification 2072.
- 7.1 **Motion No. 159-13** -- Awarded a contract to Dell, Inc. in the total amount, after the addition of taxes, of \$664,000 for supplying and installing Dell computer hardware and CommVault software for the period beginning November 12, 2013 and ending November 11, 2014.
- 7.2 **Motion No. 160-13** -- Awarded a contract to Integrated Archive Systems, Inc. in the total amount, after the addition of taxes, of \$143,000 for supplying, installing, designing and implementing the Quantum tape backup hardware during the period beginning November 12, 2013 and ending November 11, 2014.
8. **Motion No. 161-13** -- Authorized an agreement with Pure Technologies, Incorporated in an amount not to exceed \$226,000 for a leak detection survey of Mokelumne Aqueduct No. 2.
9. **Motion No. 162-13** -- Authorized an agreement with Environmental Systems Research Institute, Inc. (ESRI) in an amount not to exceed \$75,000 annually for services under their ESRI Enterprise Advantage Program in support of its ArcGIS system during the period November 2013 to November 2014, with four (4) options to renew for an additional 1-year period for a total amount not to exceed \$375,000.
10. **Motion No. 163-13** -- Authorized the Office of General Counsel to continue the employment of the law office of Hanson Bridgett, LLP, in an additional amount not to exceed \$85,000 for specialized legal services related to construction, public contract and procurement, claims, trademark services, pension, employment, and litigation matters.
11. **Resolution No. 33950-13** -- Adopting Revised Policy 4.17, Risk Management; Revised Policy 7.05, Sustainability; Revised Policy 7.07, Energy; And Revised Policy 9.03, Water Supply Availability And Deficiency.
12. **Resolution No. 33951-13** -- Approve Implementation Of The 2013-2017 Memorandum Of Understanding And Other Special Agreements With IFPTE Local 21; Amend The Position Resolution And Revise Salary Ranges, Salaries And Wage Rates And Other Benefits For Employees Represented By IFPTE Local 21 And For Managers, Confidential And Non-Represented Employees.
 - The Board expressed appreciation to Local 21 for their efforts to reach an agreement.
13. **Resolution No. 33952-13** -- Appointing Sherri A. Hong As Customer & Community Services Department Manager.
 - Director Mellon pulled Item 13 from the Consent Calendar to congratulate Ms. Hong. Ms. Hong thanked the Board for its support and said she looks forward to continuing her career at EBMUD and working with management and staff on future challenges.

- Motion by Director Mellon, seconded by Director Foulkes, to approve the recommended action for Item 13, carried (7-0) by voice vote.

DETERMINATION AND DISCUSSION

14. Legislative Update.

Legislative/Human Resource Committee Chair Lesa R. McIntosh announced that the Committee recommended taking no action on the completion of an independent study required by Senate Bill (SB) 4 (related to “fracking”). There was consensus by the Board to take no action on SB 4.

Special Assistant to the General Manager Marlaigne K. Dumaine introduced Washington, D.C. Legislative Lobbyist Eric Sapirstein who provided updates on several federal issues including: Fiscal Year 2014 budget; the Water Resources Reform and Development Act of 2013; proposed changes to plumbing standards and energy efficiency laws; tax exempt bonds; proposed amendments to the Clean Water Act; and California water issues and the Bay Delta, along with climate change. He also provided updates on recent federal appointments to agencies of interest to EBMUD. The Board thanked Mr. Sapirstein for the work he is doing in Washington, D.C. on behalf of the District.

Special Assistant to the General Manager Marlaigne K. Dumaine reported that the state Legislature is on break. Regarding the federal update, she pointed out that EBMUD has communicated its positions expressing concern about the tax exempt provision of the Water Infrastructure Finance and Innovation Act, pesticide aerial spraying, and on plumbing standards issues.

15. Rescheduling 2014 Board Meeting Dates That Conflict with District Holidays.

President Katz announced that in 2014, two District holidays fall on the regularly scheduled second Tuesday meeting dates of the Board (September 9 and November 11). There was Board consensus to follow past practice to reschedule the committees, workshops and Board meetings to the Wednesday following the District holiday.

- Motion by Director Foulkes, seconded by Director Linney, to approve the recommended action, carried (7-0) by voice vote.

Motion No. 164-13 -- Rescheduled the conflicting regularly scheduled 2014 Tuesday board meetings to the following Wednesday dates: Wednesday, September 10 and Wednesday, November 12.

16. General Manager’s Report.

Director of Finance Eric L. Sandler presented an overview and timetable for the proposed long-range financial planning (LRFP) initiative scheduled for 2014. He noted that the LRFP is concerned with establishing the long-term funding needs of the District including underlying assumptions, financial risks and financial policies aimed at mitigating risks. Mr. Sandler

announced that staff will be conducting a series of Board workshops to consider and discuss elements of the LRFP. Proposed workshop topics include financial forecast (February), Capital Improvement Program (June), financial risks and reserves (September), and financial forecast and cost of service study findings (November). At the final workshop staff will bring together the work of the prior three workshops in the form of a long-term financial forecast. Staff will also review findings from the cost of service study. The results of these efforts will lay the groundwork for development of the FY 2016 and 2017 budget and rates. Finance/Administration Chair John A. Coleman noted that the Committee supported the recommendation of Raftelis Financial Consultants to lead the cost-of-service study. There was discussion about the Seismic Improvement Program charge and how EBMUD should proceed with the collection of this fee. Mr. Sandler said that staff will present the Board with options at the upcoming workshops.

Next, General Manager Alexander R. Coate reported that the October 2013 Monthly Report was provided to the Board. Director Mellon pointed out that the Dublin San Ramon Services District/EBMUD Recycled Water Authority (DERWA) Board reached a major milestone with the approval of the DERWA/Pleasanton Supplemental Supply agreement on October 28. Director Mellon thanked the Board and staff for its efforts to bring this to fruition. Director Patterson pointed out that the Camanche Permit Extension public comment period was extended until January 10, 2014. He also pointed out that water production was up to 204 MGD in October 2013 from 187 MGD in October 2012.

REPORTS AND DIRECTOR COMMENTS

17. Committee Reports.

- Filed with the Board were the Minutes of the October 22, 2013 Sustainability/Energy and Finance/Administration Committees.

18. Director Comments.

- Director Coleman reported attending/participating in the following events: Contra Costa Taxpayers Association luncheon on October 24 in Pleasant Hill; ACWA Executive Committee teleconference meeting on October 28; DERWA Board meeting on October 28 in Dublin; ACWA/JPIA Executive Committee teleconference meeting on October 29; ACWA Executive Committee teleconference meeting on November 4; ACWA Regions 5 and 8 meeting on November 5 in Calabasas; and ACWA Executive Committee teleconference meeting on November 12. He reported on plans to attend/participate in the following upcoming events: ACWA teleconference meeting on climate change on November 13; ACWA teleconference meeting for the Governor's State Water Action Plan on November 13; ACWA meeting with NRDC on November 13 in San Francisco; Mt. Diablo Silverado Executive Committee meeting on November 18 in Pleasant Hill; ACWA Executive Committee teleconference meeting on November 18; ACWA Regional meeting and dinner on November 21 in Sacramento; ACWA Executive Committee and Board meeting on November 22 in Sacramento; ACWA Special Closed Session of the Executive Committee on November 22 in Sacramento; and ACWA Executive Committee teleconference meeting on November 25.

- Director Foulkes reported attending the Asian Pacific Employees Association luncheon on November 7 in Oakland.
- Director Linney reported attending/participating in the following events: Friends of the River awards dinner honoring David "Chicken" Nesmith on October 25 in San Francisco; League of Conservation of Voters of the East Bay event honoring Congresswoman Barbara Lee and David "Chicken" Nesmith on November 1 in Oakland; Tour of Alameda Point by bicycle sponsored by the City of Alameda on November 2 in Alameda; and Alameda Mayor Marie Glimore lobster feed event on November 8 in Alameda. He reported on plans to attend the California Interfaith Power and Light Energy Awards event on November 12 in San Francisco and the Oakland African American Chambers of Commerce 10th anniversary and awards luncheon on November 13 in Oakland.
- Director McIntosh had no comment.
- Director Mellon reported attending/participating in the following events: International Foundation of Employee Benefits Plans conference from October 20-23, 2013 in Las Vegas, NV. DERWA Board meeting on October 28 in Dublin; Water Reuse Finance Authority at DSRSD on October 30 in Dublin; Economic Development Association on October 30 at the Oakland Museum; Economic Development Association on November 1 at Hayward City Hall; and the Castro Valley Educational Foundation dinner on November 1 in Castro Valley.
- Director Patterson had no comment.
- President Katz reported that he and Director Mellon attended the new members reception for the East Bay Economic Development Association.

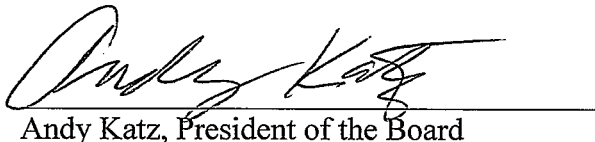
ADJOURNMENT

President Katz adjourned the meeting at 2:25 p.m.

SUBMITTED BY:


Lynelle M. Lewis, Secretary of the District

APPROVED: November 26, 2013


Andy Katz, President of the Board