

# BOARD OF DIRECTORS EAST BAY MUNICIPAL UTILITY DISTRICT

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

# AGENDA Tuesday, April 26, 2016

**REGULAR CLOSED SESSION** 11:00 a.m., Board Room

# ROLL CALL:

**<u>PUBLIC COMMENT</u>**: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

## ANNOUNCEMENT OF CLOSED SESSION AGENDA:

- 1. Existing litigation pursuant to Government Code section 54956.9(d)(1):
  - a. Federal Insurance Company as subrogee for Divco West Real Estate Services v. East Bay Municipal Utility District Alameda County Superior Court, Case No: RG15791996
  - b. *Raul Gutierrez v. East Bay Municipal Utility District* Alameda County Superior Court, Case No. RG15767981
  - c. Water rights hearing on *Petition Requesting Changes in Water Rights of the Department* of Water Resources and U.S. Bureau of Reclamation for the California WaterFix Project California State Water Resources Control Board
- 2. Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): one matter.

#### (The Board will hold Closed Session in Conference Room 8A/B)

#### **<u>REGULAR BUSINESS MEETING</u>** 1:15 p.m., Board Room

### ROLL CALL:

#### **BOARD OF DIRECTORS:**

• Pledge of Allegiance.

### ANNOUNCEMENTS FROM CLOSED SESSION:

**<u>PUBLIC COMMENT</u>**: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

**CONSENT CALENDAR:** (Single motion and vote approving 11 recommendations, including 3 resolutions.)

- 1. Approve the Regular Meeting Minutes of April 12, 2016.
- 2. File correspondence with the Board.
- 3. Award a contract to the lowest responsive/responsible bidder Air Liquide in an annual amount, after the addition of taxes not to exceed \$50,000 for supplying liquid oxygen and maintenance and repair services for the Hypolimnetic Oxygenation Systems at the District's Upper San Leandro Reservoir for three years beginning on or after April 27, 2016 with two options to renew for an additional one-year period for a total cost of \$250,000 under Request for Quotation No. 1608.
- 4. Authorize an agreement beginning on or after April 27, 2016 with Construx Software Builders, Inc. in an amount not to exceed \$90,000 for requirements and project management training for staff.
- 5. Authorize an agreement with Microdesk, Inc. in an amount not to exceed \$164,824 to provide Building Information Management software support services for the design of the Happy Valley and Sunnyside Pumping Plants Project.
- 6. Authorize an agreement with RMC Water and Environment in an amount not to exceed \$1,076,812 to prepare an Environmental Impact Report for the Leland Reservoir Replacement Project pursuant to the California Environmental Quality Act.
- 7. Authorize an amendment to the agreement with Renne Sloan Holtzman Sakai, LLP, to increase the agreement ceiling by \$21,000 from \$60,000 to an amount not to exceed \$81,000 for Equal Employment Opportunity discrimination investigation services.
- 8. Authorize the Office of General Counsel to continue the employment of the law firm of Ellison, Schneider & Harris, LLP, for specialized legal services related to electrical energy and water law and litigation matters.
- 9. Adopt a resolution fixing the ward boundaries from which the East Bay Municipal Utility District Directors are elected for the November 8, 2016 General Election. (Resolution)
- 10. Review and approve Investment Policy 4.07, which contains proposed changes to the current policy that was last revised on March 26, 2013, and affirm existing delegation of authority for the management of investments on behalf of the District to the Director of Finance, who is also acting as the Treasurer of the District. (Resolution)
- 11. Approve revisions to the following District policies: Policy 1.13 Identity Theft Prevention Program; Policy 2.04 Contractual Agreements with Former Employees; Policy 3.05 Considerations for Extension of Water Beyond the Ultimate Service Boundary; Policy 3.07 Responsibility to Serve Water Customers; Policy 4.13 Establishing Water Rates; Policy 4.20 Use of District Technology Resources; Policy 9.01 Fire Control and Fuels Management on Watershed Lands; Policy 9.03 Water Supply Availability and Deficiency; and Policy 9.04 Watershed Management and Use. (Resolution)

Regular Meeting of April 26, 2016 Page 3 of 3

#### **DETERMINATION AND DISCUSSION:**

- 12. Legislative Update:
  - Receive Legislative Report No. 06-16 and consider positions on the following bills: SB 1262 (Pavley) Water Supply Planning; SB 1263 (Wieckowski) Public Water System: Permits; H.R. 4653 (Tonko) Assistance, Quality, and Affordability Act of 2016; and S. 2588 (Cardin) Get The Lead Out Act of 2016
  - Update on Legislative Issues of Interest to EBMUD
- 13. Approve actions relating to the District's Water Supply.
  - 13a. File the Water Supply Availability and Deficiency Report in conformance with District Policy 9.03, and declare that the District's water supply is sufficient for meeting customer demands in 2016.
  - 13b. Defer taking anticipated drought-related actions until the State Water Resources Control Board takes action on May 18.
- 14. Authorize suspending the implementation of the Excessive Water Use Penalty Ordinance effective May 3, 2016 as a result of the District's improved water supply conditions.

(Resolution)

- 15. General Manager's Report:
  - Water Supply Update
  - 2016 Critical Drought Action Plan Update

#### **REPORTS AND DIRECTOR COMMENTS:**

- 16. Committee Reports:
  - Planning
  - Legislative/Human Resources
  - Sustainability/Energy
  - Finance/Administration
- 17. Other Items for Future Consideration.
- 18. Director Comments.

### ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, May 10, 2016 in the Administration Center Board Room, 375 Eleventh Street, Oakland, California.

#### **Disability Notice**

If you require a disability-related modification or accommodation to participate in an EBMUD public meeting please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.

#### **Document Availability**

*Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within* 72 *hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11<sup>th</sup> Street, Oakland, California, during normal business hours, and can be viewed on our website at <u>www.ebmud.com</u>.* 

# **BOARD CALENDAR**

Date	Meeting	Time/Location	Topics
Tuesday, April 26	Sustainability/Energy Committee Katz {Chair}; Linney; and Young	9:15 a.m. Training Resource Center	<ul> <li>Port of Oakland Power Purchase Agreement Update</li> <li>Compressed Renewable Natural Gas Project Update</li> <li>Evaluating the Triple Bottom Line in BD1 Memos</li> </ul>
	Finance/Administration Committee Coleman {Chair}, Katz, Patterson	10:00 a.m. Training Resource Center	<ul> <li>Review of Revisions to District Policies</li> <li>Investment Policy Annual Review</li> <li>Financial Quarterly Reports</li> <li>Water Revenue Consumption Audit</li> </ul>
	Board of Directors	11:00 a.m. 1:15 p.m.	<ul><li>Closed Session</li><li>Regular Meeting</li></ul>
Tuesday, May 10	Planning Committee         Linney {Chair}, McIntosh,         Young         Legislative/Human         Resources Committee         Patterson {Chair}, Coleman,	9:00 a.m. Training Resource Center	Cancelled
	Young Water Conservation Workshop	9:30 a.m. Training Resource Center	
	Board of Directors	11:00 a.m. 1:15 p.m.	<ul><li>Closed Session</li><li>Regular Meeting</li></ul>
Tuesday, May 24, 2016	Finance/Administration Committee Coleman {Chair}, Katz, Patterson	10:00 a.m. Training Resource Center	
	Board of Directors	11:00 a.m. 1:15 p.m.	<ul><li>Closed Session</li><li>Regular Meeting</li></ul>
Monday, May 30	Memorial Day Holiday		District Offices Closed

Draft Prepared By Office of the Secretary

## **MINUTES**

## Tuesday, April 12, 2016

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

### **Regular Closed Session Meeting**

President Frank Mellon called to order the Regular Closed Session Meeting of the Board of Directors at 11:09 a.m. in the Administration Center Board Room.

### ROLL CALL

Directors John A. Coleman, Doug Linney, Lesa R. McIntosh, William B. Patterson, Marguerite Young, and President Frank Mellon were present at roll call. Director Andy Katz was absent at roll call but arrived in Conference Room 8a/b at 11:17 a.m.

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Wastewater Bennett K. Horenstein (Item 1), Manager of Real Estate Services Matt Elawady (Item 1), Attorney Derek T. McDonald (Item 1), and Attorney Jonathan D. Salmon (Item 1).

#### PUBLIC COMMENT

There was no public comment.

#### ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Frank Mellon announced the closed session agenda. The Board convened to Conference Room 8a/b for discussion.

### **Regular Business Meeting**

President Mellon called to order the Regular Business Meeting of the Board of Directors at 1:15 p.m. in the Administration Center Board Room.

### ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, and Secretary of the District Lynelle M. Lewis.

Regular Meeting Minutes of April 12, 2016 Page 2 of 6

### **BOARD OF DIRECTORS**

President Mellon led the Pledge of Allegiance.

## ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

### **PUBLIC COMMENT**

- Addressing the Board was Sean Becker, Epiphany Investments, El Cerrito, who asked for the Board's assistance in resolving a claim filed in response to a District main break. Mr. Becker said that the main break had impacted his business and he had not received a response from the District. President Mellon referred Mr. Becker to staff.

## **CONSENT CALENDAR**

- Item 6 was removed from the Consent Calendar for discussion.
- Motion by Director Coleman, seconded by Director Linney, to approve the recommended actions for Items 1-5 and 7 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
- 1. **Motion No. 064-16** Approved the Special and Regular Meeting Minutes of March 22, 2016.
- 2. The following correspondence was filed with the Board: 1) Document entitled "EBMUD Food Waste Program Fact Sheet," dated April 12, 2016; 2) Presentation entitled "Harvest Power Contract Update," dated April 12, 2016; 3) Presentation entitled "Water Supply Board Briefing," dated April 12, 2016; 4) Presentation entitled "Water Sales Projections-Impact of Drought on Revenues," dated April 12, 2016; 5) Memorandum dated April 12, 2016, to Board of Directors from Alexander R. Coate, General Manager, regarding African American Water Leadership Coalition Water Leadership Symposium-April 21, 2016; and 6) Memorandum dated April 12, 2016, to Board of Directors from Revenue Regional Water Authority April 14, 2016 Board of Directors Meeting.
- 3. **Motion No. 065-16** Awarded a contract to the lowest responsive/responsible bidder, KW Emerson, in an amount not to exceed \$359,316 for construction of an Americans with Disabilities Act accessible ramp for visitors to the Camanche South Shore marina.
- 4. **Motion No. 066-16** Authorized an agreement beginning on or after April 18, 2016 with Ameritech Computer Services, Inc. in an amount not to exceed \$40,000 annually for printer, plotter, and desktop scanner services for two years with three options to renew for an additional one-year period for a total of cost of \$200,000 under Request for Proposal No. PUR 097.

- 5. **Motion No. 067-16** Approved an amendment to the Official Payments Corporation agreement for credit card, debit card, and electronic check services to extend the expiration date from April 23, 2016 to April 22, 2017.
- 6. **Resolution No. 34077-16** Authorizing Execution Of An Agreement With The City Of Hayward To Define Water Service Boundaries Between The East Bay Municipal Utility District And The City of Hayward Within The City Of Hayward City Limits.
  - President Mellon pulled Item 6 to thank staff and express appreciation for their work on crafting this agreement.
  - Motion by Director Mellon, seconded by Director Patterson, to approve the recommended action for Item 6, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
- 7. **Resolution No. 34076-16** Revise District Salary Ranges, Salaries And Wage Rates (authorized a 3.7% general salary increase for employees effective April 18, 2016).

## **DETERMINATION AND DISCUSSION**

### 8. Legislative Update.

Legislative/Human Resources Committee Chair William B. Patterson reported that the Committee supported the staff recommendations in Legislative Report No. 05-16. Manager of Legislative Affairs Marlaigne K. Dumaine provided an overview of SB 163 (Hertzberg) and highlighted concerns about the significant infrastructure costs for new recycled water facilities, significant rate impacts, lack of regulatory framework, and funding for the mandate. She pointed out that the mandate would raise the average service charge from about \$38 every two months to approximately \$230 every two months and will impact low-income ratepayers the most. Ms. Dumaine noted that while the bill's objective to increase the use of recycled water is consistent with EBMUD's efforts to increase recycled water use in its service area, the proposed mandate is premature and amendments are needed to address concerns. Ms. Dumaine highlighted the recommended positions for SB 1207 (Hueso) which is intended to promote energy efficiency and 1398 (Leyva) which would provide a timeline for replacement of lead pipes in California's state public water systems.

Board members commented that while the intent of SB 163 is good, the costs to ratepayers, especially low-income customers, are a concern. In response to a question about stakeholder support, Ms. Dumaine said that WateReuse California and the California Association of Sanitation Agencies have been working with the author's office and have offered an alternative that would convene a task force to assess the barriers to increased recycled water production and use and provide recommendations for overcoming those barriers and meeting statewide water recycling goals.

Motion by Director Patterson, seconded by Director Coleman, to approve the recommended
positions in Legislative Report No. 05-16 carried (7-0) by the following voice vote: AYES
(Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None);
ABSTAIN (None); ABSENT (None).

Motion No. 068-16 – Received Legislative Report No. 05-16 and approved positions on the following bills: SUPPORT AB 2543 (Gordon) State Buildings: Efficiency; OPPOSE UNLESS AMENDED SB 163 (Hertzberg) Wastewater Treatment: Recycled Water; SUPPORT SB 1207 (Hueso) Energy: Conservation: Financial Assistance; SUPPORT SB 1398 (Leyva) Public Water Systems: Lead Pipes; and INFORMATION SB 814 (Hill) Drought: Excessive Water Use: Urban Retail Water Suppliers.

#### 9. General Manager's Report.

Director of Wastewater Bennett K. Horenstein provided a status update on the Harvest Power contract. Since the Food Waste Program workshop on March 22, staff has continued to negotiate terms of an agreement which focuses on capital costs, project scheduling, and allocation of risk. As the negotiations have progressed it has become apparent that there are significant challenges to the District finalizing a deal with Harvest Power. Key outstanding items include capital cost, scheduling, and performance bonding. Additionally, Harvest Power indicated that they are unable to transfer the \$4.8 million California Energy Commission grant funds to EBMUD which would increase project costs an additional \$4.8 million. Harvest Power is unable to commit to a guaranteed design/build contract price until they complete the project design (in 2 to 3 months) nor can they commit to meeting the schedule requirements for the Renewable Natural Gas (RNG) facility. Harvest Power still is not currently licensed to perform construction work in California and is unable to provide a performance bond up to the contract amount.

Mr. Horenstein reported that staff is working with Harvest Power to complete the work contracted under the Preliminary Engineering Services Agreement under which Harvest Power has been providing design and permitting services. The Preliminary Engineering Services Agreement also included a down payment on RNG facility equipment through a purchase order which Harvest Power must assign to the District, at the District's request, at the end of April. Staff will be refining its evaluation of proceeding with the RNG facility as a standalone project in order to make a recommendation on proceeding with the purchase order assignment. Staff will be evaluating the District's next steps on food waste, which may include continued negotiation with Harvest Power or an alternate approach. Staff also will be working with Waste Management of Alameda County and the City of Oakland to communicate the District's path forward.

Operations and Maintenance Department Manager Eileen M. White presented updates on the statewide and local water supply. She reported that the April 1 snow survey revealed the snow depth was 58 inches and the water content was 26 inches, a significant increase in the snow pack since last year. Shasta and Oroville, the state's two largest reservoirs, are currently at 90% capacity and flood control releases have started to make space for the incoming runoff from the melting snow. She noted that the large reservoirs in the southern part of the state did not benefit from the snow pack.

Ms. White reported that the District's water supply has significantly improved since last year as a result of improved precipitation and snow pack. To date East Bay cumulative precipitation is 24.77 inches (101% of average) and the Mokelumne basin 4-station average is 46 inches (109% of average). Pardee Reservoir is at 95 percent of capacity, Camanche Reservoir is at 48 percent of capacity compared to 18 percent last year, and East Bay reservoirs are at 92 percent of capacity. Overall customer demand reduction is 24 percent and end of water year gross water production is projected at 146 million gallons per day (20 million gallons per day less than budgeted). Total system storage is projected to be between 595 and 630 thousand acre feet. The Water Supply Availability and Deficiency Report will be presented at the April 26, 2016 Board meeting. State mandated conservation requirements are expected to come out in May and at that time the District will review its conservation levels. Director Coleman requested historical post-drought water use information.

Director of Finance Sophia D. Skoda presented an update on water sales projections and the impact on the budget. The adopted FY16/17 budget assumed a \$6.0 million revenue shortfall which would be absorbed by the Rate Stabilization Fund (RSF). Lower than budgeted water consumption resulting from drought related conservation has created a significant revenue shortfall and projected use of over \$10 million in RSF funds to meet coverage for FY16. Because water use recovers slowly post-drought, revenue shortfalls are projected over the next five years. Staff will be reevaluating strategies to address the projected shortfalls (i.e. rate increases, reducing expenses, etc.). Directors Katz and Linney urged staff to use RSF funds to buffer sharp rate increases as much as possible. Director Linney requested staff to provide various scenarios to address the financial shortfall including rate increases and use and replenishment of the RSF.

Manager Coate reported that staff provided the Board with information on the 2016 Critical Drought Action Plan Update, Monthly Report for March 2016, Food Waste Program Update, the African American Water Leadership Coalition Water Leadership Symposium, and the Freeport Regional Water Authority April 14, 2016 Board of Directors Meeting. In concluding, Mr. Coate introduced Special Assistant to the General Manager Alison A. Kastama. Director Coleman requested updated staff emergency contact information.

### **REPORTS AND DIRECTOR COMMENTS**

10. Committee Reports.

There were no committee reports.

- 11. Other Items for Future Consideration.
  - Past Drought Recovery Information.

#### 12. Director Comments.

 Director Coleman reported attending/participating in the following events: Water Advisory Council meeting with Assemblywoman Catharine Baker on March 24 in San Ramon; ACWA Executive Board and Board of Directors meetings on March 25 in Sacramento; East Bay Council Environment and Water Task Force meeting on April 1 in Walnut Creek; and ACWA teleconference meeting on April 6 in Oakland. He reported on plans to attend/participate in the following upcoming events: Las Aguilas de Diablo Dinner on April 14 in Moraga; Oakland Strokes meeting on April 18 in Oakland; ACWA teleconference meeting on April 18 in Oakland; and ACWA teleconference meeting on April 25 in Oakland.

- Director Katz had no comment.
- Director Linney had no comment.
- Director McIntosh reported attending the San Pablo Rotary meeting to present a water supply update on March 23. She requested an update on EBMUD construction activities near her home.
- Director Patterson reported attending/participating in the following events: Special District's Association Annual Dinner on March 24 in Pleasanton; San Francisco Bay Area Council Boy Scouts of America for an honoree's briefing session for the 'Lifetime Achievement Award' on March 29; Merritt College FRAM Center opening on March 30 in Oakland; East Bay Economic Development Alliance legislative reception on March 31 in Oakland; Friends of Oakland Parks and Recreation Foundation Annual Meeting on March 31 in Oakland; and a meeting and tour of Bishop O'Dowd High School on April 5 in Oakland. He reported on plans to attend/participate in the following upcoming events: Freeport Regional Water Authority Board of Directors meeting on April 14; Berkeley Community Media Real Talk Radio guest with Gloria Baily Ray on May 6 in Berkeley; and Oakland Elders (Engaging Leaders to Deliver Excellent Results) at the Boys & Girls Club on May 13 in Oakland; and the Freeport Regional Water Authority board of Directors meeting on April 14.
- Director Young had no comment.
- President Mellon reported attending/participating in the following events: Presentation to the San Leandro City Council regarding the Chabot Dam Seismic Project on March 21; legislative reception for the East Bay Economic Development Alliance on March 31 in Oakland; and the Contra Costa County Mayors' Conference on April 7 in Moraga.

### **ADJOURNMENT**

President Mellon adjourned the meeting at 2:30 p.m.

SUBMITTED BY:

Lynelle M. Lewis, Secretary of the District

APPROVED: April 26, 2016

Frank Mellon, President of the Board



AGENDA NO. MEETING DATE 3. April 26, 2016

# TITLE LIQUID OXYGEN SUPPLY AND SYSTEM MAINTENANCE AT UPPER SAN LEANDRO RESERVOIR

⊠ MOTION\_\_\_\_\_ □ RESOLUTION \_\_\_\_\_ □ ORDINANCE \_\_\_\_

### **RECOMMENDED ACTION**

Award a contract to the lowest responsive/responsible bidder Air Liquide in an annual amount, after the addition of taxes, not to exceed \$50,000 for supplying liquid oxygen and maintenance and repair services for the Hypolimnetic Oxygenation System (HOS) at the District's Upper San Leandro (USL) Reservoir for three (3) years, beginning on or after April 27, 2016 with two options to renew for an additional one-year period for a total cost of \$250,000 under Request for Quotation No. 1608.

### SUMMARY

The HOS was installed in USL reservoir in 2002. The system is operated seasonally from about April to October to ensure the reservoir is completely oxygenated. This operation improves the water quality in the reservoir by limiting the release of nutrients from the sediments. These nutrients significantly increase algae blooms which in turn lead to production of compounds which cause taste and odor complaints and create disinfection-by-products. Use of the HOS makes it easier and less costly to treat water from the reservoir and results in higher treated water quality for customers.

### **VENDOR SELECTION**

Requests for quotations were sent to three resource organizations, 116 potential bidders and posted on the District's website. A total of four bids were received, of which Air Liquide was the lowest cost.

### **CONTRACT EQUITY PROGRAM EFFORTS**

The completed P-035 and P-061 forms are attached.

#### FISCAL IMPACT

Funds for this purchase are included in the FY16/17 budget.

Funds Available: FY16/17	Budget Code: WSO/778.	/1004851/5361
DEPARTMENT SUBMITTING Finance	DEPARTMENT MANAGER or DIRECTOR	APPROVED Menerger R. Cearlo General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

Liquid Oxygen Supply and System Maintenance at Upper San Leandro Reservoir April 26, 2016 Page 2

#### ALTERNATIVES

<u>Purchase liquid oxygen on the open market.</u> This alternative is not recommended because purchasing via a competitively awarded contract ensures consistent material availability and volume pricing as well as continuous maintenance and repair which will be provided by the qualified vendor.

**Do not operate the USL HOS.** This alternative is not recommended as discontinuing operations will result in the return of the less desirable source water quality and treated water taste and odor conditions, and will subsequently increase overall water treatment costs.

#### Attachments

P-035 – Contract Equity Program Summary P-061 – Affirmative Action Summary

I:\Sec\2016 Board Related Items\042616 Board Agenda Items\FIN - BD1 Liquid Oxygen Supply and System Maintenance 042616.doc



# CONTRACT EQUITY PROGRAM SUMMARY (P-035) This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Materials & Supplies								DATE:			
Liquid Oxygen (LO) Leandro Reservoir		nd System M	Mainte	enan	ce at Up	oper Sar	n		Ap	ril 12, 20 <sup>.</sup>	16
CONTRACTOR:						PERC	ENTAGE	OF CONTRACT DOLLARS			
Air Liquide Industrial Countryside, IL					Ava	ailability G	iroup	Contracting Objectives		Participation	
BID/PROPOSER'S	FIRM	'S OWNERS	HIP			White Me	n	25%	6	100.	0%
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No. of Em	ployees:	11			2			10			
Percent of Total Em	ployees:	47.8%	)		8.7%	, 	4:	3.5%		23	
MSA Labor M	arket %:	32.3%			27.8%	6	39	9.9%			
MSA Labor Market L	ocation:					9 Ba	y Area Co	ounties			
	101.00		C	OWR	MENTS	Sec. Not			RM2.5		103
Contract Equity Participation of opportunities exist.	- Zero Cont	ract Equity	partic	ipati	on since	firm is a	a publicly	held corpor	ation and	no subc	ontract
Workforce Profile & Stateme Submitt		rimination	(		Faith Or quireme				Award Ap Recomm	proval ended	
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(P-035 - 7/11)			·Pa	ge: 1 of	1				Ile: MS - 36	514	



## **AFFIRMATIVE ACTION SUMMARY (P-061)**

(Completed by District)

#### This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Material R=Recmr P=Prime S=Sub Company	Liquid Oxygen (LOX) Supply Maintenance at Upper Sa Reservoir Is & Supplies Award	n Leandro												
R=Recmr P=Prime S=Sub Company	Reservoir Is & Supplies Award				В	н	A/PI	Al/AN	TOTAL					
R=Recmr P=Prime S=Sub Company			Natio	nal	10.5	10.7	3.7	0.7	27.3					
R=Recmr P=Prime S=Sub Company		DATE:	9 Bay Area	Counties	5.5	16.2	14.2	0.4	39.9					
P=Prime S=Sub Company		4/12/2016	Alameda/CC		10.7	15.6	15.4	0.5	46.2					
S=Sub Company	ma		!					<u>L</u>						
	Composition of Ownership		N	umber of E	Ethnic Minor	ity Employ	rees							
	y Name, Owner/Contact Person, Address, ne Number		В	н	A/PI	AI/AN	TOTAL	PERCENT	MSA %					
RP	PHC	Company Wide	5	5	-	-	10	43.5%	Insert %					
Air Liquide	e Industrial	Manager/Prof					0	0.0%	i					
Amy Wasz	zezak	Technical/Sales					-	NA	4					
5220 East	Avenue	Clerical/Skilled		1			1	25.0%						
Countryside, IL 60525		Semi/Unskilled	5	4			9	50.0%						
		Bay Area	-	-	-	-	0	0.0%	39.99					
708-579-7	/977	AA Plan on File:	NA		Date of last	contract with	District:	Insert Date						
		Co. Wide MSA:	Insert MSA		# Employee	s-Co. Wide:	23	Bay Area:	33					
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209-495-7		Co. Wide MSA:	Insert MSA		# Employee	S-CO. WILLE.	1		1					
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	Velding Supplies, Inc.	Manager/Prof		2				40.0%						
Marvin Ro	_	Technical/Sales						NA NA	-					
	ontgomery St.	Clerical/Skilled				=		0.0%	-					
San Jose,	, CA 95110	Semi/Unskilled						0.0%	1					
		Bay Area			-	-	0	0.0%	39.99					
510-53 <u>3-</u> 9	353	Co. Wide MSA:	Insert MSA		# Employee	s-Co. Wide:	33	Bay Area	33					
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WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and Al/AN=American Indian/Alaskan Native)

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FB	MI	D

4. April 26, 2016

# TITLE SOFTWARE DEVELOPMENT & PROJECT MANAGEMENT TRAINING

⊠ MOTION \_\_\_\_\_ □ RESOLUTION \_\_\_\_\_ □ ORDINANCE \_

### **RECOMMENDED ACTION**

Authorize an agreement beginning on or after April 27, 2016 with Construx Software Builders, Inc. in an amount not to exceed \$90,000 for requirements and project management training for staff.

### SUMMARY

This agreement is to provide two sessions each of onsite software requirements and project management training to staff. This training will improve staff's ability to ensure that projects meet the needs of the users and are delivered on schedule and within budget. This training is primarily for software projects but the concepts apply to any project. As part of the implementation of the District's Technology Project Management Toolkit, many employees within the District are critical participants in the implementation of information technology projects. Training such as this ensures all project stakeholders are familiar with the terminology and methodology used, and increases the chances for success on these difficult projects.

### DISCUSSION

Construx Software Builders, Inc. (Construx) has presented on-site training for staff from various departments on requirements and project management. The District would like to offer the same training module and eLearning suite to additional staff that have not yet had this training. By bringing instructors onsite, significant travel savings are accomplished, reducing cost to \$750 per attendee.

This is a direct award contract. Since the District has used Construx for this training in the past, using them to provide this training again ensures that all participants are receiving the same message, methodologies, and tools, and establishes common ground from which to work.

### **VENDOR SELECTION**

Construx was originally selected after extensive research of potential providers of these technical training topics.

Funds Available: FY16/17	Budget Code: WSO/251	/8523/5231
DEPARTMENT SUBMITTING Information Systems	DEPARTMENT MANAGEP or DIRECTOR Nicholas J. Irias	APPROVED <u>Alleanfork. leng</u> Géneral Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

Software Development & Project Management Training April 26, 2016 Page 2

## **CONTRACT EQUITY PROGRAM EFFORTS**

The completed P-035 and P-061 forms are attached.

### FISCAL IMPACT

Funds are available for this work in the FY16 operating budget.

#### **ALTERNATIVES**

<u>Use a different vendor to provide the training</u>. This alternative is not recommended because staff will not receive a consistent message and tools. The selected vendor has previously been compared to other vendors and has been consistently chosen based on quality of material, instructor expertise, and value received.

**Do not provide this training**. This alternative is not recommended because this is valuable training and will improve the quality of our projects. It will improve our communication and working relationships with partner agencies.

Attachments

P-035 – Contract Equity Program Summary P-061 – Affirmative Action Summary

I:\Sec\2016 Board Related Items\042616 Board Agenda Items\ISD - Software Dev Proj Mgmt Training.doc



# CONTRACT EQUITY PROGRAM SUMMARY (P-035) This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Professional Servic	es Agreemen	t						DATE:				
Software Developr	nent & Proje	ct Manager	nent	Train	iing			April 8, 2016				
CONTRACTOR:						PERC	ENTAGE	OF CONTRACT DOLLARS				
Construx Software Builders, In Bellevue, WA 98004	IC.	Direct Awa Busin		nall	Availability Group			Contracting Objectives		Participation		
BID/PROPOSER'S	FIRM	'S OWNERS	HIP			White Me	'n	25%	6	100	.0%	
PRICE:	Ethn	nicity	Ger	nder	White Women			6%	•	0.0	)%	
\$90,000	Wh			en		nnic Mino		25%	6	0.0	%	
		CONTRA	T		TY PAR	FICIPAT			el tals d			
COMPANY NAME	ESTIMATED	ETHNICITY	GEN	DER			CONTRA					
	AMOUNT	ETHNIGHT	м	w	White- Men	White- Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreig	
PRIME: Construx Software Builders, Inc.	\$90,000	White	x		100.0%							
SUBS: None												
								_				
							_					
									_			
TOTAL		\$90,000		<u> </u>	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	CONTRAC	TOR'S WC	RKF	ORC	E PRO	FILE (Fr	om P-025	5 Form)	Su testines			
		White Me	ən	v	Vhite Wo	men	Ethnic	Minorities	Tota	I Employ	ees	
No. of Em	ployees:	5			10			3				
Percent of Total Em	oloyees:	27.8%			55.6%	55.6% 16.		3.7%		18		
MSA Labor M	arket %:	43.6%			37.6% 18		18	8.8%				
MSA Labor Market L	ocation:					v	Vashingto	n				
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Contract Equity Participation -	· 100.0% Wh	nite Men par	rticipa	ation.								
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#### **AFFIRMATIVE ACTION SUMMARY (P-061)**

(Completed by District)

#### This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title:					Ethnic Mir	nority Perce	ntages Fro	m U.S. Cer	isus Data	
		Software Development				В	Н	A/PI	AI/AN	TOTAL
		Management Trair	ning	Nati	onal	10.5	10.7	3.7	0.7	27.3
		10	DATE:	9 Bay Area	Counties	5.5	16.2	14.2	0.4	39.9
Profe	ssiona	I Services Agreement	4/8/2016	Alameda/C	C Counties	10.7	15.6	15.4	0.5	46.2
R=Re P=Prl S=Su		Composition of Ownership			Number of E	thnic Mino	rity Employ	ees		
Comp		e, Owner/Contact Person, Address, nber		В	н	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP		WM: SBE	Company Wide	0	1	0	0	1	5.6%	18.8
	I JX Softwa	are Builders, Inc.	Manager/Prof	0	1 1	0	0	1	7.7%	
<i>l</i> lark N			Technical/Sales	0	0	0	0	0	0.0%	
		Street, Suite 1350	Clerical/Skilled	0	0	0	0	0	0.0%	
	e, WA 9		Semi/Unskilled	0	0	0	0	0	NA	
			Bay Area	0	0	0	0	0	0.0%	39.9
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WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and Al/AN=American Indian/Alaskan Native)



### AGENDA NO. 5. MEETING DATE April 26, 2016

#### 

⊠ MOTION\_\_\_\_\_ □ RESOLUTION \_\_\_\_\_ □ ORDINANCE \_\_\_\_\_

### **RECOMMENDED ACTION**

Authorize an agreement with Microdesk, Inc. in an amount not to exceed \$164,824 to provide Building Information Management (BIM) software support services for the design of the Happy Valley and Sunnyside Pumping Plants Project.

#### **SUMMARY**

The District is piloting the use of a new software tool known as BIM for the Happy Valley and Sunnyside Pumping Plants Project. This pilot project will evaluate the option of transitioning to BIM, where District engineers and drafters will complete the design using 3D models for future design of some or all of the District's facilities. Transitioning to BIM is expected to support the District's long-term goal of improving the efficiency of its design processes and workflow.

#### DISCUSSION

The District's Geospatial Strategic Plan in 2015 identified BIM as a way to improve the entire life cycle of a project from planning through construction. The District intends to pilot the use of BIM technology for the design of its facilities as an alternative to traditional computer drafting tools used to produce contract drawings. BIM provides opportunities to reuse data for multiple purposes, such as during the various phases of design and construction, and for the operation and maintenance of facilities. BIM software enables faster and more economical delivery of projects through 3D visualization, compatible software among multiple design disciplines, and more accurate record keeping, such as automatically generated building material lists. BIM is also expected to improve construction coordination and ultimately facilitate enhanced operation and maintenance of facilities.

Funds Available: FY16-17; CIP #20	03498; Page 52	Budget Code: WSC\570\7999\2010211:02				
DEPARTMENT SUBMITTING Engineering and Construction	DEPARTMENT MANA	GER or DIRECTOR	APPROVED Muganfer R. Can General Manager			

Contact the Office of the District Secretary with questions about completing or submitting this form.

BIM Support Services for the Happy Valley and Sunnyside Pumping Plants Project April 26, 2016 Page 2

#### **CONSULTANT SELECTION**

Requests for proposals (RFPs) were sent to 12 firms with expertise related to BIM application. The District received three proposals, and Microdesk, Inc. was selected based on their ability to best provide the necessary specialized expertise.

#### **CONTRACT EQUITY PROGRAM EFFORTS**

The completed P-035 and P-061 forms are attached.

#### FISCAL IMPACT

This item is included in the FY16-17 Capital Improvement Program budget for the Happy Valley and Sunnyside Pumping Plants Project under the Water Treatment and Transmission Improvement Program.

#### **UNION NOTIFICATION**

Locals 2019 and 21 were notified of this contract on March 25, 2016 and did not raise any specific issues related to this contract.

#### **ALTERNATIVES**

**Do not perform the work.** This alternative is not recommended because the use of BIM offers many benefits outlined in the District's Geospatial Strategic Plan. Its use is expected to bring together all the disciplines involved in the design and construction of District facilities and it has the potential to improve design efficiencies and reduce costs.

<u>Perform the work with District forces</u>. This alternative is not recommended because District staff does not have the expertise to provide the proposed support services.

#### Attachments

P-035 – Contract Equity Program Summary P-061 – Affirmative Action Summary

I:\Sec\2016 Board Related Items\Board Packets 2016\042616 Board Items\E&C\_BIM Support Services for the Happy Valley and Sunnyside Pumping Plants Project.doc



# CONTRACT EQUITY PROGRAM SUMMARY (P-035) This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

This summar TILE Professional Service	y contains inform							DATE:			
Building Informatic and Sunnyside Pu	n Managem	ent (BIM) S	uppo	rt Se	rvices f	or Happ	y Valley	March 25, 2016			
CONTRACTOR:					Start.	PERC	ENTAGE	OF CONT	RACT DO	LLARS	DEER.
Microdesk, Inc. Nashua, NH					Availability Group			Contracting	Objectives	Partici	pation
BID/PROPOSER'S	FIRM	'S OWNERS	HIP			White Me	en	25%	6	100.	0%
PRICE:	Ethn	icity	Ger	der	White Women			6%		0.0	%
\$164,824 *	W	nite	Men			nnic Mino	rities	25%	6	0.0	%
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	ESTIMATED		GEN	DER			CONTRA	ACTING PARTI			
COMPANY NAME	AMOUNT	ETHNICITY	м	w	White- Men	White- Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
Microdesk, Inc.	\$164,824	White	x		100.0%						
SUBS: None								-			
								_	_		
TOTAL		\$164,824			100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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		White Me	en	V	Vhite Wo	men	1	Minorities	Tota	I Employe	9 <b>0</b> 5
No. of Em	ployees:	70			34			27			
Percent of Total Em	ployees:	53.4%	•		26.0%	6	20	).6%		131	
MSA Labor M	arket %:	39.0%	•		33.7%	6	27	7.3%			
MSA Labor Market L	ocation:						Total US/	4			
	9	1000	C	DIMIN	AENTS				What.	J WERE	
Contract Equity Participation	- 100.0% W	nite Men pa	rticip	ation							
*Total Not to Exceed \$164,824											

Award Approval Recommended **Good Faith Outreach Efforts** Workforce Profile & Statement of Nondiscrimination Submitted **Requirement Satisfied** NA NA File: PS - 3605 - revised amt2



#### **AFFIRMATIVE ACTION SUMMARY (P-061)**

#### (Completed by District)

#### This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title:	Buil	ding Information Manag	ement (BIM)		Ethnic Mir	ority Perce	ntages Fro	m U.S. Cer	isus Data			
		port Services for Happ				В	н	A/PI	AI/AN	TOTAL		
		Sunnyside Pumping		Natio	onal	10.5	10.7	3.7	0.7	27.3		
			DATE:	9 Bay Area	Counties	5,5	16.2	14.2	0.4	39.9		
Profe	ssiona	I Services Agreement	3/25/2016	Alameda/C		10.7	15.6	15.4	0.5	46.2		
R=R	ecmmd		U/20/2010			10.7	10.0	10.4	0.0	40.2		
P=Pr S=St	ıb	Composition of Ownership		Number of Ethnic Minority Employees								
	pany Namo Phone Nun	e, Owner/Contact Person, Address, hber		в	н	A/PI	AI/AN	TOTAL	PERCENT	MSA %		
RP		WM	Company Wide	6	6	14	0	26	19.8%	27.3%		
Microd	esk, Inc.		Manager/Prof	5	5	11	0	21	19.6%			
Jody R	eynolds		Technical/Sales	1	1	2	0	4	20.0%			
10 Tar	n Blvd.		Clerical/Skilled	0	0	1	0	1	25.0%			
Nashu	a, NH 03	062	Semi/Unskilled	0	0	0	0	-	NA			
			Bay Area	-		1	-	1	16.7%	39.9%		
800-33	6-3375		AA Plan on File:	NA	5. 20 - 7 <b>900 00 00</b> 0. 11 7 00 00 00 00 00	Date of last	contract with	District:	NA	10 10.00 s - 10 <sup>1</sup> 0000 - 4000-40		
			Co. Wide MSA:	Total USA		# Employee	s-Co. Wide;	131	Bay Area:	6		
			Company Wide					(				
	1		Manager/Prof			1	1	-				
			Technical/Sales	1		+						
			Clerical/Skilled			1			-			
			Semi/Unskilled				1					
			Bay Area	1		1	1			39.9%		
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P	. · · ·	WM: L/SBE	Company Wide	1	1	3	0	5	21.7%	48.4%		
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Michell		IC.	Manager/Prof Technical/Sales	1	1	3	0	4	33.3%			
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P		WM	Company Wide	1	0	3	0	4	8.5%	27.3%		
IDEAT			Manager/Prof	0	0	0	0	0	0.0%			
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San Fr	ancisco,	CA 94104	Semi/Unskilled	0	0	0	0	0	NA			
			Bay Area	1	0	3	0	4	20.0%	39.9%		
888-66	2-7238		Co. Wide MSA:	Total USA	1999 - 1997 -	# Employee	s-Co. Wide:	47	Bay Area:	20		
			Company Wide			1						
			Manager/Prof			1						
			Technical/Sales			1						
			Clerical/Skilled			1	- -					
			Semi/Unskilled			1						
			Bay Area							39.9%		
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			Company Wide	1								
	L		Manager/Prof			1				_		
			Technical/Sales			0						
			Clerical/Skilled	įi		<u>†</u>						
			Semi/Unskilled	I I								
			Semi/Unskilled Bay Area				-			39.9%		

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and Al/AN=American Indian/Alaskan Native)



AGENDA NO. MEETING DATE 6. April 26, 2016

## TITLE LELAND RESERVOIR REPLACEMENT PROJECT

 $\square$  MOTION  $\square$  RESOLUTION  $\square$  ORDINANCE  $\square$ 

## **RECOMMENDED ACTION**

Authorize an agreement with RMC Water and Environment in an amount not to exceed \$1,076,812 to prepare an Environmental Impact Report (EIR) for the Leland Reservoir Replacement Project, pursuant to the California Environmental Quality Act (CEQA).

## SUMMARY

Preparation and approval of CEQA documentation is required prior to commencing final design and construction for the Leland Reservoir Replacement Project. Staff have determined that the appropriate CEQA documentation is an EIR. The work involves preparation of a comprehensive EIR which includes identifying and assessing project-specific environmental impacts and determining necessary mitigation measures. RMC Water and Environment will assist District staff with preparing project-related information for public scoping meetings. This agreement includes design and construction services related to landscape architecture plans and traffic control plans.

### DISCUSSION

The existing 19.5 million gallon (MG), open-cut Leland Reservoir, constructed in 1955, is located opposite of 1050 Leland Drive in the City of Lafayette (see attached location map). Leland Reservoir is a critical facility that provides daily operational storage for the Leland Pressure Zone, which serves the southwest portion of the City of Pleasant Hill, most of the City of Walnut Creek, and a small area of the City of Lafayette. The Leland Pressure Zone provides water to approximately 12,000 services, most of which are residential, but also include commercial and retail areas in downtown Walnut Creek and two hospitals (John Muir Medical Center and Kaiser Permanente Walnut Creek Medical Center).

The Infrastructure Rehabilitation Plan for Distribution Reservoirs 2012 Update ranked Leland Reservoir as a high-priority for replacement. The reservoir is at the end of its useful service life, and its replacement is necessary due to the deteriorated condition of the pre-cast concrete roof (including rainwater ponding), mature trees growing in the earthen embankment, obsolete mechanical and electrical equipment, and the reservoir's criticality in serving the Leland Pressure Zone. The open cut reservoir will be replaced with two 8 MG concrete tanks in the existing reservoir basin. In addition, a 36-inch critical transmission

Funds Available: FY16-17; CIP 200	1451; Page 23	Budget Code: WSC 522/2010507:13/5231					
DEPARTMENT SUBMITTING Engineering and Construction	DEPARTMENT MANA Xavie	AGER or DIRECTOR	APPROVED <u>Muranles R.Club</u> General Manager				

Contact the Office of the District Secretary with questions about completing or submitting this form.

Leland Reservoir Replacement Project April 26, 2016 Page 2

pipeline that is located beneath the existing reservoir basin and adjacent unimproved rights-of-way will be replaced. Approximately 2,500 feet of 36-inch pipeline will be constructed in Windsor Drive, Condit Way, and Leland Drive to replace the existing transmission pipeline located beneath the existing reservoir.

## **CONSULTANT SELECTION**

Requests for proposals (RFPs) were sent to 43 firms, from the District's Engineering Consultant Roster, with expertise in preparation of CEQA documents. The RFP was also advertised on the District's website. The District received three proposals and selected two firms to interview based on their qualifications and experience. RMC Water and Environment was selected based on their expertise in the preparation of complex CEQA documents and a strong, experienced team comprised of various specialists with local knowledge pertaining to potential environmental impacts, including community concerns resulting from project implementation.

## **CONTRACT EQUITY PROGRAM EFFORTS**

The completed P-035 and P-061 forms are attached.

## **FISCAL IMPACT**

This item is included in the FY16-17 Capital Improvement Program budget under Leland Pressure Zone Improvement.

### **UNION NOTIFICATION**

Locals 2019 and 21 were notified of this contract on October 29, 2015. A question that Local 2019 raised at a November 3, 2015 contracting out meeting was addressed. Local 21 did not raise any specific issues related to this contract.

### **ALTERNATIVES**

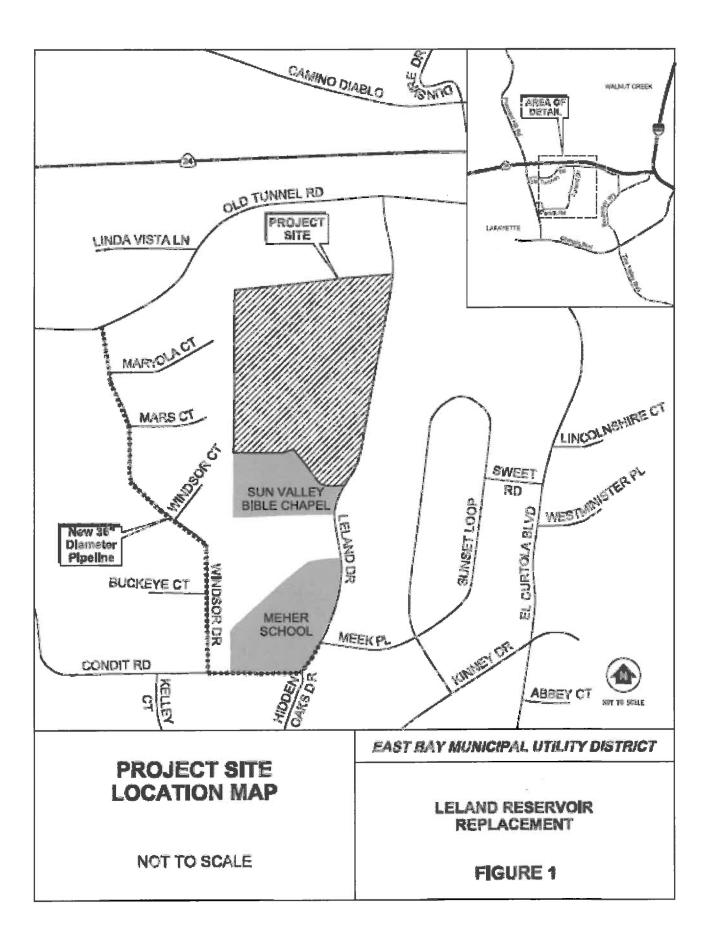
**Do not perform the work**. This alternative is not recommended because the existing reservoir is at the end of its useful service life, the pre-cast concrete roof is unsafe, and Leland Reservoir is a critical facility. In addition, the Leland Reservoir Replacement Project cannot be approved or constructed without appropriate CEQA documentation.

<u>Perform the work with District forces</u>. This alternative is not recommended because District staff does not have the expertise to complete the work for this large, specialized EIR project. Large, specialized EIR projects do not occur at the District with the degree of frequency and consistency to develop and maintain the necessary expertise in-house.

Leland Reservoir Replacement Project April 26, 2016 Page 3

Attachments: Location Map P-035 – Contract Equity Program Summary P-061 – Affirmative Action Summary

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# CONTRACT EQUITY PROGRAM SUMMARY (P-035) This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Professional Service Leland Reservoir I	-								Mai	rch 25, 20	)16	
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CONTRACTOR:						PERC	ENTAGE	OF CONTR	CACT DC	LLANG	- 17	
RMC Water and Environment Walnut Creek, CA 94596		LB	E		Availability Group			Contracting Objectives		Participation		
BID/PROPOSER'S	FIRM	'S OWNERS	HIP			White Me	en	25%	55.1%			
PRICE:	Ethn	icity	Ger	nder	1	Vhite Wor	nen	6%		21.0	0%	
\$1,076, <b>81</b> 2	Wh			en		hnic Mino		25%	25% 23.9		9%	
		CONTRA	1		TY PAR	TICIPAT						
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GEN M	IDER W	White- Men	White- Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign	
PRIME:												
RMC Water and Environment SUBS:	\$538,340	White	x		50.0%			-				
Burks Toma Architects	\$91,250	White		×		8.5%			-			
CHS Consulting Group	\$93,246	Asian	×				8.7%		-			
Orion Environmental Associates	\$164,322	Asian		x			15.3%	-				
Royston, Hanamota, Alley & Abey	\$125,487	White		x		11.7%						
Sequoia Ecological	\$9,067	White		x	-	0.8%	51-0-M					
WSA, Inc.	\$23,730	White	×		2.2%							
Tree Decisions	\$31,370	White	X		2.9%							
				<u> </u>							-	
TOTAL	CONTRAC	\$1,076,812 CTOR'S WO	DKE	(0)30	55.1%	21.0%	23.9%	0.0%	0.0%	0.0%	0.0%	
	CUNTRAC	White M	and the second second	1	and the second se	and the second second second		Minorities	Tota	al Employ	ees	
No. of Em		31		<u>                                     </u>	White Women Ethnic 39			40				
Percent of Total Err		28.2%	, ,		35.59	6		6.4%		110		
MSA Labor M	/larket %:	28.0%				23.6% 48		8.4%				
MSA Labor Market I	Location:			<u> </u>	California							
			C	OM	MENTS			V - 10-	Same Ca		1.100	
Contract Equity Participation participation.	- 55.1% Whi	te Men part					'omen par	ticipation ar	nd 23.9%	Ethnic M	inority	
Workforce Profile & Stateme Submit		rimination	•		Faith O			10	Award Ap			
Submit				110		ES		Recommended				
			L						Ň	<u> </u>		



#### **AFFIRMATIVE ACTION SUMMARY (P-061)**

(Completed by District)

#### This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title:					Ethnic Mir	ority Percei	ntages Fro	m U.S. Cer	isus Data		
Leland Reservoir Replacement Project					В	н	A/PI	Al/AN	TOTAL		
	LUI		inonit i rojoot	Nati	onal	10.5	10.7	3.7	0.7	27.3	
			DATE:	9 Bay Area	Counties	5.5	16.2	14.2	0.4	39,9	
Profes	siona	I Services Agreement	3/25/2016	Alameda/C		10.7	15.6	15.4	0.5	46.2	
R=Recmmd			0/20/2010				10.7 13.0 13.4 0.3 40				
P=Prime Composition of Ownership S=Sub					Number of E	thnic Minor	ity Employ	ees			
	any Namo none Nun	e, Owner/Contact Person, Address, nber		В	н	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
RP		WM: LBE	Company Wide	1	7	21	0	29	26.4%	48.4%	
RMC W	ater and	Environment	Manager/Prof	0	5	17	0	22	23.9%		
Alyson V	Natson		Technical/Sales	0	0	2	0	2	100.0%		
2175 No	175 North California Blvd., Suite 315		Clerical/Skilled	1	2	2	0	5	31.3%		
Valnut Creek, CA 94596		Semi/Unskilled	0	0	0	0	-	NA			
			Bay Area	1	3	16	0	20	30.8%	39.9%	
925-647-4100			NA	A VARIA DI CITARI DI ANNI DI VARI	Date of last	contract with	District:	3/16/2015	1000) - ANDRONAL - 10 - 5404		
020 011			Co. Wide MSA:	California		# Employee	s-Co. Wide:	110	Bay Area:	65	
s		WW: L/SBE	Company Wide	0	0	0	0	0	0.0%	0.0%	
Burks To	0000 450		Manager/Prof	0	0	0	0	0	0.0%		
Karen Bi		chilects	Technical/Sales	0	0	0	0	0	0.0%		
		reet	Clerical/Skilled	0	0	0	0	0	0.0%		
814 Camelia Street Berkeley, CA 94710		Semi/Unskilled	0	0	0	0	0	0.0%			
Derkelej	y, on 3-			0	0	0	0	0	0.0%	39.9%	
			Bay Area	0	U	# Employee				00.070	
510-524	-4255		Co. Wide MSA:		i i i	1	-	-	Bay Area:	40.00	
s		EMM:A/PI - L/SBE	Company Wide	1	0	4	0	5	38.5%	48.3%	
CHS Consulting Group		Manager/Prof	0	1 0	4	0	4	36.4%			
Chi-Hsin Shao		Technical/Sales	0	0	0	0		NA			
	211 Tenth Street, Suite 368		Clerical/Skilled	11	0	0	0	1	50.0%		
Oakland	1, CA 94	607	Semi/Unskilled	0	0	0	0	-	NA		
			Bay Area	1	0	0	0	1	7.7%	39.9%	
415-392	2-9688		Co. Wide MSA:	San Francisc	o Co.	# Employee	s-Co. Wide:	13	Bay Area:	13	
s		EMW:A/PI - SBE	Company Wide	0	0	2	0	2	28.6%	39.9%	
Orion Er	nvironm	ental Associates	Manager/Prof	0	0	2	0	2	40.0%		
Joyce H	Isiao		Technical/Sales	0	0	0	0	0	0.0%		
211 Sutt	ter Stree	et, Suite 803	Clerical/Skilled	0	0	0	0	0	0.0%		
San Fra	ncisco,	CA 94108	Semi/Unskilled	0	0	0	0	0	0.0%		
			Bay Area	0	0	0	0	0	0.0%	39.9%	
415-951	-9503		Co. Wide MSA:	9 Bay Area C	ounties	# Employee	s-Co. Wide:	7	Bay Area:	7	
s		WW: SBE	Company Wide	1	1	4	0	6	18.2%	39.9%	
Royston	, Hanar	noto, Alley & Abey	Manager/Prof	0	0	1 1	0	1	6.7%		
Barbara			Technical/Sales	1	1	2	0	4	28.6%		
225 Mille		•	Clerical/Skilled	0	0	1	0	1	25.0%		
Mill Valle			Semi/Unskilled	0	0	0	0	0	0.0%		
			Вау Агва	0	1 0	4	0	4	12.1%	39.9%	
415-383	-7900		Co. Wide MSA:	9 Bay Area C	a	# Employee	s-Co. Wide:	33	Bay Area:	33	
s		WW: L/SBE	Company Wide	0	0	0	1	1	12.5%	38.5%	
	Ecolog	ical Consulting, Inc.	Manager/Prof	0	0	0	1	1	16.7%		
Debie M	-	ioar consulting, mo.	Technical/Sales	0	0	0	0	0	NA		
		Suite 206	Clerical/Skilled	0	0	0	0	0	0.0%		
			Semi/Unskilled	0	0		0	-	NA		
Danville	, UN 34		Gernizonskilled					0		39.9%	
Danville,			Bay Area	0	0	0	0		0.0%		

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Aslan/Pacific Islander, and Al/AN=American Indian/Alaskan Native)



#### **AFFIRMATIVE ACTION SUMMARY (P-061)**

(Completed by District)

#### This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title:					Ethnic Min	nority Perce	ntages Fro	m U.S. Cer	nsus Data	
140.	Lel	and Reservoir Replacer	nent Project			В	н	A/PI	AI/AN	TOTAL
			2	Nati	onal	10.5	10.7	3.7	0.7	27.3
			DATE:	9 Bay Area	Counties	5.5	16.2	14.2	0.4	39.9
Profe	ssiona	I Services Agreement	3/25/2016	Alameda/C	C Counties	10.7	15.6	15.4	0.5	46.2
R=Re	ecmmd		0/20/2010							
P=Pr S=Su	ime	Composition of Ownership		ا 	Number of E	thnic Mino	ity Employ	ees		ı —
	pany Namo Phone Nun	e, Owner/Contact Person, Address, nber		В	н	A/PI	AI/AN	TOTAL	PERCENT	MSA %
S		WM: L/SBE	Company Wide	0	0	0	0	0	0.0%	27.3%
WSA,	Inc.		Manager/Prof	0	0	0	0	Ő	0.0%	1
James	Allan		Technical/Sales	0	0	0	0	0	0.0%	]
61 Ave	enida de (	Drinda, Suite D	Clerical/Skilled	0	0	0	0	0	0.0%	]
Orinda	Orinda, CA 94563		Semi/Unskilled	0	0	0	0	0	0.0%	
			Bay Area	0	0	0	0	0	0.0%	39.9%
925-25	3-9070		Co. Wide MSA:	Total USA	Accession of the second second second second second second second second second second second second second se	# Employee	s-Co. Wide:	20	Bay Area:	11
S			Company Wide	0	0	0	0	0	0.0%	53.9%
	ecisions			0	0	0	0	0	0.0%	1 30.070
-	Yniguez		Manager/Prof Technical/Sales	0	0	0	0	0	0.0%	
	-		Clerical/Skilled	0	0	0	0	0	0.0%	-
	1428 Spruce Street Berkeley, CA 94709		Semi/Unskilled	0	0	0	0	0	0.0%	
Derkeit				0	0	0	0	0	0.0%	39,9%
			Bay Area	A REAL PROPERTY AND ADDRESS OF		ula contraction in	NAL OF ADDRESS OF ADDRESS	Reflection of the second	1 *W *WW	NAME OF BRIDE AND ADDRESS OF BRIDE
510-64	9-9291		Co. Wide MSA:	Alameda		# Employee	s-Co. vvide:	1	Bay Area:	1
			Company Wide							
			Manager/Prof							
			Technical/Sales	l						
			Clerical/Skilled	I		4				
			Semi/Unskilled							
			Вау Агва	1			1		L	39.9%
			Co. Wide MSA:	Insert MSA		# Employee	s-Co. Wide:	0	Bay Area:	0
P	Ι	EMW: A/PI - SBE	Company Wide	0	0	1	0	0	0.0%	48.4%
North S	I State Res	ources, Inc.	Manager/Prof	0	0	1 1	0	0	3.1%	
Tim Re			Technical/Sales	1 0	0	0	0	0	0.0%	
2020 L	. Street,	Sutie 340	Clerical/Skilled	0	0	0	0	0	0.0%	1
Sacran	nento, CA	A 95811	Semi/Unskilled	0	0	0	0	-	NA	
			Bay Area	0	0	0	0	0	NA	39.9%
916-44	6-2566		Co. Wide MSA:	California	A 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10	# Employee	s-Co. Wide:	44	Bay Area:	0
010 11	1		Company Wide	4	4	4	4	16	#DIV/01	Insert %
			Manager/Prof	1	1 1	1 1	1		NA	1
			Technical/Sales	1	1	1	1	-	NA	
			Cierical/Skilled	1	1	1 1	1	-	NA	
			Semi/Unskilled	1	1	1	1	-	NA	1
			Bay Area	-		1 _	-	_	NA	39.9%
			Co, Wide MSA:			1 # Employee	s-Co. Wide:		A	Same and States
	1	-				# Employee	a-co. wide:	-	Bay Area:	
	L		Company Wide	1				l		
			Manager/Prof	ļ					ļ	-
			Technical/Sales						[	-
			Clerical/Skilled	<u> </u>			1.	<u> </u>		
			Semi/Unskilled	1						
			Bay Area	-						39.9%
			Co. Wide MSA:	1		# Employee	s-Co. Wide:	S. 102 C. 2 S. 1	Bay Area	

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and Al/AN=American Indian/Alaskan Native)



#### AGENDA NO. April 26, 2016 **MEETING DATE**

7.

#### TITLE AMEND AGREEMENT WITH RENNE SLOAN HOLTZMAN SAKAI LLP FOR EQUAL EMPLOYMENT OPPORTUNITY DISCRIMINATION INVESTIGATION SERVICES

\_ □ RESOLUTION \_\_\_\_\_ □ ORDINANCE -⊠ MOTION\_\_\_\_

#### **RECOMMENDED ACTION**

Authorize an amendment to the agreement with Renne Sloan Holtzman Sakai LLP (Renne Sloan) to increase the agreement ceiling by \$21,000 from \$60,000 to an amount not to exceed \$81,000 for Equal Employment Opportunity (EEO) discrimination investigation services.

#### DISCUSSION

The District is obligated under federal and state law to promptly and thoroughly investigate employee claims of harassment, discrimination or retaliation. The District's Diversity and Inclusion Office (DIO) is responsible for investigating such claims. Due to an increase in the number of claims requiring investigations in FY16, the District contracted with Renne Sloan to ensure prompt commencement and completion of such investigations. Renne Sloan specializes in EEO discrimination and hostile work environment harassment investigations. In December 2015, the District contracted with Renne Sloan for \$30,000 to conduct an investigation. In March 2016, the agreement was amended to increase the agreement ceiling to \$60,000 in order to accommodate a second investigation. The increase of \$21,000 will fund the costs to complete both investigations.

### **CONTRACT EQUITY PROGRAM EFFORTS**

The completed P-035 and P-061 forms are attached.

### FISCAL IMPACT

There are sufficient funds in the FY16 budget for this work.

#### **ALTERNATIVE**

Do not approve the amendment to the agreement. This alternative is not recommended because the District will be unable to pay for services rendered for these two investigations.

#### Attachments

I:\Sec\2016 Board Related Items\042616 Board Agenda Items\HRD- Amend Agmt w/Renne Sloan Holtzman Sakai LLP for EEO.doc

Funds Available: FY	Budget Code:	
DEPARTMENT SUBMITTING Human Resources	DEPARTMENT MANAGER or DIRECTOR	APPROVED <u>Mueanfor R. Ceurs</u> General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

×



# CONTRACT EQUITY PROGRAM SUMMARY (P-035) This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

ITLE Professional Services Agreement								DATE:			
Amend Agreement with Renne Sloan Holtzman Sakai LLP for Equal								April 20, 2016			
Employment Oppo	Employment Opportunity Discrimination Investigation Services									,	
CONTRACTOR:							ENTAGE	OF CONTR	RACT DO	LLARS	
Renne Sloan Holtzman Sakai, San Francisco, CA	LLP				Ava	ailability G	iroup	Contracting	Objectives	Participation	
	FIRM	'S OWNERS	HIP	_		White Me	n	25%	6	100.	0%
BID/PROPOSER'S PRICE:	Ethn			nder	White Women			6%		0.0%	
\$81,000	Wr		M		Ethnic Minorities			25%		0.0%	
\$61,000		CONTRA						207		0.0	70
		CONTRA	1	DER	TRAN			CTING PARTI	CIPATION	and the state of the state of the state of the state of the state of the state of the state of the state of the	CALL IN MARK
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	м	w	White- Men	White- Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME:											
Renne Sloan Holtzman Sakai, LLP <i>SUBS:</i>	\$81,000	White	x		100.0%						
None			1								
					-						
	4 										
TOTAL		\$81,000	<u> </u>		100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	CONTRAC	TOR'S WO	RKF	ORC	E PRO	FILE (FI	om P-025	5 Form)	Terem 1		
		White M	en	1	Nhite Wo	men	Ethnic	Minorities Total Emp			ees
No. of Em	ployees:	15			18			18			
Percent of Total Em	ployees:	29.4%	5		35.3% 35			5.3% 9.9%		51	
MSA Labor M	arket %:	32.3%	 )	27.8% 3			39				
MSA Labor Market L	ocation:			<u> </u>		9 Bay	/ Area Co	unties			
	C. C. C. C. C. C.		C	OMI	MENTS	1 2 2 2	100 M	1	XI	25725	10.28
Contract Equity Participation	- 100% Whit	te Men part									
Workforce Profile & Stateme	nt of Nondier	rimination		Good	Faith Or	Itreach F	fforts		Award Ap	proval	
Submitt			<b></b>		quireme				Recomm		
NA					N	IA		$\left  \right\rangle$	n		
								$^{\circ}\mathcal{O}$			
(P-035 - 7/11)			Pa	ge: 1 of	2				File: PS - 36	22	

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#### **AFFIRMATIVE ACTION SUMMARY (P-061)**

(Completed by District)

#### This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

nue.	mend Agreement with Renne Sloan Holtzman Sakai LLP for Equal Employment					ority Perce	Н	A/PI			
	Opportunity Discrimination Investigation				<u> </u>	н	A/PI	AI/AN	TOTAL		
	Obbo	Services	investigation	Natio	onal	10.5	10.7	3.7	0.7	27.3	
Dente			DATE:	9 Bay Area	Counties	5.5	16.2	14.2	0.4	39.9	
R=Recmmd P=Prime S=Sub         Composition of Ownership           Company Name, Owner/Contact Person, Address, and Phone Number		4/20/2016	Alameda/C	C Countles	10.7	15.6	15.4	0.5	46.2		
		Number of Ethnic Minority Employees									
			в	н	A/PI	AI/AN	TOTAL	PERCENT	MSA %		
RP		WM	Company Wide	2	4	11	0	17	33.3%	39.9	
Renne	Sloan Hol	tzman Sakai, LLP	Manager/Prof	1 1	0	7	0	8	25.8%		
likki Ha	all		Technical/Sales	0	0	0	0	-	NA		
350 Sar	nsome St.	, Ste. 300	Clerical/Skilled	1	4	4	0	9	45.0%		
San Fra	ancisco, C	A 94104	Semi/Unskilled	0	0	0	0	-	NA		
			Bay Area	2	4	1 11	0	17	113.3%	39.9	
115-678	3-3800		AA Plan on File:	La a commence commence com	and the second second second second second second second second second second second second second second second	Date of last	contract with	District	2/19/2016		
10-070			Co. Wide MSA:	9 Bay Area C	ounties	# Employee		51	Bay Area:	15	
			CO. WILLE WIGA.	5 Day Alca O	Junico	" Employed			Duy Arou.	10	
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WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and Al/AN=American Indian/Alaskan Native)



AGENDA NO. MEETING DATE <u>8.</u> April 26, 2016

## TITLE AUTHORIZE CONTINUED EMPLOYMENT OF ELLISON, SCHNEIDER & HARRIS, LLP, FOR SPECIALIZED LEGAL SERVICES

⊠ MOTION \_\_\_\_\_ □ RESOLUTION \_\_\_\_\_ □ ORDINANCE \_\_\_\_

## **RECOMMENDED ACTION**

Authorize the Office of General Counsel to continue the employment of the law firm of Ellison, Schneider & Harris, LLP, for specialized legal services related to electrical energy and water law and litigation matters, in an additional amount not to exceed \$175,000.

## DISCUSSION

The law firm of Ellison, Schneider & Harris, LLP, specializes in water and energy law. Robert E. Donlan is an expert in water rights, groundwater law and adjudications, and currently provides the District with specialized legal assistance on institutional and water rights issues, including issues related to EBMUD's Mokelumne Project operations. His partner, Chris Ellison, has specialized in electric power issues since 1978 and currently provides assistance with legal issues affecting the options and cost-effectiveness of the District's energy services, as well as the District's interests in various energy initiatives and proceedings before the California Public Utilities Commission. Further detail on the nature of services provided by Ellison, Schneider & Harris, LLP, is set forth in a separate confidential attorney-client memorandum to the Board.

## **CONTRACT EQUITY PROGRAM EFFORTS**

The completed P-035 and P-061 forms are attached.

## FISCAL IMPACT

Sufficient monies have been budgeted in the Office of General Counsel's budget for fiscal year 2016 for this request for specialized legal services.

Attachments

P-035 – Contract Equity Program Summary P-061 – Affirmative Action Summary

Funds Available: FY 2016	Budget Code: WSO 130	30 8511 5231			
DEPARTMENT SUBMITTING Office of General Counsel	DEPARTMENT MANAGER of DIRECTOR	APPROVED Mercanfer R. Carb			
	Craig S. Spencer	General Manager			
Contact the Office	of the District Secretary with questions about con	npleting or submitting this form.			



# **CONTRACT EQUITY PROGRAM SUMMARY (P-035)** This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Professional Services Agreement						DATE:					
Authorize Continued Employment of Ellison, Schneider, & Harris, LLP for Specialized Legal Services					April 8, 2016						
					OF CONTRACT DOLLARS						
Ellison, Schneider, & Harris, LLP Small Bus Sacramento, CA			usiness		Availability Group		Contracting Objectives		Participation		
BID/PROPOSER'S	FIRM	'S OWNERS	HIP		White Men			25%		100.0%	
PRICE:	Ethn	icity	Gen	der	v	Vhite Won	nen	6%		0.0%	
\$175,000	W	nite	Me	en	Eti	nnic Mino	rities	25%	6	0.0%	
		CONTRA	CTE	QUIT	TY PARTICIPATION						
			GENDER		CONTRACTING PARTICIPATION						
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	м	w	White- Men	White- Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov <b>'t/Non</b> Profit	Foreign
PRIME:											
Ellison, Schneider, & Harris, LLP	\$175,000	White	X		100.0%						
SUBS:	i										
None											
										_	
								_		_	
TOTAL	<u>/</u>	\$175,000			100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	CONTRAC	TOR'S WO	WORKFORCE PROFILE (From P-025			5 Form)					
		White Me			White Wo		Ethnic Minorities Total Employe			es	
No. of Em	ployees:	8			9			2			
			42.1%			7.4% 10		0.5%		19	
MSA Labor Market %: 32.7%					30.0% 37			7.3%			
MSA Labor Market Location: Sacramento											
COMMENTS											
Contract Equity Participation - 100.0% White Men participation.											
Workforce Profile & Statemer Submitt	Workforce Profile & Statement of Nondiscrimination Good Faith Outreach Efforts Submitted Requirement Satisfied					Award Approval Recommended					
ON FIL					N			6	Sol-	1	
<u> </u>	- <u>-</u>		L						0		



## **AFFIRMATIVE ACTION SUMMARY (P-061)**

#### (Completed by District)

#### This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title:						ority Perce							
Authorize Continued Employment of Ellison, Schneider, & Harris, LLP						В	н	A/PI	AI/AN	TOTAL			
		Ellison, Schneider, & Ha	arris, LLP	Natio	onal	10.5	10.7	3.7	0.7	27.3			
Professional Services Agreement		DATE: 9 Bay Area Counties		5.5	16.2	14.2	0.4	39.9					
		4/8/2016	Alameda/C0	C Countles	10.7	15.6	15.4	0.5	46.2				
R=Recmmd P=Prime Composition of Ownership S=Sub			Number of Ethnic Minority Employees										
S=Sub Company Name, Owner/Contact Person, Address, and Phone Number			в	н	A/PI	AI/AN	TOTAL	PERCENT	MSA %				
٩P		WM: SBE	Company Wide	0	1	1	0	2	10.5%	37.39			
Ellison,	Schneid	der, & Harris, LLP	Manager/Prof	0	0	1	0	1	9.1%	2			
	Donlan		Technical/Sales	0	0	0	0	0	0.0%				
2600 C	apitol Av	venue, Suite 400	Clerical/Skilled	0	1	0	0	1	12.5%				
Sacram	nento, C/	A 95816	Semi/Unskilled	0	0	0	0	0	0.0%				
			Bay Area	0	0	0	0	0	0.0%	39.9			
916-44	7-2166		AA Plan on File:	NA		Date of last	contract with	District:	7/1/2014	alalas."Nor*66" *P. 6			
			Co, Wide MSA:	Sacramento		# Employee		19	Bay Area:	0			
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WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)



## AGENDA NO. 9. MEETING DATE April 26, 2016

# TITLE FIXING THE EBMUD WARD BOUNDARIES FOR THE PURPOSE OF ELECTING DIRECTORS

□ MOTION \_\_\_\_\_ □ ORDINANCE \_\_\_

## **RECOMMENDED ACTION**

Adopt a resolution fixing the ward boundaries from which the East Bay Municipal Utility District Directors are elected for the November 8, 2016 General Election.

### **SUMMARY**

Adoption of the proposed resolution would formally establish the boundaries of the seven District wards to be consistent with those approved by the Board on January 24, 2012 as part of the redistricting process (Resolution No. 33865-12). These modifications have been incorporated into the legal description in the resolution and constitute the official boundaries.

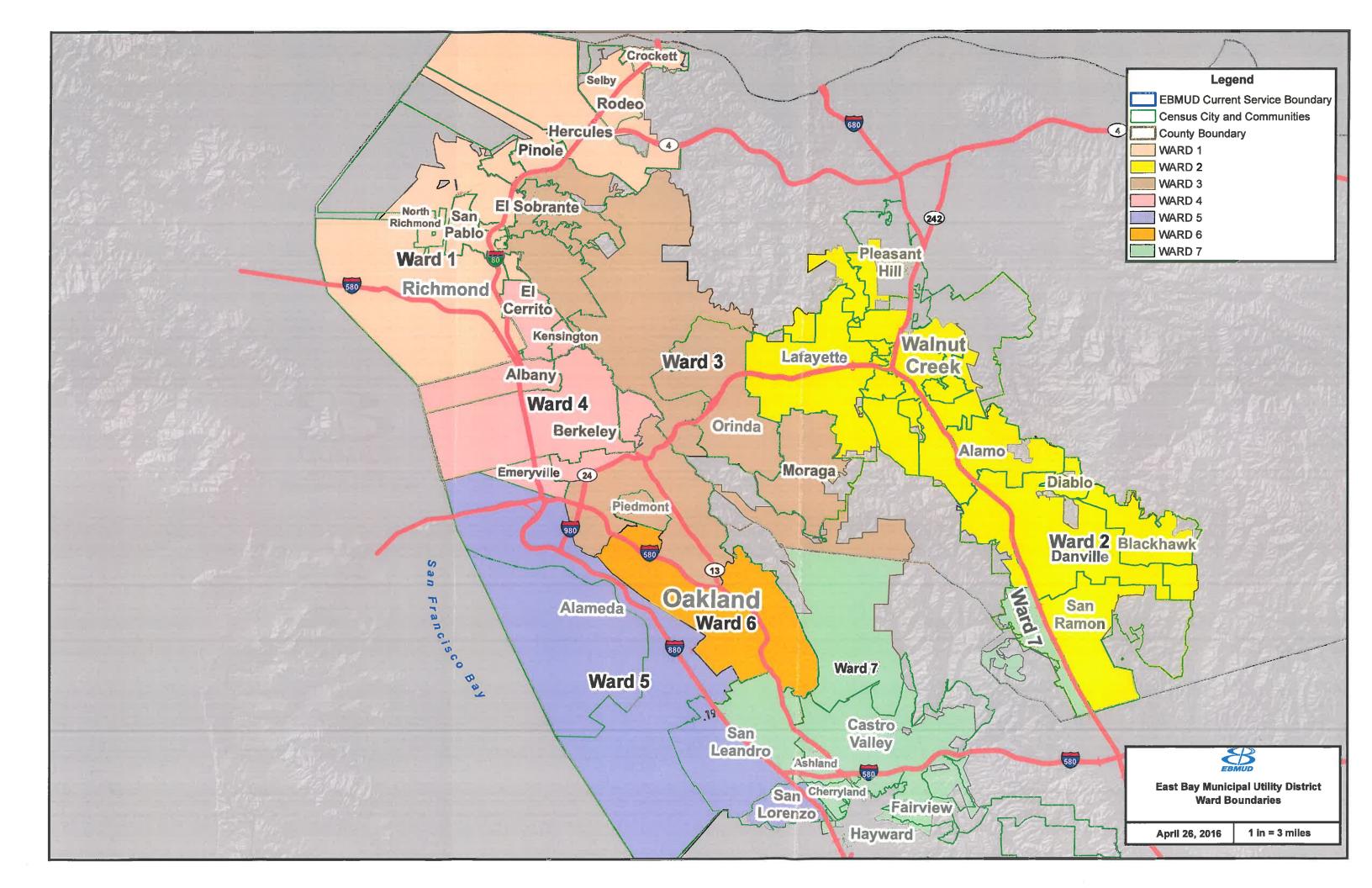
The Municipal Utility District Act and the California Elections Code require that the Secretary of the District provide District ward boundaries to the respective County Clerks in accordance with county deadlines. The deadline for providing approved legal ward boundaries to Alameda and Contra Costa counties is July 6, 2016.

Following Board action, staff will submit the resolution and approved legal ward boundaries to the counties to enable them to determine their precinct boundaries for the November 2016 General Election.

Attachment

Funds Available: FY16/17	Budget Code:	Budget Code:			
DEPARTMENT SUBMITTING Office of the Secretary	DEPARTMENT MANAGER or DIRECTO	All a R Ray /			

Contact the Office of the District Secretary with questions about completing or submitting this form.



Draft Prepared By

**RESOLUTION NO.** 

#### FIXING THE BOUNDARIES OF THE WARDS FOR THE PURPOSE OF ELECTING DIRECTORS THEREFROM

Introduced by Director

; Seconded by Director

#### BE IT RESOLVED AS FOLLOWS:

Pursuant to the provisions of Section 11823 and Article 2.5 (commencing with Section 11850) of Chapter 3 of Division 6 of the Municipal Utility District Act, and until changed pursuant to said Act, the boundaries of the wards for the purpose of electing directors therefrom are hereby fixed and established as follows:

#### WARD NO. 1

Ward No. 1 includes the following 2010 census tracts and blocks in Contra Costa County, State of California, as established by the 2010 decennial federal census:

#### **CENSUS TRACTS:**

3580, 3591.02, 3591.03, 3591.04, 3591.05, 3592.03, 3592.04, 3640.02, 3650.02, 3650.03, 3660.01, 3660.02, 3671, 3672, 3680.01, 3680.02, 3690.01, 3710, 3720, 3730, 3740, 3750, 3760, 3770, 3780, 3790, 3800, 3810, 3820, 3830, 3923,

Tract 3560.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 3001, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3049, 3050, 3051, 3052, 3053, 3063, 3064, 3065, 3066, 3067, 3068, 3069, 3070, 3071, 3072, 3073, 3074, 3077, 3078, 3079, 3080, 3081, 3082, 3083, 3084, 3085, 3086, 3087;

Tract 3560.02 Blocks as follows: 1001, 1002, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1029, 1030, 1031, 1032, 1037, 2023, 2024, 2032, 2034, 2035, 2101, 2102, 2105, 2106, 2107, 2108, 2109, 2129, **2**130, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3012, 3013;

Tract 3570 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1054, 1056, 1057, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2041, 2066, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3031, 3032, 3033;

Tract 3592.02 Blocks as follows: 1004;

Tract 3601.01 Blocks as follows: 3000, 3001, 3003, 3004, 3029;

Tract 3610 Blocks as follows: 2012, 2014, 2016, 2018, 2025, 2026, 2038, 2039, 2051, 2052, 2053, 2054;

Tract 3620 Blocks as follows: 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017;

Tract 3630 Blocks as follows: Block 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1021, 1022, 3003, 3004, 3005, 3006, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3021, 3022, 3023, 4000, 4001, 4002, 4028, 4029;

Tract 3690.02 Blocks as follows: 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017:

Tract 3700 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2012, 2013, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025;

Tract 3840 Blocks as follows: 1003, 1010, 1011, 1012, 3011, 3012, 4000, 4001, 4002, 4003, 4004;

Tract 3860 Blocks as follows: 2007, 2008, 2009, 2010, 2011, 2012, 2013;

Tract 3922 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 4019;

Tract 9900 Blocks as follows: 0002, 0003, 0004, 0005, 0006, 0007, 0008, 0014, 0018, 0019, 0020, 0021, 0022, 0023;

EXCEPTING FROM the hereinabove described Ward No. 1, the following described parcels of land:

EXCEPTION ONE: All that parcel of land in Contra Costa County, being a portion of Census Tract 3922, described as follows:

BEGINNING at the intersection of the northern line of Lot 225 with the western line of Road 21, as said lot and road are shown on the map entitled, "Map of the San Pablo Rancho Accompanying and Forming a Part of the Final Report of the Referees in Partition", a certified copy of which map was filed in the office of the Recorder of Contra Costa County, California, on March 1, 1894; thence southerly along said western line of Road 21 to an intersection with the western production of the northern line of Lot 224 of said San Pablo Rancho; thence easterly along said westerly production to the eastern line of said Road 21; thence northerly along said

eastern line of said Road 21 to its intersection with the east right of way line of the Atchison, Topeka and Santa Fe Railway as it now exists; thence northerly along said east right of way line to its intersection with the easterly production of said northern line of Lot 225; thence westerly along said easterly production of Lot 225 to the Point of Beginning.

EXCEPTION TWO: All that portion of Census Tract 3922, being a parcel of land delineated and designated as "Survey No. 456, Swamp and Overflowed Lands, Contra Costa County", records of said County.

EXCEPTION THREE: All that parcel of land in Contra Costa County, being a portion of Census Tracts 3591.03, 3591.04, 3592.02 and 3592.04 described as follows:

BEGINNING at a point on the general westerly boundary line of that annexation to East Bay Municipal Utility District known as Town of Hercules, as annexed by Resolution No. 15962 of the Utility District's Board of Directors dated May 22, 1953 at the most easterly corner of Lot 21 as said lot is shown on the map of Tract 2603; filed June 25, 1958 in Book 70 of Maps at Page 1, Contra Costa County Records; thence southerly along said Town of Hercules annexation to the intersection with the northwesterly boundary line of that annexation to East Bay Municipal Utility District's Board of Directors dated July 22, 1980; thence southwesterly along said Sunset Boundary Reorganization, as annexed by Resolution No. 29462 of the Utility District's Board of Directors dated July 22, 1980; thence southwesterly along said Sunset Boundary Reorganization to the intersection with the general northeasterly boundary line of that annexation to East Bay Municipal Utility District known as Faria Ranch Boundary Reorganization, as annexed by Resolution No. 29609 of the Utility District's Board of Directors dated December 9, 1980; thence northwesterly along said Faria Ranch Boundary Reorganization annexation to the intersection with the southeasterly boundary line of the City of Pinole annexation as established by Ordinance No. 92 of the City of Pinole; thence northeasterly along said City of Pinole boundary to the Point of Beginning.

EXCEPTION FOUR: All that parcel of land in Contra Costa County, being a portion of Census Tract 3560.02, described as follows:

BEGINNING at the most southerly corner on the general easterly boundary line of that annexation to East Bay Municipal Utility District known as Town of Hercules, as annexed by Resolution No. 15962 of the Utility District's Board of Directors dated May 22, 1953; thence northwesterly along said Town of Hercules annexation to the intersection with the most easterly corner of that certain annexation to East Bay Municipal Utility District know as Marsten Ranch. as annexed by Resolution No. 31,986 of the Utility District's Board of Directors dated December 8, 1987; thence southwesterly along the easterly boundary of said annexation (Res. No. 31,986) to its intersection with the boundary line of that certain annexation to East Bay Municipal Utility District known as Silver Canyon, as annexed by Resolution No. 22,726 of the Utility District's Board of Directors dated September 19, 1965; thence along the boundary of said annexation (Res. No. 22,726) southeasterly, southwesterly, northeasterly, southeasterly, southerly, easterly and southwesterly to its intersection with the boundary line of that certain annexation to East Bay Municipal Utility District known as East Bay Municipal Utility District Watershed No. 2 Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County on March 28, 1974 under Recorder's Series No. 22917; thence in a general easterly direction to its intersection with the boundary line of that certain annexation to East Bay Municipal Utility District known as Hanna Ranch, as annexed by Resolution No. 31,777 of the Utility District's Board of Directors dated December 9, 1986; thence along the boundary of said annexation (Res. No. 31,777) northwesterly to the said most southerly corner on the general

easterly boundary line of that annexation to East Bay Municipal Utility District known as Town of Hercules, and the Point of Beginning.

EXCEPTION FIVE: Any portion of those parcels of land in Contra Costa County, being a portion of Census Tracts 3560.01, 3560.02 and 3570.00, lying outside of the existing East Bay Municipal Utility District "Service Area" as shown on the 1920-R map entitled "Boundaries and Sphere of Influence", on file at the offices of East Bay Municipal Utility District.

#### WARD NO. 2

Ward No. 2 includes the following 2010 census tracts and blocks in Contra Costa County, State of California, as established by the 2010 decennial federal census:

#### CENSUS TRACTS:

3260, 3390.01, 3400.02, 3410, 3430.01, 3430.02, 3451.01, 3451.02, 3451.03, 3451.05, 3451.08, 3451.11, 3451.13, 3451.14, 3462.03, 3490, 3511.02, 3511.03, 3551.13;

Tract 3211.03 Blocks as follows: 1017, 1018, 1035, 1036;

Tract 3220 Blocks as follows: 3008, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 4012, 4016, 4025, 4026, 4030;

Tract 3250 Blocks as follows: 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3012, 3013, 3021, 3022, 3023, 3024, 4015;

Tract 3342 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1035, 1036, 1037, 1038, 1039, 1040, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 4019, 4020, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007;

Tract 3382.03 Blocks as follows: 1012, 1015, 1016, 1017, 1022;

Tract 3382.04 Blocks as follows: 1002, 1003, 1004, 1005, 1006, 1013, 1014, 1015, 1016, 1017, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1031, 1032, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2008, 2009, 2010, 2011, 2012, 2013, 3008;

Tract 3383.01 Blocks as follows: 2008;

Tract 3383.02 Blocks as follows: 1007, 1016, 1017, 1019, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033;

Tract 3390.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 3002, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012;

Tract 3400.01 Blocks as follows: 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 3001, 3003, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 4019, 4020, 4021, 4022, 4023;

Tract 3430.03 Blocks as follows: 1003, 1004, 1005, 1007, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1047, 1048, 1049, 1050, 1051, 1052, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023;

Tract 3451.12 Blocks as follows: 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1040, 1041, 1042, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044;

Tract 3452.02 Blocks as follows: 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3012, 3013, 3014, 3015, 3016, 3037, 3038, 3039;

Tract 3452.03 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1023, 1025, 1026, 1027, 1042, 1044, 1045, 1046, 1047, 1048, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 4019, 4020, 4021, 4022, 4023, 4024, 4025, 4026, 4027, 4028, 4029, 4030, 4031, 4032, 4033, 4034, 4035, 4036, 4037, 4038, 4039, 4040, 4041;

Tract 3452.04 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2018, 2023, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2037, 2038, 2039, 2040;

Tract 3461.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037;

Tract 3461.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 2000, 2001, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, **2**015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2026, 2027, 2028, 2029, 2030, 2031, 3001, 3002, **3**003, 3004, 3008, 3009, 3011;

Tract 3462.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 4002, 4003, 4004, 4005, 4006, 4007, 4008;

Tract 3462.04 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3016, 3017, 3018, 3019, 3020, 3023, 3024, 3025, 3026, 3027;

Tract 3470 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 2023, 2030, 2031, 2032, 2035, 2036, 2037, 2038, 2039, 2040, 2043, 2044, 2047, 2049, 2055, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2084, 2085, 2087, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2103, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2120, 2121, 2122, 2123, 2127, 2129, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032;

Tract 3480 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016,1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3010, 3011, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040, 3041;

Tract 3500 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2025, 2026, 3003, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4019, 4020, 4021, 4022, 4023, 4024, 4025, 4026, 4027, 4031, 4032, 4033, 4035, 4036, 4037, 4038;

Tract 3511.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 2000, 2001, 3000, 3001, 3002, 3003, 3005, 3006, 3007;

Tract 3512 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2022, 2023, 2024, 2025, 2026, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3013, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022;

Tract 3521.01 Blocks as follows: 1000, 1001, 2004, 2005, 2009;

Tract 3530.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1009, 1012, 1013, 1017, 1019, 2000, 2001, 2002, 2011, 2012;

Tract 3540.02 Blocks as follows: 1021, 1022, 1024, 1025, 1026, 1027, 1028, 1037, 1038, 1039, 3021;

Tract 3551.12 Blocks as follows: 1170, 1366, 1367, 1368, 1369, 2004, 2005, 2006, 2007, 2010, 2011, 2014, 2015, 2016, 2017, 2018, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016;

Tract 3551.14 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2030, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3048, 3049;

Tract 3551.16 Blocks as follows: 1001, 1002, 1003, 1004, 1005, 1006;

EXCEPTING FROM the hereinabove described Ward No. 2, the following described parcels of land:

EXCEPTION ONE: All that parcel of land in Contra Costa County, being a portion of Census Tract 3342.00, described as follows:

BEGINNING at the northwest corner of The Hill Mutual Water Company Unincorporated Territory annexation to East Bay Municipal Utility District, EBMUD Resolution No. 27235, dated February 25, 1975, a map of which was recorded in the office of the County Recorder of Contra Costa County under Recorder's Series No. 18353; thence easterly along the northern boundary line of said annexation to the west line of Castle Crest Road and the TRUE POINT OF BEGINNING; thence continuing along said boundary line southerly and northeasterly to the general western line of the San Ramon Valley County Water District annexation to East Bay Municipal Utility District, EBMUD Resolution No. 18868, dated November 14, 1958, a map of which was recorded in the office of the County Recorder of Contra Costa County under Recorder's Series No. 63644; thence northerly and westerly along said line to the Point of Beginning.

EXCEPTION TWO: All that parcel of land in Contra Costa County, being a portion of Census Tract 3410.00, described as follows:

BEGINNING on the southern boundary line of that annexation to East Bay Municipal Utility District known as Parcel No. 2 of Tice-Colorados Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County on September 27, 1949 under Recorder's Series No. 34720, at the eastern boundary of that annexation to East Bay Municipal Utility District on October 19, 1931 by Resolution No. 3457 of the Utility District's Board of Directors known as Lafayette County Water District; thence along the boundary of said Parcel No. 2 of Tice-Colorados annexation, easterly, northerly and easterly to the boundary of the annexation to the City of Walnut Creek by City Ordinance No. 661, designated as Dollar Ranch Annexation to the City of Walnut Creek (Rossmoor); thence along the boundary of said Dollar Ranch annexation easterly and southerly to the northern line of that annexation to the East Bay Municipal Utility District known as the Lindberg/Strand Annexation, as annexed by the Contra Costa County Local Agency Formation Commission (LAFCO) Resolution No. 06-19 of January 10, 2007 and recorded in the Office of the County Recorder of Contra Costa County on February 26, 2007 as Document 2007-0057069-00; thence along the boundary of said Lindberg/Strand annexation, westerly, southerly, southeasterly, south, southwesterly, southeasterly and northwesterly to the boundary of that annexation to the East Bay Municipal Utility District known as the Soldier Field Partners LLC Annexation, as annexed by the Contra Costa County Local Agency Formation Commission (LAFCO) Resolution No. 07-26 of June 11, 2008 and recorded in the Office of the County Recorder of Contra Costa County on July 22, 2008 as Document 2008-0163071-00; thence along the boundary of said Soldier Field Partners LLC annexation southerly and westerly to the boundary of the territory annexed to the East Bay Municipal Utility District known as Lafayette Valley Unincorporated Territory, a map and description of which said territory was filed in the office of the Recorder of Contra Costa County on October 26, 1955 under Recorder's Series No. 65461; thence along the boundary of said Lafayette Valley Unincorporated Territory, westerly to the boundary of that annexation to East Bay Municipal Utility District known as North Moraga Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County on January 20,

1948 under Recorder's Series No. 2619; thence along the boundary of said North Moraga Unincorporated Territory annexation northwesterly to the boundary of that annexation to East Bay Municipal Utility District on October 19, 1931 by Resolution No. 3457 of the Utility District's Board of Directors known as Lafayette County Water District; thence, northerly, along the boundary of said Lafayette County Water District annexation to the Point of Beginning.

EXCEPTION THREE: All those parcels of land in Contra Costa County, being a portion of Census Tract 3462.04, lying within a boundary more particularly described as follows:

BEGINNING at the northwest corner of that certain annexation to East Bay Municipal Utility District known as Rassier Ranch Boundary Reorganization as adopted by the District's Board of Directors on September 14, 1988 by Resolution No. LAFC 88-27, also being a point on the easterly right of way of McCauley Road; thence northerly along said road to the intersection with Diablo Road; thence in a general easterly direction along Diablo Road to the westerly corner of the annexation to East Bay Municipal Utility District known as Area 6 of Annexation 185, per LAFCO Resolution No. 14-04, recorded in the office of the County Recorder of Contra Costa County, March 13, 2015 under Recorder's Series No. 2015-044483, thence southerly, easterly, and northerly along the boundary of said Area 6 of Annexation 185 to Diablo Road, thence in a general easterly direction along Diablo Road to the westerly corner of that annexation to East Bay Municipal Utility District known as Diablo Unincorporated Territory, EBMUD Resolution No. 20112, dated December 9, 1960; thence southeasterly along the southwesterly boundary line of the last said annexation and along the southwesterly boundary of the annexation to East Bay Municipal Utility District known as Valley Verde Unincorporated Territory, EBMUD Resolution No. 28958, dated May 22, 1979; to the western boundary line of the annexation to East Bay Municipal Utility District known as Blackhawk Ranch Unincorporated Territory, EBMUD Resolution No. 22192, dated July 24, 1964; thence southerly along the last said line to the intersection with the general northerly boundary line of the annexation to East Bay Municipal Utility District known as Sycamore Valley No. 3, EBMUD Resolution No. 31535, dated March 11, 1986; thence westerly along the last said northerly boundary to the southeast corner of the annexation to East Bay Municipal Utility District known as Annexation No. 115-G, LAFCO Resolution No. 90-10-G, recorded in the office of the County Recorder of Contra Costa County, September 25, 1990 under Recorder's Series No. 1990-200874, thence northwesterly along the northeast boundary of said Annexation No. 115-G to the southeast corner of the annexation to East Bay Municipal Utility District known as Area 3 of said Annexation No. 185, thence northwesterly along the northeasterly boundary of said Area 3 of Annexation No. 185 to the northeasterly boundary of said Annexation No. 115-G, thence northwesterly along said boundary to the easterly boundary line of said Sycamore Valley Annexation No. 3, thence northerly along said line to the southeast corner of the aforesaid Rassier Ranch Boundary Reorganization; thence northerly along said Rassier Ranch Boundary Reorganization boundary line to the southeast corner of the annexation to East Bay Municipal Utility District known as Area 4 of said Annexation 185, thence northerly, westerly, and southerly along the boundary of said Area 4 of Annexation 185 to the northeast corner of the Purcell Boundary Reorganization, LAFCO Resolution No. 02-04, recorded March 25, 2002as Contra Costa County Recorder's Series No. 2002-092932; thence westerly, northerly, westerly and southerly along said Purcell Boundary Reorganization to the POINT OF BEGINNING.

And also any portion of Block 3014 lying outside the annexation to East Bay Municipal Utility District known as Area 5 of said Annexation 185.

EXCEPTION FOUR: All those parcels of land in Contra Costa County, being a portion of Census Tract 3342.00 lying within a boundary more particularly described as follows:

BEGINNING at the northwest corner of The Hill Mutual Water Company Unincorporated Territory annexation to East Bay Municipal Utility District, a map of which was recorded in the office of the Recorder of Contra Costa County under Recorder's Series No. 18353; thence southerly along the boundary of said annexation to the northern line of the Alamo Summit Boundary Reorganization (LAFC 91-33) annexation to East Bay Municipal Utility District, a map of which is recorded in the office of the County Recorder of Contra Costa County, filed March 2, 1992 under Recorder's Series No. 92-47535; thence westerly along the said northern line to the easterly line of the annexation to East Bay Municipal Utility District known as Dollar Ranch Annexation to the City of Walnut Creek (Rossmoor); thence northerly, westerly, northerly and northeasterly to the aforesaid northwest corner of said Hill Mutual Water Company Unincorporated Territory annexation and the Point of Beginning.

EXCEPTION FIVE: All that parcel of land in Contra Costa County, being a portion of Census Tracts 3220.00 and 3260.00, described as follows:

ALL that portion of Contra Costa County bounded by that certain annexation to East Bay Municipal Utility District known as Pleasant Hills County Water District as annexed by the District's Board of Directors on January 29, 1941 by Resolution No. 8298 on the south, by that certain annexation to East Bay Municipal Utility District known as Pleasant Hill No. 1 as annexed by the District's Board of Directors on February 24, 1956 by Resolution No. 17465 on the east, and by those certain annexations to East Bay Municipal Utility District known as Pleasant Hill No. 1 as Pleasant Hill No. 2 as annexed by the District's Board of Directors on June 14, 1963 by Resolution No. 21528 and Valpreda Property as annexed by the District's Board of Directors in July, 1966 by Resolution No. 23310 on the northwest.

EXCEPTION SIX: All that parcel of land in Contra Costa County, being a portion of Census Tract 3462.01, described as follows:

ALL that area bounded southerly and westerly by that certain annexation to East Bay Municipal Utility District known as the San Ramon Valley County Water District Annexation, EBMUD Resolution No. 18868, dated November 14, 1958; bounded northerly by that certain annexation to East Bay Municipal Utility District known as the Stratmore Territory Annexation, EBMUD Resolution No. 32423, dated December 11, 1991; and bounded on the east by Block 3014 of Census Tract 3462.01.

EXCEPTION SEVEN: Any portion of those parcels of land in Contra Costa County, being a portion of Census Tract 3452.03, Block 1042 lying outside that annexation to East Bay Municipal Utility District known as the Podva Annexation, also known as Annexation 187, per LAFCO Resolution No. 14-06, recorded in the office of the County Recorder of Contra Costa County, January 12, 2015 under Recorder's Series No. 2015-004376.

EXCEPTION EIGHT: Any portion of those parcels of land in Contra Costa County, being a portion of Census Tracts 3211.03, 3220.00, 3250.00, 3382.03, 3382.04, 3383.01, 3383.02, 3390.02, 3400.01, 3430.03, 3451.12, , 3452.02, 3452.04, 3461.01, 3461.02, 3462.01, 3470.00, 3521.01, 3551.12, 3551.14 and 3551.16, lying outside of the existing East Bay Municipal Utility District "Service Area" as shown on the 1920-R map entitled "Boundaries and Sphere of Influence", on file at the offices of East Bay Municipal Utility District.

#### WARD NO. 3

Ward No. 3 includes the following 2010 census tracts and blocks in Alameda County, State of California, as established by the 2010 decennial federal census:

Census Tracts:

4003, 4010, 4011, 4012, 4013, 4014, 4029, 4034, 4035.01, 4035.02, 4036, 4037.01, 4037.02, 4038, 4039, 4040, 4041.01, 4041.02, 4042, 4044, 4045.01, 4045.02, 4046, 4047, 4048, 4067, 4068, 4069, 4080, 4261, 4262,

Tract 4001 Blocks as follows: 1027, 1028, 1029, 1036, 1038, 1039, 1040, 1041, 1043, 1044, 1045, 1046, 1047, 1048, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1069, 1070, 1071, 1074;

Tract 4027 Blocks as follows: 1000, 1001, 1002, 1006, 1009, 1010, 1011, 1026, 1027;

Tract 4028 Blocks as follows: 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2033, 2035, 2036, 2037, 2038, 2041, 2042, 2043;

Tract 4030 Blocks as follows: 1000, 1001, 2000, 2001;

Tract 4043 Blocks as follows: 1004, 1005, 1006, 1007, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1026, 1027, 1028, 1029, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021;

Tract 4049 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 2011, 2015, 2016, 2017, 2018, 2019, 2020;

Tract 4050 Blocks as follows: 3012;

Tract 4051 Blocks as follows: 3002, 3003, 4006, 4007, 4008, 4009, 5003;

Tract 4064 Blocks as follows: 1000, 2000;

Tract 4066.01 Blocks as follows: 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4010, 4011, 4012, 4013, 4014, 4015;

Tract 4066.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1020, 1021;

Tract 4070 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012;

Tract 4079 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1013, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 3000, 3001, 3002, 3003,

3004, 300**5**, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021;

Tract 4081 Blocks as follows: 2013, 2014;

Tract 4301.02 Blocks as follows: 1020;

All of the following census tracts and blocks in Contra Costa County, State of California, as established by the 2010 decennial federal census:

Census Tracts:

3522.01, 3540.01, 3602;

Tract 3452.03 Blocks as follows: 1019, 1028, 1029;

Tract 3470 Blocks as follows: 2105, 2106;

Tract 3480 Blocks as follows: 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032;

Tract 3500 Blocks as follows: 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 3000, 3001, 3002, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 4018, 4028, 4029, 4030, 4034;

Tract 3512 Blocks as follows: 3009, 3010, 3011, 3012, 3014;

Tract 3521.01 Blocks as follows: 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 2010, 2011, 2024, 2025, 2026, 2027;

Tract 3521.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 3001, 3002, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 4004, 4005, 4006, 4007, 4008, 4009, 4011, 4012, 4015, 4016, 4017, 4018, 4019, 4021, 4022, 4023, 4024, 4025, 4026, 4027, 4028, 4029, 4030, 4031, 4032, 4033, 4034;

Tract 3522.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1022, 1024, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1054, 1057, 1058;

Tract 3530.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2017, 2018, 2019, 2020, 2024, 2025, 2026, 2027, 2028, 2029, 2034, 2035, 2036, 2037, 2038, 2042, 2043, 2044;

Tract 3530.02 Blocks as follows: 100**6**, 1007, 1008, 1010, 1011, 1014, 1015, 1016, 1018, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2013, 2014, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011;

Tract 3540.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1023, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1040, 1041, 1042, 1043, 1044, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3022, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 4019, 4020, 4021, 4022, 4023, 4024, 4025, 4026, 4027, 4028, 4029, 4030, 4031, 4032;

Tract 3560.02 Blocks as follows: 1000, 1003, 1027, 1028, 1033, 1034, 1035, 1036, 1038, 2096, 2097, 2099, 2100, 2110, 2111, 2112, 2114, 2122, 2124, 2125, 2126, 4005, 4032, 4033, 4034, 4035, 4036, 4037, 4038, 4039, 4040, 4041, 4042, 4043, 4044, 4045, 4046, 4047, 4048, 4049, 4050, 4055, 4081, 4082, 4083, 4084, 4085, 4086, 4087, 4088, 4089, 4090, 4091, 4092, 4093, 4094, 4095, 4096, 4097, 4098, 4099, 4101, 4102, 4104, 4105, 4106, 4107, 4108, 4109, 4110, 4111, 4112, 4113, 4114, 4115, 4116, 4117, 4118, 4119, 4120, 4121, 4122, 4123, 4124, 4125, 4126, 4127, 4128, 4129, 4130, 4131, 4132, 4133, 4134, 4135, 4136, 4137, 4138, 4139, 4140, 4141, 4142, 4143, 4144, 4145, 4146, 4147, 4148, 4149, 4150, 4151, 4152, 4153, 4154, 4155, 4156, 4157, 4158, 4159, 4160, 4161, 4162, 4163, 4164, 4165, 4166, 4167, 4168, 4169, 4170, 4171, 4172, 4173, 4174, 4175, 4178, 4179, 4180, 4181, 4182, 4183, 4184, 4185, 4186, 4187, 4188;

Tract 3592.02 Blocks as follows: 1001, 1002, 1003, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2021, 2022, 2024, 2025, 2026, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015;

Tract 3601.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2025, 2026, 2027, 2028, 2030, 2031, 2032, 2033, 3002, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3030, 3031, 3032, 3033;

Tract 3601.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 2000, 2001, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009;

Tract 3610 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2013, 2015, 2017, 2019, 2020, 2021, 2022, 2023, 2024, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2055, 2056, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040, 3041, 3042, 3043, 3044, 3045, 3046, 3047, 3048, 3049, 3050;

Tract 3620 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005;

Tract 3630 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1020, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 3000, 3001, 3002, 3007, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 4019, 4020, 4021, 4022, 4023, 4024, 4025, 4026, 4027;

Tract 3690.02 Blocks as follows: 1000, 1001;

EXCEPTING FROM the hereinabove described Ward No. 3; the following described parcels of land:

EXCEPTION ONE: All that portion of land in Contra Costa County, being a portion of Census Tract 3522.02, described as follows:

A tract of land containing 0.93 acres conveyed by C. A. Hooper & Company to Valle Vista School District, described as follows:

BEGINNING at point in the southerly right of way fence of the Oakland, Antioch & Eastern Railway which point bears North 58°24' West, 192.55 feet from Station No. 2 of Rancho Laguna de los Palos Colorados Tract No. 2; thence South 37°02' West, 160 feet; thence North 50°52' West, 269.7 feet; thence North 45°21' East, 163.6 feet; thence South 50°14' East, 246.2 feet, to the Point of Beginning.

EXCEPTION TWO: All that portion of land in Contra Costa County, being a portion of Census Tract 3522.02, described as follows:

ALL that parcel of land described as Lot 31 as delineated upon that certain map entitled, "Pinehurst Unit One"; Contra Costa County, California, filed June 17, 1916 in Map Book 15, Page 306, in the office of the County Recorder of Contra Costa County, State of California, more particularly described as follows:

BEGINNING on the west line of Pinehurst Drive as said road is shown on said Map of Pinehurst Unit One at the most easterly corner of said Lot 31, said corner bears South  $66^{\circ}30'$  East, 1115 feet, more or less, from the Section corner common Sections 23, 24, 25 and 26, of Township 1 south, Range 3 west, Mount Diablo Base and Meridian; thence North  $81^{\circ}41'$  West, 99.25 feet; thence North  $8^{\circ}19'$  East, 36.86 feet; thence South  $88^{\circ}30'40''$  East, 97.05 feet to the aforesaid west line of Pinehurst Drive, thence southerly along said line along the arc of a curve to the right with a radius of 407.12 feet an arc distance of 48.52 feet to the Point of Beginning.°

EXCEPTION THREE: All that portion of land in Contra Costa County, being a portion of Census Tracts 3530.01 and 3522.02, described as follows:

BEGINNING at a point on the southern boundary of that annexation to East Bay Municipal Utility District known as the Orinda County Water District, as annexed by the District's Board of Directors on May 18, 1934 by Resolution No. 4771 at the western boundary line of that annexation to East Bay Municipal Utility District known as Indian Valley, Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County on June 17, 1971 under Recorder's Series No. 48015; thence northerly to the southeast corner of the Montanera Boundary Reorganization, recorded September 10, 1999, Contra Costa County Recorder's series number 1999-242482; thence westerly and northerly along said Montanera Boundary Reorganization to the southerly line of said Orinda County Water District; thence westerly along the southern boundary of the Orinda County Water District annexation to its intersection with the common boundary line between the Counties of Alameda and Contra Costa; thence southeasterly to a point on the northerly line of the Persin Annexation, recorded August 14, 2001, Contra Costa County Recorder's series number 2001-240406; thence easterly and southerly along said Persin Annexation to the said common boundary line between the Counties of Alameda and Contra Costa; thence along said common boundary line to its intersection with the northern boundary line of the Randi Annexation, recorded December 28, 2005, Contra Costa

County Recorder's series number 2005-496653; thence easterly, southerly and westerly along said Randi Annexation to the said common boundary line between the Counties of Alameda and Contra Costa; thence along said common boundary line to its intersection with the northern boundary line of the McCulley Annexation, EBMUD Resolution No. 33171-99, dated September 14, 1999; thence easterly, southerly and westerly along said McCulley Annexation to the said common boundary line between the Counties of Alameda and Contra Costa; thence along said common boundary line to its intersection with the northern boundary line of the Duffy Annexation, EBMUD Resolution No. 33180-00, dated January 11, 2000; thence easterly and southerly along said Duffy Annexation to the said common boundary line between the Counties of Alameda and Contra Costa; thence along said common boundary line to East Bay Municipal Utility District known as East Bay Municipal Utility District Watershed No. 3 Unincorporated Territory as annexed by the District's Board of Directors on June 10, 1975 by Resolution No. 27344; thence along said boundary line easterly, southeasterly and easterly to a point on the aforesaid western boundary of the Indian Valley Unincorporated Territory annexation, EBMUD Resolution No. 25640, dated May 11, 1971; thence northwesterly and northerly along said boundary to the Point of Beginning.

EXCEPTION FOUR: All that portion of land in Contra Costa County, being a portion of Census Tract 3521.02, described as follows:

BEGINNING at the northern corner of the parcel of land described in the deed to Alfred Carr, Jr., et ux, recorded June 22, 1971 in Book 6414 of Official Records, at Page 375; thence southwesterly and southeasterly along the eastern boundary of the Town of Moraga, 2900 feet, more or less, to the northwestern corner of Parcel "B", as shown on that certain map filed May 11, 1971 in Book 16 of Parcel Maps, Page 34; thence leaving said Town boundary North 74°58' East, along the northern line of said Parcel "B" and the northern line of Parcel "C", as shown on said Parcel Map 16 P.M. 34, and its eastern extension, 1093.96 feet to a point on the boundary line of the East Bay Municipal Utility District as established by that certain annexation known as East Bay Municipal Utility District Watershed No. 3 Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County in Map Book 1 of East Bay Municipal Utility District annexations at page 36; thence north, west and north along said boundary line to the Point of Beginning.

EXCEPTION FIVE: All that portion of land in Contra Costa County, being a portion of Census Tract 3521.02, described as follows:

BEGINNING at the most northerly corner of Renz/Stremel Annexation to East Bay Municipal Utility District, which is recorded in the office of the County Recorder of Contra Costa County filed on October 7, 1993 under Recorder's Series 93-280555, said point also being on the southern boundary line of the Town of Moraga; thence northwesterly along the said boundary line of the Town of Moraga to the boundary line of East Bay Municipal Utility District as established by that certain annexation known as East Bay Municipal Utility District Watershed No. 3 Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County in Map Book 1 of East Bay Municipal Utility District Annexations at Page 36; thence south, southeasterly and westerly along said last boundary to the southwest corner of said Renz/Stremel Annexation; thence northwesterly, westerly and northeasterly, along last said Annexation to the Point of Beginning.

EXCEPTION SIX: All that portion of land in Contra Costa County, being a portion of Census Tract 3522.02, described as follows:

ALL that portion of Contra Costa County bounded by the boundary between Contra Costa County and Alameda County on the south, the City of Oakland on the west and that certain annexation to East Bay Municipal Utility District known as East Bay Municipal Utility District Watershed No. 3 Unincorporated Territory as annexed by the District's Board of Directors on June 10, 1975 by Resolution No. 27344 on the northeast.

EXCEPTION SEVEN: All that parcel of land in Contra Costa County, being a portion of Census Tract 3601.01 and 3601.02, described as follows:

BEGINNING at a point on the northeasterly boundary line of that certain annexation to East Bay Municipal Utility District known as El Sobrante County Water District, a map of which was filed March 30, 1972 under Recorder's Series No. 26819 Official Records of Contra Costa County, said point being also the most southerly corner of that certain annexation to East Bay Municipal Utility District known as a portion of the City of Pinole, Resolution No. 1170 "Bragg Annexation", a map of which was filed April 4, 1977 in Book 1 of East Bay Municipal Utility District Annexation Maps at page 43 Official Records of Contra Costa County; thence northeasterly along the southeasterly boundary line of the aforesaid "Bragg Annexation" to a point on the southwesterly boundary line of that certain annexation to East Bay Municipal Utility District known as the City of Pinole Annexation, Ordinance No. 85 adopted April 25, 1955; thence southeasterly along the southwesterly boundary line of said annexation to the most westerly corner of Parcel One of that certain annexation to East Bay Municipal Utility District known as Pinole Valley Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County on March 5, 1968 under Recorder's Series No. 6883; thence easterly along the southern line of said Parcel One to the aforesaid boundary line of the City of Pinole (Ordinance No. 85); thence easterly along said boundary to its intersection with the western boundary line of that certain annexation to East Bay Municipal Utility District. known as Adobe Road Annexation, as annexed by Resolution No. 32,591 of the Utility District's Board of Directors dated March 10, 1992; thence southwesterly, southerly and easterly along said boundary to its intersection with the southwest corner of Parcel Two of that certain annexation to East Bay Municipal Utility District known as Pinole Valley No. 2 Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County on February 17, 1969 under Recorder's Series No. 11151; thence easterly along the southerly boundary of said Parcel Two (Rec. Ser. No. 11151) to the southwest corner of that annexation to the East Bay Municipal Utility District known as "4900 Pinole Valley Road Annexation", as annexed by the Contra Costa County Local Agency Formation Commission (LAFCO) Resolution No. 07-18 of October 10, 2007 and recorded in the Office of the County Recorder of Contra Costa County on November 13, 2007 as Document 2007-0314291-00; thence, along the southerly boundary of said "4900 Pinole Valley Road Annexation" to its intersection with the westerly boundary line of that certain annexation to East Bay Municipal Utility District known as East Bay Municipal Utility District Watershed No. 2 Unincorporated Territory, a map of which was filed in the office of the County Recorder of Contra Costa County on March 28, 1974 under Recorder's Series No. 22917; thence in a general southerly direction along the general westerly boundary of said annexation (Rec. Ser. No. 22917) to its intersection with the northeasterly boundary line of that certain annexation to East Bay Municipal Utility District known as Cutter Ranch Boundary Reorganization as annexed by Resolution No. 29,770 of the Utility District's Board of Directors dated May 12, 1981; thence northwesterly along the northeasterly boundary of said annexation (Res. No. 29,770) to its intersection with the general easterly boundary line of that certain annexation to East Bay Municipal Utility District known as El Sobrante Hills No. 1 Unincorporated Territory, a map of which was filed in the office of the County Recorder of

Contra Costa County on March 7, 1978 in Book 8737, Official Records, at Page 18; thence northwesterly along the northeasterly boundary of said annexation (8737 OR 18) to its intersection with the northeasterly boundary line of the aforesaid El Sobrante County Water District annexation (Rec. Ser. No. 26819); thence northwesterly along said boundary to the Point of Beginning.

EXCEPTION EIGHT: All that parcel of land in Contra Costa County, being a portion of Census Tract 3560.02, described as follows:

BEGINNING at a point on the general northerly boundary line of that certain annexation to East Bay Municipal Utility District known as East Bay Municipal Utility District Watershed No. 2, a map of which was filed in the office of the County Recorder of Contra Costa County on March 28, 1974 under Recorder's Series No. 22917 said point also being on the general easterly boundary line of that certain annexation to East Bay Municipal Utility District known as Kensington Unincorporated Territory as annexed by the Utility District's Board of Directors by Resolution No. 3579 dated January 4, 1932; thence northwesterly along the easterly boundary of said annexation (Res. No. 3579) to its intersection with the southerly boundary line of that certain annexation to East Bay Municipal Utility District known as Castro Pointe - Carriage Hill South Boundary Reorganization as adopted by the City Council of the City of Richmond on April 16, 1987 under Resolution No. 37/87 (LAFC 86-45); thence northeasterly and southeasterly along said boundary to its intersection with the aforesaid East Bay Municipal Utility District Watershed No. 2 annexation (Rec. Ser. 22917); thence southerly and southwesterly along said boundary to the Point of Beginning.

EXCEPTION NINE: All those parcels of land in Contra Costa County, being a portion of Census Tract 3592.02 bounded northerly by those certain annexations to East Bay Municipal Utility District known as the Town of Hercules Annexation, EBMUD Resolution No. 15962, dated May 22, 1953 and the Hanna Ranch Annexation, EBMUD Resolution No. 31777, dated December 9, 1986; bounded southerly and easterly by that certain annexation known as the EBMUD Watershed #2 Annexation, EBMUD Resolution No. 26849, dated March 12, 1974; bounded southwesterly by that certain annexation known as the Marcas Street Annexation, EBMUD Resolution No. 23141, dated April 8, 1966 and bounded westerly by those certain annexations known as the Sliver Canyon Annexation, EBMUD Resolution No. 21726, dated September 19, 1965 and the Marsten Ranch Annexation, EBMUD Resolution No. 31986, dated December 8, 1987.

EXCEPTION TEN: Any portion of those parcels of land in Contra Costa County, being a portion of Census Tracts 3470, 3480, 3521.01, 3521.02, 3522.02, 3540.02, 3560.02 and any portion of that parcel of land in Alameda County, being a portion of Census Tract 4046 lying outside of the existing East Bay Municipal Utility District "Service Area" as shown on the 1920-R map entitled "Boundaries and Sphere of Influence", on file at the offices of East Bay Municipal Utility District.

#### WARD NO. 4

Ward No. 4 includes the following 2010 census tracts and blocks in Alameda County, State of California, as established by the 2010 decennial federal census:

Census Tracts:

4002, 4004, 4005, 4006, 4007, 4008, 4009, 4201, 4202, 4203, 4204, 4205, 4206, 4211, 4212, 4213, 4214, 4215, 4216, 4217, 4218, 4219, 4220, 4221, 4222, 4223, 4224, 4225, 4226, 4227, 4228, 4229, 4230, 4231, 4232, 4233, 4234, 4235, 4236.01, 4236.02, 4237, 4238, 4239.01, 4239.02, 4240.01, 4240.02, 4251.01, 4251.02, 4251.03, 4251.04,

Tract 4001 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1030, 1031, 1032, 1033, 1034, 1035, 1037, 1042, 1049, 1050, 1066, 1067, 1068, 1072, 1073, 1075, 1076;

Tract 4043 Blocks as follows: 1000, 1001, 1002, 1003, 1008, 1009, 1010, 1024, 1025;

Tract 9900 Blocks as follows: 0001, 0002, 0003, 0004, 0005;

All of the following census tracts and blocks in Contra Costa County, State of California, as established by the 2010 decennial federal census:

#### Census Tracts:

3851, 3852, 3870, 3880, 3891, 3892, 3901, 3902, 3910, 3920;

Tract 3700 Blocks as follows: 2010, 2011, 2014;

Tract 3840 Blocks as follows: 1000, 1001, 1002, 1004, 1005, 1006, 1007, 1008, 1009, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 4019;

Tract 3860 Blocks as follows: 1000, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011

#### WARD NO. 5

Ward No. 5 includes the following 2010 census tracts and blocks in Alameda County, State of California, as established by the 2010 decennial federal census:

#### Census Tracts:

4015, 4016, 4017, 4018, 4022, 4024, 4025, 4026, 4031, 4033, 4061, 4073, 4088, 4090, 4091, 4092, 4105, 4271, 4272, 4273, 4276, 4277, 4278, 4279, 4280, 4281, 4282, 4283.01, 4283.02, 4284, 4285, 4286, 4287, 4324, 4333, 4334, 4335, 4336, 4358, 4359, 4360, 4361, 4362, 9819, 9820, 9832,

Tract 4027 Blocks as follows: 1003, 1004, 1005, 1007, 1008, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029

Tract 4028 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 2031, 2032, 2034, 2039, 2040;

Tract 4030 Blocks as follows: 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033;

Tract 4060 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 3000, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040;

Tract 4089 Blocks as follows: 1009, 1010, 1011, 1012, 1013, 2004, 2005, 2014, 2015, 2030, 2031;

Tract 4093 Blocks as follows: 1000, 1002, 1004, 1007, 1014, 1016, 1017, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 3000, 3001, 3004, 3005, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015;

Tract 4094 Blocks as follows: 2010, 2011, 2034, 2035, 2036, 2037, 2038;

Tract 4095 Blocks as follows: 1005, 1006, 1007;

Tract 4357 Blocks as follows: 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012;

Tract 9900 Blocks as follows: 0006, 0007, 0008, 0009, 0010, 0011, 0012, 0013, 0014, 0015, 0016, 0017;

EXCEPTING FROM the hereinabove described Ward No. 5; the following described parcels of land:

EXCEPTION ONE: All that parcel of land in Alameda County, being a portion of Census Tract 4324.00, described as follows:

ALL that portion of the Southern Pacific Railroad property bounded by the boundary of the City of San Leandro on the north, east, south and west as said boundary was established by City of San Leandro Ordinances 723 N.S., 879 N.S., 1220 N.S. and 1029 N.S.

EXCEPTION TWO: All that parcel of land in Alameda County, being a portion of Census Tract 4324.00, described as follows:

ALL that unincorporated territory bounded on the north by the City of San Leandro boundary as established by Ordinance 723 N.S., bounded on the east by the City of San Leandro boundary as established by Ordinance 654 N.S., bounded on the south by the north line of Davis Street, and bounded on the west by the eastern line of that certain annexation to East Bay Municipal Utility District known as Davis Street Unincorporated Territory, a map of which was filed December 23, 1962 in Map Book 43, Page 27A, Alameda County Records and by the City of San Leandro boundary as established by Ordinance 879 N.S.

EXCEPTION THREE: All that parcel of land in Alameda County, being a portion of Census Tract 4324.00, described as follows:

That portion of Census Tract 4342.00, Block 3000, bounded southerly and westerly by Doolittle Drive and easterly by Carden Street.

EXCEPTION FOUR: All that area of land annexed to the City of Oakland by City of Oakland Ordinance 47516 C.M.S.

#### WARD NO. 6

Ward No. 6 includes the following 2010 census tracts and blocks in Alameda County, State of California, as established by the 2010 decennial federal census:

#### Census Tracts:

4052, 4053.01, 4053.02, 4054.01, 4054.02, 4055, 4056, 4057, 4058, 4059.01, 4059.02, 4062.01, 4062.02, 4063, 4065, 4071.01, 4071.02, 4072, 4074, 4075, 4076, 4077, 4078, 4082, 4083, 4084, 4085, 4086, 4087, 4096, 4097, 4098, 4099, 4101, 4102, 4103, 4104,

Tract 4049 Blocks as follows: 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2012, 2013, 2014, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 4019;

Tract 4050 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029;

Tract 4051 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 4000, 4001, 4002, 4003, 4004, 4005, 5000, 5001, 5002, 5004, 5005, 5006, 5007, 5008;

Tract 4060 Blocks as follows: 3001;

Tract 4064 Blocks as follows: 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014;

Tract 4066.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 3010, 3011, 3012, 3013, 3014, 3015, 3016, **3**017, 4007, 4008, 4009;

Tract 4066.02 Blocks as follows: 1014, 1015, 1016, 1017, 1018, 1019, 1022, 1023, 1024, 1025, 2000, 2001, 2002, 2003, 2004, 2005;

Tract 4070 Blocks as follows: 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, **2**010, 2011, 2012, 2013, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007;

Tract 4079 Blocks as follows: 1012;

Tract 4081 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 4000, 4001, 4002, 4003, 4005, 4006, 4007, 4008, 4009:

Tract 4089 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 2000, 2001, 2002, 2003, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029;

Tract 4094 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2039, 2040, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019;

Tract 4095 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014;

Tract 4100 Blocks as follows: 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3011, 3011;

Tract 4301.02 Blocks as follows: 1025;

Tract 4328 Blocks as follows: 1009, 1010;

WARD NO. 7

Ward No. 7 includes the following 2010 census tracts and blocks in Alameda County, State of California, as established by the 2010 decennial federal census:

#### Census Tracts:

4303, 4304, 4305, 4306, 4307, 4308, 4309, 4310, 4311, 4321, 4322, 4323, 4325.01, 4325.02, 4326, 4327, 4330, 4331.02, 4331.03, 4331.04, 4332, 4337, 4338, 4339, 4340, 4352, 4356.01, 4356.02,

Tract 4093 Blocks as follows: 2023;

Tract 4100 Blocks as follows: 1000, 1001;

Tract 4301.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3017, 3018, 3019, 3023, 3024, 3025, 3027, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040;

Tract 4301.02 Blocks as follows: 1004, 1007, 1013, 1014, 1015, 1016, 1017, 1018, 1021, 1022, 1023, 1024, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1085, 1086, 1087, 1088, 1089;

Tract 4302 Blocks as follows: 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017, 4018, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, 5009, 5010, 5011, 5012;

Tract 4312 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2040, 2041, 2042, 2044, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029;

Tract 4328 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033;

Tract 4351.03 Blocks as follows: 1003, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1070, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 3000, 3003, 3004, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3025;

Tract 4353 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 2000, 2001, 2002, 2003, **2**004, 2005, 2006, 2008, 2014, 2022, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007;

Tract 4354 Blocks as follows: 2000, 2004;

Tract 4355 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, **2**008, 2009, 2010, 2015, 2016, 3000, 3001, 3002, 3005, 3006, 3007, 3008, 3018, 3020;

Tract 4357 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021;

Tract 4362 Blocks as follows: 2005, 2006, 2007, 2008;

Tract 4363 Blocks as follows: 1000, 1001, 1002, 1009, 1013, 1014, 1015;

Tract 4364.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2010, 2016, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3036, 3037, 3038, 3039, 3040, 3041, 3044, 4000, 4001, 4002, 4003, 4004, 4005;

Tract 4364.02 Blocks as follows: 1001, 1002, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 2000, 2001, 2002, 2003, 2005, 2008;

Tract 4367 Blocks as follows: 1001, 1004, 2000, 2001, 2005, 2007, 2008, 2009, 2010, 2019, 2020;

Tract 4369 Blocks as follows: 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 2000, 4001, 4007;

All of the following census tracts and blocks in Contra Costa County, State of California, as established by the 2010 decennial federal census:

#### Census Tracts:

3451.16;

Tract 3451.15 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1053, 1054, 1055, 1056, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010;

Tract 3452.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036;

Tract 3452.03 Blocks as follows: 1037, 1038, 1040, 1041;

EXCEPTING FROM the hereinabove described Ward No. 7 the following described parcels of land:

EXCEPTION ONE: All that portion of land in Alameda County, being any portion of Census Tracts 4338.00, 4337.00 and 4332.00, described as follows:

ALL that portion of Southern Pacific Railroad right of way, lying between the east line of Hesperian Boulevard and the south line of Lewelling Boulevard.

EXCEPTION TWO: All that portion of land in Alameda County, being any portion of Census Tracts 4337.00 and 4332.00, described as follows:

ALL that portion of the Nimitz Freeway bounded on the north by the City of San Leandro boundary as established by Resolution No. 115261 of the Board of Supervisors of Alameda County, bounded on the southwest by the City of San Leandro boundary as established by Ordinance 1052 N.S., and bounded on the east by the west line and its prolongation northerly and southerly of the parcel of land conveyed to Mary Graves, et al, by deed recorded on June 21, 1971 under Recorder's Series No. 71-76203, Official Records of Alameda County.

EXCEPTION THREE: All that portion of land in Alameda County, being a portion of Census Tracts 4301.02 and 3522.02, described as follows:

ALL that portion of Alameda County bounded by the boundary between Contra Costa County and Alameda County on the north, the City of Oakland on the West, those certain annexations to East Bay Municipal Utility District known as East Bay Municipal Utility District Watershed No. 3 Unincorporated Territory as annexed by the Board of Director's on June 10, 1975 by Resolution No. 27344 and East Bay Municipal Utility District Watershed No. 1 Unincorporated Territory as annexed by the Board of Director's on March 28, 1972 by Resolution No. 26021 on the east and by that certain annexation to East Bay Municipal Utility District known as Chabot as annexed by the Board of Director's on February 13, 1934 by Resolution No. 4648 on the south.

EXCEPTION FOUR: All that portion of land in Alameda County, being a portion of Census Tracts 4301.02 and 4302, described as follows:

ALL that portion of Alameda County bounded on the north by an annexation to East Bay Municipal Utility District known as Cull Ridge Unincorporated Territory as annexed by the Board of Director's on June 26, 1979 by Resolution No. 29000 and bounded on the west and south by an annexation to East Bay Municipal Utility District known as Castro Valley County Water District as annexed by the Board of Director's on July 17, 1931 by Resolution No. 3302 and bounded on the east by the annexation to East Bay Municipal Utility District known as Cull Canyon Unincorporated Territory as annexed by the Board of Director's on July 12, 1977 by Resolution No. 28213 and Cull Canyon Estates Annexation as annexed by the Castro Valley Sanitary District on June 2, 1992 by Resolution No. 2656. The above described parcel is commonly known as the Cull Canyon Regional Recreation Area.

EXCEPTION FIVE: All that parcel of land in Alameda County, being a portion of Census Tract 4351.03, described as follows:

The area bounded northerly and westerly by that certain annexation to East Bay Municipal Utility District known as the Fairview County Water District Annexation, EBMUD Resolution No. 4283, dated May 26, 1933; bounded easterly by that certain annexation known as the Palomares Canyon Annexation, filed November 2, 1965 in Book 51, Page 8, Annexation Maps of Alameda County; and bounded southerly by that certain annexation known as the Rancho Palomares Annexation, recorded December 26, 1990, Alameda County Recorder's series number 90-335077.

EXCEPTION SIX: All that parcel of land in Contra Costa County, being a portion of Census Tract 3451.15, described as follows:

The area bounded northerly, westerly and southerly by that certain annexation to East Bay Municipal Utility District known as the Norris Canyon Annexation, Contra Costa County Resolution No. 93-83, dated April 1, 1993 and bounded easterly by those certain annexations known as the Twin Creeks Hills Annexation, EBMUD Resolution No. 29610, dated December 9, 1980 and the San Ramon South Annexation, EBMUD Resolution No. 21862, dated January 10, 1964.

EXCEPTION SEVEN: Any portion of those parcels of land in Alameda County, being a portion of Census Tracts 4301.01, 4301.02, 4302.00, 4312.00, 4351.03, 4353.00, 4355.00, 4363.01, 4357, 4363, 4364.01, 4364.02, 4367.00 and 4369.00, lying outside of the existing East Bay Municipal Utility District "Service Area" as shown on the 1920-R map entitled "Boundaries and Sphere of Influence", on file at the offices of East Bay Municipal Utility District.

EXCEPTION EIGHT: Any portion of those parcels of land in Contra Costa County, being a portion of Census Tracts 3451.15, 3452.02, and 3452.03, lying outside of the existing East Bay Municipal Utility District "Service Area" as shown on the 1920-R map entitled "Boundaries and Sphere of Influence", and dated May 2009, on file at the offices of East Bay Municipal Utility District.

The official map of the territory included within the East Bay Municipal Utility District, as described above, covering portions of Alameda and Contra Costa Counties and vicinity is on file at East Bay Municipal Utility District and by reference made a part hereof.

Any Resolution; or part thereof, in conflict herewith is hereby repealed and rescinded.

This legal description is for administrative purposes only and is not a legal property description as defined in the Subdivision Map Act.

ADOPTED THIS 26<sup>th</sup> day of April, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel



This document was made by me, or under my direction in March, 2016.

Craig A. Roberts Exp. Date 12/31/16

L.S. 8736

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AGENDA NO.

MEETING DATE April 26, 2016

10.

## TITLE INVESTMENT POLICY ANNUAL REVIEW

## **RECOMMENDED ACTION**

Review and approve Investment Policy 4.07, which contains proposed changes to the current policy that was last revised on March 26, 2013, and affirm existing delegation of authority for the management of investments on behalf of the District to the Director of Finance, who is also acting as the Treasurer of the District.

The policy underwent a comprehensive review to ensure that it not only remains compliant with the California Government Code but also is consistent with best practices as established through review of peer agencies' investment policies. Several changes were made to update and clarify the policy where appropriate. The document has also been reformatted to improve its functionality.

This item was reviewed with the Finance/Administration Committee on April 26, 2016.

## DISCUSSION

Section 53646 of the California Government Code encourages the Treasurer to annually present a statement of investment policy to the Board for their consideration at a public meeting. Existing law also authorizes the Board to delegate its authority for the management of investments to the Treasurer of the District. The District's investment policy fully complies with the California Government Code and governs the investment of funds by the District.

This year the policy was reviewed to ensure that it is consistent not only with the Code but also with best practices in the industry. Best practice was established through comprehensive review of peer organizations, with a focus on large utility districts and similarly-sized government agencies. Changes to the policy include:

 Substantial formatting changes designed to make the policy more functional as a reference document. For example, the investment options were re-ordered by safety and liquidity; the format was standardized across investment options to more clearly identify policy limits; the investment category under which the California Asset Management Program (CAMP) is listed was retitled to

Funds Available FY:	Budget Code:	
DEPARTMENT SUBMITTING: Finance	DEPARTMENT MANAGER or DIRECTOR:	APPROVED: <u>Mulean for R. Cearro</u> General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

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Local Government Investment Pool to reflect its designation under the Code; and the section discussing Certificates of Time Deposit was reformatted to more clearly reflect the policy distinctions between Uncollateralized and Collateralized obligations.

- Added the "Prudent Investor" standard. The standard is spelled out in the California Government Code, and while it had previously been implicit in the policy it is best practice to make it explicit.
- Made consistent the limits that each category of short-term liquid investment can represent of the total portfolio. Whereas previously they had varied substantially, now no single category can represent more than 20% of the District's investment portfolio. Certificates of Deposit are limited to 20% on a combined basis.
- Deleted "Bankers Acceptances" as a permissible investment as these securities are no longer prevalent in the market.
- Updated "United States Government Agencies' Obligations" to include two additional agencies, Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal Agricultural Mortgage Corporation (Farmer Mac). These are long-standing agencies chartered by the federal government, and their obligations are as liquid and carry the same implicit backing of the U.S. government as other federal agencies' obligations.
- Added a limit to the size of individual Negotiable Certificate of Deposit (CD) investments, effectively requiring that all purchases are FDIC insured. FDIC insurance is backed by the full faith and credit of the United States government. Accordingly, the requirements pertaining to size and rating of the issuing bank were removed.
- Clarified that Municipal Obligations permitted under the policy include securities issued by both the state of California and local governments.
- Clarified that the Treasurer will make a best effort to obtain at least three price quotes before making a decision to purchase securities in the secondary market. Allowing for a best effort reflects the fact that, depending upon the security in question, three quotes may not always be readily available.
- Added a requirement that in order to be eligible to trade with the District, dealers, brokers, banks and savings and loan associations must certify in writing that they have read, understood, and agree to comply with the policy.

The current policy, the proposed policy with changes marked, and the proposed policy in unmarked form are attached.

## Attachments



### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield and diversity as set forth herein. Investments shall be in securities with a range of maturities to provide a high rate of return on investments while providing adequate security and liquidity to pay demands when due.

Authority	Section 53600 et. seq. of the California Government Code, Article 7 in Chapter 6 of the Municipal Utility District (M.U.D.) Act, and Board Resolution No. 33232-01 defines the types of allowable investments and delegates to the Director of Finance as the Treasurer the authority and responsibility to invest idle monies of the District. The investment of bond proceeds are specifically defined in the individual bond indenture documents and are not included in this policy. Section 53635 of the California Government Code defines how investments are to be handled for Joint Powers Authorities.			
Investment Criteria	<ol> <li>Criteria for selecting investments, in order of priority are:</li> <li>Safety - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.</li> </ol>			
	<ol> <li>Liquidity - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields.</li> </ol>			
	<ol> <li>Yield - Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.</li> </ol>			
	4. Diversity - Ability to maintain a broad investment portfolio for the District. In order to accomplish this, no more than 40% of the total portfolio shall be invested in any one type of security, and other than federally backed securities, no more than 10% in any one investment issue, nor more than 10% with any one issuer.			
Investment Options	The District is able to purchase investments in the following instruments as stipulated under Section 53601 et. seq. of the California Government Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions and guidelines set by the District:			
	1. U.S. Treasury Notes, Bonds and Bills			
	<ul> <li>Unlimited investments</li> <li>Maturity date not to exceed 5 years</li> </ul>			
	2. State of California, Local Agency Investment Fund (LAIF)			
	- Maximum limit as determined by Section 16429.1 of the California Government Code			

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- 3. <u>Obligations issued by Federal Agencies</u> or a U.S. Government sponsored enterprise such as the Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), and Federal National Mortgage Association (FNMA).
  - Each agency holding limited to 40% of the Portfolio Investments
  - Maturity date not to exceed 5 years

## 4. Banker's Acceptances

- Limited to 40% of the District's Portfolio
- Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more
- Maturity not to exceed 180 days
- Prime quality depending on size and credit worthiness of Bank
- Issued by banks from offices in the U.S.

## 5. Commercial Paper

- Limited to 25% of the District's Portfolio
- Maturity not to exceed 270 days
- Ratings of A1, P1 or F1 by either S&P, Moody's, or Fitch respectively
- Eligible Commercial Paper is limited to those issued by corporations organized and operating in the U.S., with total assets exceeding \$500,000,000

## 6. Medium Term Corporate Notes

- Limited to 30% of the District's Portfolio
- Maturity not to exceed five years
- Issued by corporations operating within the United States
- Rated AA or higher by one nationally-recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.

## 7. <u>Repurchase Agreements</u>

- Limited to 20% of the District's investment portfolio
- Maturity not to exceed 270 days
- Collateral may be any securities authorized in items 1 through 5 above
- A Master Repurchase Agreement must be on file with the District
- Security marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%
- Primarily used as a limited term investment and a vehicle to fill particular dates and amounts

## 8. <u>Certificates of Time Deposit</u>

- Maturity not to exceed 5 years
- On uncollateralized deposits, limited to \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
- On collateralized deposits, limited to 30% of District's Investment Portfolio
- Investment in local branches within the District, whenever possible
- Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
- Deposits will be supported by a Contract for Deposit of Money with the depositing bank
- An important consideration will be credit worthiness/solvency of the banking institution as evaluated by S&P or Moody's or other evaluator of financial institution's fiscal stability

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	9. Negotiable Certificates of Deposit
	<ul> <li>Limited to 30% of the District's portfolio</li> <li>Maturity not to exceed five years</li> <li>Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more, and a credit rating of AA or higher</li> </ul>
	10. <u>Money Market Mutual Funds</u>
	<ul> <li>Rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services</li> <li>Unrated funds with assets under management in excess of \$500,000,000 and which has retained an advisor registered with the Securities and Exchange Commission with no less than five years experience investing in instruments allowed under the District's investment policy</li> <li>Permitted investments conform to those authorized by the California Government Code (Sections 53601 et seq.)</li> <li>May not represent more than five percent (5%) of the money market fund's assets</li> </ul>
	11. <u>Municipal Bonds</u>
	<ul> <li>Limited to 40% of the District's portfolio</li> <li>Maturity date not to exceed 5 years or with a put provision within 5 years of date of purchase</li> <li>Rated AA or higher by one nationally-recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.</li> <li>Notes must be issued by the State of California or a local California agency. Notes maturing within 365 days must have a rating of MIG-1, SP-1, or F-1 by either Moody's, S&amp;P, or Fitch respectively. If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.</li> </ul>
	12. California Asset Management Program (CAMP)
	<ul> <li>Limited to 10% of the District's portfolio</li> <li>Investments will be made in the CAMP Investors Shares Series</li> <li>Rated highest short term rating by either S&amp;P, Moody's or Fitch</li> </ul>
Investment Placement	Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, the Treasurer will obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.
Selling Securities Prior To Maturity	Losses are only allowable if either the sale of securities was necessary to meet payment obligations where no other funds are available, or the proposed swap/trade can enhance yield over the life of the new security on a total return basis.
Collateral	Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

NUMBER

4.07

**Investment Policy** 

Investment	Policy	NUMBER	4.07		
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Purchasing Entities	Investments not purchased directly from the issuer will be purch	nased from:			
	<ul> <li>Institutions licensed by the State of California as a broker -</li> <li>National or California State Chartered Banks</li> <li>Federal or California Chartered Savings Institution</li> <li>Brokerage firms designated as a primary government deale</li> <li>Member of a federally regulated securities exchange</li> </ul>		ve Bank		
	The Treasurer shall maintain a current eligible list of established savings and loan associations with which securities trading and authorized. Strong capital base and credit worthiness are prima approved list. Dealers and brokers shall be regulated by the Sec Commission and be members in good standing of the Financial	placement of funds are ry criteria for inclusion of curities and Exchange	on the		
Investment Security	To ensure a high degree of internal control, the District shall comply with the following:				
occurry	<ol> <li>All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).</li> </ol>				
	<ol> <li>All trade confirmations shall be received directly and reviewed transaction by an individual other than the person originating confirmations must be an original; copies of confirmations ar will be brought to the attention of the Treasurer.</li> </ol>	the transaction All trac	de de		
Fund Wire Procedures	Payment for securities purchased from broker dealers that are in will be made through the District's custodial bank. Funds will only immediately following the custodial bank's acknowledgment that settlement on the terms and conditions specified by the District. I from bank investment departments that will be safe kept with the be made immediately upon confirmation of the trade.	y be transferred subseq they are prepared to ma Payment for securities r	uent but ake		
Review And Reporting Requirements	On a quarterly basis the Treasurer shall prepare and submit a re the Board of Directors listing investment transactions for the quar summary by security type, percent of the portfolio, investment yie investment to maturity.	ter and providing an inv	estment		
	On an annual basis, in accordance with Section 53646 of the Cal investment policy may be presented to the Board for consideration conjunction with the investment policy consideration, the Board s delegation of its authority for the management of investments to t	n at a public meeting. In hall also annually review	n v the		
Performance Review And	Office of Internal Audit				
nternal Control	The Office of Internal Audit will periodically audit the investment p effectiveness of the District's investment program as well as its co Policy. These audits will supplement the annual review by the Dis	mpliance with the Invest	stment		

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#### Finance Department

The Director of Finance will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.

Authority Resolution No. 33019-96 on December 10, 1996, Amended by Resolution No. 33134-99 on January 26, 1999 Amended by Resolution No. 33232-01 on January 9, 2001 Amended by Resolution 33287-02 on January 22, 2002 Amended by Resolution 33350-03 on February 25, 2003 Amended by Resolution 33390-04 on January 27, 2004 Amended by Resolution 33464-05 on February 22, 2005 Amended by Resolution 33516-06 on January 24, 2006 Amended by Resolution 33585-07on March 13, 2007 Approved by Resolution 33658-08, February 26, 2008 Approved by Resolution 33702-09, February 24, 2009 Approved by Resolution 33752-10, January 26,2010 Approved by Resolution 33792-10, November 23, 2010 Approved by Resolution 33871-12, April 24, 2012 Approved by Resolution 33920-13, March 26, 2013 Reaffirmed by Motion 056-14, March 25, 2014 Approved by Resolution 34027-15, April 28, 2015



# **INVESTMENT POLICY**

# Policy 4.07R

EFFECTIVE

28 APR 15 26 APR 16

SUPERSEDES

26 MAR 13 28 APR 15

## IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield and diversity as set forth herein. Investments shall be in securities with a range of maturities to provide a high rate of return on investments while providing adequate security and liquidity to pay demands when due.

Mun <u>Distr</u> dele resp defir of th	tion 53600 et. seq. of the California Government Code, (Code), and Article 7 in Chapter 6 of the icipal Utility District <u>Act (M.U.D.) Act, and. Act) govern the investment of idle monies of the</u> <u>rict.</u> Board Resolution No. 33232-01 defines the types of allowable investments and <u>gatesreaffirms the delegation</u> , to the Director of Finance as the Treasurer, the authority and ionsibility to invest idle monies of the District. The investment of bond proceeds are specifically ned in the individual bond indenture documents and are not included in this policy. Section 53635 e California Government Code defines how investments are to be handled for Joint Powers iorities.
Criteria	aria for selecting investments shall: adhere to the prudent investor standard, described in Section 53600.3 of the Code as follows: when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated medes of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," and conform with the Code and M.U.D. Act, and Criteria for selecting investmentshave the following objectives, in order of priority-are: Safety - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and nvestments on behalf of the District. Liquidity - The District's ability to have cash available when needed to support expenditure sycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields. Yield - Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above. Diversity - Ability to maintain a broadan investment portfolio that includes a range of security ypes for the District. In order to accomplish this, no more than 40% each Investment Option shall have defined limits on maximum share of the total-portfolio shall be invested in any one type of preverity, single issuer and single issue holdings, and maturity, rating and other than federally macked securities, no more than 10% in any one investment issue, nor more than 10% with any one issuer restrictions where appl

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Investment Options	The District is able to purchase investments in the following instr stipulated allowed and defined under Section 5360153600 et. sec Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolution policy. As used in this section, the term "Portfolio" refers to each the District	q. of the <del>California Gov</del> s <del>and guidelines set</del> , a	ection <b>as</b> /ernment and via this
	1. U.S. United States Treasury Notes, Bonds and Bills Obligation	<u>ns</u>	
	Unlimited investments     Maximum Share of Portfolio: Unlimited <u>Maximum Issuer Limit: n/a</u> <u>Maximum Issue Limit: n/a</u> <u>Maximum Maturity-date not: Not</u> to exceed <u>five (5)</u> years <u>Maximum Rating: n/a</u>	<u>from the purchase da</u>	<u>te</u>
	- Other Restrictions: none		
	2. <u>State of California, Local Agency Investment Fund (LAIF)</u>		
	Maximum limit as determined by Section 16429.1 of the	California Governmen	t-Code
	2. United States Government Agencies' Obligations		
	Under this subsection, only obligations issued by the followin <u>• Federal Agricultural Mortgage Corporation (Farm</u> <u>• Federal Farm Credit Bank (FFCB)</u> <u>• Federal Home Loan Bank (FHLB)</u> <u>• Federal Home Loan Mortgage Corporation (FHL)</u> <u>• Federal National Mortgage Association (FNMA)</u> <u>• Maximum Share of Portfolio: Unlimited</u> <u>• Maximum Issuer Limit: 40% of the Portfolio</u> <u>• Maximum Issue Limit: n/a</u> <u>• Maximum Maturity: Not to exceed five (5) years from the</u> <u>• Minimum Rating: n/a</u> <u>• Other Restrictions: none</u>	<u>ner Mac)</u> MC)	<u>ted:</u>
	<ol> <li><u>Obligations issued by Federal Agencies or a U.S. Governme</u> the Federal Farm Credit Bank (FFCB), Federal Home Loan B Mortgage Association (FNMA).</li> </ol>	nt sponsored enterpris Jank (FHLB), and Fede	e such as Fral National
	<ul> <li>Each agency holding limited to 40% of the Portfolio Investigation - Maturity date not to exceed 5 years</li> </ul>	tments	
	<ul> <li><u>State of California, Local Agency Investment Fund (LAIF)</u></li> <li><u>Maximum Share of Portfolio: as determined by Section 10</u></li> <li><u>Maximum Issuer Limit: n/a</u></li> <li><u>Maximum Maturity: n/a</u></li> <li><u>Minimum Rating: n/a</u></li> <li><u>Other Restrictions: none</u></li> </ul>	<u>6429.1 of the Code</u>	

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<ul> <li><u>Banker's Acceptances</u></li> <li><u>Limited to 40% of the District's Portfolio</u></li> <li><u>Issued by banks with total deposits of one billion</u></li> <li><u>Maturity not to exceed 180 days</u></li> <li><u>Prime quality depending on size and credit worth</u></li> <li><u>Issued by banks from offices in the U.S.</u></li> </ul>		<del>lore</del>

## 4. Local Government Investment Pools

Under this subsection, only obligations of the following agencies are permitted:

- o California Asset Management Program (CAMP)
- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of A1, P1 or F1 by either Standard & Poor's (S&P), Moody's Investors Service (Moody's), or Fitch Ratings (Fitch) respectively
- Other Restrictions: none

## 5. <u>Commercial Paper</u>

- \_\_\_\_
  - ---- Limited to 25% of the District's Portfolio
  - ---- Maturity not to exceed 270 days
  - -----Ratings of A1, P1 or F1 by either S&P, Moody's, or Fitch respectively
  - Eligible Commercial Paper is limited to those issued by corporations organized and operating in the U.S., with total assets exceeding \$500,000,000

## 5. Money Market Mutual Funds

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets in the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating:
  - <u>o</u> if rated, fund rating of AAA (or equivalent) by at least two of S&P, Moody's, or Fitch
     <u>o</u> if unrated, fund with assets under management in excess of \$500,000,000 using an
    - advisor registered or exempt from registration with the Securities and Exchange Commission (SEC) with no less than five years' experience investing in instruments allowed under this policy
- Other Restrictions: n/a
- 6. Medium Term Corporate Notes
- ----- Limited to 30% of the District's Portfolio
- ------ Maturity not to exceed five years
- Issued by corporations operating within the United States
  - Rated AA or higher by one nationally-recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.

## 6. Certificates of Time Deposit

- Uncollateralized:

**Investment Policy** 

- <u>Maximum Share of Portfolio: 20% of the Portfolio when added together with</u> Collateralized Certificates of Time Deposits and Negotiable Certificates of Deposit
- <u>Maximum Issuer Limit: \$100,000 per Bank or Savings & Loan, or maximum FDIC</u> insured
- o Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: credit worthiness/solvency of the banking institution as evaluated by an S&P, Moody's, or Fitch will be an important consideration
- o Other Restrictions:
  - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
  - Investment in local branches within the District, whenever possible
- Collateralized:
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with
  - Uncollateralized Certificates of Time Deposits and Negotiable Certificates of Deposit Maximum Issuer Limit: unlimited
  - Maximum Issue Limit: Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
  - o Maximum Maturity: Not to exceed five (5) years from the purchase date
  - <u>Minimum Rating: credit worthiness/solvency of the banking institution as evaluated</u> by S&P, Moody's, or Fitch will be an important consideration
  - o Other Restrictions:
    - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
    - Investment in local branches within the District, whenever possible
- 7. Repurchase Agreements
- ----- Limited to 20% of the District's investment portfolio
- ------ Maturity not to exceed 270 days
- ----- A Master Repurchase Agreement must be on file with the District
  - Security marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%
    - Primarily used as a limited term investment and a vehicle to fill particular dates and amounts
- 7. Negotiable Certificates of Deposit
  - <u>Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized</u>
     <u>Certificates of Time Deposits and Collateralized Certificates of Time Deposits</u>
  - Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2016)
  - Maximum Issue Limit: 10% of issue
  - Maximum Maturity: Not to exceed five (5) years from the purchase date
  - Minimum Rating: AA (or equivalent) or higher, by all rating agencies rating the security
  - Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more

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## 8. Certificates of Time Deposit

- Maturity not to exceed 5 years
- On uncollateralized deposits, limited to \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
- On collateralized deposits, limited to 30% of District's Investment Portfolio
- Investment in local branches within the District, whenever possible
- Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
- Deposits will be supported by a Contract for Deposit of Money with the depositing bank
- -----An important consideration will be credit worthiness/solvency of the banking institution as evaluated by S&P or Moody's or other evaluator of financial institution's fiscal stability
- 8. Commercial Paper
  - Maximum Share of Portfolio: 20% of the Portfolio
  - Maximum Issuer Limit: 10% of outstanding amount for the issuer
  - Maximum Issue Limit: n/a
  - Maximum Maturity: Not to exceed 270 days from the purchase date
  - Minimum Rating: Highest available rating only by S&P, Moody's, or Fitch
  - Other Restrictions: issued by an entity that is:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by either S&P, Moody's, or Fitch; or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, and has commercial paper that is rated A-1, P-1 or F-1 by either S&P, Moody's or Fitch respectively
- 9. Negotiable Certificates of Deposit
  - Limited to 30% of the District's portfolio
  - Maturity not to exceed five years
  - ---- Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more, and a credit rating of AA or higher
- 9. Medium Term Corporate Notes
  - Maximum Share of Portfolio: 30% of the Portfolio
  - Maximum Issuer Limit: 10% of the Portfolio
  - Maximum Issue Limit: 5% of original issue amount
  - Maximum Maturity: Not to exceed 5 years from the purchase date
  - <u>Minimum Rating: AA (or equivalent) or better and not worse than A (or equivalent) by at least of S&P, Moody's, or Fitch</u>
  - Other Restrictions: issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States

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#### 10. Money Market Mutual Funds

- Rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services
- Unrated funds with assets under management in excess of \$500,000,000 and which has retained an advisor registered with the Securities and Exchange Commission with no less than five years experience investing in instruments allowed under the District's investment policy
- Permitted investments conform to those authorized by the California Government Code (Sections 53601 et seq,)
  - -May not represent more than five percent (5%) of the money market fund's assets
- 10. Repurchase Agreements
- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- -\_\_\_\_Maximum Issue Limit: n/a
  - Maximum Maturity: Not to exceed 270 days from the purchase date
  - Minimum Rating: n/a
  - Other Restrictions:
    - o Collateral may be any securities authorized in items 1, 2 3 or 8
    - o A Master Repurchase Agreement must be on file with the District
    - <u>Security marked to market on a daily basis and delivered to the District's custodial</u> <u>bank at a market value of at least 102%</u>
    - <u>Primarily used as a limited term investment and a vehicle to fill particular dates and amounts</u>

## 11. Municipal Bonds

- Limited to 40% of the District's portfolio
- Maturity date not to exceed 5 years or with a put provision within 5 years of date of purchase
- Rated AA or higher by one nationally-recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.
- Notes must be issued by the State of California or a local California agency. Notes maturing within 365 days must have a rating of MIG-1, SP-1, or F-1 by either Moody's, S&P, or Fitch respectively. If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.

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	11. Municipal Obligations
	<u>Under this subsection, only obligations of the following agencies are permitted:</u> <ul> <li><u>o</u> Any local agency within the State of California</li> <li><u>o</u> Registered treasury obligations of the State of California</li> </ul>
	<ul> <li><u>Municipal Bonds:</u> <ul> <li><u>Maximum Share of Portfolio: 40% of the Portfolio when added together with Municipal Notes</u></li> <li><u>Maximum Issuer Limit: 20% of the Portfolio</u></li> <li><u>Maximum Issuer Limit: 10% of original issue amount</u></li> <li><u>Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of purchase date</u></li> <li><u>Minimum Rating: AA by at least one of S&amp;P, Moody's, or Fitch</u></li> <li><u>Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.</u></li> </ul> </li> </ul>
	<ul> <li><u>Municipal Notes:</u> <ul> <li><u>Maximum Share of Portfolio: 40% of the Portfolio together with Municipal Bonds</u></li> <li><u>Maximum Issuer Limit: 20% of the Portfolio</u></li> <li><u>Maximum Issue limit: 10% of original issue amount</u></li> <li><u>Maximum Maturity: n/a</u></li> <li><u>Minimum Rating: Notes maturing within 365 days must have a rating of SP-1, MIG-1, or F-1 by either S&amp;P, Moody's, or Fitch respectively</u></li> <li><u>Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.</u></li> </ul> </li> </ul>
.1	12. <u>California Asset Management Program (CAMP)</u>  Limited to 10% of the District's portfolio Linvestments will be made in the CAMP Investors Shares Series Rated highest short term rating by either S&P, Moody's or Fitch
Investment Placement	Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, <u>for investments purchased or sold in the secondary market</u> the Treasurer will <u>make best efforts to</u> obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.
Selling Securities Prior To Maturity	LossesWhen selling securities prior to maturity, principal losses are only allowable ifto either comply with this policy; the sale of securities was necessary to meet payment obligations where no other funds are available, or or if the proposed swap/tradesale and subsequent purchase can enhance yield over the life of the new security on a total return basis; or if the sale of securities is necessary to meet payment obligations.
Collateral	Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

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Purchasing Entities				
	-	Institutions licensed by the State of California as a broker - de Primary Dealers as designated by the Federal Reserve Bank National or California State Chartered Banks Federal or California Chartered Savings Institution Brokerage firms designated as a primary government dealer is Broker-Dealers registered with the State of California Issuers of securities eligible for purchase by the District Member of a federally regulated securities exchange	of New York	<del>ve Bank</del>
	<u>In a</u>	addition, these institutions must be registered by the Securities and Exchange Commission (SEC members in good standing of the Financial Industry Regulator		
The Treasurer shall maintain a current eligible list of established dealers, brokers, banks and loan associations with which securities trading and placement of funds are authorized capital base and credit worthiness are primary criteria for inclusion on the approved list. brokers shall be regulated by the Securities and Exchange Commission and be member standing of the Financial Industry Regulatory Authority. Additionally, to be placed on the individuals need to certify in writing that they have read, understood, and agree to comp policy.				
Investment	То	ensure a high degree of internal control, the District shall comp	bly with the following:	
Security	1.	All Securities purchased from dealers and brokers shall be he custodial bank, a national bank, a State chartered bank or tru purpose as someone other than the selling party of the securi covered by a trust or safekeeping receipt in a manner that est All transactions require delivery of the security prior to payme payment).	st company, establish ity. Securities purchas tablishes the District's	ed for this ed will be ownership.
	2.	All trade confirmations shall be received directly and reviewed transaction by an individual other than the person originating to confirmations must be an original; copies of confirmations are will be brought to the attention of the Treasurer.	the transaction. All tra	de
Fund Wire Procedures	be imr set froi	yment for securities purchased from broker dealers that are ine made through the District's custodial bank. Funds will only be t nediately following the custodial bank's acknowledgment that t tlement on the terms and conditions specified by the District. P m bank investment departments that will be safe kept with the t de immediately upon confirmation of the trade.	transferred subsequer hey are prepared to m ayment for securities	nt but nake purchased
Review And Reporting Requirements	the sur	a quarterly basis the Treasurer shall prepare and submit a rep Board of Directors listing investment transactions for the quart nmary by security type, percent of the portfolio, investment yiel estment to maturity.	ter and providing an in	vestment
	inv cor	an annual basis, in accordance with Section 53646 of the Cali estment policy may be presented to the Board for consideration njunction with the investment policy consideration, the Board sh egation of its authority for the management of investments to t	n at a public meeting. nall also annually revie	In w the

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Performance Review And Internal Control	Office of Internal Audit The Office of Internal Audit will periodically audit the investment po effectiveness of the District's investment program as well as its cor Policy. These audits will supplement the annual review by the Dist <u>Finance Department</u>	npliance with the Inv rict's external audito	vestment rs.
	The Director of Finance Treasurer will review the investment portfo Investment Policy and make recommendations for changes and in	nprovements where	Mance with the warranted.
Authority	Resolution No. 33019-96 on December 10, 1996, Amended by Resolution No. 33134-99 on January 26, 1999 Amended by Resolution No. 33232-01 on January 9, 2001 Amended by Resolution 33287-02 on January 22, 2002 Amended by Resolution 33350-03 on February 25, 2003 Amended by Resolution 33390-04 on January 27, 2004 Amended by Resolution 33464-05 on February 22, 2005 Amended by Resolution 33516-06 on January 24, 2006 Amended by Resolution 33585-07_on March 13, 2007 Approved by Resolution 33658-08, February 26, 2008 Approved by Resolution 33702-09, February 24, 2009 Approved by Resolution 33752-10, January 26,2010 Approved by Resolution 33871-12, April 24, 2012 Approved by Resolution 33920-13, March 26, 2013 Reaffirmed by Motion 056-14, March 25, 2014 Approved by Resolution 34027-15, April 28, 2015 Approved by Resolution XXXXX-16, April 26, 2016		

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# **Policy 4.07**

26 APR 16

SUPERSEDES 28 APR 15

EFFECTIVE

# INVESTMENT POLICY

## IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield and diversity as set forth herein. Investments shall be in securities with a range of maturities to provide a high rate of return on investments while providing adequate security and liquidity to pay demands when due.

Section 53600 et. seq. of the California Government Code (Code), and Article 7 in Chapter 6 of the Authority Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Board Resolution No. 33232-01 reaffirms the delegation, to the Director of Finance as the Treasurer, the authority and responsibility to invest idle monies of the District. The investment of bond proceeds are specifically defined in individual bond indenture documents and are not included in this policy. Section 53635 of the Code defines how investments are to be handled for Joint Powers Authorities.

#### Investment Criteria

Criteria for selecting investments shall:

- adhere to the prudent investor standard, described in Section 53600.3 of the Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," and
- conform with the Code and M.U.D. Act, and
- have the following objectives, in order of priority:
- 1. Safety The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
- 2. Liquidity The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields.
- 3. Yield Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
- 4. Diversity Ability to maintain an investment portfolio that includes a range of security types for the District. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings, and maturity, rating and other restrictions where applicable.

The District is able to purchase investments in the instruments listed in this section as allowed and Investment defined under Section 53600 et. seq. of the Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Options Resolutions, and via this policy. As used in this section, the term "Portfolio" refers to each investment portfolio managed by the District.

- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none

## 2. United States Government Agencies' Obligations

Under this subsection, only obligations issued by the following agencies are permitted:

- Federal Agricultural Mortgage Corporation (Farmer Mac)
  - Federal Farm Credit Bank (FFCB)
- o Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none
- 3. State of California, Local Agency Investment Fund (LAIF)
  - Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
  - Maximum Issuer Limit: n/a
  - Maximum Issue Limit: n/a
  - Maximum Maturity: n/a
  - Minimum Rating: n/a
  - Other Restrictions: none

## 4. Local Government Investment Pools

Under this subsection, only obligations of the following agencies are permitted:

- California Asset Management Program (CAMP)
- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of A1, P1 or F1 by either Standard & Poor's (S&P), Moody's Investors Service (Moody's), or Fitch Ratings (Fitch) respectively
- Other Restrictions: none
- 5. Money Market Mutual Funds
  - Maximum Share of Portfolio: 20% of the Portfolio
  - Maximum Fund Limit: 5% of Money Market Mutual Fund's assets in the Portfolio
  - Maximum Issue Limit: n/a
  - Maximum Maturity: n/a
  - Minimum Rating:
    - o if rated, fund rating of AAA (or equivalent) by at least two of S&P, Moody's, or Fitch
    - if unrated, fund with assets under management in excess of \$500,000,000 using an advisor registered or exempt from registration with the Securities and Exchange Commission (SEC) with no less than five years' experience investing in instruments allowed under this policy
  - Other Restrictions: n/a

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6.	Certificates of Time Deposit	
	<ul> <li>Uncollateralized:         <ul> <li>Maximum Share of Portfolio: 20% of the Portfolio when added together with Collateralized Certificates of Time Deposits and Negotiable Certificates of Tom Maximum Issue Limit: \$100,000 per Bank or Savings &amp; Loan, or maximum insured</li> <li>Maximum Maturity: Not to exceed five (5) years from the purchase date</li> <li>Minimum Rating: credit worthiness/solvency of the banking institution as ex S&amp;P, Moody's, or Fitch will be an important consideration</li> <li>Other Restrictions:                 <ul> <li>Deposits must be supported by a Contract for Deposit of Money with the bank</li> <li>Investment in local branches within the District, whenever possible</li> </ul> </li> <li>Collateralized:         <ul> <li>Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Negotiable Certificates of Maximum Issue Limit: unlimited</li> <li>Maximum Issue Limit: Deposits over \$100,000 will be collateralized in accord Sections 53651 and 53652 of the California Government Code</li> <li>Maximum Maturity: Not to exceed five (5) years from the purchase date</li> <li>Minimum Rating: credit worthiness/solvency of the banking institution as existences and the summary structure of the bank of the summary of the banking institution as existences and the summary of the banking institution as existences and the summary of the banking institution as existences and the summary of the banking institution as existences and the summary of the banking institution as existences and the summary of the banking institution as existences and the summary of the banking institution as existences and the summary of the banking institution as existences and the summary of the banking institution as existences and the summary of the banking institution as existences a</li></ul></li></ul></li></ul>	Deposit n FDIC valuated by an ne depositing h of Deposit ordance with valuated by
	bank	

Investment in local branches within the District, whenever possible

## 7. Negotiable Certificates of Deposit

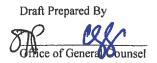
- Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Collateralized Certificates of Time Deposits
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2016)
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: AA (or equivalent) or higher, by all rating agencies rating the security
- Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more
- 8. Commercial Paper
  - Maximum Share of Portfolio: 20% of the Portfolio
  - Maximum Issuer Limit: 10% of outstanding amount for the issuer
  - Maximum Issue Limit: n/a
  - Maximum Maturity: Not to exceed 270 days from the purchase date
  - Minimum Rating: Highest available rating only by S&P, Moody's, or Fitch
  - Other Restrictions: issued by an entity that is:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by either S&P, Moody's, or Fitch; or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, <u>and</u> has commercial paper that is rated A-1, P-1 or F-1 by either S&P, Moody's or Fitch respectively

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9. <u>N</u>	Medium Term Corporate Notes		
- - - -	<ul> <li>Maximum Share of Portfolio: 30% of the Portfolio</li> <li>Maximum Issuer Limit: 10% of the Portfolio</li> <li>Maximum Issue Limit: 5% of original issue amount</li> <li>Maximum Maturity: Not to exceed 5 years from the</li> <li>Minimum Rating: AA (or equivalent) or better and n</li> <li>of S&amp;P, Moody's, or Fitch</li> <li>Other Restrictions: issued by corporations organize</li> <li>or by depository institutions licensed by the United</li> <li>the United States</li> </ul>	e purchase date not worse than A (or equivale ed and operating within the U	United States
10. <u>F</u>	Repurchase Agreements		
- - - - -	<ul> <li>Maximum Share of Portfolio: 20% of the Portfolio</li> <li>Maximum Issuer Limit: n/a</li> <li>Maximum Maturity: Not to exceed 270 days from the Minimum Rating: n/a</li> <li>Other Restrictions: <ul> <li>Collateral may be any securities authorized in</li> <li>A Master Repurchase Agreement must be on the Security marked to market on a daily basis and at a market value of at least 102%</li> <li>Primarily used as a limited term investment an amounts</li> </ul> </li> </ul>	items 1, 2 3 or 8 file with the District d delivered to the District's c	
11. <u>M</u>	Iunicipal Obligations		
L	Under this subsection, only obligations of the following o Any local agency within the State of California o Registered treasury obligations of the State of		
-	Municipal Bonds:	. Carala an and da di kawaka ay wik	h Municipal

- Maximum Share of Portfolio: 40% of the Portfolio when added together with Municipal Notes
- o Maximum Issuer Limit: 20% of the Portfolio
- Maximum Issue Limit: 10% of original issue amount
- Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of purchase date
- o Minimum Rating: AA by at least one of S&P, Moody's, or Fitch
- Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.
- Municipal Notes:
  - o Maximum Share of Portfolio: 40% of the Portfolio together with Municipal Bonds
  - o Maximum Issuer Limit: 20% of the Portfolio
  - o Maximum Issue limit: 10% of original issue amount
  - o Maximum Maturity: n/a
  - Minimum Rating: Notes maturing within 365 days must have a rating of SP-1, MIG-1, or F-1 by either S&P, Moody's, or Fitch respectively
  - Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be **s**old.

Investment	Policy	NUMBER	4.07
	<b>y</b>	PAGE NO .:	5
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Investment Placement	Investment placement shall be determined by, but not lim of market conditions, interest rate trends, cash flow needs rate forecasts. Additionally, for investments purchased or Treasurer will make best efforts to obtain at least three qu savings and loan associations before finalizing any invest excess of \$1 million. The combination of these factors sha and for what maturity investments are made.	s, economic data, yield curves sold in the secondary market uotations from dealers, broken ment purchase for all investm	s, and interest , the s, banks or lients in
Selling Securities Prior To Maturity	When selling securities prior to maturity, principal losses a policy; or if the proposed sale and subsequent purchase of security on a total return basis; or if the sale of securities	can enhance yield over the life	e of the new
Collateral	Securities placed with agents of depository shall at all tim Resolution 33232-01 in one or more trust companies, Sta California, the Federal Reserve Bank, or with any state or designated as a federal reserve city by the Board of Gove to take from any such banks or trust companies receipts to Collateral substitution and releases are subject to the Tre	te or national banks located w r national bank located in any ernors of the Federal Reserve for securities so deposited. Re	<i>v</i> ithin city System, and
Purchasing Entities	<ul> <li>Investments will be purchased from:</li> <li>Primary Dealers as designated by the Federal Reservence</li> <li>National or California State Chartered Banks</li> <li>Federal or California Chartered Savings Institution</li> <li>Broker-Dealers registered with the State of California</li> <li>Issuers of securities eligible for purchase by the Distribution</li> </ul>		
	<ul> <li>In addition, these institutions must be</li> <li>registered by the Securities and Exchange Commissi</li> <li>members in good standing of the Financial Industry F</li> </ul>	Regulatory Authority (FINRA)	
	The Treasurer shall maintain a current eligible list of estal and loan associations with which securities trading and pl capital base and credit worthiness are primary criteria for to be placed on the eligible list, individuals need to certify and agree to comply with this policy.	lacement of funds are authoriz inclusion on the approved list	zed. Strong Additionally,
Investment Security	<ol> <li>To ensure a high degree of internal control, the District sh</li> <li>All Securities purchased from dealers and brokers sh custodial bank, a national bank, a State chartered ba purpose as someone other than the selling party of th covered by a trust or safekeeping receipt in a mannel All transactions require delivery of the security prior to payment).</li> <li>All trade confirmations shall be received directly and</li> </ol>	all be held in safekeeping by t nk or trust company, establish he security. Securities purchas r that establishes the District's p payment for the security (de reviewed for conformity to the	ed for this ed will be ownership. livery vs. original
	transaction by an individual other than the person original will be brought to the attention of the Treasurer.	ginating the transaction. Any d	liscrepancies

Investment Policy		NUMBER	4.07
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Fund Wire Procedures	Payment for securities purchased from broker dealers the be made through the District's custodial bank. Funds will immediately following the custodial bank's acknowledgm settlement on the terms and conditions specified by the from bank investment departments that will be safe kept made immediately upon confirmation of the trade.	I only be transferred subsequer nent that they are prepared to m District. Payment for securities	nt but nake purchased
Review And Reporting Requirements	On a quarterly basis the Treasurer shall prepare and sul Board of Directors listing investment transactions for the summary by security type, percent of the portfolio, inves investment to maturity.	e quarter and providing an inves	stment
	On an annual basis, in accordance with Section 53646 of presented to the Board for consideration at a public meet policy consideration, the Board shall also annually review management of investments to the Treasurer.	eting. In conjunction with the inv	restment
Performance Review And Internal Control	Office of Internal Audit The Office of Internal Audit will periodically audit the inve effectiveness of the District's investment program as we Policy. These audits will supplement the annual review to <u>Finance Department</u> The Treasurer will review the investment portfolio month and make recommendations for changes and improvem	Il as its compliance with the Inv by the District's external auditor hly for compliance with the Inves	estment rs.
Authority	Resolution No. 33019-96 on December 10, 1996 Amended by Resolution No. 33134-99 on January 26, 1 Amended by Resolution No. 33232-01 on January 9, 20 Amended by Resolution 33287-02 on January 22, 2002 Amended by Resolution 33350-03 on February 25, 2003 Amended by Resolution 33390-04 on January 27, 2004 Amended by Resolution 33464-05 on February 22, 2008 Amended by Resolution 33516-06 on January 24, 2006 Amended by Resolution 33585-07 on March 13, 2007 Approved by Resolution 33658-08, February 26, 2008 Approved by Resolution 33702-09, February 24, 2009 Approved by Resolution 33752-10, January 26,2010 Approved by Resolution 33792-10, November 23, 2010 Approved by Resolution 33920-13, March 26, 2013 Reaffirmed by Motion 056-14, March 25, 2014 Approved by Resolution 34027-15, April 28, 2015 Approved by Resolution XXXXX-16, April 26, 2016	901 <sup></sup> 3 5	



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

## ADOPTING REVISED POLICY 4.07, "INVESTMENT POLICY"

Introduced by Director

; Seconded by Director

WHEREAS, it is the desire and intention of the Board of Directors of the East Bay Municipal Utility District to update and revise Policy 4.07 entitled "Investment Policy;"

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that revised Policy 4.07, a copy of which is attached hereto as Exhibit A, is hereby adopted.

ADOPTED this 26th day of April, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President

Secretary

APPROVED AS TO FORM AND PROCEDURE

General Counsel

W:\400 GOV-MGMT\410 EBMUD BOARD\410.01 Resolutions\Policies\Pol 4.07 Investment Policy 2016.doc



# Policy 4.07R

EFFECTIVE

28 APR 15 26 APR 16

SUPERSEDES

26 MAR 13 28 APR 15

## INVESTMENT POLICY

## IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield and diversity as set forth herein. Investments shall be in securities with a range of maturities to provide a high rate of return on investments while providing adequate security and liquidity to pay demands when due.

Authority	Section 53600 et. seq. of the California Government Code, (Code), and Article 7 in Chapter 6 of the Municipal Utility District Act (M.U.D.) Act, and Act) govern the investment of idle monies of the District. Board Resolution No. 33232-01 defines the types of allowable investments and delegates reaffirms the delegation, to the Director of Finance as the Treasurer, the authority and responsibility to invest idle monies of the District. The investment of bond proceeds are specifically defined in the individual bond indenture documents and are not included in this policy. Section 53635 of the California Government Code defines how investments are to be handled for Joint Powers Authorities.
Investment Criteria	<ul> <li><u>Criteria for selecting investments shall:</u></li> <li><u>adhere to the prudent investor standard, described in Section 53600.3 of the Code as follows:</u> <ul> <li><u>"when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," and</u></li> </ul> </li> </ul>
	- conform with the Code and M.U.D. Act. and
	- Criteria for selecting investments have the following objectives, in order of priority are:
	<ol> <li>Safety - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.</li> </ol>
	<ol> <li>Liquidity - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields.</li> </ol>
	3. Yield - Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
	4. Diversity - Ability to maintain a broadan investment portfolio that includes a range of security types for the District. In order to accomplish this, no more than 40% each Investment Option shall have defined limits on maximum share of the total portfolio shall be invested in any one type of security, single issuer and single issue holdings, and maturity, rating and other than federally backed securities, no more than 10% in any one investment issue, nor more than 10% with any one issuer restrictions where applicable.

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Investment Options	The District is able to purchase investments in the following-instruments listed in this stipulated allowed and defined under Section 5360153600 et. seg. of the California Generation Statement of the California Generation Statement of the State	

Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions and guidelines set, and via this policy. As used in this section, the term "Portfolio" refers to each investment portfolio managed by the District

- 1. U.S.United States Treasury Notes, Bonds and Bills Obligations
  - **Unlimited investments**
  - Maximum Share of Portfolio: Unlimited
  - Maximum Issuer Limit: n/a
  - Maximum Issue Limit: n/a
  - Maximum Maturity date not: Not to exceed five (5) years from the purchase date
  - Minimum Rating: n/a
  - Other Restrictions: none
- 2. State of California, Local Agency Investment Fund (LAIF)

-Maximum limit as determined by Section 16429.1 of the California Government Code

2. United States Government Agencies' Obligations

Under this subsection, only obligations issued by the following agencies are permitted:

- Federal Agricultural Mortgage Corporation (Farmer Mac)
- <u>Federal Farm Credit Bank (FFCB)</u>
   <u>Federal Home Loan Bank (FHLB)</u>
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none
- 3. Obligations issued by Federal Agencies or a U.S. Government sponsored enterprise such as the Federal Farm Credit Bank (FFCB), Federal Home Lean Bank (FHLB), and Federal National Mortgage Association (FNMA).
  - Each agency holding limited to 40% of the Portfolio Investments - Maturity date not to exceed 5 years
- 3. State of California. Local Agency Investment Fund (LAIF)
  - Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
  - Maximum Issuer Limit: n/a
  - Maximum Issue Limit: n/a
  - Maximum Maturity: n/a
  - Minimum Rating: n/a
  - Other Restrictions: none

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#### 4. Banker's Acceptances

Limited to 40% of the District's Portfolio

- -----Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more
- Maturity not to exceed 180 days
  - Prime quality depending on size and credit worthiness of Bank
- -----Issued by banks from offices in the U.S.

4. Local Government Investment Pools

Under this subsection, only obligations of the following agencies are permitted: O California Asset Management Program (CAMP)

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of A1, P1 or F1 by either Standard & Poor's (S&P), Moody's Investors Service (Moody's), or Fitch Ratings (Fitch) respectively
   Other Restrictions: none

## 5. <u>Commercial Paper</u>

- -Limited to 25% of the District's Portfolio
- Ratings of A1, P1-or F1-by either S&P, Moody's, or Fitch respectively
- Eligible Commercial Paper is limited to those issued by corporations organized and operating in the U.S., with total assets exceeding \$500,000,000

## 5. Money Market Mutual Funds

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets in the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating:
  - o if rated, fund rating of AAA (or equivalent) by at least two of S&P, Moody's, or Fitch
  - if unrated, fund with assets under management in excess of \$500,000,000 using an advisor registered or exempt from registration with the Securities and Exchange Commission (SEC) with no less than five years' experience investing in instruments allowed under this policy
- Other Restrictions: n/a
- 6. Medium Term Corporate Notes
- Limited to 30% of the District's Portfolio
- ------Issued by corporations operating within the United States
  - Rated AA or higher by one nationally recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.

## 6. Certificates of Time Deposit

- Uncollateralized:

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Collateralized Certificates of Time Deposits and Negotiable Certificates of Deposit
- Maximum Issuer Limit: \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
- o Maximum Issue Limit: n/a
- o Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: credit worthiness/solvency of the banking institution as evaluated
- by an S&P, Moody's, or Fitch will be an important consideration
- Other Restrictions:
  - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
  - Investment in local branches within the District, whenever possible
- Collateralized:
  - o Maximum Share of Portfolio: 20% of the Portfolio when added together with
  - <u>Uncollateralized Certificates of Time Deposits and Negotiable Certificates of Deposit</u>
     <u>Maximum Issuer Limit: unlimited</u>
  - Maximum Issue Limit: Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
  - Maximum Maturity: Not to exceed five (5) years from the purchase date
  - Minimum Rating: credit worthiness/solvency of the banking institution as evaluated by S&P. Moody's, or Eitch will be an important consideration.
  - by S&P. Moody's, or Fitch will be an important consideration Other Restrictions:
    - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
      - Investment in local branches within the District, whenever possible
- 7. Repurchase Agreements
- ----Limited to 20% of the District's investment portfolio
- Maturity not to exceed 270 days
- Collateral may be any securities authorized in items 1 through 5 above
- A Master Repurchase Agreement must be on file with the District
  - Security marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%
    - ---- Primarily used as a limited term investment and a vehicle to fill particular dates and amounts

7. Negotiable Certificates of Deposit

- <u>Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized</u>
   <u>Certificates of Time Deposits and Collateralized Certificates of Time Deposits</u>
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2016)
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: AA (or equivalent) or higher, by all rating agencies rating the security
- Other Restrictions: Issued by banks with total deposits of one billion dollars
- (\$1.000.000,000) or more

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#### 8. <u>Certificates of Time Deposit</u>

- Maturity not to exceed 5 years
- On uncollateralized deposits, limited to \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
- On collateralized deposits, limited to 30% of District's Investment Portfolio
- Investment in local branches within the District, whenever possible
- Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
- ---- Deposits will be supported by a Contract for Deposit of Money with the depositing bank
- An important consideration will be credit worthiness/solvency of the banking institution as evaluated by S&P or Moody's or other evaluator of financial institution's fiscal stability
- 8. Commercial Paper
  - Maximum Share of Portfolio: 20% of the Portfolio
  - Maximum Issuer Limit: 10% of outstanding amount for the issuer
  - Maximum Issue Limit: n/a
  - Maximum Maturity: Not to exceed 270 days from the purchase date
  - Minimum Rating: Highest available rating only by S&P. Moody's, or Fitch
  - Other Restrictions: issued by an entity that is:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by either S&P, Moody's, or Fitch: or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, and has commercial paper that is rated A-1, P-1 or F-1 by either S&P, Moody's or Fitch respectively
- 9. Negotiable Certificates of Deposit
  - Limited to 30% of the District's portfolio

  - Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more, and a credit rating of AA or higher
- 9. Medium Term Corporate Notes
  - Maximum Share of Portfolio: 30% of the Portfolio
  - Maximum Issuer Limit: 10% of the Portfolio
  - Maximum Issue Limit: 5% of original issue amount
  - Maximum Maturity: Not to exceed 5 years from the purchase date
  - Minimum Rating: AA (or equivalent) or better and not worse than A (or equivalent) by at least of S&P, Moody's, or Fitch
  - Other Restrictions: issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States

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#### 10. Money Market Mutual Funds

- Rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services
  - Unrated funds with assets under management in excess of \$500,000,000 and which has retained an advisor registered with the Securities and Exchange Commission with no less than five years experience investing in instruments allowed under the District's investment policy
- Permitted investments conform to those authorized by the California Government Code (Sections 53601 et seq,)
- May not represent more than five percent (5%) of the money market fund's assets

## 10. Repurchase Agreements

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the purchase date
- Minimum Rating: n/a
- Other Restrictions:
  - o Collateral may be any securities authorized in items 1, 2 3 or 8
  - o A Master Repurchase Agreement must be on file with the District
  - Security marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%
  - Primarily used as a limited term investment and a vehicle to fill particular dates and amounts

### 11. Municipal Bonds

- Limited to 40% of the District's portfolio
- Maturity date not to exceed 5 years or with a put provision within 5 years of date of purchase
- Rated AA or higher by one nationally-recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.
- Notes must be issued by the State of California or a local California agency. Notes maturing within 365 days must have a rating of MIG-1, SP-1, or F-1 by either Moody's, S&P, or Fitch respectively. If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.

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	11. Municipal Obligations
	Under this subsection, only obligations of the following agencies are permitted: <u>Any local agency within the State of California</u> <u>Registered treasury obligations of the State of California</u>
	<ul> <li><u>Municipal Bonds:</u> <ul> <li><u>Maximum Share of Portfolio: 40% of the Portfolio when added together with Municipal Notes</u></li> <li><u>Maximum Issuer Limit: 20% of the Portfolio</u></li> <li><u>Maximum Issue Limit: 10% of original issue amount</u></li> <li><u>Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of purchase date</u></li> <li><u>Minimum Rating: AA by at least one of S&amp;P. Moody's, or Fitch</u></li> <li><u>Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.</u></li> </ul> </li> </ul>
	<ul> <li><u>Municipal Notes:</u> <ul> <li><u>Maximum Share of Portfolio: 40% of the Portfolio together with Municipal Bonds</u></li> <li><u>Maximum Issuer Limit: 20% of the Portfolio</u></li> <li><u>Maximum Issue limit: 10% of original issue amount</u></li> <li><u>Maximum Maturity: n/a</u></li> <li><u>Minimum Rating: Notes maturing within 365 days must have a rating of SP-1. MIG-1. or F-1 by either S&amp;P. Moody's, or Fitch respectively</u></li> <li><u>Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.</u></li> </ul> </li> </ul>
	12. <u>California Asset Management Program (CAMP)</u> —— —————————————————————————————————
investment Placement	Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, <u>for investments purchased or sold in the secondary market</u> , the Treasurer will <u>make best efforts to</u> obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.
Selling Securities Prior To Maturity	Losses When selling securities prior to maturity, principal losses are only allowable ifto either comply with this policy; the sale of securities was necessary to meet payment obligations where no other funds are available, or or if the proposed swap/tradesale and subsequent purchase can enhance yield over the life of the new security on a total return basis: or if the sale of securities is necessary to meet payment obligations.
Collateral	Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

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Purchasing Entities	Investments not purchased directly from the issuer will be purc	chased from:	
Entities	<ul> <li>Institutions licensed by the State of California as a broker</li> <li>Primary Dealers as designated by the Federal Reserve Ba</li> <li>National or California State Chartered Banks</li> <li>Federal or California Chartered Savings Institution</li> <li>Brokerage firms designated as a primary government dea</li> <li>Broker-Dealers registered with the State of California</li> <li>Issuers of securities eligible for purchase by the District</li> <li>Member of a federally regulated securities exchange</li> </ul>	ank of New York	<del>ve Bank</del>
	In addition, these institutions must be - registered by the Securities and Exchange Commission (S - members in good standing of the Financial Industry Regul		
	The Treasurer shall maintain a current eligible list of established and loan associations with which securities trading and placem capital base and credit worthiness are primary criteria for inclu- brokers shall be regulated by the Securities and Exchange Co- standing of the Financial Industry Regulatory Authority. Addition individuals need to certify in writing that they have read, under policy.	tent of funds are authorized sion on the approved list mmission and be member anally, to be placed on the	zed. Strong . Dealers and ers in good e eligible list,
Investment	To ensure a high degree of internal control, the District shall co	omply with the following:	
Security	<ol> <li>All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).</li> </ol>		
	2. All trade confirmations shall be received directly and review transaction by an individual other than the person origination confirmations must be an original; copies of confirmations will be brought to the attention of the Treasurer.	ng the transaction. All tra	de
Fund Wire Procedures	Payment for securities purchased from broker dealers that are be made through the District's custodial bank. Funds will only be immediately following the custodial bank's acknowledgment the settlement on the terms and conditions specified by the District from bank investment departments that will be safe kept with the made immediately upon confirmation of the trade.	be transferred subsequer at they are prepared to m t. Payment for securities	nt but nake purchased
Review And Reporting Requirements	On a quarterly basis the Treasurer shall prepare and submit a the Board of Directors listing investment transactions for the qu summary by security type, percent of the portfolio, investment investment to maturity.	larter and providing an ir	vestment
	On an annual basis, in accordance with Section 53646 of the investment policy may be presented to the Board for considera conjunction with the investment policy consideration, the Board delegation of its authority for the management of investments t	tion at a public meeting. I shall also annually revie	In ew the

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Performance Review And Internal Control	Office of Internal Audit         The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.         Finance Department         The Director of FinanceTreasurer will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.
Authority	Resolution No. 33019-96 on December 10, 1996, Amended by Resolution No. 33134-99 on January 26, 1999 Amended by Resolution No. 33232-01 on January 9, 2001 Amended by Resolution 33287-02 on January 22, 2002 Amended by Resolution 33350-03 on February 25, 2003 Amended by Resolution 33390-04 on January 27, 2004 Amended by Resolution 33464-05 on February 22, 2005 Amended by Resolution 33516-06 on January 24, 2006 Amended by Resolution 33585-07_on March 13, 2007 Approved by Resolution 33658-08, February 26, 2008 Approved by Resolution 33752-10, January 26,2010 Approved by Resolution 33752-10, January 26,2010 Approved by Resolution 33792-10, November 23, 2010 Approved by Resolution 33920-13, March 26, 2013 Reaffirmed by Motion 056-14, March 25, 2014 Approved by Resolution 34027-15, April 28, 2015 Approved by Resolution 34027-15, April 28, 2016



## **INVESTMENT POLICY**

# Policy 4.07

EFFECTIVE 26 APR 16

SUPERSEDES

28 APR 15

## IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield and diversity as set forth herein. Investments shall be in securities with a range of maturities to provide a high rate of return on investments while providing adequate security and liquidity to pay demands when due.

Authority Section 53600 et. seq. of the California Government Code (Code), and Article 7 in Chapter 6 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Board Resolution No. 33232-01 reaffirms the delegation, to the Director of Finance as the Treasurer, the authority and responsibility to invest idle monies of the District. The investment of bond proceeds are specifically defined in Individual bond indenture documents and are not included in this policy. Section 53635 of the Code defines how investments are to be handled for Joint Powers Authorities.

Investment Criteria Criteria for selecting investments shall:

- adhere to the prudent investor standard, described in Section 53600.3 of the Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," and
- conform with the Code and M.U.D. Act, and
- have the following objectives, in order of priority:
- Safety The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
- 2. Liquidity The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields.
- 3. Yield Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
- 4. *Diversity* Ability to maintain an investment portfolio that includes a range of security types for the District. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings, and maturity, rating and other restrictions where applicable.

Investment Options

The District is able to purchase investments in the instruments listed in this section as allowed and defined under Section 53600 et. seq. of the Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions, and via this policy. As used in this section, the term "Portfolio" refers to each investment portfolio managed by the District.

- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none

## 2. United States Government Agencies' Obligations

Under this subsection, only obligations issued by the following agencies are permitted:

- Federal Agricultural Mortgage Corporation (Farmer Mac)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none
- 3. State of California, Local Agency Investment Fund (LAIF)
  - Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
  - Maximum Issuer Limit: n/a
  - Maximum Issue Limit: n/a
  - Maximum Maturity: n/a
  - Minimum Rating: n/a
  - Other Restrictions: none

#### 4. Local Government Investment Pools

Under this subsection, only obligations of the following agencies are permitted:

- California Asset Management Program (CAMP)
- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of A1, P1 or F1 by either Standard & Poor's (S&P), Moody's Investors Service (Moody's), or Fitch Ratings (Fitch) respectively
- Other Restrictions: none

#### 5. Money Market Mutual Funds

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets in the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating:
  - if rated, fund rating of AAA (or equivalent) by at least two of S&P, Moody's, or Fitch
     if unrated, fund with assets under management in excess of \$500,000,000 using an
  - o if unrated, rund with assets under management in excess of \$500,000,000 using an advisor registered or exempt from registration with the Securities and Exchange Commission (SEC) with no less than five years' experience investing in instruments allowed under this policy
- Other Restrictions: n/a

#### 6. Certificates of Time Deposit

- Uncollateralized:
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with Collateralized Certificates of Time Deposits and Negotiable Certificates of Deposit
  - Maximum Issuer Limit: \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
  - o Maximum Issue Limit: n/a
  - o Maximum Maturity: Not to exceed five (5) years from the purchase date
  - Minimum Rating: credit worthiness/solvency of the banking institution as evaluated by an S&P, Moody's, or Fitch will be an important consideration
  - o Other Restrictions:
    - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
    - Investment in local branches within the District, whenever possible
- Collateralized:
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Negotiable Certificates of Deposit
  - o Maximum Issuer Limit: unlimited
  - Maximum Issue Limit: Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
  - Maximum Maturity: Not to exceed five (5) years from the purchase date
  - Minimum Rating: credit worthiness/solvency of the banking institution as evaluated by S&P, Moody's, or Fitch will be an important consideration
  - o Other Restrictions:
    - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
    - Investment in local branches within the District, whenever possible
- 7. Negotiable Certificates of Deposit
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Collateralized Certificates of Time Deposits
  - Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2016)
  - Maximum Issue Limit: 10% of issue
  - Maximum Maturity: Not to exceed five (5) years from the purchase date
  - Minimum Rating: AA (or equivalent) or higher, by all rating agencies rating the security
  - Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more
- 8. Commercial Paper
  - Maximum Share of Portfolio: 20% of the Portfolio
  - Maximum Issuer Limit: 10% of outstanding amount for the issuer
  - Maximum Issue Limit: n/a
  - Maximum Maturity: Not to exceed 270 days from the purchase date
  - Minimum Rating: Highest available rating only by S&P, Moody's, or Fitch
  - Other Restrictions: issued by an entity that is:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by either S&P, Moody's, or Fitch; or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, <u>and</u> has commercial paper that is rated A-1, P-1 or F-1 by either S&P, Moody's or Fitch respectively

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	PAGE NO .:	4
	EFFECTIVE DATE:	26 APR 16

- 9. Medium Term Corporate Notes
  - Maximum Share of Portfolio: 30% of the Portfolio
  - Maximum Issuer Limit: 10% of the Portfolio
  - Maximum Issue Limit: 5% of original issue amount
  - Maximum Maturity: Not to exceed 5 years from the purchase date
  - Minimum Rating: AA (or equivalent) or better and not worse than A (or equivalent) by at least of S&P, Moody's, or Fitch
  - Other Restrictions: issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States

#### 10. Repurchase Agreements

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the purchase date
- Minimum Rating: n/a
- Other Restrictions:
  - o Collateral may be any securities authorized in items 1, 2 3 or 8
  - o A Master Repurchase Agreement must be on file with the District
  - Security marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%
  - Primarily used as a limited term investment and a vehicle to fill particular dates and amounts

#### 11. Municipal Obligations

Under this subsection, only obligations of the following agencies are permitted:

- o Any local agency within the State of California
- o Registered treasury obligations of the State of California
- Municipal Bonds:
  - Maximum Share of Portfolio: 40% of the Portfolio when added together with Municipal Notes
  - Maximum Issuer Limit: 20% of the Portfolio
  - o Maximum Issue Limit: 10% of original issue amount
  - Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of purchase date
  - o Minimum Rating: AA by at least one of S&P, Moody's, or Fitch
  - Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.
- Municipal Notes:
  - o Maximum Share of Portfolio: 40% of the Portfolio together with Municipal Bonds
  - o Maximum Issuer Limit: 20% of the Portfolio
  - o Maximum Issue limit: 10% of original issue amount
  - o Maximum Maturity: n/a
  - Minimum Rating: Notes maturing within 365 days must have a rating of SP-1, MIG-1, or F-1 by either S&P, Moody's, or Fitch respectively
  - Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.

Investment	Policy	NUMBER	4.07
		PAGE NO .:	5
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nvestment Placement	Investment placement shall be determined by, but not li of market conditions, interest rate trends, cash flow nee rate forecasts. Additionally, for investments purchased of Treasurer will make best efforts to obtain at least three savings and loan associations before finalizing any inve excess of \$1 million. The combination of these factors s and for what maturity investments are made.	eds, economic data, yield curve or sold in the secondary marke quotations from dealers, broke estment purchase for all investn	s, and interest t, the rs, banks or nents in
Selling Securities Prior To Maturity	When selling securities prior to maturity, principal losses policy; or if the proposed sale and subsequent purchase security on a total return basis; or if the sale of securitie	e can enhance yield over the lif	e of the new
Collateral	Securities placed with agents of depository shall at all ti Resolution 33232-01 in one or more trust companies, S California, the Federal Reserve Bank, or with any state designated as a federal reserve city by the Board of Go to take from any such banks or trust companies receipts Collateral substitution and releases are subject to the T	tate or national banks located v or national bank located in any vernors of the Federal Reserve s for securities so deposited. Re	within city System, and
Purchasing Intities	<ul> <li>Investments will be purchased from:</li> <li>Primary Dealers as designated by the Federal Rese</li> <li>National or California State Chartered Banks</li> <li>Federal or California Chartered Savings Institution</li> <li>Broker-Dealers registered with the State of California</li> <li>Issuers of securities eligible for purchase by the Distinguishing the state of the state o</li></ul>	ia	
	In addition, these institutions must be - registered by the Securities and Exchange Commis - members in good standing of the Financial Industry The Treasurer shall maintain a current eligible list of est and loan associations with which securities trading and capital base and credit worthiness are primary criteria for to be placed on the eligible list, individuals need to certing and agree to comply with this policy.	Regulatory Authority (FINRA) tablished dealers, brokers, ban placement of funds are authori or inclusion on the approved lis	zed. Strong t. Additionally,
nvestment Security	<ol> <li>To ensure a high degree of internal control, the District :</li> <li>All Securities purchased from dealers and brokers a custodial bank, a national bank, a State chartered b purpose as someone other than the selling party of covered by a trust or safekeeping receipt in a mann All transactions require delivery of the security prior payment).</li> <li>All trade confirmations shall be received directly and</li> </ol>	shall be held in safekeeping by bank or trust company, establish the security. Securities purcha her that establishes the District's to payment for the security (de	the District's hed for this sed will be s ownership. elivery vs.
	<ol> <li>All trade commations shall be received directly and transaction by an individual other than the person o will be brought to the attention of the Treasurer.</li> </ol>	riginating the transaction. Any	discrepancies

Investment I	Policy	NUMBER	4.07
	-	PAGE NO .:	6
		EFFECTIVE DATE:	26 APR 16
Fund Wire Procedures	Payment for securities purchased from broker dealers that ar be made through the District's custodial bank. Funds will only immediately following the custodial bank's acknowledgment t settlement on the terms and conditions specified by the Distri from bank investment departments that will be safe kept with made immediately upon confirmation of the trade.	<ul> <li>be transferred subseque hat they are prepared to r ct. Payment for securities</li> </ul>	nt but m <b>ake</b> purchased
Review And Reporting Requirements	On a quarterly basis the Treasurer shall prepare and submit a the Board of Directors listing investment transactions for the o summary by security type, percent of the portfolio, investmen investment to maturity.	quarter and providing an i	nvestment
	On an annual basis, in accordance with Section 53646 of the presented to the Board for consideration at a public meeting. policy consideration, the Board shall also annually review the management of investments to the Treasurer.	In conjunction with the in-	vestment
Performance Review And Internal Control	Office of Internal Audit The Office of Internal Audit will periodically audit the investme effectiveness of the District's investment program as well as i Policy. These audits will supplement the annual review by the	ts compliance with the Inv	<b>estment</b>
	Finance Department		
	The Treasurer will review the investment portfolio monthly for and make recommendations for changes and improvements	compliance with the Inve where warranted.	stment Policy
Authority	Resolution No. 33019-96 on December 10, 1996 Amended by Resolution No. 33134-99 on January 26, 1999 Amended by Resolution No. 33232-01 on January 9, 2001 Amended by Resolution 33287-02 on January 22, 2002 Amended by Resolution 33350-03 on February 25, 2003 Amended by Resolution 33390-04 on January 27, 2004 Amended by Resolution 33464-05 on February 22, 2005 Amended by Resolution 33516-06 on January 24, 2006 Amended by Resolution 33585-07 on March 13, 2007 Approved by Resolution 33658-08, February 26, 2008 Approved by Resolution 33752-10, January 26, 2010 Approved by Resolution 33792-10, November 23, 2010 Approved by Resolution 33792-10, November 23, 2010 Approved by Resolution 33920-13, March 26, 2013 Reaffirmed by Motion 056-14, March 25, 2014 Approved by Resolution 34027-15, April 28, 2015		1



11. AGENDA NO. **MEETING DATE** April 26, 2016

#### TITLE **REVISIONS TO SEVERAL DISTRICT POLICIES**

\_\_\_\_\_ ORDINANCE \_\_ □ MOTION \_\_\_\_ \_ ERESOLUTION \_

#### **RECOMMENDED ACTION**

Approve revisions to the following District policies:

- Policy 1.13 Identity Theft Prevention Program
- Policy 2.04 Contractual Agreements with Former Employees
- Policy 3.05 Considerations for Extension of Water Beyond the Ultimate Service Boundary
- Policy 3.07 Responsibility to Serve Water Customers
- Policy 4.13 Establishing Water Rates
- Policy 4.20 Use of District Technology Resources
- Policy 9.01 Fire Control and Fuels Management on Watershed Lands .
- Policy 9.03 Water Supply Availability and Deficiency
- Policy 9.04 Watershed Management and Use

### DISCUSSION

Staff conducts bi-annual reviews of District policies to determine if any organizational, regulatory, or other changes have occurred which necessitate their modification or deletion. If warranted the appropriate modifications are drafted and forwarded to the Board for consideration and approval. Attached are nine policy modifications for consideration and approval. These policy modifications were reviewed with the Finance/Administration Committee on April 26, 2016.

### POLICIES RECOMMENDED FOR REVISION

#### 1. **Policy 1.13 – Identity Theft Prevention Program**

The title was changed to specifically state the policy relates to customer information. Minor edits were made to the policy for clarity.

Funds Available FY:	Budget Code:	
DEPARTMENT SUBMITTING Finance Department	DEPARTMENT MANAGER or DIRECTOR	APPROVED <u>Allemy &amp; Cer</u> General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

Revisions to Several District Policies April 26, 2016 Page 2

#### 2. Policy 2.04 – Contractual Agreements with Former Employees

This policy is being modified to include Public Employees' Pension Reform Act (PEPRA) requirements related to agreements with former employees.

#### 3. Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary

Minor edits were made to clarify the conditions for denying ultimate service boundary extensions.

#### 4. Policy 3.07 – Responsibility to Serve Water Customers

This policy is being modified to include reference to state conservation mandates and clarify areas of responsibility.

#### 5. Policy 4.13 – Establishing Water Rates

This policy is being significantly modified to be consistent with legal and regulatory requirements for rate setting, eliminate detailed "procedural" related language and include wastewater rates.

#### 6. Policy 4.20 – Use of District Technology Resources

This policy is being modified to list the specific types of equipment covered. Per the request of the Finance/Administration Committee, this policy has also been modified to incorporate political activities as one of the prohibited uses.

Concerns regarding changes to this policy and the related procedure (Procedure 453 – Technology Use and Privacy) that were expressed by Local 2019 have been addressed and satisfactorily resolved.

#### 7. Policy 9.01 – Fire Control and Fuels Management on Watershed Lands

This policy is being modified to include language to require collaboration with stakeholders to address fire and fuels management on adjacent land.

#### 8. Policy 9.03 – Water Supply Availability and Deficiency

This policy is being modified to reflect actions taken during the recent drought as previously discussed in the March 8, 2016 workshop.

Revisions to Several District Policies April 26, 2016 Page 3

#### 9. Policy 9.04 – Watershed Management and Use

Minor edits were made to incorporate the Sustainability Policy and specify the policy relates to District-owned lands.

#### **UNION NOTIFICATION**

Employee Relations has reviewed all of the policy changes to determine the necessity for union review and has reviewed all of the changes that affect wages, hours and working conditions with the unions.

#### **FISCAL IMPACT**

These policy changes have no fiscal impact.

#### ALTERNATIVE

**Do not update these policies.** This alternative is not recommended because it would leave policies in place that do not reflect current operating practices, are not consistent with Board directives, and/or are not in compliance with California law.

#### Attachments

I:\SEC\04-26-16 Agenda Items\FIN - BD1 Revisions to Several District Policies 042616.doc



## Policy 1.13R

EFFECTIVE

SUPERSEDES

26 APR 16 25 MAR 14 25 MAR 14

26 JUN12

## CUSTOMER IDENTITY THEFT PREVENTION PROGRAM

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Ensure that customer account information, including any personally identifying information (PII), is protected and complies with the Federal Fair and Accurate Credit Transactions (FACT) Act of 2003. Specifically, compliance with the FACT Act involves the maintenance of an Identity Theft Prevention Program, which includes verifying and confirming customer identity in connection with opening and maintaining water and wastewater accounts. Compliance with the FACT Act shall also be a contractual requirement of any third-party service provider(s) that has access to any District customer's <u>PIIpersonal identifying information</u> submitted in person, by telephone, fax, mail, email and other electronic means.

The program will be updated annually to reflect any changes in the way the District manages customer account information and to remain in compliance with the FACT Act.

Authority	Resolution No. 33710-09, April 28, 2009 As amended by Resolution No. 33883-12, June 26, 2012 As amended by Resolution No. 33968-14, March 25, 2014 <u>As amended by Resolution No. XXXXX-16, April 26, 2016</u>
References	Procedure 144 – Identity Theft Prevention Program Guidelines Fair and Accurate Credit Transactions Act of 2003



## Policy 1.13

EFFECTIVE 26 APR 16

SUPERSEDES 25 MAR 14

# CUSTOMER IDENTITY THEFT PREVENTION PROGRAM

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Ensure that customer account information, including any personally identifying information (PII), is protected and complies with the Federal Fair and Accurate Credit Transactions (FACT) Act of 2003. Specifically, compliance with the FACT Act involves the maintenance of an Identity Theft Prevention Program, which includes verifying and confirming customer identity in connection with opening and maintaining water and wastewater accounts. Compliance with the FACT Act shall also be a contractual requirement of any third-party service provider(s) that has access to any District customer's PII submitted in person, by telephone, fax, mail, email and other electronic means.

The program will be updated annually to reflect any changes in the way the District manages customer account information and to remain in compliance with the FACT Act.

Authority	Resolution No. 33710-09, April 28, 2009 As amended by Resolution No. 33883-12, June 26, 2012 As amended by Resolution No. 33968-14, March 25, 2014 As amended by Resolution No. XXXXX-16, April 26, 2016	
References	Procedure 144 – Identity Theft Prevention Program Guidelines Fair and Accurate Credit Transactions Act of 2003	



## Policy 2.04R

EFFECTIVE 26 APR 16 11 AUG 92 SUPERSEDES 11 AUG 92 NEW

### CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Allow for contractual agreements with former employees separated from the District by retirement, resignation or termination.

Conditions	<ul> <li>The former employee offers unique knowledge and skills for specialized professional services.</li> </ul>
	<ul> <li>Payment of compensation for such services shall not prejudice the retirement rights or benefits of the person.</li> </ul>
	• At least one year has elapsed since separation from the District.
	<ul> <li>At least one year has elapsed since separation from the District when accepting former employees in principal roles on professional services contracts with outside firms.</li> </ul>
Exception	The one-year waiting period may be waived when, in the opinion of the General Counsel, it is in the best interest of the District to retain the services of a former employee to serve as a percipient witness, consultant or expert witness for or on behalf of the District in any pending litigation. The term "pending litigation" shall be defined to include any adjudicatory proceeding before a court, administrative body, hearing officer or arbitrator to which the District is a party and/or those matters where there is a significant exposure to litigation against the District.
	Contractual agreements with former employees who have retired from the District are subject to the requirements set forth under the Public Employees' Pension Reform Act ("PEPRA") under California Government Code Section 7522.56.
Authority	Motion No. 92-130, August 11, 1992 Amended by Resolution No. XXXXX-16, April 26, 2016



## Policy 2.04

EFFECTIVE 26 APR 16

SUPERSEDES 11 AUG 92

## CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES

### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Allow for contractual agreements with former employees separated from the District by retirement, resignation or termination.

Conditions	<ul> <li>The former employee offers unique knowledge and skills for specialized professional services.</li> </ul>
	<ul> <li>Payment of compensation for such services shall not prejudice the retirement rights or benefits of the person.</li> </ul>
	At least one year has elapsed since separation from the District.
	<ul> <li>At least one year has elapsed since separation from the District when accepting former employees in principal roles on professional services contracts with outside firms.</li> </ul>
Exception	The one-year waiting period may be waived when, in the opinion of the General Counsel, it is in the best interest of the District to retain the services of a former employee to serve as a percipient witness, consultant or expert witness for or on behalf of the District in any pending litigation. The term "pending litigation" shall be defined to include any adjudicatory proceeding before a court, administrative body, hearing officer or arbitrator to which the District is a party and/or those matters where there is a significant exposure to litigation against the District.
	Contractual agreements with former employees who have retired from the District are subject to the requirements set forth under the Public Employees' Pension Reform Act ("PEPRA") under California Government Code Section 7522.56.
Authority	Motion No. 92-130, August 11, 1992 Amended by Resolution No. XXXXX-16, April 26, 2016



## Policy 3.05R

### CONSIDERATIONS FOR EXTENSION OF WATER BEYOND THE ULTIMATE SERVICE BOUNDARY

EFFECTIVE <u>26 APR 16</u> <u>14 NOV 06</u> SUPERSEDES <u>14 NOV 06</u> <u>13 FEB 01</u>

### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT THAT:

The District will not extend water to areas outside the present Ultimate Service Boundary (USB) of the District, if such extension <u>would could</u> result in:

- 1. A reduction in the quantity of water available to District customers to satisfy existing or projected levels of demand; or
- 2. A reduction in the quality of water available to District customers from the District's present water sources; or
- 3. An increase in costs of service for District customers.

The USB defines the territory within which the District has planned to provide water service. The phrase "District customers" as used in this policy shall mean (i) existing water service customers of the District and (ii) future customers, located within the present USB, but not now receiving water service.

This policy shall not apply to proposed annexations of property to the District's service area within the USB<u>. All extensions</u> and <del>such</del> annexations shall continue to be evaluated on a case-by-case basis.

AuthorityBoard Motion, adopted on March 8, 1983Amended by Resolution No. 33236-01, February 13, 2001Amended by Resolution No. 33564-06, November 14, 2006Amended by Resolution No. XXXXX-16, April 26, 2016



## Policy 3.05

EFFECTIVE 26 APR 16

SUPERSEDES 14 NOV 06

### CONSIDERATIONS FOR EXTENSION OF WATER BEYOND THE ULTIMATE SERVICE BOUNDARY

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT THAT:

The District will not extend water to areas outside the present Ultimate Service Boundary (USB) of the District, if such extension could result in:

- 1. A reduction in the quantity of water available to District customers to satisfy existing or projected levels of demand; or
- 2. A reduction in the quality of water available to District customers from the District's present water sources; or
- 3. An increase in costs of service for District customers.

The USB defines the territory within which the District has planned to provide water service. The phrase "District customers" as used in this policy shall mean (i) existing water service customers of the District and (ii) future customers, located within the present USB, but not now receiving water service.

This policy shall not apply to proposed annexations of property to the District's service area within the USB. All extensions and annexations shall continue to be evaluated on a case-by-case basis.

Authority	Board Motion, adopted on March 8, 1983		
-	Amended by Resolution No. 33236-01, February 13, 20		
Amended by Resolution No. 33564-06, Novembe			
	Amended by Resolution No. XXXXX-16, April 26, 2016		



## Policy 3.07

EFFECTIVE <u>26 APR 16</u>12 AUG 14

SUPERSEDES 24 APR 12 12 AUG 14

### RESPONSIBILITY TO SERVE WATER CUSTOMERS

IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Ensure that during times of water shortage, available water supplies are appropriately allocated to water customers.

Discussion	It is expected that water available for supplying EBMUD's customers will vary over time depending on the following factors: diversions by Mokelumne River users with senior water rights, requirements for instream flows to protect fish and wildlife in the Mokelumne River, the Sacramento-San Joaquin River Delta, and the San Francisco Bay, <u>state conservation mandates</u> as well as <u>development of the</u> <u>availability of current and</u> future <u>supplementaldry year</u> supplies. Water agencies are responsible for planning to meet the needs of their customers through periods of drought with minimal disruption by minimizing the need for extreme rationing within their service area.
Water Service Responsibility	EBMUD recognizes that when there is a <u>n actual or projected</u> water shortage-or projected water shortage, EBMUD's responsibility to serve its customers and service area is prioritized as follows:
	<ul> <li>First, to-serve its-existing customers within the District's its existing service area while meeting the goal of limiting customer rationing to 15 percent per Board Policy 9.03.</li> </ul>
	<ul> <li>Second, to serve expected new customers within the <u>District's</u> its existing service area, but only if this does not unacceptably impair EBMUD's ability to serve its existing customers without exceeding 15 percent rationing.</li> </ul>
	<ul> <li>Third, to consider serving new customers outside of <u>the District's its existing</u> service area, <u>but only</u> if this does not impair EBMUD's ability to serve existing and expected new customers within its service area.</li> </ul>
	In accordance with California Government Code, Section 65589.7, when new service connections are restricted by EBMUD's Board of Directors, priority shall be given to applicants for water service to proposed developments within EBMUD's existing service area that include housing units affordable to lower income households, subject to income limits specified in the California Code of Regulations and pursuant to administrative procedures adopted by the General Manager. Applicants granted such priority shall comply with EBMUD's Regulations Governing Water Service and pay all requisite fees.
	EBMUD shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the Board of Directors makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:
	<ul> <li>EBMUD is operating under a declared water shortage emergency condition under California Water Code, Section 350, et seq.</li> </ul>

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Sufficient water supply is not available to support the granting of all requests • for new service, based upon a consideration of all factors provided by California Government Code, Section 66473.7. EBMUD does not have sufficient water treatment or distribution capacity to serve the needs of proposed development, as demonstrated by a written engineering analysis and report. EBMUD is subject to a compliance order by the Department of Public Healtha . designated state agency that prohibits new water connections. The applicant has failed to agree to reasonable terms and conditions relating • to the provision of service generally applicable to development projects seeking water service from EBMUD, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of applicable fees or charges. **Authority** Resolution No. 32867-94, June 28, 1994 As amended by Resolution No. 33443-04, September 28, 2004 As amended by Resolution No. 33543-06, June 27, 2006 As amended by Resolution No. 33687-08, October 14, 2008 As amended by Resolution No. 33763-10, April 27, 2010-As amended by Resolution No. 33871-12, April 24, 2012 As amended by Resolution No. 33993-14, August 12, 2014 As amended by Resolution No. XXXXX-16, April 26, 2016 California Government Code, Section 66473.7 Reference California Government Code, Section 65589.7 California Code of Regulations, Title 25, Section 6932 [income limit for "lower income households"] Procedure 109 - Water Mains: Water Service Estimates Policy 3.01 – Annexations Policy 7.05 – Sustainability Policy 9.03 - Water Supply Availability and Deficiency Policy 9.05 – Non-Potable Water



Policy 3.07

EFFECTIVE

26 APR 16

SUPERSEDES

12 AUG 14

### RESPONSIBILITY TO SERVE WATER CUSTOMERS

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Ensure that during times of water shortage, available water supplies are appropriately allocated to water customers.

Discussion	It is expected that water available for supplying EBMUD's customers will vary ove time depending on the following factors: diversions by Mokelumne River users with senior water rights, requirements for instream flows to protect fish and wildlife in the Mokelumne River, the Sacramento-San Joaquin River Delta, and the San Francisco Bay, state conservation mandates, as well as the availability of current and future dry year supplies. Water agencies are responsible for planning to meet the needs of their customers through periods of drought with minimal disruption by minimizing the need for extreme rationing within their service area.		
Water Service Responsibility	EBMUD recognizes that when there is an actual or projected water shortage, EBMUD's responsibility to serve its customers and service area is prioritized as follows:		
	• First, serve existing customers within the District's service area.		
	<ul> <li>Second, serve expected new customers within the District's service area, if this does not unacceptably impair EBMUD's ability to serve its existing customers.</li> </ul>		
	<ul> <li>Third, to consider serving new customers outside of the District's service area, if this does not impair EBMUD's ability to serve existing and expected new customers within its service area.</li> </ul>		
	In accordance with California Government Code, Section 65589.7, when new service connections are restricted by EBMUD's Board of Directors, priority shall be given to applicants for water service to proposed developments within EBMUD's existing service area that include housing units affordable to lower income households, subject to income limits specified in the California Code of Regulations. Applicants granted such priority shall comply with EBMUD's Regulations Governing Water Service and pay all requisite fees.		
	EBMUD shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the Board of Directors makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:		
	<ul> <li>EBMUD is operating under a declared water shortage emergency condition under California Water Code, Section 350, et seq.</li> </ul>		
	<ul> <li>Sufficient water supply is not available to support the granting of all requests for new service, based upon a consideration of all factors provided by California Government Code, Section 66473.7.</li> </ul>		

Responsibili	ty to Serve Water Customers	NUMBER	3.07
		PAGE NO .:	2
<u> </u>		EFFECTIVE DATE	26 APR 16
	<ul> <li>EBMUD does not have sufficient water serve the needs of proposed development engineering analysis and report.</li> </ul>		
	<ul> <li>EBMUD is subject to a compliance order by a designated state agency that prohibits new water connections.</li> </ul>		gency that
	<ul> <li>The applicant has failed to agree to reas to the provision of service generally app seeking water service from EBMUD, inc requirements of local, state, or federal la applicable fees or charges.</li> </ul>	licable to development pr luding, but not limited to,	ojects th <b>e</b>
Authority	Resolution No. 32867-94, June 28, 1994 As amended by Resolution No. 33443-04, September 28, 2004 As amended by Resolution No. 33543-06, June 27, 2006 As amended by Resolution No. 33687-08, October 14, 2008 As amended by Resolution No. 33763-10, April 27, 2010 As amended by Resolution No. 33871-12, April 24, 2012 As amended by Resolution No. 33993-14, August 12, 2014 As amended by Resolution No. XXXXX-16, April 26, 2016		
Reference	nce California Government Code, Section 66473.7 California Government Code, Section 65589.7 California Code of Regulations, Title 25, Section 6932 [income limit for "lowe income households"] Procedure 109 – Water Mains: Water Service Estimates Policy 3.01 – Annexations Policy 7.05 – Sustainability Policy 9.03 – Water Supply Availability and Deficiency Policy 9.05 – Non-Potable Water		r "lower



## Policy 4.13R

EFFECTIVE 26 A 24 A SUPERSEDES 24 A

## ESTABLISHING WATER <u>AND WASTEWATER</u> RATES

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish water and wastewater rates that recover costs included in the District's operating and capital budgets, meet the District's policy goals and comply with applicable law, including Proposition 218 and the Municipal Utility District Act ("MUD" Act), provide adequate revenues while remaining affordable, encourage conservation and efficient use of water, and reflect the cost of providing service to customers. Rates should also enhance the District's ability to provide a-safe, reliable, and sufficient water supply and wastewater treatment services to its customers over the long term. The District will provide a customer assistance program, that is in compliance with state law, to help low income customers obtain water and wastewater at a reasonable price.

#### **Rate Methodology**

The District's water and wastewater rates are developed and structured using a cost-ofservice methodology recommended by the American Water Works Association (AWWA). These cost-based principles are intended to properly allocate the reasonable estimated costs to those customer classifications whose service demands give rise to the costs. The costs are based on the District's water distribution system components, and a determination of the costs of service associated with the customer service characteristics for each customer class. in conformance with all applicable laws including the MUD Act and Proposition 218 (California Constitution article XIII D, section 6).

AWWA recommended cost allocation methodology allocates cost to the District's customer classifications as follows:

- Allocation of costs applicable to the functional cost components of water service which could include extra capacity (peaking demands);
- Distribution of the component costs to the various customer classes in accordance with their requirements for service; and

• Design of water rates that will recover from each class of customer, within practical limits and consistent with District policy and applicable law, the reasonable, estimated costs to serve that class of customer.

Water rates shall be developed using an AWWA methodology, recognized practices in the industry and sound economic judgment. To ensure compliance with these requirements, a-A cost-of-service-water rate study of the District's water and wastewater service fees and charges is to be completed at least every ten years.

Water Rate Design In addition to reflecting the cost of service, To the extent authorized by law, the District's water rates should will be designed with consideration of the impact on to encourage conservation, water use efficiency and resource management, and enhance reliability and supply, and water supply enhancement. Such strategies may include incentive pricing for water, and/or recycled water, and drought rates to curtail unreasonable use and effectively allocate the water supply during periods of limited availability. The District's water rates will be designed to recover the operating and capital costs of the water facilities in order to ensure reliable delivery of water.

Establishing Wa	nter <u>and Wastewater</u>	NUMBER	4.13
Rates		PAGE NO .:	2
		EFFECTIVE DATE	26 APR 14
1	<ul> <li>These rate design objectives are in furtherance of and</li> <li>The Memorandum of Understanding Regarding Regarding Regarding Regarding Regarding Regarding Regarding Regarding Regar</li></ul>	Consistent with: rban Water Conservation, of tities (including EBMUD), wa actices" that the Legislature yet substantial, reductions ared that water conservatio ricing of water through rate to reduce average or peak August 25, 1993, which dec California's water policy for	24 APR 12
	that all reasonable efforts to conserve water shoul California's water policy; and expressly provides the water for municipal use may encourage water con- design. • SBx7-7 (2010) (Water Code section 10608.16) whi	nat any public agency which servation through rate struct	h supplies cture
5	progress toward reducing urban per capita water t 2021.	. <mark>se by 10% by 2016 and by</mark>	<del>/ 20% by</del>
	<ul> <li>Article X, section 2 of the California Constitution where conditions prevailing in this State the general welfar the State be put to beneficial use to the fullest extere the waste or unreasonable use or unreasonable mand that the conservation of such waters is to be example and beneficial use thereof in the interest of the period.</li> </ul>	are requires that the water r ont of which they are capab ethod of use of water be pr xercised with a view to the	esources of le, and that evented, reasonable
	The District's water rate structure should also provide subsistence water to low income customers at an affor	sufficient flexibility to allow rdable price.	for sales of
Rate Distribution	To ensure fairness in rates applicable to single family single family residential customers shall not be increase than 5% of any adjustment made to other tiers for the requirements. This does not apply to rates adopted by a water shortage condition.	sed or decreased in one tie purpose of meeting annual	<del>r by more</del> - <del>budget</del>
<u>Wastewater Rate</u> <u>Design</u>	To the extent authorized by law, the district's wastewa encourage conservation and resource management. T designed to recover the operating and capital costs of reliable treatment services and to protect public health	The District's wastewater ra the wastewater facilities to	<u>tes will be</u>
Public Involvement in Rate Setting	In accordance with MUD Act Section 14401, Pprior to revised water and wastewater rates or revisions to exit presenting rate recommendations will be filed with the available to the public. Within 40 days of the filing of the one a public hearing on the report and its rates recommended or surpass public involvement requirements on recommendations.	sting water rates, a staff re Board of Directors and ma <u>ne report, EBMUD will cond</u> mendations, and take other	port Ide luct <del>at least</del> <del>r steps to</del>

Establishing Rates	Water and Wastewater	NUMBER PAGE NO.:	4.13 3
		EFFECTIVE DATE	26 APR 14 24 APR 12
Authority	Resolution No. 32985-96, May 14, 1996 <del>,</del> Amended by Motion 143-96, June 25, 1996 <del>.</del> Amended by Resolution 33550-06, July 25, 2006 Amended by Resolution 33763-10, April 27, 2010 Amended by Resolution No. 33871-12, April 24, 2012 <u>Amended by Resolution No. XXXXX-16, April 26, 2016</u>		



## Policy 4.13

EFFECTIVE 26 APR 16

## ESTABLISHING WATER AND WASTEWATER RATES

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish water and wastewater rates that recover costs included in the District's operating and capital budgets, meet the District's policy goals and comply with applicable law, including Proposition 218 and the Municipal Utility District Act ("MUD" Act). Rates should also enhance the District's ability to provide safe, reliable, and sufficient water supply and wastewater treatment services to its customers over the long term. The District will provide a customer assistance program, that is in compliance with state law, to help low income customers obtain water and wastewater at a reasonable price.

Rate Methodology	The District's water and wastewater rates are developed and structured in conformance with all applicable laws including the MUD Act and Proposition 218 (California Constitution article XIII D, section 6).
	To ensure compliance with these requirements, a cost-of-service study of the District's water and wastewater service fees and charges is to be completed at least every ten years.
Water Rate Design	To the extent authorized by law, the District's water rates will be designed to encourage conservation, water use efficiency and resource management, and enhance reliability and supply. The District's water rates will be designed to recover the operating and capital costs of the water facilities in order to ensure reliable delivery of water.
Wastewater Rate Design	To the extent authorized by law, the district's wastewater rates will be designed to encourage conservation and resource management. The District's wastewater rates will be designed to recover the operating and capital costs of the wastewater facilities to ensure reliable treatment services and to protect public health and the environment.
Public Involvement in Rate Setting	In accordance with MUD Act Section 14401, prior to the Board's consideration of new or revised water and wastewater rates, a staff report presenting rate recommendations will be filed with the Board of Directors and made available to the public. Within 40 days of the filing of the report, EBMUD will conduct a public hearing on the report and its rate recommendations.
Authority	Resolution No. 32985-96, May 14, 1996 Amended by Motion 143-96, June 25, 1996 Amended by Resolution 33550-06, July 25, 2006 Amended by Resolution 33763-10, April 27, 2010 Amended by Resolution No. 33871-12, April 24, 2012 Amended by Resolution No. XXXXX-16, April 26, 2016

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## Policy 4.20R

EFFECTIVE <u>26 APR 16</u> <u>26 JUN 12</u> SUPERSEDES <u>11 DEC 07</u>

26 JUN 12

### USE OF DISTRICT TECHNOLOGY RESOURCES

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Use <u>the District's computering hardwareequipment (desktops, laptops, handheld computers)</u>, software, and electronic mail, access to the Internet. <u>Wi-Fi access</u>, telephones (desk phones, cell phones, smartphones), voicemail, pagers, copy machines, facsimile machines, <u>printers</u> and other Technology Resources for District business purposes and allow limited incidental personal use by District employees in strict accordance with all software license agreements.

Ownership and Privacy	All software and data are the property of the District. Software, data, and all electronic files developed by employees, may not be taken with them when they leave the District without the written permission of the employee's Department <u>head.Manager.</u>	
	Electronic mail, Internet access, telephones, and other Technology Resources ("systems") are provided for District activities and are not intended for the personal use of employees as a substitute for their <u>personally-owned purchased</u> -devices. District procedures, however, may allow incidental and appropriate personal use of these resources. In allowing such incidental use, no expectation of privacy is conveyed. The District may examine its systems and any electronic information, including files and electronic mail, at any time. Under no circumstances may District systems be used for <u>political purposes or for</u> an employee's non-District commercial or business activities, whether engaged in for profit or not, or for any illicit purpose.	
Use of Computer Software	All software used by the District must be properly licensed. District employees shall not copy or install unauthorized software onto District computers or improperly copy authorized District software in violation of software license agreements. The Information Systems Department is responsible for determining when software may be copied onto District systems.	
Authority	Resolution No. 32886-94, October 25, 1994, As amended by Resolution No. 33225-00, October 10, 2000 As amended by Resolution No. 33646-07, December 11, 2007 As amended by Resolution No. 33883-12, June 26, 2012 <u>As amended by Resolution No. XXXXX-16, April 26, 2016</u>	
References	Policy 2.05Employee DisciplinePolicy 6.04Ethics Policy Of The EBMUD Board Of DirectorsProcedure 453Technology Use And Privacy ProcedureProcedure 461Information Security	



## Policy 4.20

EFFECTIVE 26 APR 16 SUPERSED**ES** 26 JUN 12

### USE OF DISTRICT TECHNOLOGY RESOURCES

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Use the District's computing equipment (desktops, laptops, handheld computers), software, electronic mail, access to the Internet, Wi-Fi access, telephones (desk phones, cell phones, smartphones), voicemail, pagers, copy machines, facsimile machines, printers and other Technology Resources for District business purposes and allow limited incidental personal use by District employees in strict accordance with all software license agreements.

Ownership and Privacy	files developed by	ata are the property of the District. Software, data, and all electronic employees, may not be taken with them when they leave the written permission of the employee's Department head.	
	("systems") are pro of employees as a however, may allow allowing such incide examine its system at any time. Under purposes or for an o	ernet access, telephones, and other Technology Resources vided for District activities and are not intended for the personal use substitute for their personally-owned devices. District procedures, v incidental and appropriate personal use of these resources. In ental use, no expectation of privacy is conveyed. The District may s and any electronic information, including files and electronic mail, no circumstances may District systems be used for political employee's non-District commercial or business activities, whether it or not, or for any illicit purpose.	
Use of Computer Software	All software used by the District must be properly licensed. District employees shall not copy or install unauthorized software onto District computers or improperly copy authorized District software in violation of software license agreements. The Information Systems Department is responsible for determining when software may be copied onto District systems.		
Authority	Resolution No. 32886-94, October 25, 1994, As amended by Resolution No. 33225-00, October 10, 2000 As amended by Resolution No. 33646-07, December 11, 2007 As amended by Resolution No. 33883-12, June 26, 2012 As amended by Resolution No. XXXXX-16, April 26, 2016		
References	Policy 6.04 Procedure 453	Employee Discipline Ethics Policy Of The EBMUD Board Of Directors Technology Use And Privacy Procedure Information Security	



## Policy 9.01

 EFFECTIVE
 26 APR 16

 24 APR 12

 SUPERSEDES
 24 Apr 12

### FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS

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### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Manage the District - owned watersheds to minimize the occurrence and impacts of wildland fires to protect life, property, watershed lands the environment and water quality; and to-collaborate with state and federal agencies, local governments, private landowners, and other organizations in addressing fire and fuels management issues involving lands not owned by the District, but that drain into District reservoirs.-

Protection of	Th	e District will:
Watershed Lands and Water Quality	•	Implement measures to reduce fire hazards and maintain emergency access on <u>District-owned</u> watershed lands to the extent practicable to protect life, property and source water quality from wildland fire-related impacts including erosion, sedimentation, and nutrient loading.
	•	Ensure fire and fuels management activities are consistent with the District's objectives for the management and protection of source water quality, biodiversity and other natural resources to the extent practicable by using a strategic planning approach to fire management.
	•	Cooperate with state and local fire suppression agencies and committees and with adjacent property owners in fire suppression programs, training and management activities.
	•	Maintain suppression capability, equipment, and patrols to retain a basic level of fire safety and initial response necessary to assist in suppressing fires on or threatening District property, and on other areas when requested for Mutual Aid.
	•	Recognize the importance of fire as a natural ecological process and use prescribed burning and other techniques to reduce hazardous fuel loads under carefully selected conditions to achieve long-term fire safety, water quality protection, and biodiversity management objectives.
	•	Encourage the use of a range of environmentally appropriate methods to reduce hazardous fuel loads (e.g., livestock and goat grazing, mowing, plowing, vegetation removal).
	•	Support the establishment and placement of required fire hazard mitigation measures within the boundaries of new developments when possible in order to avoid additional costs to the District and impacts to District watershed properties.
	•	Implement appropriate restoration activities after a fire on District watersheds when necessary to protect water quality.
	•	Collaborate with state and federal agencies, local governments, public utilities, private landowners, and other organizations to address fire and fuels management on watershed lands draining into District reservoirs but not owned by the District.

Fire Control and Fuels Management on Watershed	NUMBER	9.01
Lands	PAGE NO .:	2
	EFFECTIVE DATE:	<u>26 APR 16</u> 24 APR 12

Authority Resolution No. 16,866, January 14, 1955 Amended by Resolution No. 33116-98, August 11, 1998, Amended by Resolution No. 33236-01, February 13, 2001	
Amended by Pesolution No. 33236.01 Eebruary 13, 2001	
Amended by Resolution No. 33230-01, February 13, 2001	
Amended by Resolution No. 33634-07, October 9, 2007	
Amended by Resolution No. 33756-10, February 23, 2010	
Amended by Resolution No. 33871-12, April 24, 2012	
Amended by Resolution No. XXXXX-16, April 26, 2016	

Reference Policy 7.10 – Source Water Quality



## Policy 9.01

EFFECTIVE 26 APR 16

SUPERSEDES 24 Apr 12

## FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS

## IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Manage District-owned watersheds to minimize the occurrence and impacts of wildland fires to protect life, property, the environment and water quality; and collaborate with state and federal agencies, local governments, private landowners, and other organizations in addressing fire and fuels management issues involving lands not owned by the District, but that drain into District reservoirs.

Protection of	e District will:	
Watershed Lands and Water Quality	Implement measures to reduce fire hazards and maintain emergency access on District-owned watershed lands to the extent practicable to protect life, property and source water quality from wildland fire-related impacts including erosion, sedimentation, and nutrient loading.	
	Ensure fire and fuels management activities are consistent with the District's objectives for the management and protection of source water quality, biodiversity and other natural resources to the extent practicable by using a strategic planning approach to fire management.	
	Cooperate with state and local fire suppression agencies and committees and with adjacent property owners in fire suppression programs, training and management activities.	
	Maintain suppression capability, equipment, and patrols to retain a basic level of fire safety and initial response necessary to assist in suppressing fires on or threatening District property, and on other areas when requested for Mutual Aid.	
	Recognize the importance of fire as a natural ecological process and use prescribed burning and other techniques to reduce hazardous fuel loads under carefully selected conditions to achieve long-term fire safety, water quality protection, and biodiversity management objectives.	
	Encourage the use of environmentally appropriate methods to reduce hazardous fuel loads (e.g., livestock and goat grazing, mowing, plowing, vegetation removal).	
	Support the establishment and placement of required fire hazard mitigation measures within the boundaries of new developments when possible in order to avoid additional costs to the District and impacts to District watershed properties.	
	Implement appropriate restoration activities after a fire on District watersheds when necessary to protect water quality.	
	Collaborate with state and federal agencies, local governments, public utilities, private landowners, and other organizations to address fire and fuels management on watershed lands draining into District reservoirs but not owned by the District.	

Fire Control and Fuels Management on Watershed		NUMBER	9.01
Lands		PAGE NO .:	2
		EFFECTIVE DATE:	26 APR 16
Authority	Resolution No. 16,866, January 14, 1955 Amended by Resolution No. 33116-98, August 11, 1998, Amended by Resolution No. 33236-01, February 13, 2007 Amended by Resolution No. 33634-07, October 9, 2007 Amended by Resolution No. 33756-10, February 23, 2010 Amended by Resolution No. 33871-12, April 24, 2012 Amended by Resolution No. XXXXX-16, April 26, 2016		
Reference	Policy 7.10 – Source Water Quality		

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## Policy 9.03R

EFFECTIVE 26 APR 16 12 NOV 13 SUPERSEDES 12 NOV 13 14 JUN 11

# WATER SUPPLY AVAILABILITY AND DEFICIENCY

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Evaluate the availability adequacy of the District's water supplies and determine the acceptable maximum level of annual customer demand for the District's service area, based on the District's current drought management guidelines, limiting rationing up to a maximum of 15 percent of District-wide annual demand and implementation of current and proposed District conservation programs, recycled water programs and supplemental dry year water supplies supply projects for inclusion in the Water Supply Availability and Deficiency Reports (WSADR) to be filed with the Board of Directors.

Annual <del>Water</del> Supplies <u>WSADR</u> Report <u>s</u>	A <u>Preliminary WSADR review assessment and report to the Board of Directors shall be</u> made on the current and long-term adequacy of the District's water supplies by <u>March 1</u> of each year in which hydrologic conditions may trigger a need for dry year supplies. The Preliminary WSADR will be in the form of an informational memo that may include the following comments: an early assessment of the current year's water supply, a discussion of any new or ongoing state actions related to water supply, and a summary of the results of any demand management programs or acquisition of dry year or other supplemental supplies in the previous year. May 1 <sup>st</sup> of each year.
	A final assessment and report to the Board of Directors shall be made by May 1 of each year. The report shall include an evaluation of the adequacy of the District's water supplies to satisfy customer demand for the current water year, based on the District's Drought Management Program Guidelines, and a projection through the year 2040, based on the determination of the Allowable Maximum Level of Demand (AMLD). The report may include the following components: projected customer demand, projected runoff from Department of Water Resources, implementation of the Drought Management Program, forecast of the District's Total System Storage and, if applicable, adaptive management measures including discussion of gainsharing. This report will also refer to and, if applicable, provide updates to the water supply reliability analysis reported in the current Urban Water Management Plan (UWMP).
<u>Demand</u> <u>Management</u> <u>Program</u>	In the Final WSADR, when a determination of deficient water supply is made, the Board of Directors will consider the implementation of a Demand Management Program (DMP).
	<u>The Final WSADR, supplemented by other Board actions, will identify the various</u> <u>components of the DMP as outlined in the UWMP that will need to be implemented. The</u> <u>components include the level of districtwide customer cutbacks and other dry year</u> <u>supplies obtained as well as any external mandates, if applicable.</u>
<del>Long-Term</del> <del>Water Supply</del> Reliability	An assessment of long-term water supply reliability through the year 2040 shall be made assuming:
	<ul> <li>Water service will be provided in accordance with the District's Regulations Governing Water Service to Customers.</li> </ul>
	<ul> <li>Water conservation and water recycling programs will be implemented as provided in the District's current Urban Water Management Plan (UWMP).</li> </ul>

Water Supply A	vailability and Deficiency	NUMBER	9.03
		PAGE NO.:	2
		EFFECTIVE DATE	26 APR 10 12 NOV 13
Supplemental Supplies	The District shall pursue supplemental supplies inadequate either for the current year or throug District's current UWMP.		
<del>Demand</del> Management Program	When a determination of deficient water supply is made for the current water ye ont District will consider the implementation of a Demand Management Program.		
Implementation	The District shall have a goal of limiting custom District-wide annual demand and will implemen Drought Management Program Guidelines, as o	t this policy consistent with I	the District's
Surplus Water Notification	In accordance with the 1998 Joint Settlement A availability of Mokelumne River water is made <u>in</u> the Resources Agencies, specifically the United the California Department of Fish and Wildlife, o within two weeks after the filing of the Final WS	<u>n the final WSADR</u> , the Dist I States Fish and Wildlife Se of the availability of the addi	rict will notify ervices and
Definitions	Allowable Maximum Level of Demand (AMLD) - customer demand, expressed in MGD as an an supply system can sustain under the Drought P	nual average, that the existi	
	Drought Planning Sequence (DPS) – Three yea worst case drought scenario <u>that is</u> derived from <u>hydrological</u> record <u>as outlined in the District's L</u>	n <u>, but more severe than, the</u>	esenting a historical
	<u>Gainsharing – Increase in flows that the District</u> <u>Settlement Agreement, equal to 20% of the actude developed by the District from new facilities untiped to TAF.</u>	al yield of additional water	supplies
	Water Year – The term defined as the 12-month September 30, of the following year. The water in which it ends, and which includes 9 of the 12 September 30, 2013 is called the "2013" water y	year is designated by the ca <del>months.</del> Thus, the year end	alendar year
	<u>Central Valley Project (CVP) Contract Year - Th</u> from March 1 through the end of February of the		onth period
Authority	Amended by Resolution <u>No.</u> 31,246, May 14, 19 Amended by Resolution No. 32,204, May 9, 198 Amended by Resolution No. 33175-99, Novemb Amended by Resolution No. 33759-10, April 13, Amended by Resolution No. 33821-11, June 14 Amended by Resolution No. 33950-13, Novemb <u>Amended by Resolution No. XXXXX-16, April 20</u>	39 per 9, 1999 , 2010 , 2011 per 12, 2013	



## Policy 9.03

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SUPERSEDES

12 NOV 13

### WATER SUPPLY AVAILABILITY AND DEFICIENCY

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Evaluate the adequacy of the District's water supplies for the District's service area, based on the District's current drought management guidelines, conservation programs, recycled water programs and dry year water supplies for inclusion in the Water Supply Availability and Deficiency Reports (WSADR) to be filed with the Board of Directors.

Annual WSADR Reports	A Preliminary WSADR assessment and report to the Board of Directors shall be made by March 1 of each year in which hydrologic conditions may trigger a need for dry year supplies. The Preliminary WSADR will be in the form of an informational memo that may include the following comments: an early assessment of the current year's water supply, a discussion of any new or ongoing state actions related to water supply, and a summary of the results of any demand management programs or acquisition of dry year or other supplemental supplies in the previous year.	
	A final assessment and report to the Board of Directors shall be made by May 1 of each year. The report may include the following components: projected customer demand, projected runoff from Department of Water Resources, implementation of the Drought Management Program, forecast of the District's Total System Storage and, if applicable, adaptive management measures including discussion of gainsharing. This report will also refer to and, if applicable, provide updates to the water supply reliability analysis reported in the current Urban Water Management Plan (UWMP).	
Demand Management Program	In the Final WSADR, when a determination of deficient water supply is made, the Board of Directors will consider the implementation of a Demand Management Program (DMP).	
	The Final WSADR, supplemented by other Board actions, will identify the various components of the DMP as outlined in the UWMP that will need to be implemented. The components include the level of districtwide customer cutbacks and other dry year supplies obtained as well as any external mandates, if applicable.	
Supplemental Supplies	The District shall pursue supplemental supplies if existing supplies are found to be inadequate as outlined in the District's current UWMP.	
Surplus Water Notification	In accordance with the 1998 Joint Settlement Agreement, when a determination of the availability of Mokelumne River water is made in the final WSADR, the District will notify the Resources Agencies, specifically the United States Fish and Wildlife Services and the California Department of Fish and Wildlife, of the availability of the additional water within two weeks after the filing of the Final WSADR.	
Definitions	Drought Planning Sequence (DPS) – Three year hydrology sequence representing a worst case drought scenario that is derived from, but more severe than, the historical hydrological record as outlined in the District's UWMP.	

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Gainsharing – Increase in flows that the District agrees to implement as part of its Joint Settlement Agreement, equal to 20% of the actual yield of additional water supplies developed by the District from new facilities until reaching a maximum quantity of 20 TAF.

*Water* Year – The term defined as the 12-month period from October 1 through September 30, of the following year. The water year is designated by the calendar year in which it ends. Thus, the year ending September 30, 2013 is called the "2013" water year.

*Central Valley Project (CVP)* Contract Year - The term defined as the 12 month period from March 1 through the end of February of the following year.

AuthorityAmended by Resolution No. 31,246, May 14, 1985<br/>Amended by Resolution No. 32,204, May 9, 1989<br/>Amended by Resolution No. 33175-99, November 9, 1999<br/>Amended by Resolution No. 33759-10, April 13, 2010<br/>Amended by Resolution No. 33821-11, June 14, 2011<br/>Amended by Resolution No. 33950-13, November 12, 2013<br/>Amended by Resolution No. XXXXX-16, April 26, 2016

 References
 Policy 3.01 – Annexations

 Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service

 Boundary

 Policy 3.07 – Responsibility to Serve Water Customers

 Procedure 900 – Water Supply and Consumption Accounting and Reporting

 Procedure 901 – Recycled Water Accounting and Reporting

 Procedure 902 – Water Conservation Accounting and Reporting

 Procedure 903 – Compliance with USBR Long Term Renewal Contract for Delivery of

 CVP Water

 EBMUD's Urban Water Management Plan

 FERC Project 2916 Lower Mokelumne River – Joint Settlement Agreement



## Policy 9.04R

EFFECTIVE 26 APR 16 24 APR 12 SUPERSEDES 24 APR 12

WATERSHED MANAGEMENT AND USE

23 FEB 10

### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Acquire, protect, and manage watershed land surrounding District reservoirs in accordance with the District's primary objective of providing high quality drinking water and in a manner which protects source water quality, and water supply and natural resources, consistent with District's environmental principlessustainability policy.

Watershed Management and Use – General	<ul> <li>Implement the Mokelumne Watershed Master Plan (MWMP) adopted by Resolution No. 33668-08 and the East Bay Watershed Master Plan (EBWMP) adopted by Resolution No. 32979-96 as policy for those <u>District-owned</u> lands described therein.</li> <li>Manage and maintain <u>District-owned</u> watershed lands in accordance with all applicable environmental laws, regulations and requirements.</li> </ul>
Watershed Land Acquisition	<ul> <li>Anticipate watershed land requirements necessary for District operations and protection of source water quality with sufficient lead-time to effect economic acquisition of property.</li> </ul>
	<ul> <li>Acquire, maintain, and/or dispose of watershed land, consistent with District land ownership priorities and in accordance with District environmental principles and primary objective of providing high quality drinking water.</li> </ul>
	<ul> <li>Work with other agencies or public utilities seeking interest in or acquisition of District lands in accordance with the District's mission as outlined in this policy and in the MWMP and EBWMP.</li> </ul>
	<ul> <li>ResistOppose, with all means and methods provided by law, land acquisition or use by non-District entities for purposes which are inconsistent with District Watershed Master Plans and Policies or which would result in the deterioration of environmental or drinking water source quality.</li> </ul>
Watershed Land Protection	<ul> <li>Maintain an active program that pPreserves and protects source water quality through sanitary control, watershed assessment and protection of <u>District-</u> <u>owned</u> watershed lands tributary to District reservoirs, all consistent with the Safe Drinking Water Act and its amendments.</li> </ul>
	<ul> <li>Work with officials from sanitary districts, the Regional Water Quality Control Boards, and federal, state, county, and local governments to preserve and protect source water quality.</li> </ul>

Watershed Management and Use		NUMBER	9.04	
		PAGE NO .:	2	
		EFFECTIVE DATE:	<u>26 APR 16</u> <del>24 APR 12</del>	
	<ul> <li>Develop, implement, and maintain Best Manages soil erosion, sedimentation, fire damage, nutrie on District-<u>owned</u> lands and source water qual</li> </ul>	ent and other pollutant		
	<ul> <li>Track climate change science and the potentia watershed lands. Incorporate findings, as appr master plans.</li> </ul>			
	• Prevent contamination and pollution from ente	ring District reservoirs		
	Identify sediment sources from non-District owned land and determine their impact on District reservoirs and watercourses, while encouraging owners of non-District owned watershed lands to develop and implement Best Management Practices for erosion control.			
	<ul> <li>Where feasible, purchase and eliminate occup sewage disposal is impracticable or constitutes occupancy will result in the degradation of the Prohibit any human use of District lands that la facilities for removal of sewage.</li> </ul>	s a special hazard or v District's source water	vhere r quality.	
Land Management and Control	<ul> <li>Permit public use of District<u>-owned</u> land/waters not limited to, education, recreation and fishing District's primary objective of providing high qu source water quality and preserving open space outlined in the MWMP, EBWMP and in District that can be adequately monitored and manage uses to best meet core business needs and re supply, water quality, environmental protection impact to ratepayers in determining the approp not related to core business requirements.</li> </ul>	that are consistent w ality drinking water by ce characteristics of la policy. Permit only the d by the District. Prior gulatory requirements and recreation. Cons	ith the protecting nd as ose uses itize these of water ider the	
	<ul> <li>Maintain and operate reservoir recreation area mission and policies as described in the MWM areas will be developed and operated by Distri or private concessionaires as determined by th District operation of recreation areas must cont performance standards.</li> </ul>	P and EBWMP. Recre ct staff, qualified publi le Board of Directors.	eation c agencies Non-	
	<ul> <li>Obtain public input on District watershed mana participation via citizen advisory committees or appropriate by the District, as part of the master</li> </ul>	other means, as deer		
	<ul> <li>Coordinate District land use planning and manalogue local agencies as required.</li> </ul>	agement with federal,	state, and	
	• Retain fee title to and direct control over all war essential to the security or operation of the utili		ervoirs	
	• Ensure security (including patrols) of District wa	otorshod lands and	!	

Watershed M	anagement and Use NUT	MBER	9.04
	PAGE	NO.:	3
	EFFECTIVE	)ATE:	26 APR 16 24 APR 12
	<ul> <li>Modifications to the MWMP and EBWMP shall be made only action of the Board of Directors following public notification as Board of Directors may make such modifications as may be the requirements for the primary purpose of protecting water water quality<sub>±</sub> and water production water supply and natural r sustainability values.</li> </ul>	nd hear necessa <del>shed la</del> r	ring. The ary to meet nd, source
Authority	Resolution No. 25,418, October 13, 1970 As amended by Resolution No. 33116-98, August 11, 1998 As amended by Resolution No. 33236-01, February 13, 2001 As amended by Resolution No. 33634-07, October 9, 2007 As amended by Resolution No. 33756-10, February 23, 2010 As amended by Resolution No. 33871-12, April 24, 2012 <u>As amended by Resolution No. XXXXX-16, April 26, 2016</u>		
References	Policy 7.10 – Source Water Quality Policy 7.05 – Sustainability Policy 7.10 – Source Water Quality		

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EFFECTIVE 26 APR 16

SUPERSEDES

#### 24 APR 12

### WATERSHED MANAGEMENT AND USE

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Acquire, protect, and manage watershed land surrounding District reservoirs in accordance with the District's primary objective of providing high quality drinking water and in a manner which protects source water quality, water supply and natural resources, consistent with District's sustainability policy.

Watershed Management and Use – General	<ul> <li>Implement the Mokelumne Watershed Master Plan (MWMP) adopted by Resolution No. 33668-08 and the East Bay Watershed Master Plan (EBWMP) adopted by Resolution No. 32979-96 as policy for those District-owned lands described therein.</li> <li>Manage and maintain District-owned watershed lands in accordance with all applicable environmental laws, regulations and requirements.</li> </ul>
Watershed Land Acquisition	<ul> <li>Anticipate watershed land requirements necessary for District operations and protection of source water quality with sufficient lead-time to effect economic acquisition of property.</li> <li>Acquire, maintain, and/or dispose of watershed land, consistent with District land ownership priorities and in accordance with District environmental principles and primary objective of providing high quality drinking water.</li> </ul>
	<ul> <li>Work with other agencies or public utilities seeking interest in or acquisition of District lands in accordance with the District's mission as outlined in this policy and in the MWMP and EBWMP.</li> <li>Oppose, with all means and methods provided by law, land acquisition or use by non-District entities for purposes which are inconsistent with District Watershed Master Plans and Policies or which would result in the deterioration of environmental or drinking water source quality.</li> </ul>
Watershed Land Protection	<ul> <li>Preserve and protect source water quality through sanitary control, watershed assessment and protection of District-owned watershed lands tributary to District reservoirs, all consistent with the Safe Drinking Water Act and its amendments.</li> <li>Work with officials from sanitary districts, the Regional Water Quality Control Boards, and federal, state, county, and local governments to preserve and protect source water quality.</li> <li>Develop, implement, and maintain Best Management Practices to minimize soil erosion, sedimentation, fire damage, nutrient and other pollutant impacts on District-owned lands and source water quality.</li> <li>Track climate change science and the potential impacts of climate change on watershed lands. Incorporate findings as appropriate into future studies and master plans.</li> </ul>

	gement and Use	NUMBER	9.04
		PAGE NO .:	2
		EFFECTIVE DATE:	26 APR 16
	Prevent contamination and pollution from ent	tering District reservoirs	<b>.</b>
	<ul> <li>Identify sediment sources from non-District owned land and determine their impact on District reservoirs and watercourses, while encouraging owners of non-District owned watershed lands to develop and implement Best Management Practices for erosion control.</li> </ul>		
	<ul> <li>Where feasible, purchase and eliminate occupancy on watershed lands where sewage disposal is impracticable or constitutes a special hazard or where occupancy will result in the degradation of the District's source water quality. Prohibit any human use of District lands that lack adequate and approved facilities for removal of sewage.</li> </ul>		
Land Management and Control	<ul> <li>Permit public use of District-owned land/water not limited to, education, recreation and fishin District's primary objective of providing high of source water quality and preserving open spa outlined in the MWMP, EBWMP and in District that can be adequately monitored and manage uses to best meet core business needs and r supply, water quality, environmental protection impact to ratepayers in determining the appro- not related to core business requirements.</li> </ul>	g that are consistent with the uality drinking water by protecting ce characteristics of land as t policy. Permit only those uses ed by the District. Prioritize these egulatory requirements of water and recreation. Consider the	
	<ul> <li>Maintain and operate reservoir recreation are mission and policies as described in the MWI areas will be developed and operated by Dist or private concessionaires as determined by District operation of recreation areas must co performance standards.</li> </ul>	MP and EBWMP. Recre trict staff, qualified publi the Board of Directors.	eation c agencies Non-
	<ul> <li>Obtain public input on District watershed man participation as part of the master planning plannin</li></ul>		blic
	<ul> <li>Coordinate District land use planning and ma local agencies as required.</li> </ul>	nagement with federal,	state, and
	• Retain fee title to and direct control over all w essential to the security or operation of the ut		ervoirs
	• Ensure security (including patrols) of District	watershed lands and re	servoirs.
	<ul> <li>Modifications to the MWMP and EBWMP sha action of the Board of Directors following pub Board of Directors may make such modification the requirements for the primary purpose of p supply and natural resources, and sustainability</li> </ul>	lic notification and hear ons as may be necessa	ing. The iry to meet

<u></u>	EFFECTIVE DATE:	26 A
Authority	Resolution No. 25,418, October 13, 1970 As amended by Resolution No. 33116-98, August 11, 1998 As amended by Resolution No. 33236-01, February 13, 2001 As amended by Resolution No. 33634-07, October 9, 2007 As amended by Resolution No. 33756-10, February 23, 2010 As amended by Resolution No. 33871-12, April 24, 2012 As amended by Resolution No. XXXXX-16, April 26, 2016	
References	Policy 7.05 – Sustainability	

Draft Prepared By

RESOLUTION NO.

ADOPTING REVISED POLICY 1.13, IDENTITY THEFT PREVENTION PROGRAM; REVISED POLICY 2.04, CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES; REVISED POLICY 3.05, CONSIDERATIONS FOR EXTENSION OF WATER BEYOND THE ULTIMATE SERVICE BOUNDARY; REVISED POLICY 3.07, RESPONSIBILITY TO SERVE WATER CUSTOMERS; REVISED POLICY 4.13, ESTABLISHING WATER AND WASTEWATER RATES; REVISED POLICY 4.20, USE OF DISTRICT TECHNOLOGY RESOURCES; REVISED POLICY 9.01, FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS; REVISED POLICY 9.03, WATER SUPPLY AVAILABILITY AND DEFICIENCY; AND REVISED POLICY 9.04, WATERSHED MANAGEMENT AND USE

Introduced by Director

; Seconded by Director

WHEREAS, it is the desire and intention of the Board of Directors to update and revise Policy 1.13, entitled "Identity Theft Prevention Program;" Policy 2.04, entitled "Contractual Agreements with Former Employees;" Policy 3.05, entitled "Considerations for Extension of Water Beyond the Ultimate Service Boundary;" Policy 3.07, entitled "Responsibility to Serve Water Customers;" Policy 4.13, entitled "Establishing Water and Wastewater Rates;" Policy 4.20, entitled "Use of District Technology Resources;" Policy 9.01, entitled "Fire Control and Fuels Management on Watershed Lands;" Policy 9.03, entitled "Water Supply Availability and Deficiency;" and Policy 9.04, entitled "Watershed Management and Use;"

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that Revised Policy 1.13, Revised Policy 2.04, Revised Policy 3.05, Revised Policy 3.07, Revised Policy 4.13, Revised Policy 4.20, Revised Policy 9.01, Revised Policy 9.03, and Revised Policy 9.04, attached hereto as Exhibits A to I, are hereby adopted.

ADOPTED this 26th day of April, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel



## Policy 1.13

EFFECTIVE <u>26 APR 16</u> 25 MAR 14

SUPERSEDES

25 MAR 14 26 JUN12

# CUSTOMER IDENTITY THEFT PREVENTION PROGRAM

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Ensure that customer account information, including any personally identifying information (PII), is protected and complies with the Federal Fair and Accurate Credit Transactions (FACT) Act of 2003. Specifically, compliance with the FACT Act involves the maintenance of an Identity Theft Prevention Program, which includes verifying and confirming customer identity in connection with opening and maintaining water and wastewater accounts. Compliance with the FACT Act shall also be a contractual requirement of any third-party service provider(s) that has access to any District customer's <u>PIIperconal identifying information</u> submitted in person, by telephone, fax, mail, email and other electronic means.

The program will be updated annually to reflect any changes in the way the District manages customer account information and to remain in compliance with the FACT Act.

Authority	Resolution No. 33710-09, April 28, 2009 As amended by Resolution No. 33883-12, June 26, 2012 As amended by Resolution No. 33968-14, March 25, 2014 <u>As amended by Resolution No. XXXXX-16, April 26, 2016</u>
References	Procedure 144 – Identity Theft Prevention Program Guidelines Fair and Accurate Credit Transactions Act of 2003



## Policy 1.13

EFFECTIVE 26 APR 16

## CUSTOMER IDENTITY THEFT PREVENTION PROGRAM

SUPERSEDES 25 MAR 14

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

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The program will be updated annually to reflect any changes in the way the District manages customer account information and to remain in compliance with the FACT Act.

Authority	Resolution No. 33710-09, April 28, 2009 As amended by Resolution No. 33883-12, June 26, 2012 As amended by Resolution No. 33968-14, March 25, 2014 As amended by Resolution No. XXXXX-16, April 26, 2016	
References	Procedure 144 – Identity Theft Prevention Program Guidelines Fair and Accurate Credit Transactions Act of 2003	



EFFECTIVE

SUPERSEDES

26 APR 16 11 AUG 92 11 AUG 92 NEW

### CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES

<u>EE9</u>

### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Allow for contractual agreements with former employees separated from the District by retirement, resignation or termination.

Conditions	<ul> <li>The former employee offers unique knowledge and skills for specialized professional services.</li> </ul>	
	<ul> <li>Payment of compensation for such services shall not prejudice the retirement rights or benefits of the person.</li> </ul>	
	• At least one year has elapsed since separation from the District.	
	<ul> <li>At least one year has elapsed since separation from the District when accepting former employees in principal roles on professional services contracts with outside firms.</li> </ul>	
Exception	The one-year waiting period may be waived when, in the opinion of the Genera Counsel, it is in the best interest of the District to retain the services of a former employee to serve as a percipient witness, consultant or expert witness for or on behalf of the District in any pending litigation. The term "pending litigation" shall be defined to include any adjudicatory proceeding before a court, administrative body, hearing officer or arbitrator to which the District is a party and/or those matters where there is a significant exposure to litigation against the District.	
	Contractual agreements with former employees who have retired from the District are subject to the requirements set forth under the Public Employees' Pension Reform Act ("PEPRA") under California Government Code Section 7522.56.	
Authority	Motion No. 92-130, August 11, 1992 Amended by Resolution No. XXXXX-16, April 26, 2016	



## Policy 2.04

EFFECTIVE 26 APR 16

SUPERSEDES 11 AUG 92

### CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Allow for contractual agreements with former employees separated from the District by retirement, resignation or termination.

Conditions	<ul> <li>The former employee offers unique knowledge and skills for specialized professional services.</li> </ul>			
	<ul> <li>Payment of compensation for such services shall not prejudice the retirement rights or benefits of the person.</li> </ul>			
	<ul> <li>At least one year has elapsed since separation from the District.</li> </ul>			
	<ul> <li>At least one year has elapsed since separation from the District when accepting former employees in principal roles on professional services contracts with outside firms.</li> </ul>			
Exception	The one-year waiting period may be waived when, in the opinion of the Gene Counsel, it is in the best interest of the District to retain the services of a form employee to serve as a percipient witness, consultant or expert witness for o on behalf of the District in any pending litigation. The term "pending litigation shall be defined to include any adjudicatory proceeding before a court, administrative body, hearing officer or arbitrator to which the District is a part and/or those matters where there is a significant exposure to litigation agains the District.			
	Contractual agreements with former employees who have retired from the District are subject to the requirements set forth under the Public Employees' Pension Reform Act ("PEPRA") under California Government Code Section 7522.56.			
Authority	Motion No. 92-130, August 11, 1992 Amended by Resolution No. XXXXX-16, April 26, 2016			



## Policy 3.05R

EFFECTIVE 26 APR 16 14 NOV 06 SUPERSEDES 14 NOV 06

13 FEB 01

### CONSIDERATIONS FOR EXTENSION OF WATER BEYOND THE ULTIMATE SERVICE BOUNDARY

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT THAT:

The District will not extend water to areas outside the present Ultimate Service Boundary (USB) of the District, if such extension would could result in:

- 1. A reduction in the quantity of water available to District customers to satisfy existing or projected levels of demand; or
- 2. A reduction in the quality of water available to District customers from the District's present water sources; or
- 3. An increase in costs of service for District customers.

The USB defines the territory within which the District has planned to provide water service. The phrase "District customers" as used in this policy shall mean (i) existing water service customers of the District and (ii) future customers, located within the present USB, but not now receiving water service.

This policy shall not apply to proposed annexations of property to the District's service area within the USB<u>. All extensions</u> and such annexations shall continue to be evaluated on a case-by-case basis.

AuthorityBoard Motion, adopted on March 8, 1983Amended by Resolution No. 33236-01, February 13, 2001Amended by Resolution No. 33564-06, November 14, 2006Amended by Resolution No. XXXXX-16, April 26, 2016



## Policy 3.05

EFFECTIVE 26 APR 16

SUPERSEDES 14 NOV 06

### CONSIDERATIONS FOR EXTENSION OF WATER BEYOND THE ULTIMATE SERVICE BOUNDARY

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT THAT:

The District will not extend water to areas outside the present Ultimate Service Boundary (USB) of the District, if such extension could result in:

- 1. A reduction in the quantity of water available to District customers to satisfy existing or projected levels of demand; or
- 2. A reduction in the quality of water available to District customers from the District's present water sources; or
- 3. An increase in costs of service for District customers.

The USB defines the territory within which the District has planned to provide water service. The phrase "District customers" as used in this policy shall mean (i) existing water service customers of the District and (ii) future customers, located within the present USB, but not now receiving water service.

This policy shall not apply to proposed annexations of property to the District's service area within the USB. All extensions and annexations shall continue to be evaluated on a case-by-case basis.

AuthorityBoard Motion, adopted on March 8, 1983Amended by Resolution No. 33236-01, February 13, 2001Amended by Resolution No. 33564-06, November 14, 2006Amended by Resolution No. XXXXX-16, April 26, 2016



### Policy 3.07R

EFFECTIVE

26 APR 16 12 AUG 14

SUPERSEDES

#### 24 APR 12 12 AUG 14

### CUSTOMERS IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Ensure that during times of water shortage, available water supplies are appropriately allocated to water customers.

Discussion	It is expected that water available for supplying EBMUD's customers will vary over time depending on the following factors: diversions by Mokelumne River users with senior water rights, requirements for instream flows to protect fish and wildlife in the Mokelumne River, the Sacramento-San Joaquin River Delta, and the San Francisco Bay, <u>state conservation mandates</u> , as well as <u>development of the</u> <u>availability of current and future supplementaldry year</u> supplies. Water agencies are responsible for planning to meet the needs of their customers through periods of drought with minimal disruption by minimizing the need for extreme rationing within their service area.
Water Service Responsibility	<ul> <li>EBMUD recognizes that when there is an actual or projected water shortage or projected water shortage, EBMUD's responsibility to serve its customers and service area is prioritized as follows:</li> <li>First, to serve its existing customers within the District's its existing service area while meeting the goal of limiting customer rationing to 15 percent per</li> </ul>
	<ul> <li>Board Policy 9.03.</li> <li>Second, to-serve expected new customers within <u>the District's its existing</u> service area, <u>but only</u> if this does not unacceptably impair EBMUD's ability to serve its existing customers without exceeding 15 percent rationing.</li> </ul>
	<ul> <li>Third, to consider serving new customers outside of <u>the District's its existing</u> service area, <u>but only</u> if this does not impair EBMUD's ability to serve existing and expected new customers within its service area.</li> </ul>
	In accordance with California Government Code, Section 65589.7, when new service connections are restricted by EBMUD's Board of Directors, priority shall be given to applicants for water service to proposed developments within EBMUD's existing service area that include housing units affordable to lower income households, subject to income limits specified in the California Code of Regulations and pursuant to administrative procedures adopted by the General Manager. Applicants granted such priority shall comply with EBMUD's Regulations Governing Water Service and pay all requisite fees.
	EBMUD shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the Board of Directors makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:
	<ul> <li>EBMUD is operating under a declared water shortage emergency condition under California Water Code, Section 350, et seq.</li> </ul>

#### EXHIBIT D

EFFECTIVE DATE 26 APR 1612 AUG 14

	<ul> <li>Sufficient water supply is not available to support the granting of all requests for new service, based upon a consideration of all factors provided by California Government Code, Section 66473.7.</li> </ul>
	<ul> <li>EBMUD does not have sufficient water treatment or distribution capacity to serve the needs of proposed development, as demonstrated by a written engineering analysis and report.</li> </ul>
	<ul> <li>EBMUD is subject to a compliance order by the Department of Public Healtha designated state agency that prohibits new water connections.</li> </ul>
	<ul> <li>The applicant has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking water service from EBMUD, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of applicable fees or charges.</li> </ul>
Authority	Resolution No. 32867-94, June 28, 1994 As amended by Resolution No. 33443-04, September 28, 2004 As amended by Resolution No. 33543-06, June 27, 2006 As amended by Resolution No. 33687-08, October 14, 2008 As amended by Resolution No. 33763-10, April 27, 2010- As amended by Resolution No. 33871-12, April 24, 2012 As amended by Resolution No. 33993-14, August 12, 2014 <u>As amended by Resolution No. XXXXX-16, April 26, 2016</u>
Reference	California Government Code, Section 66473.7 California Government Code, Section 65589.7 California Code of Regulations, Title 25, Section 6932 [income limit for "lower income households"] Procedure 109 – Water Mains: Water Service Estimates <u>Policy 3.01 – Annexations</u> Policy 7.05 – Sustainability Policy 9.03 – Water Supply Availability and Deficiency Policy 9.05 – Non-Potable Water



**Policy 3.07** 

EFFECTIVE 26 APR 16

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#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Ensure that during times of water shortage, available water supplies are appropriately allocated to water customers.

Discussion	It is expected that water available for supplying EBMUD's customers will vary over time depending on the following factors: diversions by Mokelumne River users with senior water rights, requirements for instream flows to protect fish and wildlife in the Mokelumne River, the Sacramento-San Joaquin River Delta, and the San Francisco Bay, state conservation mandates, as well as the availability of current and future dry year supplies. Water agencies are responsible for planning to meet the needs of their customers
Water Service	through periods of drought with minimal disruption by minimizing the need for extreme rationing within their service area. EBMUD recognizes that when there is an actual or projected water shortage,
Responsibility	<ul> <li>EBMUD's responsibility to serve its customers and service area is prioritized as follows:</li> <li>First, serve existing customers within the District's service area.</li> </ul>
	<ul> <li>Second, serve expected new customers within the District's service area, if this does not unacceptably impair EBMUD's ability to serve its existing customers.</li> </ul>
	<ul> <li>Third, to consider serving new customers outside of the District's service area, if this does not impair EBMUD's ability to serve existing and expected new customers within its service area.</li> </ul>
	In accordance with California Government Code, Section 65589.7, when new service connections are restricted by EBMUD's Board of Directors, priority shall be given to applicants for water service to proposed developments within EBMUD's existing service area that include housing units affordable to lower income households, subject to income limits specified in the California Code of Regulations. Applicants granted such priority shall comply with EBMUD's Regulations Governing Water Service and pay all requisite fees.
	EBMUD shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the Board of Directors makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:
	<ul> <li>EBMUD is operating under a declared water shortage emergency condition under California Water Code, Section 350, et seq.</li> </ul>
	<ul> <li>Sufficient water supply is not available to support the granting of all requests for new service, based upon a consideration of all factors provided by California Government Code, Section 66473.7.</li> </ul>

Responsibili	ity to Serve Water Customers	NUMBER	3.07
		PAGE NO .:	2
		EFFECTIVE DATE	26 APR 16
	<ul> <li>EBMUD does not have sufficient water serve the needs of proposed developm engineering analysis and report.</li> </ul>		
	<ul> <li>EBMUD is subject to a compliance order prohibits new water connections.</li> </ul>	er by a designated state ag	ency that
	<ul> <li>The applicant has failed to agree to rea to the provision of service generally app seeking water service from EBMUD, ind requirements of local, state, or federal I applicable fees or charges.</li> </ul>	blicable to development pro cluding, but not limited to, t	ojects h <b>e</b>
Authority	Resolution No. 32867-94, June 28, 1994 As amended by Resolution No. 33443-04, S As amended by Resolution No. 33543-06, J As amended by Resolution No. 33687-08, C As amended by Resolution No. 33763-10, A As amended by Resolution No. 33871-12, A As amended by Resolution No. 33993-14, A As amended by Resolution No. XXXXX-16,	une 27, 2006 October 14, 2008 pril 27, 2010 pril 24, 2012 ugust 12, 2014	
Reference	nce California Government Code, Section 66473.7 California Government Code, Section 65589.7 California Code of Regulations, Title 25, Section 6932 [income limit for "lower income households"] Procedure 109 – Water Mains: Water Service Estimates Policy 3.01 – Annexations Policy 7.05 – Sustainability Policy 9.03 – Water Supply Availability and Deficiency Policy 9.05 – Non-Potable Water		"lower



## Policy 4.13R

EFFECTIVE 26 APR 16 24 APR 12 SUPERSEDES 24 APR 12 27 APR 10

### ESTABLISHING WATER <u>AND WASTEWATER</u> RATES

IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish water and wastewater rates that recover costs included in the District's operating and capital budgets, meet the District's policy goals and comply with applicable law, including Proposition 218 and the Municipal Utility District Act ("MUD" Act), provide adequate revenues while remaining affordable, encourage conservation and efficient use of water, and reflect the cost of providing service to customers. Rates should also enhance the District's ability to provide a-safe, reliable, and sufficient water supply and wastewater treatment services to its customers over the long term. The District will provide a customer assistance program, that is in compliance with state law, to help low income customers obtain water and wastewater at a reasonable price.

Rate Methodology	The District's water and wastewater rates are developed and structured using a cost of service methodology recommended by the American Water Works Association (AWWA). These cost-based principles are intended to properly allocate the reasonable estimated costs to those customer classifications whose service demands give rise to the costs. The costs are based on the District's water distribution system components, and a determination of the costs of service associated with the customer service characteristics for each customer class. In conformance with all applicable laws including the MUD Act and Proposition 218 (California Constitution article XIII D, section 6).
	AWWA recommended cost allocation methodology allocates cost to the District's customer classifications as follows:
	<ul> <li>Allocation of costs applicable to the functional cost components of water service which could include extra capacity (peaking demands);</li> </ul>
	<ul> <li>Distribution of the component costs to the various customer classes in accordance with their requirements for service; and</li> </ul>
	• Design of water rates that will recover from each class of customer, within-practical limits and consistent with District policy and applicable law, the reasonable, estimated costs to serve that class of customer.
	Water rates shall be developed using an AWWA methodology, recognized practices in the industry and sound economic judgment. To ensure compliance with these requirements, a A cost-of-service water rate study of the District's water and wastewater service fees and charges is to be completed at least every ten years.
<u>Water</u> Rate Design	In addition to reflecting the cost of service, To the extent authorized by law, the District's water rates should will be designed with consideration of the impact onto encourage conservation, water use efficiency and resource management, and enhance reliability and supply, and water supply enhancement. Such strategies may include incentive pricing for water, and/or recycled water, and drought rates to curtail unreasonable use and effectively allocate the water supply during periods of limited availability. The District's water rates will be designed to recover the operating and capital costs of the water facilities in order to ensure reliable delivery of water.

Establishing Water and Wastewater	NUMBER	4.13
Rates	PAGE NO.:	2
	EFFECTIVE DATE	<u>26 APR 14</u> 24 APR 12

These rate design objectives are in furtherance of and consistent with:

- The Memorandum of Understanding Regarding Urban Water Conservation, dated September 1991 and signed by more than 150 entities (including EBMUD), which lists specific "water conservation best management practices" that the Legislature has declared, if implemented, will achieve reasonable, yet substantial, reductions in water use in California. The Legislature has further declared that water conservation best management practice number 1.4, conservation pricing of water through rate structure design, will provide incentives to water customers to reduce average or peak water demand use, or both.
- AB 1712, signed into law by Governor Wilson on August 25, 1993, which declares that water conservation is an important component of California's water policy for the future; that all reasonable efforts to conserve water should continue to be a high priority of California's water policy; and expressly provides that any public agency which supplies water for municipal use may encourage water conservation through rate structure design.
- SBx7-7 (2010) (Water Code section 10608.16) which calls on the State to make progress toward reducing urban per capita water use by 10% by 2016 and by 20% by 2021
- Article X, section 2 of the California Constitution which declares "that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented. and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare."

The District's water rate structure should also provide sufficient flexibility to allow for sales of subsistence water to low-income customers at an affordable price.

To ensure fairness in rates applicable to single family residential customers, tiered rates for **Rate Distribution** single family residential customers shall not be increased or decreased in one tier by more than 5% of any adjustment made to other tiers for the purpose of meeting annual budget requirements. This does not apply to rates adopted by the Board of Directors in response to a water shortage condition.

Wastewater Rate Desian

To the extent authorized by law, the district's wastewater rates will be designed to encourage conservation and resource management. The District's wastewater rates will be designed to recover the operating and capital costs of the wastewater facilities to ensure reliable treatment services and to protect public health and the environment.

Public Involvement in **Rate Setting** 

In accordance with MUD Act Section 14401, Pprior to the Board's consideration of new or revised water and wastewater rates or revisions to existing water rates, a staff report presenting rate recommendations will be filed with the Board of Directors and made available to the public. Within 40 days of the filing of the report. EBMUD will conduct at least one a public hearing on the report and its rates recommendations. and take other steps to meet or surpass public involvement requirements on rate setting that are established by law.

Establishing Water <u>and Wastewater</u> Rates		NUMBER	4.13 3
		EFFECTIVE DATE	26 APR 14 24 APR 12
Authority	Resolution No. 32985-96, May 14, 1996 <del>,</del> Amended by Motion 143-96, June 25, 1996 <del>,</del> Amended by Resolution 33550-06, July 25, 2006 Amended by Resolution 33763-10, April 27, 2010 Amended by Resolution No. 33871-12, April 24, 2012 <u>Amended by Resolution No. XXXXX-16, April 26, 2016</u>		



## Policy 4.13

EFFECTIVE 26 APR 16

### ESTABLISHING WATER AND WASTEWATER RATES

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish water and wastewater rates that recover costs included in the District's operating and capital budgets, meet the District's policy goals and comply with applicable law, including Proposition 218 and the Municipal Utility District Act ("MUD" Act). Rates should also enhance the District's ability to provide safe, reliable, and sufficient water supply and wastewater treatment services to its customers over the long term. The District will provide a customer assistance program, that is in compliance with state law, to help low income customers obtain water and wastewater at a reasonable price.

Rate Methodology	The District's water and wastewater rates are developed and structured in conformance with all applicable laws including the MUD Act and Proposition 218 (California Constitution article XIII D, section 6).
	To ensure compliance with these requirements, a cost-of-service study of the District's water and wastewater service fees and charges is to be completed at least every ten years.
Water Rate Design	To the extent authorized by law, the District's water rates will be designed to encourage conservation, water use efficiency and resource management, and enhance reliability and supply. The District's water rates will be designed to recover the operating and capital costs of the water facilities in order to ensure reliable delivery of water.
Wastewater Rate Design	To the extent authorized by law, the district's wastewater rates will be designed to encourage conservation and resource management. The District's wastewater rates will be designed to recover the operating and capital costs of the wastewater facilities to ensure reliable treatment services and to protect public health and the environment.
Public Involvement in Rate Setting	In accordance with MUD Act Section 14401, prior to the Board's consideration of new or revised water and wastewater rates, a staff report presenting rate recommendations will be filed with the Board of Directors and made available to the public. Within 40 days of the filing of the report, EBMUD will conduct a public hearing on the report and its rate recommendations.
Authority	Resolution No. 32985-96, May 14, 1996 Amended by Motion 143-96, June 25, 1996 Amended by Resolution 33550-06, July 25, 2006 Amended by Resolution 33763-10, April 27, 2010 Amended by Resolution No. 33871-12, April 24, 2012 Amended by Resolution No. XXXXX-16, April 26, 2016



## Policy 4.20R

**USE OF DISTRICT TECHNOLOGY RESOURCES** 

EFFECTIVE 26 APR 16 26 JUN 12 SUPERSEDES 11 DEC 07 26 JUN 12

### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Use <u>the District's</u> computering <u>hardwareequipment (desktops, laptops, handheld computers)</u>, software, and electronic mail, access to the Internet. <u>Wi-Fi access</u>, telephones (desk phones, cell phones, smartphones), voicemail, pagers, copy machines, facsimile machines, <u>printers</u> and other Technology Resources for District business purposes and allow limited incidental personal use by District employees in strict accordance with all software license agreements.

Ownership and Privacy	All software and data are the property of the District. Software, data, and all electronic files developed by employees, may not be taken with them when they leave the District without the written permission of the employee's Department <u>head.Manager.</u>		
	Electronic mail, Internet access, telephones, and other Technology Resources ("systems") are provided for District activities and are not intended for the personal use of employees as a substitute for their <u>personally</u> -own <u>ed</u> <u>purchased</u> devices. District procedures, however, may allow incidental and appropriate personal use of these resources. In allowing such incidental use, no expectation of privacy is conveyed. The District may examine its systems and any electronic information, including files and electronic mail, at any time. Under no circumstances may District systems be used for <u>political purposes or for</u> an employee's non-District commercial or business activities, whether engaged in for profit or not, or for any illicit purpose.		
Use of Computer Software	All software used by the District must be properly licensed. District employees shall not copy or install unauthorized software onto District computers or improperly copy authorized District software in violation of software license agreements. The Information Systems Department is responsible for determining when software may be copied onto District systems.		
Authority	Resolution No. 32886-94, October 25, 1994, As amended by Resolution No. 33225-00, October 10, 2000 As amended by Resolution No. 33646-07, December 11, 2007 As amended by Resolution No. 33883-12, June 26, 2012 <u>As amended by Resolution No. XXXXX-16, April 26, 2016</u>		
References	Policy 2.05Employee DisciplinePolicy 6.04Ethics Policy Of The EBMUD Board Of DirectorsProcedure 453Technology Use And Privacy ProcedureProcedure 461Information Security		



## Policy 4.20

EFFECTIVE 26 APR 16

SUPERSEDES 26 JUN 12

### USE OF DISTRICT TECHNOLOGY RESOURCES

#### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Use the District's computing equipment (desktops, laptops, handheld computers), software, electronic mail, access to the Internet, Wi-Fi access, telephones (desk phones, cell phones, smartphones), voicemail, pagers, copy machines, facsimile machines, printers and other Technology Resources for District business purposes and allow limited incidental personal use by District employees in strict accordance with all software license agreements.

Ownership and Privacy	All software and data are the property of the District. Software, data, and all electronic files developed by employees, may not be taken with them when they leave the District without the written permission of the employee's Department head.		
	Electronic mail, Internet access, telephones, and other Technology Resources ("systems") are provided for District activities and are not intended for the personal use of employees as a substitute for their personally-owned devices. District procedures, however, may allow incidental and appropriate personal use of these resources. In allowing such incidental use, no expectation of privacy is conveyed. The District may examine its systems and any electronic information, including files and electronic mail, at any time. Under no circumstances may District systems be used for political purposes or for an employee's non-District commercial or business activities, whether engaged in for profit or not, or for any illicit purpose.		
Use of Computer Software	All software used by the District must be properly licensed. District employees shall not copy or install unauthorized software onto District computers or improperly copy authorized District software in violation of software license agreements. The Information Systems Department is responsible for determining when software may be copied onto District systems.		
Authority	Resolution No. 32886-94, October 25, 1994, As amended by Resolution No. 33225-00, October 10, 2000 As amended by Resolution No. 33646-07, December 11, 2007 As amended by Resolution No. 33883-12, June 26, 2012 As amended by Resolution No. XXXXX-16, April 26, 2016		
References	Policy 2.05Employee DisciplinePolicy 6.04Ethics Policy Of The EBMUD Board Of DirectorsProcedure 453Technology Use And Privacy ProcedureProcedure 461Information Security		



EFFECTIVE <u>26.APR.16</u>

SUPERSEDES

24 APR 12 24 Apr 12 23 FEB 10

### FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Manage the District owned watersheds to minimize the occurrence and impacts of wildland fires to protect life, property, watershed lands the environment and water quality; and to collaborate with state and federal agencies, local governments, private landowners, and other organizations in addressing fire and fuels management issues involving lands not owned by the District, but that drain into District reservoirs.

Protection of		e District will:
Watershed Lands and Water Quality	•	Implement measures to reduce fire hazards and maintain emergency access on <u>District-owned</u> watershed lands to the extent practicable to protect life, property and source water quality from wildland fire-related impacts including erosion, sedimentation, and nutrient loading.
	•	Ensure fire and fuels management activities are consistent with the District's objectives for the management and protection of source water quality, biodiversity and other natural resources to the extent practicable by using a strategic planning approach to fire management.
	•	Cooperate with state and local fire suppression agencies and committees and with adjacent property owners in fire suppression programs, training and management activities.
	•	Maintain suppression capability, equipment, and patrols to retain a basic level of fire safety and initial response necessary to assist in suppressing fires on or threatening District property, and on other areas when requested for Mutual Aid.
	•	Recognize the importance of fire as a natural ecological process and use prescribed burning and other techniques to reduce hazardous fuel loads under carefully selected conditions to achieve long-term fire safety, water quality protection, and biodiversity management objectives.
	•	Encourage the use of a range of environmentally appropriate methods to reduce hazardous fuel loads (e.g., livestock and goat grazing, mowing, plowing, vegetation removal).
	•	Support the establishment and placement of required fire hazard mitigation measures within the boundaries of new developments when possible in order to avoid additional costs to the District and impacts to District watershed properties.
	•	Implement appropriate restoration activities after a fire on District watersheds when necessary to protect water quality.
	•	Collaborate with state and federal agencies, local governments, public utilities, private landowners, and other organizations to address fire and fuels management on watershed lands draining into District reservoirs but not owned by the District.

Fire Control and Fi Lands	Iels Management on Watershed         NUMBER           PAGE NO.:         PAGE NO.:	9.01 2
	EFFECTIVE DATE:	26 APR 1 24 APR 1
Authority	Resolution No. 16,866, January 14, 1955 Amended by Resolution No. 33116-98, August 11, 1998, Amended by Resolution No. 33236-01, February 13, 2001 Amended by Resolution No. 33634-07, October 9, 2007 Amended by Resolution No. 33756-10, February 23, 2010 Amended by Resolution No. 33871-12, April 24, 2012 <u>Amended by Resolution No. XXXXX-16, April 26, 2016</u>	
Reference	Policy 7.10 – Source Water Quality	



EFFECTIVE 26 APR 16

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### FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS

SUPERSEDES 24 Apr 12

### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Manage District-owned watersheds to minimize the occurrence and impacts of wildland fires to protect life, property, the environment and water quality; and collaborate with state and federal agencies, local governments, private landowners, and other organizations in addressing fire and fuels management issues involving lands not owned by the District, but that drain into District reservoirs.

Protection of Watershed Lands and Water Quality	The District will:
	<ul> <li>Implement measures to reduce fire hazards and maintain emergency access on District-owned watershed lands to the extent practicable to protect life, property and source water quality from wildland fire-related impacts including erosion, sedimentation, and nutrient loading.</li> </ul>
	<ul> <li>Ensure fire and fuels management activities are consistent with the District's objectives for the management and protection of source water quality, biodiversity and other natural resources to the extent practicable by using a strategic planning approach to fire management.</li> </ul>
	<ul> <li>Cooperate with state and local fire suppression agencies and committees and with adjacent property owners in fire suppression programs, training and management activities.</li> </ul>
	<ul> <li>Maintain suppression capability, equipment, and patrols to retain a basic level of fire safety and initial response necessary to assist in suppressing fires on or threatening District property, and on other areas when requested for Mutual Aid.</li> </ul>
	<ul> <li>Recognize the importance of fire as a natural ecological process and use prescribed burning and other techniques to reduce hazardous fuel loads under carefully selected conditions to achieve long-term fire safety, water quality protection, and biodiversity management objectives.</li> </ul>
	<ul> <li>Encourage the use of environmentally appropriate methods to reduce hazardous fuel loads (e.g., livestock and goat grazing, mowing, plowing, vegetation removal).</li> </ul>
	<ul> <li>Support the establishment and placement of required fire hazard mitigation measures within the boundaries of new developments when possible in order to avoid additional costs to the District and impacts to District watershed properties.</li> </ul>
	<ul> <li>Implement appropriate restoration activities after a fire on District watersheds when necessary to protect water quality.</li> </ul>
	<ul> <li>Collaborate with state and federal agencies, local governments, public utilities, private landowners, and other organizations to address fire and fuels management on watershed lands draining into District reservoirs but not owned by the District.</li> </ul>

	PAGE NO.: EFFECTIVE DATE:
Authority	Resolution No. 16,866, January 14, 1955 Amended by Resolution No. 33116-98, August 11, 1998, Amended by Resolution No. 33236-01, February 13, 2001 Amended by Resolution No. 33634-07, October 9, 2007 Amended by Resolution No. 33756-10, February 23, 2010 Amended by Resolution No. 33871-12, April 24, 2012 Amended by Resolution No. XXXXX-16, April 26, 2016



EFFECTIVE <u>26 APR.16</u> <u>12 NOV 13</u> SUPERSEDES <u>12 NOV 13</u> <u>14 JUN 11</u>

# WATER SUPPLY AVAILABILITY AND DEFICIENCY

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Evaluate the availability adequacy of the District's water supplies and determine the acceptable maximum level of annual customer demand for the District's service area, based on the District's current drought management guidelines, limiting rationing up to a maximum of 15 percent of District-wide annual demand and implementation of current and proposed District conservation programs, recycled water programs and supplemental dry year water supplies supply projects for inclusion in the Water Supply Availability and Deficiency Reports (WSADR) to be filed with the Board of Directors.

Annual <del>Water</del> Supplies <u>WSADR</u> Report <u>s</u>	A <u>Preliminary WSADR</u> review assessment and report to the Board of Directors shall be made on the current and long-term adequacy of the District's water supplies by <u>March 1</u> of each year in which hydrologic conditions may trigger a need for dry year supplies. The Preliminary WSADR will be in the form of an informational memo that may include the following comments: an early assessment of the current year's water supply, a discussion of any new or ongoing state actions related to water supply, and a summary of the results of any demand management programs or acquisition of dry year or other supplemental supplies in the previous year. May 1 <sup>st</sup> of each year.
	A final assessment and report to the Board of Directors shall be made by May 1 of each year. The report shall include an evaluation of the adequacy of the District's water supplies to satisfy customer demand for the current water year, based on the District's Drought Management Program Guidelines, and a projection through the year 2040, based on the determination of the Allowable Maximum Level of Demand (AMLD). The report may include the following components: projected customer demand, projected runoff from Department of Water Resources, implementation of the Drought Management Program, forecast of the District's Total System Storage and, if applicable, adaptive management measures including discussion of gainsharing. This report will also refer to and, if applicable, provide updates to the water supply reliability analysis reported in the current Urban Water Management Plan (UWMP).
<u>Demand</u> <u>Management</u> <u>Program</u>	In the Final WSADR, when a determination of deficient water supply is made, the Board of Directors will consider the implementation of a Demand Management Program (DMP).
	The Final WSADR, supplemented by other Board actions, will identify the various components of the DMP as outlined in the UWMP that will need to be implemented. The components include the level of districtwide customer cutbacks and other dry year supplies obtained as well as any external mandates, if applicable.
<del>Long-Term</del> <del>Water Supply</del> Reliability	An assessment of long-term water supply reliability through the year 2040 shall be made assuming:
<b>,</b>	<ul> <li>Water service will be provided in accordance with the District's Regulations Governing Water Service to Customers.</li> <li>Water conservation and water recycling programs will be implemented as provided in the District's current Urban Water Management Plan (UWMP).</li> </ul>

Water Supply Availability and Deficiency		NUMBER	9.03
		PAGE NO .:	2
		EFFECTIVE DATE	<u>26 APR 16</u> <del>12 NOV 13</del>
Supplemental Supplies	The District shall pursue supplemental supplies inadequate either for the current year or through District's current UWMP.		
<del>Demand</del> <del>Management</del> Program	When a determination of deficient water supply is made for the current water year, the District will consider the implementation of a Demand Management Program.		
Implementation	The District shall have a goal of limiting customer rationing to a maximum of 15% of District wide annual demand and will implement this policy consistent with the District's Drought Management Program Guidelines, as outlined in the District's current UWMP.		
Surplus Water Notification	In accordance with the 1998 Joint Settlement A availability of Mokelumne River water is made <u>in</u> the Resources Agencies, specifically the United the California Department of Fish and Wildlife, o within two weeks after the filing of the Final WS	<u>the final WSADR</u> , the Dist States Fish and Wildlife Se of the availability of the addit	rict will notify prvices and
Definitions	Allowable Maximum Level of Demand (AMLD) - customer demand, expressed in MGD as an an supply system can sustain under the Drought P	nual average, that the existi	evel of ing water
	Drought Planning Sequence (DPS) – Three yea worst case drought scenario <u>that is</u> derived from <u>hydrological</u> record <u>as outlined in the District's L</u>	n <u>, but more severe than, the</u>	
	<u>Gainsharing – Increase in flows that the District</u> Settlement Agreement, equal to 20% of the actude developed by the District from new facilities untiperative	al yield of additional water	supplies
	<i>Water Year</i> – The term defined as the 12-month September 30, of the following year. The water in which it ends <u>and which includes 9 of the 12</u> September 30, 2013 is called the "2013" water y	year is designated by the ca months. Thus, the year end	alendar year
	<u>Central Valley Project (CVP) Contract Year - Th</u> from March 1 through the end of February of the		onth period
Authority	Amended by Resolution <u>No.</u> 31,246, May 14, 19 Amended by Resolution No. 32,204, May 9, 198 Amended by Resolution No. 33175-99, Novemb Amended by Resolution No. 33759-10, April 13, Amended by Resolution No. 33821-11, June 14 Amended by Resolution No. 33950-13, Novemb <u>Amended by Resolution No. XXXXX-16, April 20</u>	39 per 9, 1999 , 2010 , 2011 per 12, 2013	

Water Supply Availability and Deficiency		NUMBER	9.03
		PAGE NO.:	3
		EFFECTIVE DATE	26 APR 16 12 NOV 13
References	Policy 3.01 - Annexations Policy 3.05 - Effects of Considerations for Extension of Water Beyond the Ultimate Service Boundary Policy 3.07 - Responsibility to Serve Water Customers Procedure 900 – Water Supply and Consumption Accounting and Reporting Procedure 901 – Recycled Water Accounting and Reporting Procedure 902 – Water Conservation Accounting and Reporting Procedure 903 – Compliance with USBR Long Term Renewal Contract for Delivery of		
	<u>Procedure 903 – Compliance with USBR I</u> <u>CVP Water</u> EBMUD's Urban Water Management Plan <u>FERC Project 2916 Lower Mokelumne Riv</u>	1	



EFFECTIVE 26 APR 16

SUPERSEDES

12 NOV 13

# WATER SUPPLY AVAILABILITY AND DEFICIENCY

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Evaluate the adequacy of the District's water supplies for the District's service area, based on the District's current drought management guidelines, conservation programs, recycled water programs and dry year water supplies for inclusion in the Water Supply Availability and Deficiency Reports (WSADR) to be filed with the Board of Directors.

Annual WSADR Report <b>s</b>	A Preliminary WSADR assessment and report to the Board of Directors shall be made by March 1 of each year in which hydrologic conditions may trigger a need for dry year supplies. The Preliminary WSADR will be in the form of an informational memo that ma include the following comments: an early assessment of the current year's water supply a discussion of any new or ongoing state actions related to water supply, and a summary of the results of any demand management programs or acquisition of dry year or other supplemental supplies in the previous year.	
	A final assessment and report to the Board of Directors shall be made by May 1 of each year. The report may include the following components: projected customer demand, projected runoff from Department of Water Resources, implementation of the Drought Management Program, forecast of the District's Total System Storage and, if applicable, adaptive management measures including discussion of gainsharing. This report will also refer to and, if applicable, provide updates to the water supply reliability analysis reported in the current Urban Water Management Plan (UWMP).	
Demand Management Program	In the Final WSADR, when a determination of deficient water supply is made, the Board of Directors will consider the implementation of a Demand Management Program (DMP).	
	The Final WSADR, supplemented by other Board actions, will identify the various components of the DMP as outlined in the UWMP that will need to be implemented. The components include the level of districtwide customer cutbacks and other dry year supplies obtained as well as any external mandates, if applicable.	
Supplemental Supplies	The District shall pursue supplemental supplies if existing supplies are found to be inadequate as outlined in the District's current UWMP.	
Surplus Water Notification	In accordance with the 1998 Joint Settlement Agreement, when a determination of the availability of Mokelumne River water is made in the final WSADR, the District will notify the Resources Agencies, specifically the United States Fish and Wildlife Services and the California Department of Fish and Wildlife, of the availability of the additional water within two weeks after the filing of the Final WSADR.	
Definitions	Drought Planning Sequence (DPS) – Three year hydrology sequence representing a worst case drought scenario that is derived from, but more severe than, the historical hydrological record as outlined in the District's UWMP.	

Gainsharing – Increase in flows that the District agrees to implement as part of its Joint Settlement Agreement, equal to 20% of the actual yield of additional water supplies developed by the District from new facilities until reaching a maximum quantity of 20 TAF.
<i>Water Year</i> – The term defined as the 12-month period from October 1 through September 30, of the following year. The water year is designated by the calendar year in which it ends. Thus, the year ending September 30, 2013 is called the "2013" water year.
<i>Central Valley Project (</i> CVP) Contract Year - The term defined as the 12 month period from March 1 through the end of February of the following year.
Amended by Resolution No. 31,246, May 14, 1985 Amended by Resolution No. 32,204, May 9, 1989 Amended by Resolution No. 33175-99, November 9, 1999 Amended by Resolution No. 33759-10, April 13, 2010 Amended by Resolution No. 33821-11, June 14, 2011 Amended by Resolution No. 33950-13, November 12, 2013 Amended by Resolution No. XXXXX-16, April 26, 2016
Policy 3.01 – Annexations Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary Policy 3.07 – Responsibility to Serve Water Customers Procedure 900 – Water Supply and Consumption Accounting and Reporting Procedure 901 – Recycled Water Accounting and Reporting Procedure 902 – Water Conservation Accounting and Reporting Procedure 903 – Compliance with USBR Long Term Renewal Contract for Delivery of CVP Water EBMUD's Urban Water Management Plan FERC Project 2916 Lower Mokelumne River – Joint Settlement Agreement



# Policy 9.04R

EFFECTIVE <u>26 APR 16</u> 24 APR 12 SUPERSEDES <u>24 APR 12</u> 23 FEB 10

### WATERSHED MANAGEMENT AND USE

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Acquire, protect, and manage watershed land surrounding District reservoirs in accordance with the District's primary objective of providing high quality drinking water and in a manner which protects source water quality, and water supply and natural resources, consistent with District's environmental principles sustainability policy.

Watershed Management and Use – General	<ul> <li>Implement the Mokelumne Watershed Master Plan (MWMP) adopted by Resolution No. 33668-08 and the East Bay Watershed Master Plan (EBWMP) adopted by Resolution No. 32979-96 as policy for those <u>District-owned</u> lands described therein.</li> <li>Manage and maintain <u>District-owned</u> watershed lands in accordance with all</li> </ul>
	applicable environmental laws, regulations and requirements.
Watershed Land Acquisition	<ul> <li>Anticipate watershed land requirements necessary for District operations and protection of source water quality with sufficient lead-time to effect economic acquisition of property.</li> </ul>
	<ul> <li>Acquire, maintain, and/or dispose of watershed land, consistent with District land ownership priorities and in accordance with District environmental principles and primary objective of providing high quality drinking water.</li> </ul>
	<ul> <li>Work with other agencies or public utilities seeking interest in or acquisition of District lands in accordance with the District's mission as outlined in this policy and in the MWMP and EBWMP.</li> </ul>
	<ul> <li>Resist<u>Oppose</u>, with all means and methods provided by law, land acquisition or use by non-District entities for purposes which are inconsistent with District Watershed Master Plans and Policies or which would result in the deterioration of environmental or drinking water source quality.</li> </ul>
Watershed Land Protection	<ul> <li><u>Maintain an active program that pP</u>reserves and protects source water quality through sanitary control, watershed assessment and protection of <u>District-</u> <u>owned</u> watershed lands tributary to District reservoirs, all consistent with the Safe Drinking Water Act and its amendments.</li> </ul>
	<ul> <li>Work with officials from sanitary districts, the Regional Water Quality Control Boards, and federal, state, county, and local governments to preserve and protect source water quality.</li> </ul>

Watershed Management and Use		NUMBER	9.04	
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	<ul> <li>Develop, implement, and maintain Best Management Practices to minimi soil erosion, sedimentation, fire damage, nutrient and other pollutant imple on District<u>-owned</u> lands and source water quality.</li> </ul>			
		Track climate change science and the potential impacts of climate change on watershed lands. Incorporate findings <del>,</del> as appropriate into future studies and master plans.		
	• Prevent contamination and pollution from er	ntering District reservoirs.		
	Identify sediment sources from non-District owned land and determine their impact on District reservoirs and watercourses, while encouraging owners of non-District owned watershed lands to develop and implement Best Management Practices for erosion control.			
<ul> <li>Where feasible, purchase and eliminate occupancy on watershed I sewage disposal is impracticable or constitutes a special hazard or occupancy will result in the degradation of the District's source wat Prohibit any human use of District lands that lack adequate and ap facilities for removal of sewage.</li> </ul>			here quality.	
Land Management and Control	<ul> <li>Permit public use of District-owned land/water not limited to, education, recreation and fishi District's primary objective of providing high source water quality and preserving open sp outlined in the MWMP, EBWMP and in District that can be adequately monitored and manar uses to best meet core business needs and supply, water quality, environmental protecti impact to ratepayers in determining the apprin not related to core business requirements.</li> </ul>	ing that are consistent wit quality drinking water by bace characteristics of lan ict policy. Permit only tho ged by the District. Priori regulatory requirements on and recreation. Consid	th the protecting d as se uses tize these of water der the	
	<ul> <li>Maintain and operate reservoir recreation are mission and policies as described in the MW areas will be developed and operated by Dis or private concessionaires as determined by District operation of recreation areas must co performance standards.</li> </ul>	MP and EBWMP. Recreat strict staff, qualified public the Board of Directors. N	ation agencies Ion-	
	<ul> <li>Obtain public input on District watershed ma participation via citizen advisory committees appropriate by the District, as part of the mast</li> </ul>	or other means, as deem		
	<ul> <li>Coordinate District land use planning and ma local agencies as required.</li> </ul>	anagement with federal, s	state, and	
	• Retain fee title to and direct control over all v essential to the security or operation of the u		rvoirs	
	• Ensure security (including patrols) of District	watershed lands and res	ervoirs.	

Watershed Management and Use		NUMBER	9.04
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		EFFECTIVE DATE:	26 APR 16 24 APR 12
	<ul> <li>Modifications to the MWMP and EBWMP shall I action of the Board of Directors following public Board of Directors may make such modification the requirements for the primary purpose of prowater quality, and water productionwater supply sustainability values.</li> </ul>	notification and hear s as may be necess tecting <del>watershed la</del>	ring. The ary to meet nd, source
Authority	Resolution No. 25,418, October 13, 1970 As amended by Resolution No. 33116-98, August 1 As amended by Resolution No. 33236-01, February As amended by Resolution No. 33634-07, October 9 As amended by Resolution No. 33756-10, February As amended by Resolution No. 33871-12, April 24, <u>As amended by Resolution No. XXXXX-16, April 26</u>	13, 2001 9, 2007 23, 2010 2012	
References	Policy 7.10 - Source Water Quality Policy 7.05 – Sustainability Policy 7.10 – Source Water Quality		



# Policy 9.04

EFFECTIVE 26 APR 16

SUPERSEDES 24 APR 12

## WATERSHED MANAGEMENT AND USE

#### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Acquire, protect, and manage watershed land surrounding District reservoirs in accordance with the District's primary objective of providing high quality drinking water and in a manner which protects source water quality, water supply and natural resources, consistent with District's sustainability policy.

Watershed Management and Use – General	<ul> <li>Implement the Mokelumne Watershed Master Plan (MWMP) adopted by Resolution No. 33668-08 and the East Bay Watershed Master Plan (EBWMP) adopted by Resolution No. 32979-96 as policy for those District-owned lands described therein.</li> <li>Manage and maintain District-owned watershed lands in accordance with all applicable environmental laws, regulations and requirements.</li> </ul>
Watershed Land Acquisition	<ul> <li>Anticipate watershed land requirements necessary for District operations and protection of source water quality with sufficient lead-time to effect economic acquisition of property.</li> <li>Acquire, maintain, and/or dispose of watershed land, consistent with District land ownership priorities and in accordance with District environmental</li> </ul>
	<ul> <li>Work with other agencies or public utilities seeking interest in or acquisition of District lands in accordance with the District's mission as outlined in this policy and in the MWMP and EBWMP.</li> </ul>
	<ul> <li>Oppose, with all means and methods provided by law, land acquisition or use by non-District entities for purposes which are inconsistent with District Watershed Master Plans and Policies or which would result in the deterioration of environmental or drinking water source quality.</li> </ul>
Watershed Land Protection	<ul> <li>Preserve and protect source water quality through sanitary control, watershed assessment and protection of District-owned watershed lands tributary to District reservoirs, all consistent with the Safe Drinking Water Act and its amendments.</li> </ul>
	<ul> <li>Work with officials from sanitary districts, the Regional Water Quality Control Boards, and federal, state, county, and local governments to preserve and protect source water quality.</li> </ul>
	<ul> <li>Develop, implement, and maintain Best Management Practices to minimize soil erosion, sedimentation, fire damage, nutrient and other pollutant impacts on District-owned lands and source water quality.</li> </ul>
	<ul> <li>Track climate change science and the potential impacts of climate change on watershed lands. Incorporate findings as appropriate into future studies and master plans.</li> </ul>

Watershed Mana	igement and Use	NUMBER	9.0
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		EFFECTIVE DATE:	26 APR 1
	Prevent contamination and pollution from er	ntering District reservoirs	5.
	Identify sediment sources from non-District owned land and determine their impact on District reservoirs and watercourses, while encouraging owners of non-District owned watershed lands to develop and implement Best Management Practices for erosion control.		
	<ul> <li>Where feasible, purchase and eliminate occ sewage disposal is impracticable or constitu occupancy will result in the degradation of the Prohibit any human use of District lands that facilities for removal of sewage.</li> </ul>	ites a special hazard or v he District's source wate	where r quality.
and Management nd Control	<ul> <li>Permit public use of District-owned land/wat not limited to, education, recreation and fish District's primary objective of providing high source water quality and preserving open sp outlined in the MWMP, EBWMP and in Distr that can be adequately monitored and mana uses to best meet core business needs and supply, water quality, environmental protecti impact to ratepayers in determining the appr not related to core business requirements.</li> </ul>	ing that are consistent w quality drinking water by bace characteristics of la rict policy. Permit only the aged by the District. Prior regulatory requirements ion and recreation. Cons	vith the y protecting ond as ose uses ritize these s of water sider the
	<ul> <li>Maintain and operate reservoir recreation ar mission and policies as described in the MW areas will be developed and operated by Dis or private concessionaires as determined by District operation of recreation areas must co performance standards.</li> </ul>	/MP and EBWMP. Recre strict staff, qualified publi / the Board of Directors.	eation ic agencie: Non-
	<ul> <li>Obtain public input on District watershed ma participation as part of the master planning p</li> </ul>		blic
	<ul> <li>Coordinate District land use planning and m local agencies as required.</li> </ul>	anagement with federal,	state, and
	• Retain fee title to and direct control over all vessential to the security or operation of the u		ervoirs
	Ensure security (including patrols) of District	t watershed lands and re	servoirs.
	<ul> <li>Modifications to the MWMP and EBWMP sh action of the Board of Directors following pul Board of Directors may make such modificat the requirements for the primary purpose of supply and natural resources, and sustainab</li> </ul>	blic notification and hear tions as may be necessa protecting water quality,	ing. The ary to mee

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Authority	Resolution No. 25,418, October 13, 1970 As amended by Resolution No. 33116-98, August 11, 1998 As amended by Resolution No. 33236-01, February 13, 2001 As amended by Resolution No. 33634-07, October 9, 2007 As amended by Resolution No. 33756-10, February 23, 2010 As amended by Resolution No. 33871-12, April 24, 2012 As amended by Resolution No. XXXXX-16, April 26, 2016	
References	Policy 7.05 – Sustainability Policy 7.10 – Source Water Quality	

### EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 21, 2016

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager MC

SUBJECT: Legislative Report No. 06-16

The following issues are being referred to the Board of Directors for action, as appropriate.

### **RECOMMENDED ACTION**

Approve positions on the following bills: 1) Support If Amended SB 1262 (Pavley) Water Supply Planning; 2) Support If Amended SB 1263 (Wieckowski) Public Water System: Permits; 3) Support H.R. 4653 (Tonko) Assistance, Quality, and Affordability Act of 2016; and 4) Support S. 2588 (Cardin) Get The Lead Out Act of 2016.

### STATE LEGISLATION

#### RECOMMENDED POSITION

# SB 1262WATER SUPPLY PLANNINGSUPPORT IF<br/>AMENDED

Existing law requires a city or county that determines specified projects are subject to the California Environmental Quality Act (CEQA) to identify any public water system that may supply water for the project/new development and to request that those public water systems prepare a water supply assessment. If no public water system is identified, the city or county is required to prepare the water supply assessment. In addition, existing law, as a result of the passage of the Sustainable Groundwater Management Act (SGMA) in 2014, requires that high-and medium-priority groundwater basins be managed sustainably and have groundwater sustainability plans.

SB 1262 (Pavley), as introduced on February 18, 2016, is intended to strengthen the existing link between land use and water supply planning by incorporating changes in groundwater planning and management as a result of SGMA and revising the process by which a city or county must prepare a water supply assessment.

With regard to SGMA, SB 1262 would integrate groundwater sustainability agencies and consideration of groundwater sustainability plans into water supply and land use planning. Additionally, it would prohibit the reliance on groundwater from a basin that is not sustainably managed for the water supply for a new development. It would also preclude approval of new development that proposes to rely on hauled water for the water supply.

With regard to the process by which a city or county must prepare a water assessment, SB 1262 proposes to require cities and counties to determine whether it is feasible for an existing public water system located within five miles of the new development to provide water service. These provisions of the bill would apply in those instances where a city or county has not identified a public water system whose service area includes or is adjacent to the project site and/or no identified public water system is willing to provide service.

SB 1262 is intended to build on existing law known as the "show me the water" bills, SB 221 (Kuehl) and SB 610 (Costa), which were sponsored by EBMUD in 2001. The "show me the water" bills established a clear process by which local planning agencies must determine whether there is sufficient water supply for new development before the development is approved. According to SB 1262's author, recent changes in law, including the passage of SGMA, as well as proposals to supply new developments with hauled water, warrant an update to the "show me the water" legislation.

SB 1262's objective, to strengthen the existing link between land use and water supply planning, is consistent with EBMUD's objective to provide reliable, high quality water to its customers, its efforts to ensure water supply availability is properly considered when making land use decisions, and its sponsorship of prior legislation. EBMUD has a rigorous process for determining whether it is feasible to provide service for development. In those instances when development lacks an adequate water supply the process for annexations or extensions of service are guided by EBMUD's policies (Policy 3.01, 3.05, 3.08) and procedure (Procedure 100). SB 1262's incorporation of the state's new groundwater statutes into the land use and water supply planning process will help ensure that new development is not approved in areas that lack the groundwater necessary to provide sufficient supplies, even during a drought.

While SB 1262's provisions to require cities and counties to determine the feasibility of proposed new development being served by an existing system are intended to ensure that all water supply options are thoroughly explored as part of the approval process, determinations as to the feasibility of providing service are best left to the public water systems. The public water system, rather than the city or county, has the expertise to determine its ability to provide service and must consider a range of factors including, but not limited to: cost; water rights; any required state and/or federal approvals; mitigation necessary to extend service area boundaries; long-term water supply plans; and additional infrastructure needs. Accordingly, SB 1262 should be amended to clarify that the public water system is responsible for determining whether it is feasible to serve a new development and for providing this information to the city or county. In addition, a technical amendment is needed to comport SB 1262 with its companion measure, SB 1263 (discussed below). SB 1262 should be amended to reduce the required distance between the proposed development and a public water system being considered for feasibility to serve from five miles to three miles.

EBMUD has previously supported legislation to ensure water supply availability is properly considered when making land use decisions. As mentioned above, in 2001, EBMUD sponsored legislation, SB 221 (Kuehl) and SB 610 (Costa), to strengthen the process by which local agencies determine there is sufficient water supply to meet existing and future demands on that water supply and help ensure that large developments demonstrate a sufficient water supply before the developments are approved. SB 221 and SB 610, known as the "show me the water" bills were signed into law (Chapter 642 and Chapter 643 of 2001, respectively).

The current list of support and opposition to SB 1262 is shown below.

Support Clean Water Action Community Water Center Leadership Counsel for Justice and Accountability Planning and Conservation League Sierra Club California

Opposition California Apartment Association California Association of Realtors California Building Industry Association California Business Properties Association California Chamber of Commerce California Independent Petroleum Association

# SB 1263PUBLIC WATER SYSTEM: PERMITSSUPPORT IF(Wieckowski)AMENDED

Existing law requires the State Water Resources Control Board (SWRCB) to regulate drinking water and enforce the federal Safe Drinking Water Act, requires permits for the operation of public water systems, requires permit applications to include a technical report, and allows the SWRCB to impose permit conditions. Existing law also requires a public water system created after January 1, 1998 to demonstrate that the water supplier possesses adequate financial, managerial, and technical capability to ensure the delivery of pure, wholesome, and potable drinking water in order to receive a permit to operate. Existing law also allows the SWRCB to delegate primary responsibility for the federal Safe Drinking Water Act to a county local health officer.

SB 1263 (Wieckowski), as introduced on February 18, 2016, is intended to prevent the proliferation of new unsustainable water systems by strengthening the permitting process for new public water systems. SB 1263 would primarily do four things: (1) allow the SWRCB to impose technical, financial, and managerial requirements as a condition of approving a permit for a new

public water system; (2) require the SWRCB to deny a permit for a new public water system if a water supplier fails to demonstrate it has sufficient water rights; (3) authorize the SWRCB to deny a permit if it determines, based on information provided by the proposed new public water system, that the service area of a proposed new public water system can be served by an existing public water system; and (4) prohibit local health officers from issuing a permit for a new public water system unless the SWRCB concurs with the decision.

According to the author, while current law allows for the permitting and construction of public water systems to serve new developments, the permitting process does not adequately address the long-term environmental, public health, and financial sustainability of those systems. This is especially true for small water systems that may have less technical, managerial and financial capacity than larger agencies and face challenges when dealing with issues such as health risks posed by contaminated drinking water. The SWRCB's Resilient, Affordable, Safe Drinking Water for Disadvantaged Communities Framework identifies a goal to "ensure that every Californian has access to an adequate supply of safe water for daily human needs" and states that one of the ways to help achieve that goal is "limiting the proliferation of new, unsustainable systems."

SB 1263 would give the SWRCB a stronger role in ensuring that new public water systems are not permitted if they do not have the financial, managerial and technical capability to ensure delivery of safe water, sufficient water rights, or if the service area of the proposed new public water system could be served by an existing public water system. This stronger role will assist the state in its efforts to ensure every Californian has access to safe drinking water by reducing the number of new water systems that cannot be sustained.

However, refinements are needed to ensure that the SWRCB is relying on information provided by the appropriate entity. As written, the bill would allow the SWRCB to deny a permit based, in part, on the feasibility to connect to an existing water system, as provided by the permit applicant. This feasibility information should instead be provided by the existing public water system. The existing public water system, rather than the permit applicant, has the expertise to determine its ability to provide service and must consider a range of factors including, but not limited to: cost; water rights; any required state and/or federal approvals; mitigation necessary to extend service area boundaries; long-term water supply plans; and additional infrastructure needs. Accordingly, SB 1263 should be amended to clarify that the existing public water system would determine whether it can feasibly provide service, not the permit applicant.

EBMUD has previously supported legislation to promote the provision of reliable, safe drinking water. In 2014, EBMUD supported AB 1739 (Dickinson) and SB 1168 (Pavley), known together as the Sustainable Groundwater Management Act, to require local management of groundwater resources. AB 1739 and SB 1168 were signed into law (Chapter 347 and Chapter 346 of 2014, respectively). In 2001, EBMUD sponsored legislation, SB 221 (Kuehl) and SB 610 (Costa), to strengthen the process by which local agencies determine there is sufficient water supply to meet existing and future demands on that water supply and help ensure that large developments

demonstrated a sufficient water supply before the developments were approved. SB 221 and SB 610, known as the "show me the water" bills were signed into law (Chapter 642 and Chapter 643 of 2001, respectively).

The current list of support and opposition to SB 1263 is shown below.

<u>Support</u> California League of Conservation Voters Clean Water Action Community Water Center Environmental Working Group Leadership Counsel for Justice and Accountability Lutheran Office of Public Policy – California Sierra Club California

Opposition Association of California Water Systems California Building Industry Association California Business Properties Association California Chamber of Commerce

### FEDERAL LEGISLATION

#### RECOMMENDED POSITION

# H.R. 4653ASSISTANCE, QUALITY, AND AFFORDABILITYSUPPORT(Tonko)ACT OF 2016

The Drinking Water State Revolving Fund (DWSRF) program was created in 1996 as a federalstate partnership to help ensure safe drinking water by providing federal funding to drinking water infrastructure projects. The United States Environmental Protection Agency (U.S. EPA), after funds are appropriated by Congress, provides grants to states to fund DWSRF loan programs. States contribute a 20 percent match and provide various types of assistance for drinking water infrastructure projects including grants, loans, refinancing, and loan guarantees.

In addition, the Safe Drinking Water Act requires public water systems to take specified actions to test for and remediate certain contaminants in drinking water, including lead and copper. Existing law prohibits the use of any pipe, pipe or plumbing fitting or fixture, solder, or flux that is not lead-free in the installation or repair of any public water system or any plumbing in a facility providing water for human consumption.

H.R. 4653 (Tonko) is known as the Assistance, Quality, and Affordability Act of 2016 (AQUA Act) and is co-sponsored by Representative Jerry McNerney. The AQUA Act is intended to

respond to the drinking water crisis in Flint, Michigan by providing increased funding authorizations for water infrastructure projects. The measure would primarily do three things: 1) authorize \$17 billion to support the DWSRF over five years, 2017 through 2021; 2) establish a grant program to assist with removal of lead service lines from public water systems; and 3) create a new competitive grant program to assist water systems in improving drinking water resiliency and sustainability. The AQUA Act includes additional provisions making changes to the administration of the DWSRF, including, additional assistance for disadvantaged communities, as well as provisions for drought mitigation and response planning and evaluating impacts of pharmaceuticals and personal care products in sources of drinking water.

### DWSRF

With regard to the DWSRF, a long-term authorization of the DWSRF has not occurred since its initial authorization expired in 2003. Without a long-term authorization, funding for this important water infrastructure assistance program is dependent on being included in annual budget and appropriation measures. The AQUA Act would authorize the DWSRF for five years at higher funding levels then the program has received in the past, beginning with \$3.13 billion in fiscal year 2017 and increasing by 15 percent annually thereafter to provide \$5.5 billion in FY 2021.

Historically, EBMUD has been supportive of efforts to continue funding the State Revolving Fund (SRF) programs. Most recently EBMUD requested that Representative Lee support an appropriation for the SRF. By providing a long-term authorization, the AQUA Act would allow congress to increase the SRF appropriations over the long term. Increased DWSRF funding levels could benefit EBMUD as EBMUD is currently seeking DWSRF funding for various infrastructure projects, including the South Reservoir Replacement.

### Removal of lead service lines

The AQUA Act seeks to protect drinking water by providing funding to facilitate the removal of lead service lines. The measure would provide \$500 million total, \$100 million annually for fiscal years 2017 through 2020, to establish a grant program to remove lead service lines from public water systems with up to \$10 million set aside to assist low-income homeowners replace privately owned lead service lines.

With regard to EBMUD, in compliance with federal regulations adopted in the 1990s, EBMUD has completed an inventory of, and has replaced, known lead service lines in its system, has developed a corrosion control system, and has been monitoring lead levels at customer home fixtures since 1992. In addition, EBMUD has been a leader in efforts to promote the protection of public health by reducing lead exposure in drinking water. EBMUD was a strong proponent of federal legislation, S. 3874 (Boxer) in 2010 which was signed into law, modeled after California's landmark "Get the Lead Out" legislation sponsored by EBMUD, to essentially adopt a "lead-free" standard for pipes and plumbing fixtures nationwide.

### Drinking water system resiliency

The AQUA Act would also establish a new grant program to support water projects to increase the resiliency and sustainability of public water systems, such as water-use efficiency, water recycling, and energy-use efficiency projects. The AQUA Act would authorize \$250 million, \$50 million annually for fiscal years 2017 through 2021, and prioritizes grants to water systems that have been identified at the greatest risk of facing negative effects due to hydrological changes. EBMUD would potentially be eligible to compete for funding under these provisions.

#### Other provisions

The AQUA Act includes other provisions intended to assist with protecting drinking water and improving water system resiliency. The AQUA Act would provide additional DWSRF funding assistance to public water systems serving disadvantaged communities; require U.S. EPA to develop a strategic plan for assessing and managing the risk of drought to drinking water; require U.S. EPA to study the presence of pharmaceuticals and personal care products in sources of drinking water to identify the source of such products in drinking water, the effects on humans, the environment, and the safety of drinking water, and methods to control, limit, treat or prevent the presence of such products.

The AQUA Act would provide funding assistance for overall water infrastructure projects as well as infrastructure projects intended to reduce lead exposure in drinking water. In addition, the AQUA Act could provide potential funding eligibility for EBMUD projects, such as water-use efficiency and water recycling projects. There are areas where the measure could be strengthened, namely providing assistance to non-low income homeowners as well as lowincome homeowners and focusing changes to the administration of the DWSRF on those that would be feasible for U.S. EPA to accomplish.

Overall, support of H.R. 4653 is consistent with EBMUD's 2016 federal legislative initiatives to seek federal funding opportunities, as well as EBMUD's efforts to reduce lead exposure in drinking water, including EBMUD's support of S. 3874 (Boxer) in 2010, which was signed into law, that reduced the allowable lead content in pipes and plumbing fixtures to a level that virtually eliminates lead contamination in faucets and drinking water.

A current list of support and opposition to H.R. 4653 is not available.

# S. 2588 GET THE LEAD OUT ACT OF 2016 SUPPORT (Cardin)

Existing law, the Safe Drinking Water Act, requires public water systems to take specified actions to test for and remediate certain contaminants in drinking water, including lead and copper. Existing law generally prohibits the use of any pipe, pipe or plumbing fitting or fixture, solder, or flux that is not lead-free in the installation or repair of any public water system or any plumbing in a facility providing water for human consumption.

S. 2588 (Cardin) would enact the "Get The Lead Out Act of 2016" (The Act) and is cosponsored by Senator Boxer. Though similar in name to the 2006 EBMUD-sponsored state legislation, S. 2588 is a different bill. The Act is intended to respond to the drinking water crisis in Flint, Michigan and to help prevent similar situations from happening elsewhere. To accomplish this, S. 2588 would establish a program, administered by the U.S. Environmental Protection Agency (U.S. EPA), to provide grants to entities, including water systems, municipalities and nonprofit organizations, for projects to assist with reducing lead in drinking water supplies and delivery systems.

S. 2588 would authorize \$60 million for each of five fiscal years (2017-2021) to fund the grant program. Grants could generally cover up to 80 percent of the cost of eligible projects which include replacement of lead service lines, corrosion control, and assistance to low-income homeowners to replace privately owned portion of service lines, pipes, fittings or fixtures that contain lead. The measure would allow U.S. EPA to reduce or waive the 20 percent cost share requirement for reasons of affordability, as determined by U.S. EPA, and would give priority to lead reduction projects at water systems that have exceeded the lead action level, the level at which water treatment actions are required, at any time during the 3-year period prior to a grant application being submitted, as well as for projects to address lead levels in drinking water at schools, daycares, or other facilities that primarily serve children.

According to U.S. EPA and the Centers for Disease Control there is no known safe level of lead in a child's blood. Exposure to lead can result in delays in physical or mental development in infants and children. For adults, it can result in kidney problems or high blood pressure. The U.S. EPA estimates that 10 to 20 percent of human exposure from lead may come from lead in drinking water. Infants can receive 40 to 60 percent of their exposure to lead from drinking water.

In the 1990s regulations required public water systems to complete an inventory of their known lead services and develop an optimized corrosion control program. EBMUD complied with these requirements, has replaced known lead service lines and has been monitoring lead levels at customer home fixtures since 1992. In addition, EBMUD has been a leader in efforts to promote the protection of public health by reducing lead exposure in drinking water. EBMUD was a strong proponent of federal legislation, S. 3874 (Boxer) in 2010 which was signed into law, modeled after California's landmark legislation sponsored by EBMUD to essentially adopt a "lead-free" standard for pipes and plumbing fixtures nationwide.

S. 2588 builds on existing law and helps protect public health by establishing a grant program to facilitate the replacement of lead service lines and other actions to assist in preventing corrosion and contamination in water systems. There are areas in which the measure could be strengthened, namely providing assistance to non-low income homeowners as well as low-income homeowners. Overall, S. 2588's objective is consistent with EBMUD's efforts to reduce lead exposure in drinking water, including EBMUD's support of prior legislation, and would likely

have a minimal impact on EBMUD as the known lead service lines in EBMUD's service area have generally already been replaced.

EBMUD has previously supported legislation to protect public health by reducing exposure to lead in drinking water. As mentioned above, in 2010 EBMUD supported S. 3874 (Boxer) that reduced the allowable lead content in pipes and plumbing fixtures to a level that virtually eliminates lead contamination in faucets and drinking water.

A current list of support and opposition to S. 2588 is not available.

ARC:MD:JW

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i.

#### Introduced by Senators Pavley and Wieckowski

February 18, 2016

An act to amend Section 66473.7 of the Government Code, and to amend Sections 10910 and 10911 of the Water Code, and relating to land use.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1262, as introduced, Pavley. Water supply planning.

(1) Existing law requires a city or county that determines a project, as defined, is subject to the California Environmental Quality Act to identify certain water systems that may supply water for the project and to request those public water systems to prepare and approve a specified water supply assessment. Under existing law, if no public water system is identified, the city or county is required to prepare and approve the water supply assessment. Existing law provides that if, as a result of its assessment, the public water system or city or county concludes that its water supplies are, or will be, insufficient, the public water system or city or county is required to provide its plans for acquiring additional water supplies, as prescribed.

This bill would require a city or county that determines a project is subject to the California Environmental Quality Act to identify any water system whose service area includes the project site and any water system adjacent to the project site. This bill would require, if a water source for a proposed project includes water of a quality not sufficient to meet certain drinking water standards, that prescribed additional information be included in a water supply assessment. This bill, if no water system is identified, would require a city or county to prepare a technical report containing prescribed information. This bill would require a city or county to submit the technical report to the local agency

formation commission with jurisdiction if the city or county concludes based on the technical report that it is feasible for a water system to provide water to the project. This bill, if the local agency formation commission declines to approve an annexation or extensive of service, would require the city or county to develop a water supply assessment for the project, as specified. By imposing new duties on cities and counties, this bill would impose a state-mandated local program.

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act authorizes the State Water Resources Control Board to designate a basin as a probationary basin if the state board makes a certain determination and to develop an interim plan for the probationary basin.

This bill would provide that hauled water or groundwater from a probationary basin are not sources of water for the purposes of a water supply assessment. This bill would, if a water supply for a proposed project includes groundwater, require certain additional information to be included in the water supply assessment.

(2) Existing law, the Subdivision Map Act, establishes a statewide regulatory framework for controlling the subdividing of land. The act generally requires a subdivider to submit, and have approved by the city, county, or city and county in which the land is situated, a tentative map for subdivisions of land, as specified. Existing law requires a city or county to deny approval of a tentative map, or parcel map for which a tentative map was not required, if it makes certain findings relating to the proposed subdivision. Existing law requires a city or county to include as a condition in any tentative map that includes a subdivision a requirement that a sufficient water supply be available. Existing law requires proof of the availability of a sufficient water supply, as prescribed, and that the written verification of a public water system's ability or inability to provide a sufficient water supply be supported by substantial evidence.

This bill would revise the definition of sufficient water supply to include additional factors relating to a proposed subdivision that relies in whole or in part on groundwater. This bill would provide that groundwater from a probationary basin is not a water supply for these purposes.

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(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 66473.7 of the Government Code is 2 amended to read:

3 66473.7. (a) For the purposes of this section, the following4 definitions apply:

5 (1) "Subdivision" means a proposed residential development 6 of more than 500 dwelling units, except that for a public water 7 system that has fewer than 5,000 service connections, "subdivision" 8 means any proposed residential development that would account 9 for an increase of 10 percent or more in the number of the public 10 water system's existing service connections.

11 (2) "Sufficient water supply" means the total water supplies 12 available during normal, single-dry, and multiple-dry years within 13 a 20-year projection that will meet the projected demand associated 14 with the proposed subdivision, in addition to existing and planned 15 future uses, including, but not limited to, agricultural and industrial 16 uses. In determining "sufficient water supply," all of the following 17 factors shall be considered:

18 (A) The availability of water supplies over a historical record19 of at least 20 years.

(B) The applicability of an urban water shortage contingency
analysis prepared pursuant to Section 10632 of the Water Code
that includes actions to be undertaken by the public water system

23 in response to water supply shortages.

1 (C) The reduction in water supply allocated to a specific water 2 use sector pursuant to a resolution or ordinance adopted, or a 3 contract entered into, by the public water system, as long as that 4 resolution, ordinance, or contract does not conflict with Section 5 354 of the Water Code.

6 (D) The amount of water that the water supplier can reasonably 7 rely on receiving from other water supply projects, such as 8 conjunctive use, reclaimed water, water conservation, and water 9 transfer, including programs identified under federal, state, and 10 local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet 11 12 the criteria of subdivision (d).

13 (E) If a proposed subdivision relies in whole or in part on 14 groundwater, the following factors:

15 (i) For a basin for which a court or the State Water Resources

Control Board has adjudicated the rights to pump groundwater, 16 17 the order or decree adopted by the court or the State Water 18 Resources Control Board.

19 (ii) For a basin that has not been adjudicated, as follows:

20 (I) For a basin designated as high- or medium-priority pursuant

to Section 10722.4 of the Water Code, the most recently adopted 21

22 or revised adopted groundwater sustainability plan.

23 (II) For a basin designated as low- or very-low priority pursuant

24 to Section 10722.4 of the Water Code, information as to whether 25

the Department of Water Resources has identified the basin or 26 basins as overdrafted or has projected that the basin will become

27 overdrafted if present management conditions continue.

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(3) "Public water system" means the water supplier that is, or 29 may become as a result of servicing the subdivision included in a 30 tentative map pursuant to subdivision (b), a public water system, 31 as defined in Section 10912 of the Water Code, that may supply 32 water for a subdivision.

33 (b) (1) The legislative body of a city or county or the advisory 34 agency, to the extent that it is authorized by local ordinance to 35 approve, conditionally approve, or disapprove the tentative map, shall include as a condition in any tentative map that includes a 36 37 subdivision a requirement that a sufficient water supply shall be 38 available. Proof of the availability of a sufficient water supply 39 shall be requested by the subdivision applicant or local agency, at 40 the discretion of the local agency, and shall be based on written

verification from the applicable public water system within 90 1 2 days of a request.

3 (2) If the public water system fails to deliver the written 4 verification as required by this section, the local agency or any 5 other interested party may seek a writ of mandamus to compel the 6 public water system to comply.

7 (3) If the written verification provided by the applicable public 8 water system indicates that the public water system is unable to 9 provide a sufficient water supply that will meet the projected 10 demand associated with the proposed subdivision, then the local agency may make a finding, after consideration of the written 11 12 verification by the applicable public water system, that additional 13 water supplies not accounted for by the public water system are, 14 or will be, available prior to completion of the subdivision that 15 will satisfy the requirements of this section. This finding shall be 16 made on the record and supported by substantial evidence.

17 (4) If the written verification is not provided by the public water 18 system, notwithstanding the local agency or other interested party 19 securing a writ of mandamus to compel compliance with this 20 section, then the local agency may make a finding that sufficient 21 water supplies are, or will be, available prior to completion of the 22 subdivision that will satisfy the requirements of this section. This 23 finding shall be made on the record and supported by substantial 24 evidence.

25 (c) The applicable public water system's written verification of 26 its ability or inability to provide a sufficient water supply that will 27 meet the projected demand associated with the proposed 28 subdivision as required by subdivision (b) shall be supported by 29 substantial evidence. The substantial evidence may include, but is 30 not limited to, any of the following:

31 (1) The public water system's most recently adopted urban water 32 management plan adopted pursuant to Part 2.6 (commencing with 33 Section 10610) of Division 6 of the Water Code.

34 (2) A water supply assessment that was completed pursuant to 35 Part 2.10 (commencing with Section 10910) of Division 6 of the 36 Water Code.

37 (3) A groundwater sustainability plan adopted pursuant to Part 38 2.74 (commencing with Section 10720) of Division 6 of the Water

- 39 Code. 40
- (3)

(4) Other information relating to the sufficiency of the water
 supply that contains analytical information that is substantially
 similar to the assessment required by Section 10635 of the Water
 Code.

5 (d) When the written verification pursuant to subdivision (b) 6 relies on projected water supplies that are not currently available 7 to the public water system, to provide a sufficient water supply to 8 the subdivision, the written verification as to those projected water 9 supplies shall be based on all of the following elements, to the 10 extent each is applicable:

(1) Written contracts or other proof of valid rights to the
identified water supply that identify the terms and conditions under
which the water will be available to serve the proposed subdivision.

(2) Copies of a capital outlay program for financing the delivery
 of a sufficient water supply that has been adopted by the applicable
 governing body.

(3) Securing of applicable federal, state, and local permits for
construction of necessary infrastructure associated with supplying
a sufficient water supply.

(4) Any necessary regulatory approvals that are required in order
to be able to convey or deliver a sufficient water supply to the
subdivision.

(e) If there is no public water system, the local agency shall
make a written finding of sufficient water supply based on the
evidentiary requirements of subdivisions (c) and (d) and identify
the mechanism for providing water to the subdivision.

27 (f) In making any findings or determinations under this section, 28 a local agency, or designated advisory agency, may work in 29 conjunction with the project applicant and the public water system 30 to secure water supplies sufficient to satisfy the demands of the 31 proposed subdivision. If the local agency secures water supplies pursuant to this subdivision, which supplies are acceptable to and 32 33 approved by the governing body of the public water system as suitable for delivery to customers, it shall work in conjunction 34 with the public water system to implement a plan to deliver that 35 36 water supply to satisfy the long-term demands of the proposed 37 subdivision.

38 (g) The written verification prepared under this section shall
39 also include a description, to the extent that data is reasonably
40 available based on published records maintained by federal and

state agencies, and public records of local agencies, of the 1 2 reasonably foreseeable impacts of the proposed subdivision on the 3 availability of water resources for agricultural and industrial uses 4 within the public water system's service area that are not currently 5 receiving water from the public water system but are utilizing the 6 same sources of water. To the extent that those reasonably 7 foreseeable impacts have previously been evaluated in a document 8 prepared pursuant to the California Environmental Quality Act 9 (Division 13 (commencing with Section 21000) of the Public 10 Resources Code) or the National Environmental Policy Act (Public 11 Law 91-190) for the proposed subdivision, the public water system 12 may utilize that information in preparing the written verification. 13 (h) (1) Where a water supply for a proposed subdivision 14 includes groundwater, the public water system serving the proposed 15 subdivision shall evaluate, based on substantial evidence, the extent 16 to which it or the landowner has the right to extract the additional 17 groundwater needed to supply the proposed subdivision. Nothing 18 in this subdivision is intended to modify state law with regard to 19 groundwater rights. 20 (2) Groundwater from a basin designated by the State Water

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21 Resources Control Board as a probationary basin pursuant to

22 Chapter 11 (commencing with Section 10735) of Part 2.74 of

23 Division 6 of the Water Code is not considered as a water supply
24 for the purposes of this section.

(i) This section shall not apply to any residential project
proposed for a site that is within an urbanized area and has been
previously developed for urban uses, or where the immediate
contiguous properties surrounding the residential project site are,
or previously have been, developed for urban uses, or housing
projects that are exclusively for very low and low-income
households.

32 (j) The determinations made pursuant to this section shall be 33 consistent with the obligation of a public water system to grant a 34 priority for the provision of available and future water resources 35 or services to proposed housing developments that help meet the 36 city's or county's share of the regional housing needs for lower

37 income households, pursuant to Section 65589.7.

38 (k) The County of San Diego shall be deemed to comply with39 this section if the Office of Planning and Research determines that

40 all of the following conditions have been met:

1 (1) A regional growth management strategy that provides for a 2 comprehensive regional strategy and a coordinated economic 3 development and growth management program has been developed 4 pursuant to Proposition C as approved by the voters of the County 5 of San Diego in November 1988, which required the development 6 of a regional growth management plan and directed the 7 establishment of a regional planning and growth management 8 review board.

9 (2) Each public water system, as defined in Section 10912 of 10 the Water Code, within the County of San Diego has adopted an 11 urban water management plan pursuant to Part 2.6 (commencing 12 with Section 10610) of the Water Code.

13 (3) The approval or conditional approval of tentative maps for 14 subdivisions, as defined in this section, by the County of San Diego 15 and the cities within the county requires written communications to be made by the public water system to the city or county, in a 16 format and with content that is substantially similar to the 17 18 requirements contained in this section, with regard to the 19 availability of a sufficient water supply, or the reliance on projected 20 water supplies to provide a sufficient water supply, for a proposed 21 subdivision.

(1) Nothing in this section shall preclude the legislative body of
a city or county, or the designated advisory agency, at the request
of the applicant, from making the determinations required in this
section earlier than required pursuant to subdivision (b).

(m) Nothing in this section shall be construed to create a right
or entitlement to water service or any specific level of water
service.

(n) Nothing in this section is intended to change existing law
concerning a public water system's obligation to provide water
service to its existing customers or to any potential future
customers.

33 (o) Any action challenging the sufficiency of the public water
34 system's written verification of a sufficient water supply shall be
35 governed by Section 66499.37.

36 SEC. 2. Section 10910 of the Water Code is amended to read:
37 10910. (a) Any city or county that determines that a project,
38 as defined in Section 10912, is subject to the California
39 Environmental Quality Act (Division 13 (commencing with Section

21000) of the Public Resources Code) under Section 21080 of the
 Public Resources Code shall comply with this part.

(b) The city or county, at the time that it determines whether an 3 environmental impact report, a negative declaration, or a mitigated 4 5 negative declaration is required for any project subject to the California Environmental Quality Act pursuant to Section 21080.1 6 7 of the Public Resources Code, shall identify any water system 8 whose service area includes the project site and any water system 9 adjacent to the project site that is, or may become as a result of 10 supplying water to the project identified pursuant to this subdivision, a public water system, as defined in Section 10912, 11 12 that may supply water for the project. If the city or county is not 13 able to identify any public water system that may supply water for 14 the project, the city or county shall prepare the water assessment 15 required by this part after consulting with any entity serving domestic water supplies whose service area includes the project 16 17 site, the local agency formation commission, and any public water 18 system adjacent to the project site.

(c) (1) The city or county, at the time it makes the determination
required under Section 21080.1 of the Public Resources Code,
shall request each public water system identified pursuant to
subdivision (b) to determine whether the projected water demand
associated with a proposed project was included as part of the most
recently adopted urban water management plan adopted pursuant
to Part 2.6 (commencing with Section 10610).

26 (2) If the projected water demand associated with the proposed 27 project was accounted for in the most recently adopted urban water 28 management plan, the public water system may incorporate the 29 requested information from the urban water management plan in 30 preparing the elements of the assessment required to comply with 31 subdivisions (d), (e), (f), and (g), (g), and (h).

32 (3) If the projected water demand associated with the proposed 33 project was not accounted for in the most recently adopted urban 34 water management plan, or the public water system has no urban 35 water management plan, plan but the public water system is willing 36 to supply water, the water supply assessment for the project shall 37 include a discussion with regard to whether the public water 38 system's total projected water supplies available during normal, 39 single dry, and multiple dry water years during a 20-year projection 40 will meet the projected water demand associated with the proposed

1 project, in addition to the public water system's existing and 2 planned future uses, including agricultural and manufacturing uses.

3 (4) If the city or county is required to comply with this part

4 pursuant to subdivision (b), the water supply assessment for the

5 project shall include a discussion with regard to whether the total

6 projected water supplies, determined to be available by the city or

7 county for the project during normal, single dry, and multiple dry

8 water years during a 20-year projection, will meet the projected

9 water demand associated with the proposed project, in addition to

10 existing and planned future uses, including agricultural and 11 manufacturing uses.

(d) (1) If a water system is not identified pursuant to subdivision
(b), or none of the water systems identified pursuant to subdivision
(b) are willing to supply the water, the city or county shall prepare

15 a technical report that includes all of the following:

(A) The name of each public water system that has a service
area boundary within five miles of any boundary of the applicant's
proposed service area.

19 (B) An analysis of the feasibility of a water system identified 20 pursuant to subdivision (b) annexing, connecting, or otherwise 21 supplying domestic water to the project.

(C) An analysis of the long-term feasibility of creating a new
water system to serve the project, including, but not limited to,
projecting the capacity of anticipated ratepayers to sustain a water
system if there is the potential that water treatment will be required
in the foreseeable future.

(D) A description of all actions taken by the city or county to
secure a supply of domestic water from an existing public water
system for the project.

30 (E) A description of all actions taken by the project proponent
 31 to pursue a contract for managerial or operational oversight from
 32 an existing public waster system.

(2) If the city or county concludes, based on the technical report
prepared pursuant to paragraph (1), that it is feasible for a water
system identified pursuant to subdivision (b) to provide water to
the project, the city or county shall submit their technical report
to the local agency formation commission with jurisdiction over

38 the project.

39 (3) If the local agency formation commission declines to approve

40 an annexation or extension of service, the city or county shall

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develop a water supply assessment for the project that includes a 1 discussion on whether the total projected water supplies, 2 3 determined to be available by the city or county for the project 4 during normal, single dry, or multiple dry water years during a 5 20-year projection, will meet the projected water demand 6 associated with the proposed project, in addition to existing and 7 planned future uses, including agricultural and manufacturing 8 uses.

9 <del>(d)</del>

10 (e) (1) The assessment required by this section shall include 11 an identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water 12 13 supply for the proposed project, and a description of the quantities 14 of water received in prior years by the public water system, or the 15 city or county if either is required to comply with this part pursuant 16 to subdivision (b), (d), under the existing water supply entitlements, 17 water rights, or water service contracts.

(2) An identification of existing water supply entitlements, water 18 19 rights, or water service contracts held by the public water system, 20 or the city or county if either is required to comply with this part 21 pursuant to subdivision (b), (d), shall be demonstrated by providing information related to all of the following: 22

23 (A) Written contracts or other proof of entitlement to an 24 identified water supply.

25 (B) Copies of a capital outlay program for financing the delivery 26 of a water supply that has been adopted by the public water system. 27 (C) Federal, state, and local permits for construction of necessary

28 infrastructure associated with delivering the water supply.

29 (D) Any necessary regulatory approvals that are required in 30 order to be able to convey or deliver the water supply. <del>(c)</del>

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32 (f) If no water has been received in prior years by the public 33 water system, or the city or county if either is required to comply 34 with this part pursuant to subdivision (b), (d), under the existing 35 water supply entitlements, water rights, or water service contracts, 36 the public water system, or the city or county if either is required 37 to comply with this part pursuant to subdivision (b), (d), shall also 38 include in its water supply assessment pursuant to subdivision (c), 39 an identification of the other public water systems or water service 40 contractholders that receive a water supply or have existing water

1 supply entitlements, water rights, or water service contracts, to the

2 same source of water as the public water system, or the city or

3 county if either is required to comply with this part pursuant to

4 subdivision (b), (d), has identified as a source of water supply

5 within its water supply assessments.

6 <del>(f)</del>

7 (g) If a water supply for a proposed project includes 8 groundwater, the following additional information shall be included 9 in the water supply assessment:

10 (1) A review of any information contained in the urban water 11 management plan relevant to the identified water supply for the 12 proposed project.

13 (2) (A) A description of any groundwater basin or basins from 14 which the proposed project will be supplied. For

15 (B) For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order 16 or decree adopted by the court or the board and a description of 17 18 the amount of groundwater the public water system, or the city or 19 county if either is required to comply with this part pursuant to subdivision (b), (d), has the legal right to pump under the order or 20 decree. For basins that have not been adjudicated, information as 21 to whether the department has identified the basin or basins as 22 overdrafted or has projected that the basin will become overdrafted 23 if present management conditions continue, in the most current 24 bulletin of the department that characterizes the condition of the 25 26 groundwater basin, and a detailed description by the public water 27 system, or the city or county if either is required to comply with this part pursuant to subdivision (b), of the efforts being undertaken 28 29 in the basin or basins to climinate the long-term overdraft

30 condition.

31 (C) For a basin that has not been adjudicated that is a basin
32 designated as high- or medium-priority pursuant to Section
33 10722.4, information regarding the following:

34 (i) Whether the department has identified the basin as being
35 subject to critical conditions of overdraft pursuant to Section
36 12924.

(ii) Whether the board has designated the basin as a
probationary basin pursuant to Chapter 11 (commencing with
Section 10735) of Part 2.74.

(iii) If a groundwater sustainability agency has adopted a
 groundwater sustainability plan or submitted an alternative plan,
 a copy of that plan.

4 (D) For a basin that has not been adjudicated that is a basin 5 designated as low- or very-low priority pursuant to Section 6 10722.4, information as to whether the department has identified 7 the basin or basins as overdrafted or has projected that the basin 8 will become overdrafted if present management conditions 9 continue, in the most current bulletin of the department that 10 characterizes the condition of the groundwater basin, and a detailed description by the public water system, or the city or 11 county if either is required to comply with this part pursuant to 12 subdivision (d), of the efforts being undertaken in the basin or 13 14 basins to eliminate the long-term overdraft condition.

15 (3) A detailed description and analysis of the amount and 16 location of groundwater pumped by the public water system, or the city or county if either is required to comply with this part 17 18 pursuant to subdivision (b), (d), for the past five years from any 19 groundwater basin from which the proposed project will be 20 supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited 21 22 to, historic use records.

(4) A detailed description and analysis of the amount and 23 24 location of groundwater that is projected to be pumped by the public water system, or the city or county if either is required to 25 26 comply with this part pursuant to subdivision (b), (d), from any 27 basin from which the proposed project will be supplied. The 28 description and analysis shall be based on information that is 29 reasonably available, including, but not limited to, historic use 30 records.

31 (5) An analysis of the sufficiency of the groundwater from the 32 basin or basins from which the proposed project will be supplied 33 to meet the projected water demand associated with the proposed project. A water supply assessment shall not be required to include 34 the information required by this paragraph if the public water 35 36 system determines, as part of the review required by paragraph (1), that the sufficiency of groundwater necessary to meet the initial 37 and projected water demand associated with the project was 38 39 addressed in the description and analysis required by paragraph 40 (4) of subdivision (b) of Section 10631.

1 <del>(g)</del> 2 (h) (1) Subject to paragraph (2), the governing body of each public water system shall submit the assessment to the city or 3 4 county not later than 90 days from the date on which the request was received. The governing body of each public water system, 5 6 or the city or county if either is required to comply with this act 7 pursuant to subdivision (b), (d), shall approve the assessment 8 prepared pursuant to this section at a regular or special meeting.

9 (2) Prior to the expiration of the 90-day period, if the public 10 water system intends to request an extension of time to prepare 11 and adopt the assessment, the public water system shall meet with 12 the city or county to request an extension of time, which shall not 13 exceed 30 days, to prepare and adopt the assessment.

(3) If the public water system fails to request an extension of time, or fails to submit the assessment notwithstanding the extension of time granted pursuant to paragraph (2), the city or county may seek a writ of mandamus to compel the governing body of the public water system to comply with the requirements of this part relating to the submission of the water supply assessment.

21 <del>(h)</del>

(i) Notwithstanding any other provision of this part, if a project 22 has been the subject of a water supply assessment that complies 23 with the requirements of this part, no additional water supply 24 assessment shall be required for subsequent projects that were part 25 26 of a larger project for which a water supply assessment was 27 completed and that has complied with the requirements of this part 28 and for which the public water system, or the city or county if 29 either is required to comply with this part pursuant to subdivision 30 (b), (d), has concluded that its water supplies are sufficient to meet 31 the projected water demand associated with the proposed project, 32 in addition to the existing and planned future uses, including, but 33 not limited to, agricultural and industrial uses, unless one or more 34 of the following changes occurs:

- (1) Changes in the project that result in a substantial increasein water demand for the project.
- 37 (2) Changes in the circumstances or conditions substantially38 affecting the ability of the public water system, or the city or county
- 39 if either is required to comply with this part pursuant to subdivision
- 40 (b), (d), to provide a sufficient supply of water for the project.
  - 99

1 (3) Significant new information becomes available which that 2 was not known and could not have been known at the time when 3 the assessment was prepared.

4 (j) For the purposes of this section, the following are not 5 considered as a source of water:

(1) Hauled water.

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7 (2) Groundwater from a basin designated by the board as a
8 probationary basin pursuant to Chapter 11 (commencing with
9 Section 10735) of Part 2.74.

(k) If a water supply for a proposed project includes water of
a quality not sufficient to meet all primary and secondary drinking
water standards, the following additional information shall be
included in the water supply assessment:

(1) A detailed description of the concentration of contaminants.
(2) The proposed method for treating, blending, or otherwise
ensuring that the water will meet drinking water quality standards.

17 (3) The project cost to achieve drinking water quality.

18 (4) An analysis of the affordability of water for the project's 19 anticipated residents.

20 SEC. 3. Section 10911 of the Water Code is amended to read: 10911. (a) If, as a result of its assessment, the public water 21 system concludes that its water supplies are, or will be, insufficient, 22 23 the public water system shall provide to the city or county its plans for acquiring additional water supplies, setting forth the measures 24 25 that are being undertaken to acquire and develop those water supplies. If the city or county, if either is required to comply with 26 this part pursuant to subdivision (b), (d) of Section 10910, 27 concludes as a result of its assessment, that water supplies are, or 28 29 will be, insufficient, the city or county shall include in its water 30 supply assessment its plans for acquiring additional water supplies, setting forth the measures that are being undertaken to acquire and 31 develop those water supplies. Those plans may include, but are 32

33 not limited to, information concerning all of the following:

34 (1) The estimated total costs, and the proposed method of
35 financing the costs, associated with acquiring the additional water
36 supplies.

37 (2) All federal, state, and local permits, approvals, or
38 entitlements that are anticipated to be required in order to acquire
39 and develop the additional water supplies.

1 (3) Based on the considerations set forth in paragraphs (1) and

2 (2), the estimated timeframes within which the public water system,

3 or the city or county if either is required to comply with this part 4 pursuant to subdivision (b), (d) of Section 10910, expects to be

5 able to acquire additional water supplies.

(b) The city or county shall include the water supply assessment
provided pursuant to Section 10910, and any information provided
pursuant to subdivision (a), in any environmental document.
prepared for the project pursuant to Division 13 (commencing with
Section 21000) of the Public Resources Code.

11 (c) The city or county may include in any environmental 12 document an evaluation of any information included in that environmental document provided pursuant to subdivision (b). 13 The city or county shall determine, based on the entire record, 14 15 whether projected water supplies will be sufficient to satisfy the 16 demands of the project, in addition to existing and planned future 17 uses. If the city or county determines that water supplies will not 18 be sufficient, the city or county shall include that determination 19 in its findings for the project.

20 SEC. 4. If the Commission on State Mandates determines that

21 this act contains costs mandated by the state, reimbursement to

local agencies and school districts for those costs shall be madepursuant to Part 7 (commencing with Section 17500) of Division

2.5 pursuant to Fart / (commencing with Section 17500) of Div

24 4 of Title 2 of the Government Code.

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**Introduced by Senators Wieckowski and Pavley** 

February 18, 2016

An act to amend Section 116540 of, and to add Section 116527 to, the Health and Safety Code, relating to drinking water.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1263, as introduced, Wieckowski. Public water system: permits. (1) Existing law, the California Safe Drinking Water Act, imposes on the State Water Resources Control Board various responsibilities and duties relating to providing a dependable, safe supply of drinking water. The act prohibits a person from operating a public water system unless he or she first submits an application, including a technical report, to the state board and receives a permit, as specified. The act requires the state board, upon determination that the application is complete, to make a specified investigation, and allows the state board to impose permit conditions, requirements for system improvements, and time schedules as the state board deems necessary to ensure an affordable, reliable, and adequate supply of water at all times that is pure, wholesome, and potable. The act prohibits a public water system that was not in existence on January 1, 1998, from being granted a permit unless the system demonstrates that the water supplier possesses adequate financial, managerial, and technical capability to ensure the delivery of pure, wholesome, and potable drinking water, and requires that this prohibition apply to any change of ownership of a public water system.

This bill would, commencing January 1, 2017, prohibit an application for a permit for a new public water system from being deemed complete unless the applicant has submitted a preliminary technical report to the state board, as specified, and would allow the state board to impose

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technical, financial, or managerial requirements on the permit. The bill would prohibit a public water system not in existence on January 1, 1998, from being granted a permit unless the public water system demonstrates that the water supplier also possesses adequate water rights to ensure the delivery of pure, wholesome, and potable drinking water, and would specify that the prohibition applies to any change in ownership of the public water system, including the consolidation of a public water system. The bill would allow the state board to deny the permit if the state board determines that the service area of the public water system can be served by one or more currently permitted public water systems.

(2) Existing law allows the state board to delegate primary responsibility for the administration and enforcement of the act within a county to a local health officer if certain criteria are met. Existing law requires that the local primacy agency be empowered with all of the authority granted to the state board over the specified public water systems.

This bill would prohibit a local primacy agency from issuing a permit without the concurrence of the state board.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

#### The people of the State of California do enact as follows:

SECTION 1. Section 116527 is added to the Health and Safety
 Code, to read:

116527. (a) Commencing January 1, 2017, an application for
a permit for a new public water system under this chapter shall
not be deemed complete unless the applicant has complied with
the requirements of this section.

7 (b) The applicant shall submit a preliminary technical report to 8 the state board six months before submission of an application for 9 a building permit for any improvement in the service area of a 10 proposed new public water system or six months before initiating 11 construction of any facility or component of a new public water 12 system, whichever is earliest. This report shall include all of the

13 following:

(1) The name of each public water system for which any service
area boundary is within three miles of any boundary of the
applicant's proposed public water system's service area.

1 (2) A discussion of the feasibility of each of the adjacent public 2 water systems annexing, connecting, or otherwise supplying 3 domestic water to the service area of the applicant's proposed 4 public water system.

5 (3) All proposed sources of domestic water supply for the 6 proposed new public water system.

7 (4) The estimated cost to construct, operate, and maintain the
8 proposed new public water system, including long-term operation
9 and maintenance costs and a proposed rate structure.

10 (5) A comparison of the cost associated with the construction, 11 operation and maintenance, and long-term sustainability of the 12 proposed new public water system to costs associated with the 13 annexation, consolidation, or connection to an existing public water 14 system.

(6) A discussion of all actions taken by the applicant to secure
a supply of domestic water from an existing public water system
for the service area of the proposed new public water system.

18 (7) A discussion of all actions taken by the applicant to pursue
a contract for managerial or operational oversight from an existing
public water system.

(c) Upon review of a preliminary technical report submitted
pursuant to this section, the state board may do all of the following
actions:

(1) Direct the applicant to undertake additional discussion and
negotiation with any existing public water system the state board
determines has the technical, managerial, and financial capacity
to provide an adequate and reliable supply of domestic water to
the service area of the proposed new public water system.

(2) Direct the applicant to report on the results of discussion
and negotiations conducted pursuant to paragraph (1) to the state
board.

32 (3) Establish a time schedule for the applicant's performance33 of directives issued pursuant to this subdivision.

34 (d) An applicant shall comply with the state board's directives35 before submitting an application for a permit under this chapter.

(e) The state board's review of a preliminary technical report
pursuant to this section shall not be deemed approval of a project
or approval of any permit application submitted under this chapter.
SEC. 2. Section 116540 of the Health and Safety Code is
amended to read:

1 116540. (a) Following completion of the investigation and 2 satisfaction of the requirements of subdivisions (a) and (b) 3 paragraphs (1) and (2), the department state board shall issue or deny the permit. The department state board may impose permit 4 conditions, requirements for system improvements, technical, 5 6 financial, or managerial requirements, and time schedules as it 7 deems necessary to ensure a reliable and adequate supply of water at all times that is pure, wholesome, potable, and does not endanger 8 9 the health of consumers.

## 10 <del>(a) No</del>

(1) A public water system that was not in existence on January 11 12 1, 1998, shall not be granted a permit unless the public water system demonstrates to the department state board that the water 13 supplier possesses adequate water rights, as well as financial, 14 managerial, and technical capability to ensure the delivery of pure, 15 wholesome, and potable drinking water. This section shall also 16 17 apply to any change of ownership of a public water system that occurs after January 1, 1998. system, including the consolidation 18 19 of a public water system. 20 (b) No

(2) A permit under this chapter shall not be issued to an
association organized under Title 3 (commencing with Section
18000) of the Corporations Code. This section shall not apply to
unincorporated associations-that that, as of December 31, 1990,
are holders of a permit issued under this chapter.

(b) Notwithstanding Section 116330, a local primacy agency
shall not issue a permit under this chapter without the concurrence
of the state board.

29 (c) If the state board determines that the service area of the

30 public water system addressed by an application under this article

31 can be served by one or more currently permitted public water

32 systems, the state board may deny the permit.

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# 114TH CONGRESS 2D SESSION H.R. 4653

To amend the Safe Drinking Water Act to increase assistance for States, water systems, and disadvantaged communities; to encourage good financial and environmental management of water systems; to strengthen the Environmental Protection Agency's ability to enforce the requirements of the Act; and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 29, 2016

Mr. TONKO (for himself, Mr. PALLONE, Mrs. CAPPS, Mr. CÁRDENAS, Mr. GENE GREEN of Texas, and Mr. MCNERNEY) introduced the following bill; which was referred to the Committee on Energy and Commerce

# **A BILL**

- To amend the Safe Drinking Water Act to increase assistance for States, water systems, and disadvantaged communities; to encourage good financial and environmental management of water systems; to strengthen the Environmental Protection Agency's ability to enforce the requirements of the Act; and for other purposes.
  - 1 Be it enacted by the Senate and House of Representa-
  - 2 tives of the United States of America in Congress assembled,

**1** SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-

#### 2 ERENCES.

3 (a) SHORT TITLE.—This Act may be cited as the

4 "Assistance, Quality, and Affordability Act of 2016".

5 (b) TABLE OF CONTENTS.—The table of contents of

6 this Act is as follows:

- Sec. 1. Short title; table of contents; references.
- Sec. 2. Prevailing wages.
- Sec. 3. Use of funds.
- Sec. 4. Requirements for use of American materials.
- Sec. 5. Data on variances, exemptions, and persistent violations.
- Sec. 6. Assistance for restructuring.
- Sec. 7. Priority and weight of applications.
- Sec. 8. Disadvantaged communities.
- Sec. 9. Administration of State loan funds.
- Sec. 10. State revolving loan funds for American Samoa, Northern Mariana Islands, Guam, and the Virgin Islands.
- Sec. 11. Authorization of appropriations.
- Sec. 12. Affordability of new standards.
- Sec. 13. Focus on lifecycle costs.
- Sec. 14. Enforcement.
- Sec. 15. Presence of pharmaceuticals and personal care products in sources of drinking water.
- Sec. 16. Electronic reporting of compliance monitoring data to the Administrator.
- Sec. 17. Best practices for administration of State revolving loan fund programs.
- Sec. 18. Water loss and leak control technology.
- Sec. 19. Risks of drought to drinking water.
- Sec. 20. Water infrastructure resiliency and sustainability program.
- Sec. 21. Reducing lead in drinking water.

7 (c) REFERENCES.—Except as otherwise specified,

- 8 whenever in this Act an amendment is expressed in terms
- 9 of an amendment to a section or other provision, the ref-
- 10 erence shall be considered to be made to a section or other
- 11 provision of the Safe Drinking Water Act (42 U.S.C. 300f
- 12 et seq.).

#### 1 SEC. 2. PREVAILING WAGES.

2 Subsection (e) of section 1450 (42 U.S.C. 300j-9)
3 is amended to read as follows:

4 "(e) LABOR STANDARDS.—

5 "(1) IN GENERAL.—The Administrator shall 6 take such action as the Administrator determines to 7 be necessary to ensure that each laborer and me-8 chanic employed by a contractor or subcontractor in 9 connection with a construction project financed, in 10 whole or in part, by a grant, loan, loan guarantee, 11 refinancing, or any other form of financial assistance 12 provided under this title (including assistance pro-13 vided by a State loan fund established under section 14 1452) is paid wages at a rate of not less than the 15 wages prevailing for the same type of work on simi-16 lar construction in the immediate locality, as deter-17 mined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United 18 19 States Code.

20 "(2) AUTHORITY OF SECRETARY OF LABOR.—
21 With respect to the labor standards specified in this
22 subsection, the Secretary of Labor shall have the au23 thority and functions established in Reorganization
24 Plan Numbered 14 of 1950 (5 U.S.C. App.) and sec25 tion 3145 of title 40, United States Code.".

1	SEC. 3. USE OF FUNDS.
2	Section $1452(a)(2)$ (42 U.S.C. $300j-12(a)(2)$ ) is
2	amended—
4	(1) by striking "Except as otherwise" and in-
5	serting the following:
6	"(A) IN GENERAL.—Except as otherwise";
7	(2) by striking "Financial assistance under this
8	section" and inserting the following:
9	"(B) PERMISSIBLE EXPENDITURES.—Fi-
10	nancial assistance under this section";
11	(3) by striking "The funds may also be used"
12	and inserting the following:
13	"(D) CERTAIN LOANS.—Financial assist-
14	ance under this section may also be used";
15	(4) by striking "The funds shall not be used"
16	and inserting the following:
17	"(E) LIMITATION.—Financial assistance
18	under this section shall not be used";
19	(5) by striking "Of the amount credited" and
20	inserting the following:
21	"(F) SET-ASIDE.—Of the amount cred-
22	ited";
23	(6) in subparagraph (B) (as designated by
24	paragraph (2)) by striking "(not" and inserting
25	"(including expenditures for planning, design, siting,
26	and associated preconstruction activities, for replac-
	•HR 4653 IH

1 ing or rehabilitating aging treatment, storage, or 2 distribution facilities of public water systems, or for 3 producing or capturing sustainable energy on site or 4 through the transportation of water through the 5 public water system, but not"; and 6 (7) by inserting after such subparagraph (B) the following: 7 "(C) SALE OF BONDS.—If a State issues 8 9 revenue or general obligation bonds to provide 10 all or part of the State contribution required by 11 subsection (e), and the proceeds of the sale of 12 such bonds will be deposited into the State loan fund--13 14 "(i) financial assistance made avail-15 able under this section may be used by the 16 State as security for payment of the prin-17 cipal and interest on such bonds; and 18 "(ii) interest earnings of the State 19 loan fund may be used by the State as rev-20 enue for payment of the principal and in-21 terest on such bonds.". 22 SEC. 4. REQUIREMENTS FOR USE OF AMERICAN MATE-

23 RIALS.

Section 1452(a) (42 U.S.C. 300j-12(a)) is amended
by adding at the end the following new paragraph:

1	"(4) REQUIREMENTS FOR USE OF AMERICAN
2	MATERIALS.—
3	"(A) IN GENERAL.—Notwithstanding any
4	other provision of law, none of the funds made
5	available by a State loan fund as authorized
6	under this section may be used for a project for
7	the construction, alteration, maintenance, or re-
8	pair of a public water system unless all of the
9	iron and steel products used in such project are
10	produced in the United States.
11	"(B) APPLICATION.—Subparagraph (A)
12	shall not apply in any case in which the Admin-
13	istrator (in consultation with the Governor of
14	the State) finds that
15	"(i) applying subparagraph (A) would
16	be inconsistent with the public interest;
17	"(ii) iron and steel products are not
18	produced in the United States in sufficient
19	and reasonably available quantities and of
20	a satisfactory quality; or
21	"(iii) inclusion of iron and steel prod-
22	ucts produced in the United States will in-
23	crease the cost of the overall project by
24	more than 25 percent.

	1
1	"(C) WAIVER.—If the Administrator re-
2	ceives a request for a waiver under this section,
3	the Administrator shall—
4	"(i) make available to the public, on
5	an informal basis, a copy of the request
6	and information available to the Adminis-
7	trator concerning the request;
8	"(ii) make the request and accom-
9	panying information available by electronic
10	means, including on the official public
11	Internet site of the Environmental Protec-
12	tion Agency; and
13	"(iii) allow for informal public input
14	on the request for at least 15 days prior to
15	making a finding based on the request.
16	"(D) CONSISTENCY WITH INTERNATIONAL
17	AGREEMENTS.—This paragraph shall be applied
18	in a manner consistent with United States obli-
19	gations under international agreements.
20	"(E) DEFINITION OF IRON AND STEEL
21	PRODUCTS.—In this paragraph, the term 'iron
22	and steel products' means the following prod-
23	ucts made primarily of iron or steel: lined or
24	unlined pipes and fittings, manhole covers and
25	other municipal castings, hydrants, tanks,

1	flanges, pipe clamps and restraints, valves,
2	structural steel, reinforced precast concrete,
3	and construction materials.".
4	SEC. 5. DATA ON VARIANCES, EXEMPTIONS, AND PER-
5	SISTENT VIOLATIONS.
6	Section 1452(b)(2) (42 U.S.C. 300j-12(b)(2)) is
7	amended—
8	(1) in subparagraph (B), by striking "and" at
9	the end;
10	(2) in subparagraph (C), by striking the period
11	at the end and inserting "; and"; and
12	(3) by adding at the end the following:
13	"(D) a list of all water systems within the
14	State that have in effect an exemption or vari-
15	ance for any national primary drinking water
16	regulation or that are in persistent violation of
17	the requirements for any maximum contami-
18	nant level or treatment technique under a na-
19	tional primary drinking water regulation, in-
20	cluding identification of—
21	"(i) the national primary drinking
22	water regulation in question for each such
23	exemption, variance, or violation; and

"(ii) the date on which the exemption
 or variance came into effect or the viola tion began.".

#### **4** SEC. 6. ASSISTANCE FOR RESTRUCTURING.

5 (a) DEFINITION.—Section 1401 (42 U.S.C. 300f) is
6 amended by adding at the end the following:

7 "(17) RESTRUCTURING.—The term 'restruc8 turing' means changes in operations (including own9 ership, management, cooperative partnerships, joint
10 purchasing arrangements, consolidation, and alter11 native water supply).".

(b) RESTRUCTURING.—Clause (ii) of section
1452(a)(3)(B) (42 U.S.C. 300j-12(a)(3)(B)) is amended
by striking "changes in operations (including ownership,
management, accounting, rates, maintenance, consolidation, alternative water supply, or other procedures)" and
inserting "restructuring".

#### 18 SEC. 7. PRIORITY AND WEIGHT OF APPLICATIONS.

19 (a) PRIORITY.—Section 1452(b)(3) (42 U.S.C. 300j20 12(b)(3)) is amended—

21 (1) in subparagraph (A)—

- 22 (A) in clause (ii), by striking "and" at the23 end;
- 24 (B) in clause (iii), by striking the period at
  25 the end and inserting "; and"; and

1	(C) by adding at the end the following:
2	"(iv) improve the ability of systems to
3	protect human health and comply with the
4	requirements of this title affordably in the
5	future.";
6	(2) by redesignating subparagraph (B) as sub-
7	paragraph (D);
8	(3) by inserting after subparagraph (A) the fol-
9	lowing:
10	"(B) AFFORDABILITY OF NEW STAND-
11	ARDS.—For any year in which enforcement be-
12	gins for a new national primary drinking water
13	standard, each State that has entered into a
14	capitalization agreement pursuant to this sec-
15	tion shall evaluate whether capital improve-
16	ments required to meet the standard are afford-
17	able for disadvantaged communities (as defined
18	in subsection $(d)(3)$ in the State. If the State
19	finds that such capital improvements do not
20	meet affordability criteria for disadvantaged
21	communities in the State, the State's intended
22	use plan shall provide that priority for the use
23	of funds for such year be given to public water

systems affected by the standard and serving

25 disadvantaged communities.

"(C) WEIGHT GIVEN TO APPLICATIONS
After determining priority under subparagraphs
(A) and (B), an intended use plan shall provide
that the State will give greater weight to an ap-
plication for assistance if the application con-
tains—
(((i) a description of managing under

7	"(i) a description of measures under-
8	taken by the system to improve the man-
9	agement and financial stability of the sys-
10	tem, which may include—

"(I) an inventory of assets, in-11 cluding a description of the condition 12 of the assets; 13

"(II) a schedule for replacement 14 15 of assets;

"(III) an audit of water losses; 16 "(IV) a financing plan that fac-17 tors in all lifecycle costs indicating 18 sources of revenue from ratepayers, 19 20 grants, bonds, other loans, and other 21 sources to meet the costs; and 22 "(V) a review of options for re-

23 structuring;

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1	"(ii) a demonstration of consistency
2	with State, regional, and municipal water-
3	shed plans;
4	"(iii) a water conservation plan con-
5	sistent with guidelines developed for such
6	plans by the Administrator under section
7	1455(a); and
8	"(iv) a description of measures under-
9	taken by the system to improve the effi-
10	ciency of the system or reduce the system's
11	environmental impact, which may in-
12	clude—
13	"(I) water efficiency or conserva-
14	tion, including the rehabilitation or re-
15	placement of existing leaking pipes;
16	"(II) use of reclaimed water;
17	"(III) actions to increase energy
18	efficiency;
19	"(IV) actions to generate or cap-
20	ture sustainable energy on site or
21	through the transportation of water
22	through the system;
23	"(V) actions to protect source
24	water;

10
"(VI) actions to mitigate or pre-
vent corrosion, including design, selec-
tion of materials, selection of coating,
and cathodic protection; and
"(VII) actions to reduce disinfec-
tion byproducts."; and
(4) in subparagraph (D) (as redesignated by
paragraph (2)) by striking "periodically" and insert-
ing "at least biennially".
(b) GUIDANCE.—Section 1452 (42 U.S.C. 300j-12)
is amended—
(1) by redesignating subsection (r) as sub-
section (t); and
(2) by inserting after subsection (q) the fol-
lowing:
"(r) SMALL SYSTEM GUIDANCE.—The Administrator
may provide guidance and, as appropriate, tools, meth-
odologies, or computer software, to assist small systems
in undertaking measures to improve the management, fi-
nancial stability, and efficiency of the system or reduce
the system's environmental impact.".
SEC. 8. DISADVANTAGED COMMUNITIES.
(a) Assistance To Increase Compliance.—Sec-
tion 1452(b)(3) (42 U.S.C. 300j-12(b)(3)), as amended,
is further amended by adding at the end the following:

1 "(E) ASSISTANCE TO INCREASE COMPLI-ANCE.—A State's intended use plan shall pro-2 3 vide that, of the funds received by the State through a capitalization grant under this sec-4 5 tion for a fiscal year, the State will, to the ex-6 tent that there are sufficient eligible project ap-7 plications, reserve not less than 6 percent to be spent on assistance under subsection (d) to 8 9 public water systems included in the State's most recent list under paragraph (2)(D).". 10 11 ASSISTANCE FOR DISADVANTAGED COMMU-(b) 12 NITIES.—Section 1452(d) (42 U.S.C. 300j-12(d)) is 13 amended---(1) in paragraph (1), by adding at the end the 14 15 following: "Such additional subsidization shall directly and primarily benefit the disadvantaged com-16 17 munity."; and (2) in paragraph (3), by inserting ", or portion 18 of a service area," after "service area". 19 20 (c) AFFORDABILITY CRITERIA.—Section 1452(d)(3) is amended by adding at the end: "Each State that has 21 entered into a capitalization agreement pursuant to this 22 section shall, in establishing affordability criteria, con-23 sider, solicit public comment on, and include as appro-24 25 priate—

1	"(A) the methods or criteria that the State
2	will use to identify disadvantaged communities;
3	"(B) a description of the institutional, reg-
4	ulatory, financial, tax, or legal factors at the
5	Federal, State, or local level that affect identi-
6	fied affordability criteria; and
7	"(C) a description of how the State will
8	use the authorities and resources under this
9	subsection to assist communities meeting the
10	identified criteria.".
11	SEC. 9. ADMINISTRATION OF STATE LOAN FUNDS.
12	Section 1452(g) (42 U.S.C. 300j-12(g)) is amend-
13	ed
13	ed
13 14	ed (1) in paragraph (2)
13 14 15	ed— (1) in paragraph (2)— (A) in the first sentence, by striking "up
13 14 15 16	ed (1) in paragraph (2) (A) in the first sentence, by striking "up to 4 percent of the funds allotted to the State
13 14 15 16 17	ed— (1) in paragraph (2)— (A) in the first sentence, by striking "up to 4 percent of the funds allotted to the State under this section" and inserting ", for each
13 14 15 16 17 18	ed— (1) in paragraph (2)— (A) in the first sentence, by striking "up to 4 percent of the funds allotted to the State under this section" and inserting ", for each fiscal year, an amount that does not exceed the
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> </ol>	ed— (1) in paragraph (2)— (A) in the first sentence, by striking "up to 4 percent of the funds allotted to the State under this section" and inserting ", for each fiscal year, an amount that does not exceed the sum of the amount of any fees collected by the
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> </ol>	ed— (1) in paragraph (2)— (A) in the first sentence, by striking "up to 4 percent of the funds allotted to the State under this section" and inserting ", for each fiscal year, an amount that does not exceed the sum of the amount of any fees collected by the State for use in covering reasonable costs of ad-
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ol>	ed— (1) in paragraph (2)— (A) in the first sentence, by striking "up to 4 percent of the funds allotted to the State under this section" and inserting ", for each fiscal year, an amount that does not exceed the sum of the amount of any fees collected by the State for use in covering reasonable costs of ad- ministration of programs under this section, re-

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1	6 percent of all grant awards to the State loan
2	fund under this section for the fiscal year,";
3	(B) by striking "1419," and all that fol-
4	lows through "1993." and inserting "1419.";
5	and
6	(C) in the matter following subparagraph
7	(D), by striking "2 percent" and inserting "4
8	percent"; and
9	(2) by adding at the end the following:
10	"(5) TRANSFER OF FUNDS.—
11	"(A) IN GENERAL.—The Governor of a
12	State may—
13	"(i) reserve for any fiscal year not
14	more than the lesser of—
15	"(I) 33 percent of a capitaliza-
16	tion grant made under this section; or
17	"(II) 33 percent of a capitaliza-
18	tion grant made under section 601 of
19	the Federal Water Pollution Control
20	Act; and
21	"(ii) add the funds so reserved to any
22	funds provided to the State under this sec-
23	tion or section 601 of the Federal Water
24	Pollution Control Act.

1	"(B) STATE MATCHING FUNDS.—Funds
2	reserved under this paragraph shall not be con-
3	sidered for purposes of calculating the amount
4	of a State contribution required by subsection
5	(e) of this section or section 602(b) of the Fed-
6	eral Water Pollution Control Act.".
7	SEC. 10. STATE REVOLVING LOAN FUNDS FOR AMERICAN
8	SAMOA, NORTHERN MARIANA ISLANDS,
9	GUAM, AND THE VIRGIN ISLANDS.
10	Section 1452(j) (42 U.S.C. 300j-12(j)) is amended
11	by striking "0.33 percent" and inserting "1.5 percent".
12	SEC. 11. AUTHORIZATION OF APPROPRIATIONS.
13	Subsection (m) of section 1452 (42 U.S.C. 300j-12)
14	is amended to read as follows:
15	"(m) AUTHORIZATION OF APPROPRIATIONS.—
16	"(1) IN GENERAL.—There are authorized to be
17	appropriated to carry out this section—
18	"(A) \$3,130,000,000 for fiscal year 2017;
19	"(B) \$3,600,000,000 for fiscal year 2018;
20	"(C) \$4,140,000,000 for fiscal year 2019;
21	"(D) \$4,800,000,000 for fiscal year 2020;
22	and

"(2) AVAILABILITY.—Amounts made available
 pursuant to this subsection shall remain available
 until expended.

4 "(3) RESERVATION FOR NEEDS SURVEYS.—Of
5 the amount made available under paragraph (1) to
6 carry out this section for a fiscal year, the Adminis7 trator may reserve not more than \$1,000,000 per
8 year to pay the costs of conducting needs surveys
9 under subsection (h).".

#### 10 SEC. 12. AFFORDABILITY OF NEW STANDARDS.

(a) TREATMENT TECHNOLOGIES FOR SMALL PUBLIC
WATER SYSTEMS.—Clause (ii) of section 1412(b)(4)(E)
(42 U.S.C. 300g-1(b)(4)(E)) is amended by adding at the
end the following: "If no technology, treatment technique,
or other means is included in a list under this subparagraph for a category of small public water systems, the
Administrator shall periodically review the list and supplement it when new technology becomes available.".

19 (b) Assistance for Disadvantaged Commu-20 Nities.—

(1) IN GENERAL.—Subparagraph (E) of section
1452(a)(1) (42 U.S.C. 300j-12(a)(1)) is amended—
(A) by striking "except that the Administrator may reserve" and inserting "except
that—

	20
1	"(i) in any year in which enforcement
2	of a new national primary drinking water
3	standard begins, the Administrator may
4	use the remaining amount to make grants
5	to States whose public water systems are
6	disproportionately affected by the new
7	standard for the provision of assistance
8	under subsection (d) to such public water
9	systems;
10	"(ii) the Administrator may reserve";
11	and
12	(B) by striking "and none of the funds re-
13	allotted" and inserting "; and
14	"(iii) none of the funds reallotted".
15	(2) Elimination of certain provisions
16	(A) Section 1412(b) (42 U.S.C. 300g-
17	1(b)) is amended by striking paragraph (15).
18	(B) Section 1415 (42 U.S.C. 300g-4) is
1 <b>9</b>	amended by striking subsection (e).
20	(3) Conforming Amendments.—
21	(A) Subparagraph (B) of section
22	1412(b)(6) (42 U.S.C. 300g-1(b)(6)) is amend-
23	ed—
24	(i) by striking "experienced by—" and
25	all that follows through "would justify"

1	and inserting "experienced by persons
2	served by large public water systems would
3	justify"; and
4	(ii) by striking "This subparagraph
5	shall not apply if the contaminant is found
6	almost exclusively in small systems eligible
7	under section 1415(e) for a small system
8	variance.".
9	(B) Subparagraph (B) of section
10	1414(c)(1) (42 U.S.C. $300g-3(c)(1)(B)$ ) is
11	amended by striking ", (a)(2), or (e)" and in-
12	serting "or (a)(2)".
13	(C) Section 1416(b)(2) (42 U.S.C. 300g-
14	5(b)(2)) is amended by striking subparagraph
15	(D).
16	(D) Section 1445(h) (42 U.S.C. 300j-
17	4(h)) is amended—
18	(i) by striking "sections
19	1412(b)(4)(E) and $1415(e)$ (relating to
20	small system variance program" and in-
21	serting "section 1412(b)(4)(E)"; and
22	(ii) by striking "guidance under sec-
23	tions 1412(b)(4)(E) and 1415(e)" and in-
24	serting "guidance under section
25	1412(b)(4)(E)".

#### 1 SEC. 13. FOCUS ON LIFECYCLE COSTS.

2 Section 1412(b)(4) (42 U.S.C. 300g-1(b)(4)) is
3 amended—

4 (1) in subparagraph (D), by striking "taking
5 cost into consideration" and inserting "taking
6 lifecycle costs, including maintenance, replacement,
7 and avoided costs, into consideration"; and

8 (2) in the matter preceding subclause (I) in 9 subparagraph (E)(ii), by inserting "taking lifecycle 10 costs, including maintenance, replacement, and 11 avoided costs, into consideration," after "as deter-12 mined by the Administrator in consultation with the 13 States,".

#### 14 SEC. 14. ENFORCEMENT.

(a) ADVICE AND TECHNICAL ASSISTANCE.—Section
16 1414 (42 U.S.C. 300g–3) is amended—

(1) in the matter following clause (ii) in subsection (a)(1)(A), by striking "and provide such advice and technical assistance to such State and public water system as may be appropriate to bring the
system into compliance with the requirement by the
earliest feasible time"; and

23 (2) in subsection (a)(1), by adding at the end24 the following:

25 "(C) At any time after providing notice of a violation
26 to a State and public water system under subparagraph
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1 (A), the Administrator may provide such advice and technical assistance to such State and public water system as 2 may be appropriate to bring the system into compliance 3 with the requirement by the earliest feasible time. In de-4 ciding whether the provision of advice or technical assist-5 ance is appropriate, the Administrator may consider the 6 potential for the violation to result in serious adverse ef-7 fects to human health, whether the violation has occurred 8 continuously or frequently, and the effectiveness of past 9 technical assistance efforts.". 10

11 (b) Additional Inspections.—

12 (1) IN GENERAL.—Section 1414 (42 U.S.C.
13 300g-3) is amended—

14 (A) by redesignating subsections (d)
15 through (i) as subsections (e) through (j), re16 spectively; and

17 (B) by inserting after subsection (c) the18 following:

19 "(d) Additional Inspections Following Viola-20 tions.—

21 "(1) IN GENERAL.—The Administrator shall,
22 by regulation, and after consultation with the States,
23 prescribe the number, frequency, and type of addi24 tional inspections to follow any violation requiring

notice under subsection (c). Regulations under this
subsection shall—
"(A) take into account—
"(i) differences between violations
that are intermittent or infrequent and vio-
lations that are continuous or frequent;
"(ii) the seriousness of any potential
adverse health effects that may be in-
volved; and
"(iii) the number and severity of past
violations by the public water system; and
"(B) specify procedures for inspections fol-
lowing a violation by a public water system that
has the potential to have serious adverse effects
on human health as a result of short-term expo-
sure.
"(2) STATE PRIMARY ENFORCEMENT RESPONSI-
BILITY.—Nothing in this subsection shall be con-
strued or applied to modify the requirements of sec-
tion 1413.".
(2) Conforming amendments.—
(A) Subsections $(a)(1)(B)$ , $(a)(2)(A)$ , and
(b) of section 1414 (42 U.S.C. 300g-3) are
amended by striking "subsection (g)" each
place it appears and inserting "subsection (h)".

1	(B) Section 1448(a) is amended by strik-
2	ing "1414(g)(3)(B)" and inserting
3	"1414(h)(3)(B)".
4	SEC. 15. PRESENCE OF PHARMACEUTICALS AND PERSONAL
5	CARE PRODUCTS IN SOURCES OF DRINKING
6	WATER.
7	Subsection (a) of section 1442 (42 U.S.C. 300j-1)
8	is amended by adding at the end the following:
9	"(11) PRESENCE OF PHARMACEUTICALS AND PER-
10	SONAL CARE PRODUCTS IN SOURCES OF DRINKING
11	WATER.—
12	"(A) STUDY.—The Administrator shall carry
13	out a study on the presence of pharmaceuticals and
14	personal care products in sources of drinking water,
15	which shall—
16	"(i) identify pharmaceuticals and personal
17	care products that have been detected in
18	sources of drinking water and the levels at
1 <b>9</b>	which such pharmaceuticals and personal care
20	products have been detected;
21	"(ii) identify the sources of pharma-
22	ceuticals and personal care products in sources
23	of drinking water, including point sources and
24	nonpoint sources of pharmaceutical and per-
25	sonal care products;

"(iii) identify the effects of such products on humans, the environment, and the safety of drinking water; and

4 "(iv) identify methods to control, limit, 5 treat, or prevent the presence of such products. 6 "(B) CONSULTATION.—The Administrator shall 7 conduct the study described in subparagraph (A) in 8 consultation with the Secretary of Health and 9 Human Services (acting through the Commissioner 10 of Food and Drugs), the Director of the United 11 States Geological Survey, the heads of other appro-12 priate Federal agencies (including the National In-13 stitute of Environmental Health Sciences), and other interested stakeholders (including manufacturers of 14 15 pharmaceuticals and personal care products and 16 consumer groups and advocates).

17 "(C) REPORT.—Not later than 4 years after
18 the date of the enactment of this paragraph, the Ad19 ministrator shall submit to the Congress a report on
20 the results of the study carried out under this para21 graph.

22 "(D) DEFINITIONS.—In this paragraph:

23 "(i) The term 'personal care product' has
24 the meaning given the term 'cosmetic' in section

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1 201 of the Federal Food, Drug, and Cosmetic 2 Act. 3 "(ii) The term 'pharmaceutical' has the meaning given the term 'drug' in section 201 of 4 5 the Federal Food, Drug, and Cosmetic Act.". SEC. 16. ELECTRONIC REPORTING OF COMPLIANCE MONI-6 7 TORING DATA TO THE ADMINISTRATOR. 8 (a) REQUIREMENT.—Section 1414 (42 U.S.C. 300g-3), as amended, is further amended by adding at the end 9 10 the following: 11 "(k) ELECTRONIC REPORTING OF COMPLIANCE MONITORING DATA TO THE ADMINISTRATOR.-The Ad-12 ministrator shall by rule establish requirements for-13 14 "(1) electronic submission by public water sys-15 tems of all compliance monitoring data— "(A) to the Administrator; or 16 "(B) with respect to public water systems 17 18 in a State which has primary enforcement re-19 sponsibility under section 1413, to such State; 20and 21 "(2) electronic submission to the Administrator 22 by each State which has primary enforcement re-23 sponsibility under section 1413 of all compliance 24 monitoring data submitted to such State by public 25 water systems pursuant to paragraph (1)(B)."

(b) FINAL RULE.—Not later than 12 months after
 the date of the enactment of this Act, the Administrator
 of the Environmental Protection Agency shall issue a final
 rule to carry out section 1414(k) of the Safe Drinking
 Water Act, as added by subsection (a).

# 6 SEC. 17. BEST PRACTICES FOR ADMINISTRATION OF STATE 7 REVOLVING LOAN FUND PROGRAMS.

8 Section 1452 (42 U.S.C. 300j-12) is amended by in9 serting after subsection (r), as added by section 7(b), the
10 following:

11 "(s) BEST PRACTICES FOR PROGRAM ADMINISTRA12 TION.—The Administrator shall—

"(1) collect information from States on administration of State programs with respect to State
loan funds, including—

16 "(A) efforts to streamline the process for
17 applying for assistance through such programs;
18 "(B) programs in place to assist with the
19 completion of application forms;

20 "(C) incentives provided to systems that
21 partner with small public water systems for the
22 application process; and

23 "(D) techniques to ensure that obligated24 balances are liquidated in a timely fashion;

1	"(2) not later than 3 years after the date of en-
2	actment of the Assistance, Quality, and Affordability
3	Act of 2016, disseminate to the States best practices
4	for administration of such programs, based on the
5	information collected pursuant to this subsection;
6	and
7	"(3) periodically update such best practices, as
8	appropriate.".
9	SEC. 18. WATER LOSS AND LEAK CONTROL TECHNOLOGY.
10	Part E of the Safe Drinking Water Act (42 U.S.C.
11	300j et seq.) is amended by adding at the end the fol-
12	lowing:
13	"SEC. 1460. WATER LOSS AND LEAK CONTROL TECH-
13 14	"SEC. 1460. WATER LOSS AND LEAK CONTROL TECH- NOLOGY.
14	NOLOGY.
14 15	NOLOGY. "The Administrator shall—
14 15 16	NOLOGY. "The Administrator shall— "(1) not later than 5 years after the date of en-
14 15 16 17	NOLOGY. "The Administrator shall— "(1) not later than 5 years after the date of en- actment of the Assistance, Quality, and Affordability
14 15 16 17 18	NOLOGY. "The Administrator shall— "(1) not later than 5 years after the date of en- actment of the Assistance, Quality, and Affordability Act of 2016, develop criteria for effective water loss
14 15 16 17 18 19	NOLOGY. "The Administrator shall— "(1) not later than 5 years after the date of en- actment of the Assistance, Quality, and Affordability Act of 2016, develop criteria for effective water loss and leak control technology to be used by water sys-
14 15 16 17 18 19 20	NOLOGY. "The Administrator shall— "(1) not later than 5 years after the date of en- actment of the Assistance, Quality, and Affordability Act of 2016, develop criteria for effective water loss and leak control technology to be used by water sys- tems; and
<ol> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ol>	NOLOGY. "The Administrator shall— "(1) not later than 5 years after the date of en- actment of the Assistance, Quality, and Affordability Act of 2016, develop criteria for effective water loss and leak control technology to be used by water sys- tems; and "(2) implement a program through which a

1	29 SEC. 19. RISKS OF DROUGHT TO DRINKING WATER.
2	Part E of the Safe Drinking Water Act (42 U.S.C.
3	300j et seq.), as amended, is further amended by adding
4	at the end the following new section:
5	"SEC. 1460A. DROUGHT RISK ASSESSMENT AND MANAGE-
6	MENT.
7	"(a) STRATEGIC PLAN.—
8	"(1) DEVELOPMENT.—Not later than 90 days
9	after the date of enactment of this section, the Ad-
10	ministrator shall develop and submit to Congress a
11	strategic plan for assessing and managing the risks
12	of drought to drinking water provided by public
13	water systems. The strategic plan shall include steps
14	and timelines to
15	"(A) evaluate the risks posed by drought
16	to drinking water provided by public water sys-
17	tems;
18	"(B) establish a comprehensive list of the
19	effects of drought on drinking water provided
20	by public water systems which the Adminis-
21	trator determines may have an adverse effect
22	on human health;
23	"(C) summarize—
24	"(i) the known adverse human health
25	effects resulting from the effects of

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1	drought on drinking water included on the
2	list established under subparagraph (B);
3	"(ii) factors that cause drought; and
4	"(iii) factors that exacerbate the ef-
5	fects of drought on drinking water pro-
6	vided by public water systems;
7	"(D) with respect to the effects of drought
8	on drinking water included on the list estab-
9	lished under subparagraph (B), determine
10	whether to—
11	"(i) establish guidance regarding fea-
12	sible analytical methods to quantify such
13	effects; and
14	"(ii) establish guidance regarding the
15	frequency of monitoring necessary to de-
16	tect such effects;
17	"(E) recommend feasible treatment op-
18	tions, including procedures, equipment, and
19	source water protection practices, to mitigate
20	such effects; and
21	"(F) enter into cooperative agreements
22	with, and provide technical assistance to, af-
23	fected States and public water systems, as iden-
24	tified by the Administrator, for the purpose of

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1	managing risks associated with the effects of
2	drought on drinking water.
3	"(2) UPDATES.—The Administrator shall, as
4	appropriate, update and submit to Congress the
5	strategic plan developed under paragraph (1).
6	"(b) INFORMATION COORDINATION.—In carrying out
7	this section the Administrator shall—
8	"(1) identify gaps in the Agency's under-
9	standing of the effects of drought on drinking water
10	provided by public water systems, including—
11	"(A) the human health effects of drought;
12	and
13	"(B) methods and means of testing and
14	monitoring for the effects of drought on source
15	water of, or drinking water provided by, public
16	water systems;
17	"(2) as appropriate, consult with—
18	"(A) other Federal agencies that—
19	"(i) examine or analyze drought; or
20	"(ii) address public health concerns
21	related to drought;
22	"(B) States;
23	"(C) operators of public water systems;
24	"(D) multinational agencies;
25	"(E) foreign governments;

1	"(F) research and academic institutions;
2	and
3	"(G) companies that provide relevant
4	drinking water treatment options; and
5	"(3) assemble and publish information from
6	each Federal agency that has—
7	"(A) examined or analyzed drought; or
8	"(B) addressed public health concerns re-
9	lated to drought.
10	"(c) USE OF SCIENCE.—The Administrator shall
11	carry out this section in accordance with the requirements
12	described in section $1412(b)(3)(A)$ , as applicable.
13	"(d) FEASIBLE.—For purposes of this section, the
14	term 'feasible' has the meaning given such term in section
15	1412(b)(4)(D).".
16	SEC. 20. DRINKING WATER INFRASTRUCTURE RESILIENCY
17	AND SUSTAINABILITY PROGRAM.
18	Part E of the Safe Drinking Water Act (42 U.S.C.
19	300j et seq.), as amended, is further amended by adding
20	at the end the following new section:
21	"SEC. 1460B. DRINKING WATER INFRASTRUCTURE RESIL-
22	IENCY AND SUSTAINABILITY PROGRAM.

"(a) PROGRAM.—The Administrator shall establish 23 24 and implement a program, to be known as the Drinking 25 Water Infrastructure Resiliency and Sustainability Program, for the purpose of increasing the resiliency or
 adaptability of public water systems to changing hydro logic conditions. The goals of such program are—

4 "(1) to promote more efficient water use in
5 public water systems;

6 "(2) to promote more efficient energy use in 7 public water systems; and

8 "(3) to ensure that public water systems main9 tain a reliable, safe drinking water supply for their
10 customers.

11 "(b) GRANTS.—The Administrator shall establish cri12 teria for providing assistance and awarding grants under
13 the program established under this section to owners and
14 operators of public water systems to carry out eligible
15 projects.

16 "(c) ELIGIBLE PROJECTS.—For purposes of this sec-17 tion, the term 'eligible project' means a project for the 18 planning, design, construction, implementation, operation, 19 or maintenance of an improvement to a public water sys-20 tem that meets the purpose described in subsection (a) 21 by—

22 "(1) improving or expanding the water supply
23 of an existing public water system, including en24 hancement of water use efficiency;

1 "(2) modifying or relocating existing public 2 water system infrastructure projected to be signifi-3 cantly impaired by changing hydrologic conditions; "(3) preserving or improving water quality; 4 5 "(4) enhancing source water protection; "(5) enhancing energy efficiency or the use and 6 7 generation of renewable energy in the conveyance or 8 treatment of drinking water; 9 "(6) promoting the adoption and use of water 10 reuse and recycling by customers served by the pub-11 lic water system, including the use of gray water 12 systems; and 13 "(7) implementing measures to increase the re-14 silience of public water systems to rapid hydrologic 15 change or a natural disaster. "(d) APPLICATION.—To seek a grant under this sec-16 tion the owner or operator of a public water system shall 17 18 submit to the Administrator a proposal for an eligible 19 project that includes, as appropriate----20 "(1) a description of the risk to the source 21 water or infrastructure of the public water system 22 resulting from changes to the hydrologic system of 23 the region in which the public water system is lo-24 cated:

1	"(2) a description of how the proposed eligible
2	project would address the risk due to the changes in
3	hydrologic conditions and enhance the resiliency of
4	the public water system;
5	"(3) a description of how the proposed project
6	will enhance efficiency in the use of energy by the
7	public water system;
8	"(4) a description of how the proposed project
9	will enhance the quality and quantity of the water
10	supply for the public water system; and
11	"(5) a description of how the proposed eligible
12	project is consistent with or contributes to any appli-
13	cable State, tribal, or local climate adaptation plan.
14	"(e) Priority.—
15	"(1) DRINKING WATER SYSTEMS AT GREATEST
16	AND MOST IMMEDIATE RISK.—In awarding grants
17	under this section, the Administrator shall give pri-
18	ority to public water systems that are at the greatest
19	and most immediate risk of facing significant nega-
20	tive impacts due to changing hydrologic conditions.
21	"(2) GOALS.—In selecting among public water
22	systems described in paragraph (1), the Adminis-
23	trator shall ensure that, to the extent practicable,
24	for each year, eligible projects for which grants are
25	awarded will use innovative approaches to meet one

or more of the goals of the program described in
 subsection (a).

3 "(f) Cost-Sharing.—

4 "(1) FEDERAL SHARE.—The Federal share of
5 the cost of any eligible project for which a grant is
6 awarded by the Administrator to an owner or oper7 ator of a public water system under this section
8 shall not exceed 50 percent of the cost of the eligible
9 project.

10 "(2) CALCULATION OF NON-FEDERAL SHARE.—
11 In calculating the non-Federal share of the cost of
12 an eligible project, the Administrator shall—

13 "(A) include the value of any in-kind serv14 ices that are integral to the completion of the
15 eligible project, including reasonable adminis16 trative and overhead costs; and

17 "(B) not include any other amount that
18 the owner or operator of a public water system
19 receives from the Federal Government.

"(g) REPORT TO CONGRESS.—Not later than 3 years
after the date of the enactment of this section, and every
3 years thereafter, the Administrator shall submit to Congress a report on progress in implementing this section,
including information on project applications received and
funded annually.

1	"(h) AUTHORIZATION OF APPROPRIATIONS.—There
2	is authorized to be appropriated to carry out this section
3	\$50,000,000 for each of fiscal years 2017 through 2021.".
4	SEC. 21. REDUCING LEAD IN DRINKING WATER.
5	Section 1417 (42 U.S.C. 300g–6) is amended by add-
6	ing at the end the following:
7	"(f) Replacing Lead Service Lines.—
8	"(1) DEFINITIONS.—In this subsection:
9	"(A) ELIGIBLE ENTITY.—The term 'eligi-
10	ble entity' means—
11	"(i) an owner or operator of a public
12	water system;
13	"(ii) a qualified nonprofit organiza-
14	tion, as determined by the Administrator;
15	or
16	"(iii) a municipality or a State, inter-
17	state, or intermunicipal agency.
18	"(B) LEAD PIPE REPLACEMENT PRO-
19	GRAM.—The term 'lead pipe replacement pro-
20	gram' means a project or activity the primary
21	purpose of which is to eliminate lead in water
22	for human consumption by—
23	"(i) replacing lead service lines;
24	"(ii) testing, planning, or carrying out
25	other relevant activities, as determined by

1	the Administrator, to identify the location
2	and condition of lead service lines; or
3	"(iii) providing assistance to low-in-
4	come homeowners to replace privately
5	owned lead service lines.
6	"(C) LEAD SERVICE LINE.—The term
7	'lead service line' means a service line made of
8	lead within a public water system, including
9	pipes that connect the water main to the build-
10	ing inlet, privately owned lead service lines that
11	deliver water for human consumption from a
12	public water system to a building inlet, and any
13	lead pigtail, gooseneck, or other fitting that is
14	connected to such lead lines.
15	"(D) LOW-INCOME HOMEOWNER.—The
16	term 'low-income homeowner' has such meaning
17	as may be given the term by the Governor of
18	the applicable State.
19	"(2) GRANT PROGRAM.—
20	"(A) ESTABLISHMENT.—Not later than
21	180 days after the date of enactment of this
22	subsection, the Administrator shall establish a
23	grant program to provide assistance to eligible
24	entities for lead pipe replacement programs.

1	"(B) EVALUATION.—In determining
2	whether to provide assistance to an eligible enti-
3	ty under this subsection, the Administrator
4	shall evaluate whether the eligible entity has—
5	"(i) a current inventory of lead service
6	lines in the applicable public water system;
7	"(ii) a plan to notify customers of
8	such public water system of the replace-
9	ment of any publicly owned portion of a
10	lead service line;
11	"(iii) a plan to replace the privately
12	owned portion of a lead service line at the
13	cost of replacement;
14	"(iv) a plan for a program of assist-
15	ance to low-income homeowners to replace
16	the privately owned portion of lead service
17	lines; or
18	"(v) a plan of recommended measures
19	to avoid exposure of the public to short-
20	term increases in lead levels following a
21	lead service line replacement.
22	"(C) PRIORITY APPLICATION.—In pro-
23	viding assistance under this subsection, the Ad-
24	ministrator shall give priority to an eligible en-
25	tity that—

1	"(i) will carry out a lead pipe replace-
2	ment program at a public water system
3	that has exceeded the lead action level es-
4	tablished by the Administrator at any time
5	during the 3-year period preceding the
6	date of submission of the application of the
7	eligible entity;
8	"(ii) will address lead levels in water
9	for human consumption at a school,
10	daycare, or other facility that primarily
11	serves children or subpopulations at great-
12	er risk as identified under section 1458(a);
13	"(iii) will include in the lead pipe re-
14	placement program a program to provide
15	assistance to low-income homeowners; or
16	"(iv) addresses such priority criteria
17	as the Administrator may establish, con-
18	sistent with the goal of reducing lead in
19	water for human consumption.
20	"(D) COST SHARING.—
21	"(i) IN GENERAL.—Subject to clause
22	(ii), the non-Federal share of the total cost
23	of a program funded by a grant provided
24	under this subsection shall be not less than
25	20 percent.

1	"(ii) WAIVER.—The Administrator
2	may reduce or eliminate the non-Federal
3	share required under clause (i) for reasons
4	of affordability, as the Administrator de-
5	termines to be appropriate.
6	"(E) LOW-INCOME HOMEOWNER ASSIST-
7	ANCE.—
8	"(i) IN GENERAL.—Subject to clauses
9	(ii) and (iii), an eligible entity may use a
10	grant provided under this subsection to
11	provide assistance to low-income home-
12	owners to replace privately owned lead
13	service lines.
14	"(ii) LOW-INCOME HOMEOWNER AS-
15	SISTANCE CAP.—Of the funds made avail-
16	able to carry out this subsection, not more
17	than \$10,000,000 may be allocated to pro-
18	vide assistance to low-income homeowners
1 <b>9</b>	under this subparagraph for any fiscal
20	year.
21	"(iii) LIMITATION.—The amount of
22	assistance provided to an individual low-in-
23	come homeowner under this subparagraph
24	shall not exceed \$10,000.

"(3) GUIDANCE.—Not later than 180 days
after the date of enactment of this subsection the
Administrator shall, in cooperation with States and
qualified nonprofit organizations, develop guidance
for owners and operators of public water systems to
assist such owners and operators in the preparation
of an inventory of lead service lines in their public
water system.
"(4) AUTHORIZATION OF APPROPRIATIONS.—
There is authorized to be appropriated to carry out
this subsection \$100,000,000 for each of fiscal years

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2017 through 2021.".

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#### 114TH CONGRESS 2D SESSION S. 2588

S. GOVERNME

To provide grants to eligible entities to reduce lead in drinking water.

#### IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2016

Mr. CARDIN (for himself and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

### A BILL

To provide grants to eligible entities to reduce lead in drinking water.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- **3 SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Grants and Education

- 5 To Tackle Homeowner Exposure to Lead Ensuring Amer-
- 6 ica Drinks Only from Unpolluted Taps Act of 2016" or

7 the "GET THE LEAD OUT Act of 2016".

8 SEC. 2. REDUCING LEAD IN DRINKING WATER.

9 (a) DEFINITIONS.—In this section:

	-
1	(1) ELIGIBLE ENTITY.—The term "eligible enti-
2	ty'' means—
3	(A) a community water system (as defined
4	in section 1401 of the Safe Drinking Water Act
5	(42 U.S.C. 300f));
6	(B) a system located in an area governed
7	by an Indian Tribe (as defined in that section);
8	(C) a nontransient noncommunity water
9	system;
10	(D) a qualified nonprofit organization, as
11	determined by the Administrator; and
12	(E) a municipality or State, interstate, or
13	intermunicipal agency.
14	(2) Lead reduction project.—
15	(A) IN GENERAL.—The term "lead reduc-
16	tion project" means a project or activity the
17	primary purpose of which is to reduce the level
18	of lead in water for human consumption by-
19	(i) replacement of publicly owned por-
20	tions of lead service lines;
21	(ii) testing, planning, or other relevant
22	activities, as determined by the Adminis-
23	trator, to identify and address conditions
-24	(including corrosion control) that con-

1	tribute to increased lead levels in water for
2	human consumption;
3	(iii) assistance to low-income home-
4	owners to replace privately owned portions
5	of service lines, pipes, fittings, or fixtures
6	that contain lead; and
7	(iv) education of consumers regarding
8	measures to reduce exposure to lead from
9	drinking water or other sources.
10	(B) LIMITATION.—The term "lead reduc-
11	tion project" does not include a partial lead
12	service line replacement if, at the conclusion of
13	that service line replacement, drinking water is
14	delivered to a household through a publicly or
15	privately owned portion of a lead service line.
16	(3) LOW-INCOME.—The term "low-income",
17	with respect to an individual provided assistance
18	under this section, has such meaning as may be
19	given the term by the head of the municipality or
20	State, interstate, or intermunicipal agency with ju-
21	risdiction over the area to which assistance is pro-
22	vided.
23	(4) MUNICIPALITY.—The term "municipality"
24	means

	-
1	(A) a city, town, borough, county, parish,
2	district, association, or other public entity es-
3	tablished by, or pursuant to, applicable State
4	law; and
5	(B) an Indian tribe (as defined in section
6	4 of the Indian Self-Determination and Edu-
7	cation Assistance Act (25 U.S.C. 450b)).
8	(b) GRANT PROGRAM.—
9	(1) ESTABLISHMENT.—Not later than 180 days
10	after the date of enactment of this Act, the Adminis-
11	trator shall establish a grant program to provide as-
12	sistance to eligible entities for lead reduction
13	projects in the United States.
14	(2) EVALUATION.—In providing assistance
15	under this section, the Administrator shall evalu-
16	ate—
17	(A) that an eligible entity applying for as-
18	sistance has identified the source of lead in
19	water for human consumption; and
20	(B) the means by which the proposed lead
21	reduction project would reduce lead levels in the
22	applicable water system.
23	(3) PRIORITY APPLICATION.—In providing
24	grants under this subsection, the Administrator shall
25	give priority to an eligible entity that—

1	(A) carries out a lead reduction project at
2	a public water system or nontransient non-
3	community water system that has exceeded the
4	lead action level established by the Adminis-
5	trator at any time during the 3-year period pre-
6	ceding the date of submission of the application
7	of the eligible entity;
8	(B) addresses lead levels in water for
9	human consumption at a school, daycare, or
10	other facility that primarily serves children or
11	another vulnerable human subpopulation; or
12	(C) addresses such priority criteria as the
13	Administrator may establish, consistent with
14	the goal of reducing lead levels of concern.
15	(4) Cost sharing.—
16	(A) IN GENERAL.—Subject to subpara-
17	graph (B), the non-Federal share of the total
18	cost of a project funded by a grant under this
1 <b>9</b>	subsection shall be not less than 20 percent.
20	(B) WAIVER.—The Administrator may re-
21	duce or eliminate the non-Federal share under
22	subparagraph (A) for reasons of affordability,
23	as the Administrator determines to be appro-
24	priate.
25	(5) LOW-INCOME ASSISTANCE.—

1	(A) IN GENERAL.—Subject to subpara-
2	graph (B), an eligible entity may use a grant
3	provided under this subsection to provide assist-
4	ance to low-income homeowners to carry out
5	lead reduction projects.
6	(B) LIMITATION.—The amount of a grant
7	provided to a low-income homeowner under this
8	paragraph shall not exceed the cost of replace-
9	ment of the privately owned portion of the serv-
10	ice line.
11	(6) Special consideration for lead serv-
12	ICE LINE REPLACEMENT.—In carrying out lead serv-
13	ice line replacement using a grant under this sub-
14	section, an eligible entity shall—
15	(A) notify customers of the planned re-
16	placement of any publicly owned portion of the
17	lead service line;
18	(B) offer—
19	(i) in the case of a homeowner that is
20	not low-income, to replace the privately
21	owned portion of the lead service line at
22	the cost of replacement; and
23	(ii) in the case of a low-income home-
24	owner, to replace the privately owned por-
25	tion of the lead service line and any pipes,

	•
1	fittings, and fixtures that contain lead at a
2	cost that is equal to the difference be-
3	tween
4	(I) the cost of replacement; and
5	(II) the amount of low-income as-
6	sistance available to the homeowner
7	under paragraph (5);
8	(C) notify each customer that a planned
9	replacement of any publicly owned portion of a
10	lead service line that is funded by a grant made
11	under this subsection will not be carried out un-
12	less the customer consents to the simultaneous
13	replacement of the privately owned portion of
14	the lead service line; and
15	(D) demonstrate that the eligible entity
16	has considered multiple options for reducing
17	lead in drinking water, including an evaluation
18	of options for corrosion control.
19	(c) AUTHORIZATION OF APPROPRIATIONS.—There is
20	authorized to be appropriated to carry out this Act
21	\$60,000,000 for each of fiscal years 2017 through 2021.



AGENDA NO. MEETING DATE 13. April 26, 2016

#### TITLE WATER SUPPLY AVAILABILITY AND DEFICIENCY REPORT

☑ MOTION \_\_\_\_\_ □ RESOLUTION \_\_\_\_\_ □ ORDINANCE \_\_\_

#### **RECOMMENDED ACTION**

- 1. File the Water Supply Availability and Deficiency Report in conformance with District Policy 9.03.
- 2. Declare that the District's water supply is sufficient for meeting customer demands in 2016.
- 3. Defer taking anticipated drought-related actions until the State Water Resources Control Board (SWRCB) takes action on May 18.

#### SUMMARY

The annual Water Supply Availability and Deficiency Report is prepared and submitted to the Board of Directors as required under Policy 9.03. The report evaluates the adequacy of the current year's (2016) water supply. In low water supply years, this annual report provides the basis for the Board's consideration of possible demand management and/or supplemental supply measures as part of the District's Drought Management Plan. In years of surplus water supply, this report provides the basis for the Board's the Board's determination of additional availability of water for potential use by others.

For 2016, the projected September 30 total system storage is between 595 and 630 thousand acre-feet (TAF), resulting in the District's water supply being sufficient to meet customer demands in 2016. The 2016 assessment also concludes that projected runoff and water storage require designating Below Normal year type flows in the lower Mokelumne River under the District's Joint Settlement Agreement (JSA).

#### DISCUSSION

#### 2016 Water Supply and Demand Assessment

Current year water supply availability is determined by forecasting the amount of water that will be stored in District reservoirs on September 30, which marks the end of the "water year." This forecast is a twostep calculation. First, the amount of total system storage (TSS) as of September 30 is determined by adding projected runoff amounts to existing storage levels. The second step is the subtraction of anticipated customer demands and the volume of water that must be released from the District's storage

Funds Available: FY	Budget Code:	
DEPARTMENT SUBMITTING Water and Natural Resources	DEPARTMENT MANAGER or DIRECTOR	APPROVED <u>Mulaufer R. Carro</u> General Manager

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Water Supply Availability and Deficiency Report April 26, 2016 Page 2

reservoirs to meet downstream obligations. These obligations include minimum flows for fishery requirements, use by senior water right holders, and water requirements of other downstream interests. If the projected September 30 TSS exceeds 500 TAF, the District has sufficient current year water supply. If the sum is less than 500 TAF, the District's water supply is deficient.

Water Years 2014 and 2015 were two of the driest on record for the State of California and for the District, prompting the District in 2015 to declare a Stage 4 drought under the Drought Management Program Guidelines. The District responded by securing dry year supplies conveyed through the Freeport Project and set a mandatory water use reduction goal of 20 percent. District customers responded to the call for increased conservation, meeting and exceeding the water use reduction goal.

Water Year 2016 sees an improved water supply outlook for much of the state, with significant precipitation and snowpack in northern California. The District's watersheds have experienced above average precipitation to date; as of April 10, 2016, season to date precipitation was 109 percent of average in the Mokelumne River watershed and 101 percent of average in the East Bay. As of April 10, staff forecasts that the end of September TSS will be between 595 and 630 TAF. Since the TSS is expected to be greater than 500 TAF at the end of the current water year, the District's water supply for 2016 is deemed to be sufficient.

The 2016 water year falls within the Below Normal year type category under the terms of the District's JSA, which establishes fishery flow releases by water year type. This determination is based on the Department of Water Resources' April 1 project Mokelumne River runoff, which for 2016, is 103 percent of average.

Based on current 2016 runoff projections assuming median rainfall for the remainder of the year, Woodbridge Irrigation District would receive its full base supply of 60,000 acre-feet (AF); Jackson Valley Irrigation District would receive its maximum entitlement of 3,850 AF; and North San Joaquin Water Conservation District (NSJWCD), a junior water right holder, may receive a portion of the 20,000 AF they requested on February 9, 2016 in the event that surplus storage is available during the summer season. These allocations will be finalized once they submit their delivery schedules to the District.

#### State Emergency Conservation Regulations and Further Drought-Related Actions

On March 22, 2016, the Board modified and adopted Drought Management Program (DMP) Guidelines to address recent state actions (attached). The District has historically declared differing drought stages based on local water supply conditions (end of September TSS). In the updated DMP guidelines, the Board adopted a second scenario, wherein the District could declare a drought stage based on state mandated customer demand reduction goals, if those goals exceed the levels that would be otherwise required by local conditions. Tables 1 and 2 provide the stages for the TSS scenario and the state mandated reduction scenario, respectively.

With the current end of September TSS projections ranging between 595 to 630 TAF, the District would be under Stage '0 (Zero)' or 'Normal' Stage under the TSS scenario. However, as explained below, depending on the outcome of upcoming SWRCB actions, staff may recommend that the Board take drought actions based upon the DMP Guidelines' state mandated reduction scenario.

Water Supply Availability and Deficiency Report April 26, 2016 Page 3

Currently the District is required to meet a 16 percent conservation goal as mandated by the SWRCB through April 2016. The District, from June 2015 through March 2016, has achieved a 23 percent savings. Since precipitation and snowpack in parts of California in 2016 have reached average conditions, the SWRCB has indicated that it will consider modifying the Emergency Regulation, and consider regional hydrology and the reliability of urban water supply portfolios in its assessment. In response to the SWRCB's request for input on their Emergency Regulations, EBMUD sent a comment letter suggesting a framework for collecting and comparing water supply and consumption data that can serve as the basis for the SWRCB to lift the mandatory conservation target for agencies demonstrating they have sufficient water supplies. The District, along with other urban water agencies, recommended this 'self-certification' process. The SWRCB is expected to modify their regulations, based on the input received and staff recommendations on May 18, 2016.

Stage		Projected End-of-September Total System Storage (TAF)	Quantity of CVP & Supplemental Supply Needed (Acre-Feet)	Customer Demand Reduction	Rate/Penalty Impacts	Regulations in Effect or Potentially Enacted
0	Normal	500 or more	0	Wise water use	Normal Rates	Section 29
1	Moderate	500 - 450	0	Voluntary up to 15%	Normal Rates	Section 29
2	Significant	450 - 390	0-35,000	Voluntary up to 15%	- Normal Rates - Drought Surcharge	Section 29
3	Severe	390 - 325	35,000-65,000	Mandatory up to 15%	- Normal Rates - Drought Surcharge - Excessive Use Penalty	- Section 28 - Section 29 - Excessive Use Ordinance
4	Critical	<325	>65,000	Mandatory ≥ 15%	- Normal Rates - Drought Surcharge - Excessive Use Penalty	- Section 28 - Section 29 - Excessive Use Ordinance

#### Table 1: Drought Management Program Guidelines - TSS Scenario

Notes:

a) Maximum System Storage capacity of 767 TAF, which includes Pardee, Camanche, and terminal reservoirs.

b) Drought Surcharges will reflect the most recently adopted Proposition 218 rates.

c) Under Drought Stage 3 or 4, the Board can enact Section 28 to implement conservation saving measures, along with the Excessive Use Ordinance to achieve the targeted customer water demand reductions.

Water Supply Availability and Deficiency Report April 26, 2016 Page 4

Stage	State Mandated Customer Demand Reduction	Rate Impacts	Regulations in Effect or Potentially Enacted
0 or 1	≤10%	Normal Rates	Section 29
2	10-15%	- Normal Rates - Drought Surcharge	Section 29
3	15-20%	- Normal Rates - Drought Surcharge	- Section 28 - Section 29
4	≥20%	- Normal Rates - Drought Surcharge	- Section 28 - Section 29

<b>Table 2: Drought Management Program</b>	Guidelines – State Mandate Scenario

Notes:

a) Drought Surcharges will reflect the most recently adopted Proposition 218 rates.

b) The Board can enact Section 28 to implement conservation measures to achieve desired customer demand reductions.

The SWRCB mandated conservation targets for EBMUD will likely be reduced or eliminated, and staff recommends that the Board defer taking anticipated drought-related actions until the SWRCB takes action on May 18. Following SWRCB action, staff will bring to the Board recommendations regarding declaring an end the District's water shortage emergency, making associated changes in Section 28 of the District's Regulations Governing Water Service to Customers, and changes in drought stage and drought surcharge levels.

#### Bayside Groundwater Phase One Project

If certain conditions are met, the District could operate the Bayside Groundwater Project in 2016 by injecting potable drinking water into the groundwater basin. During wet years, the District can inject water into the deep aquifers in the East Bay for eventual extraction, treatment, and use during dry years. Although construction of the Phase 1 facility was completed in 2010, EBMUD has not yet made groundwater injections due to ongoing drought. Staff is prepared to operate the Bayside Phase 1 project in the injection mode if sufficient water is available and will provide an update to the Board in future board meetings.

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### AGENDA NO.14.MEETING DATEApril 26, 2016

#### TITLE SUSPEND THE IMPLEMENTATION OF THE EXCESSIVE WATER USE PENALTY ORDINANCE

□ MOTION \_\_\_\_\_ □ ORDINANCE \_\_

#### **RECOMMENDED ACTION**

Authorize suspending the implementation of the Excessive Water Use Penalty Ordinance (Ordinance) effective May 3, 2016 as a result of the District's improved water supply conditions.

#### **SUMMARY**

The Water Supply Availability and Deficiency Report presented on April 26, 2016, projects total system storage (TSS) at the end of September 2016 to be between 595 and 630 thousand acre-feet (TAF). This indicates that the District's projected end of year storage will be sufficient to meet next year's water demand. As the District's water supply has improved and drought conditions have eased significantly, staff recommends suspending the implementation of the Ordinance.

#### DISCUSSION

On April 14, 2015, the Board declared a Stage 4 critical drought within the District's service area and adopted a mandatory District-wide reduction goal of 20 percent. These actions were in response to the state's mandatory conservation orders and the unprecedented water shortage emergency experienced locally and throughout the state. To support these efforts, the District initiated a number of actions to protect the water supply including the adoption of the Excessive Water Use Penalty Ordinance to prohibit the excessive and wasteful use of water. The Ordinance was adopted by the Board on April 28, 2015. The Ordinance was enacted under authority of Water Code Section 350 to address the local water shortage emergency and under Water Code Section 375 as a conservation measure to reduce demand in light of the local shortage. The Ordinance has been enforced since July 1, 2015 in conjunction with the District's Water Shortage Emergency Critical Action Plan. From July 1, 2015, through March 31, 2016, 7,081 violations of the Ordinance occurred throughout the District's service area. These violations represent 5,627 accounts or 1.7 percent of single family residential accounts. Twenty-three percent or 1,271 accounts had more than one penalty assessed. The District received approximately 813 appeals. Penalties assessed through March 31, 2016 total \$596,878.

Funds Available: Not Applicable	Budget Code:	
DEPARTMENT SUBMITTING Customer and Community Services	DEPARTMENT MANAGER or DIRECTOR	APPROVED <u> Multipler R Dev</u> General Manager

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Suspend the Implementation of the Excessive Water Use Penalty Ordinance April 26, 2016 Page 2

Customers have responded positively to the District's call to action to conserve. Overall customer demand reduction is at 24 percent and has exceeded the District's goal of 20 percent and the state requirement of 16 percent. In May 2016, the state will consider reductions of the mandated conservation levels for those areas that have adequate water supplies.

As demonstrated by previous droughts, current customer conservation levels are likely to continue for many years and lower demand is projected. Staff will continue to support customers through conservation education and outreach, as well as enhanced water conservation services as outlined in the Water Conservation Master Plan. District regulations will continue to be in effect and enforced to restrain the wasteful use of water.

Given the reductions in water demand and the projected water supply conditions described above, the Board has the discretion to determine that continued enforcement of the Ordinance is not presently required to preserve the District's supply. Staff recommends suspending implementation of the Ordinance and associated penalties.

#### FISCAL IMPACTS

Suspending implementation of the Ordinance will end the enforcement and collection of the \$2.00 per unit penalty for any water use in excess of 80 hundred cubic feet/bimonthly billing cycle.

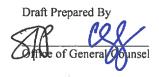
#### ALTERNATIVE

<u>Take no action</u>. This alternative is not recommended. The Excessive Water Use Penalty Ordinance was adopted in response to the unprecedented water shortage emergency experienced throughout the State and locally to conserve its water supply. Water supply projections have improved significantly and current projected conditions indicate that it might not be necessary to penalize excessive water use as a means to incentivize conservation. Wasteful water use will be handled through education and monitoring in reference to Section 28 and 29 of the Regulations.

#### Attachment

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RESOLUTION NO.



#### AUTHORIZING THE SUSPENSION OF THE IMPLEMENTATION OF EXCESSIVE WATER USE PENALTIES

Introduced by Director

; Seconded by Director

WHEREAS, on January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions; and

WHEREAS, on April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions; and

WHEREAS, on April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Water Resource Control Board (the "State Board") to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February 2016; and

WHEREAS, on April 1, 2015, Governor Jerry Brown issued an Executive Order calling for statewide mandatory potable water use reductions of up to 25%; and

WHEREAS, on May 5, 2015, the State Board approved regulations, based on Governor Brown's Executive Order, mandating the East Bay Municipal Utility District (the "District") reduce its potable water consumption by 16% percent for June 2015 through February 2016 as compared to the same months in 2013; and

WHEREAS, on November 13, 2015, the Governor issued an Executive Order that directs the State Board to, if drought conditions persist through January 2016, extend until October 31, 2016 restrictions to achieve a statewide reduction in potable usage; and

WHEREAS, the State Board has determined that the drought conditions that formed the basis of the Governor's emergency proclamations continue to exist, and that the drought conditions will likely continue for the foreseeable future and additional action by both the State Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation; and

WHEREAS, the District is authorized pursuant to California Water Code section 350 to declare a water shortage emergency to prevail within its jurisdiction when it finds and determines that the District will not be able to or cannot satisfy the ordinary demands and requirements of water consumers without depleting the water supply of the District to the extent that there would be insufficient water for human consumption, sanitation, and fire protection; and

WHEREAS, the District is authorized pursuant to Water Code section 375(a) to prescribe and define by ordinance restrictions, prohibitions, and exclusions for the use of water during a threatened or existing water shortage and adopt and enforce a water conservation and regulatory program to: (i) prohibit the waste of District water or the unreasonable use of District water during such period; (ii) prohibit use of water during such periods for specific uses which the District may from time to time find to be nonessential, an unreasonable use, and unreasonable method of use, or a waste of water; and (iii) reduce and restrict the quantity of water used by those persons within the District for the purpose of conserving the water supplies of the District; and

WHEREAS, pursuant to California Government Code section 53069.4, the District may, by ordinance, make the violation of any ordinance enacted by its Board of Directors subject to a civil administrative fine or penalty; and

WHEREAS, to secure compliance with the rules and regulations established by the District during water shortages, and assure important public policy objectives are achieved for the reduction of water usage during severe and critical water shortages, on April 28, 2015, the District adopted Ordinance No. 364-15 establishing volumetric penalties for excessive water use (the "penalties") by single-family residential customers when the District has declared a Stage 3 or a Stage 4 water shortage, as such terms are defined in Ordinance No. 364-15; and

WHEREAS, on April 14, 2015, the District Board of Directors adopted a Stage 4 water shortage; and

WHEREAS, the District has been imposing the penalties on single-family residential customers who have violated the Stage 4 mandatory water use restrictions in accordance with and as set forth in Section 3.E. of Ordinance No. 364-15; and

WHEREAS, in response to the mandatory Stage 4 conservation measures in effect within the District, customers reduced their potable water consumption by 24 percent for April 2015 through April 2016 as compared to 2013; and

WHEREAS, to date, Water Year 2016 has been wetter than Water Year 2015, and the District's water supply projections for total system storage at the end of September 2016 show an improvement over last year; and

WHEREAS, based on the reduction in potable water use and the District's improved water supply projections, the Board of Directors has determined to suspend the imposition of the penalties authorized pursuant to Section 3 of Ordinance No. 364-15;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District finds and determines and hereby declares as follows:

- 1. The above Recitals are true and correct and by this reference are incorporated herein and made a part hereof.
- 2. Effective May 3, 2016, the Board of Directors hereby suspends the imposition of any penalties authorized to be imposed pursuant to Section 3.F. of Ordinance No. 364-15.
- 3. Except for the suspension of the imposition of the penalties authorized to be imposed pursuant to Section 3.F. of Ordinance No. 364-15, Ordinance No. 364-15 shall remain in effect until otherwise modified or terminated by a resolution or ordinance of the Board of Directors.
- 4. The Board of Directors retains the authority to impose the penalties authorized to be imposed pursuant to Section 3.F. of Ordinance No. 364-15 at any time that it determines the District's water supply conditions have worsened and the projected Total System Storage supports a Stage 3 or Stage 4 drought declaration.

#### BE IT FURTHER RESOLVED:

- 5. The appropriate officers of the District are hereby authorized and directed to take such actions as shall be necessary to effectuate the purposes of this Resolution.
- 6. The District Board of Directors hereby declares that it would have adopted each section of this Resolution irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective, and should any portion of this Resolution be invalidated by order of a Court of competent jurisdiction, all other portions of this Resolution shall remain in full force and effect until modified or superseded by action of this Board of Directors.

7. This Resolution shall supersede all other previous District Board of Directors resolutions and ordinances that may conflict with, or be contrary to, this Resolution, and shall take effect immediately upon its adoption.

ADOPTED this 26th day of April, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel

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## <u>ITEM 15</u>

## WATER SUPPLY UPDATE

# WILL BE GIVEN AS AN ORAL REPORT

#### EAST BAY MUNICIPAL UTIILITY DISTRICT

April 21, 2016
Board of Directors
Alexander R. Coate, General Manager MC
Alexander R. Coate, General Manager MC Alison Anja Kastama, Special Assistant to the General Manager 2016 Critical Drought Action Plan Update
2016 Critical Drought Action Plan Update

#### SUMMARY

This memo provides a brief update on recent activities related to the Critical Drought Action Plan. There have been no significant variances from the adopted plan.

#### DISCUSSION

**Statewide Drought Report.** The District submitted its latest monthly report on water production data to the State Water Resources Control Board on April 15, 2016. We reported that:

- EBMUD's March 2016 production was 24 percent lower than March 2013 production.
- On average, residential customers used 53 gallons per capita per day (gpcd) in March 2016, compared to 71 gpcd in March 2013 and 71 gpcd on average in March 2005 through 2007.
- For March 2016, EBMUD has received 149 water waste complaints which is down significantly from 388 in 2015.
- For the State Water Resources Control Board compliance period of June 2015 to March 2016, customers saved 23.9% surpassing the mandated target of 16%.

**Customer Outreach.** Staff continues to implement the Critical Drought Action Plan. The top of bill message: "EBMUD and State drought mandates are still in effect. Recent rains are not enough to end the drought, but they are enough to eliminate the need to water landscaping. Hand water only as necessary. Please continue to conserve. We appreciate your efforts!" Staff is preparing alternative top of bill messages in preparation for changes in State drought mandates and Board action. Water waste calls are being followed up on and more than 60,000 customers receive Home Water Reports.

**Excessive Use.** In response to the media's public records requests for the names, addresses and consumption for customers who violated the Excessive Water Use Penalty Ordinance, on March 24, 2016, the District released the seventh list of 204 customer records. The number of accounts on the list continues to decrease from the cooler weather and continued messaging

Critical Drought Action Plan Update Board of Directors Meeting April 21, 2016 Page 2

to conserve. Staff continues to reach out to the largest users and especially those who have also been noted as potential water wasters to offer audits, home water reports, and conservation tips to help comply with water use restrictions.

#### NEXT STEPS

The next list of customers who violated the Excessive Water Use Penalty Ordinance will be released on April 28, followed by monthly releases until declaration of a Stage 4 or Stage 3 drought is lifted. Staff will continue to reach out to customers to aid their conservation efforts.

Staff will continue to provide a comprehensive monthly report on the Critical Drought Action Plan at the first Board meeting of each month and a brief summary highlighting recent activities and significant changes at the second Board meeting of each month.

#### ARC:AAK

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#### EAST BAY MUNICIPAL UTILITY DISTRICT

DATE:	April 21, 2016
MEMO TO:	Board of Directors
THROUGH:	Alexander R. Coate, General Manager MC
FROM:	Lynelle M. Lewis, Secretary of the District Appelle
SUBJECT:	Planning Committee Minutes – April 12, 2016

Chair Doug Linney called to order the Planning Committee in the Training Resource Center at 8:32 a.m. Director Lesa R. McIntosh was present at roll call and Director Marguerite Young arrived at 8:38 a.m. Staff present included: General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Operations and Maintenance Michael J. Wallis, Director of Water and Natural Resources Richard G. Sykes, Director of Engineering and Construction Xavier J. Irias, Manager of Water Quality Rick Sakaji, Manager of Regulatory Compliance Michael R. Ambrose, Manager of Distribution Maintenance and Construction Leann M. Gustafson, Customer Services Manager Andrew L. Lee, Supervising Fish and Wildlife Biologist Michelle L. Workman, Senior Civil Engineer Timothy R. McGowan, Senior Civil Engineer Roberts H. McMullin, Special Assistant to the General Manager Alison A. Kastama, and Secretary of the District Lynelle M. Lewis.

#### Public Comment. None.

Water Quality Program Semi-Annual Update. Manager of Water Quality Rick Sakaji reported that in calendar year 2015 the District met 100 percent of federal and state drinking water quality standards and 95 percent of its water quality goals (6 of 121 were not met). Operational changes during the drought are believed to have impacted drinking water quality during the latter half of the year. Since the last briefing on the Lead and Copper Rule (LCR), the United States Environmental Protection Agency (USEPA) called upon the states to make sure their enforcement activities were consistent with the LCR. They asked that lead inventories and LCR sampling results be published so they were accessible to the public. The District's 2015 Annual Water Quality Report will list the 90<sup>th</sup> percentile lead value, the number of samples collected, and the number of sample results that exceeded the lead action level for the last round of sampling (2014) in which no samples exceeded the action level. As a service to customers, the District is planning to conduct a consumer tap sampling program outside the normal LCR compliance sampling cycle (which is next scheduled to occur in 2017). This special sampling will be conducted incorporating the new USEPA recommendations regarding the sampling protocol and is scheduled to occur in the June to October time frame. In addition, the District plans to offer lead sampling kits to customers for a subsidized fee. The Committee asked staff to consider whether the sampling kit fee can be waived for low-income customers.

#### Regulatory Compliance Semi-Annual Reports - September 2015 through February 2016.

Manager of Regulatory Compliance Michael R. Ambrose reported that in this reporting period, the District received one new Notice of Violation (NOV) associated with National Pollutant Discharge Elimination System (NPDES) and Waste Discharge Requirement permits. Additionally, there are three outstanding contested NOVs that were previously reported in the last semi-annual report. The District experienced two large unplanned emergency water main breaks that resulted in impacts to

Board of Directors Planning Committee Minutes of April 12, 2016 April 21, 2016 Page 2

San Francisco Regional Water Quality Control Board for potential enforcement action. The Main Wastewater Treatment Plant recorded two air quality permit exceedances in this period. The District continues to make progress in reducing the number of lost time injuries. Staff continues to review health and safety programs for areas of improvement. During the next six months, the District will continue to provide outreach and education to our regulators and other watershed partners on our environmental protection programs as well as train staff on requirements internally to implement the state's new NPDES Permit for Drinking Water Discharges. The Penn Mine landfill continues to be monitored to verify reductions in leachate generation following completion of a \$650,000 project to reduce stormwater intrusion into the landfill.

Joint Exercise of Powers Agreement with the City of Alameda. Manager of Distribution Maintenance and Construction Leann M. Gustafson and Customer Services Manager Andrew L. Lee reported that the District and the City extended the existing Joint Exercise of Powers Agreement (JPA) for six months. This will allow time to craft an agreement that would clarify the roles and responsibilities of each agency for operation and maintenance of the Alameda Point (Point) water system. The JPA originally was initiated to allow time for the City to make the necessary investments in the water system to bring it to an acceptable standard to allow transfer to the District. In the interim under the JPA, the District has been providing operations and maintenance services to the Point, including pipe repairs, water quality monitoring, backflow prevention, new service installation, and regulatory reporting. The District will begin meeting with the City in late April to negotiate the terms of a new JPA and to address outstanding issues such as: current records of changes in occupancy, accurate infrastructure maps, compliance with a Consent Decree to reduce inflow and infiltration in the regional wastewater system, new infrastructure (e.g., water main extensions), and removing properties deeded to private parties from the JPA. Staff anticipates completing the negotiations by September 30, 2016. The Committee asked staff to provide information on water efficiency commitments for the Alameda Point development.

<u>**Current East Bay Watershed Land Issues</u>**. Director of Water and Natural Resources Richard G. Sykes provided an update on the potential purchase of the Carr Ranch property in the Upper San Leandro (USL) watershed, the potential sale of approximately 2,000 acres of District property in the uplands area in the Pinole Valley, and the completion of review by California Department of Fish and Wildlife and U.S. Fish and Wildlife Service regarding the proposed Oursan Ridge Conservation Bank (ORCB) in the Pinole watershed. Funding for the Carr Ranch property purchase would come from surplus watershed property sales and/or revenues from the ORCB. East Bay Regional Park District (EBRPD) has expressed an interest in purchasing the 2,000 acree upland portion of the Pinole Valley to keep it in open space and offer recreational access. Staff is scheduled to meet with EBRPD in late April. Staff has been working on development of the ORCB for five years and preliminary agency approval was finally received last month after years of delay. The ORCB would conserve approximately 470 acres of the Pinole Valley watershed.</u>

**2015** Mokelumne Fall-Run Chinook Salmon Returns. Supervising Fish and Wildlife Biologist Michelle L. Workman reported that the 2015 fall-run Chinook salmon returns to the Mokelumne River were an estimated 12,879 fish, including 4,584 fish that spawned in the river and 8,295 that were collected at the hatchery for egg production. Although the drought resulted in challenges, the 2015 Mokelumne escapement continued to be strong and over two and one-half times the long-term average. One key to this success was managing Pardee and Camanche Reservoirs in order to

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meet the required cold water pool volume in Camanche for fall spawning releases beginning in October 2015. Program changes implemented in 2009 and continued through 2015 also have played a role in recovering and increasing the Mokelumne population more quickly than any other system in the Central Valley. Staff will continue to implement actions to improve the survival of juvenile salmon as they migrate through the Central Delta. These actions will include barging of a portion of the hatchery production and spring pulse flows. EBMUD will continue work with resource agencies and others to ensure that any Delta "fix" or Central Valley drought management actions are protective of the Mokelumne fishery.

West of Hills Northern Pipelines Project Update. Senior Civil Engineer Timothy R. McGowan provided a project update and described the advantages of the recommended alternative alignment for the Wildcat Pipeline in Berkeley. During the original design of the pipeline, staff identified several construction challenges. Subsequently, an alternative alignment, known as the Ellsworth Street Alignment, was selected for the pipeline in Berkeley. The Ellsworth Street Alignment still fulfills the project objectives of improving transmission capacity within the west of hills service area. The Ellsworth Street Alignment has significant advantages in constructability while also reducing environmental impacts. The proposed alignment reduces the length of constructed pipeline, reduces the number of trees to be removed, reduces the degree of disturbance to existing sidewalks, and reduces the challenges in connecting the new pipeline to existing transmission pipelines. In addition, the total length of the Ellsworth Street Alignment is about 3,000 feet shorter than the initial Benvenue Avenue Alignment. Staff evaluated the environmental impacts of this alignment and confirmed that there are no new significant impacts resulting from the project changes. An addendum to the Environmental Impact Report was prepared detailing the proposed modifications to the Wildcat Pipeline (Berkeley), and no further environmental analysis is required for the project. Staff will be conducting public informational meetings on April 19 and April 27, 2016 to nearby residents on the new alignment. Design will start again in May 2016 followed by construction in summer 2017.

AC Transit Bus Rapid Transit Water Main Relocations. Senior Civil Engineer Roberts H. McMullen presented information on the proposed Alameda-Contra Costa Transit District (AC Transit) East Bay Bus Rapid Transit (BRT) Project. The project requires deep pavement reconstruction and mill and overlay roadway improvements along the limits of the bus corridor. The pavement reconstruction depths conflict with the District's Engineering Standard Practice to provide a minimum cover of 24 inches above existing pipelines during construction work. As a result, the District recommended that over 10 miles of old distribution water mains be relocated prior to or as part of the roadway improvements for the BRT project. AC Transit recently stated that they cannot accommodate these pipeline relocations within the BRT project budget or schedule. AC Transit is currently negotiating with the City of Oakland and Caltrans in an effort to revise the BRT pavement requirements to better align with the District's Engineering Standard Practice, thus reducing the length of District pipelines needing relocation. Staff is actively working with AC Transit to resolve this conflict.

Adjournment. Chair Linney adjourned the meeting at 10:20 a.m.

DATE:	April 21, 2016
	Board of Directors
THROUGH:	Alexander R. Coate, General Manager And
FROM:	Lynelle M. Lewis, Secretary of the District Aquelle
	Legislative/Human Resources Committee Minutes – April 12, 2016

Chair William B. Patterson called to order the Legislative/Human Resources Committee at 10:25 a.m. in the Training Resource Center. Directors John A. Coleman and Marguerite Young were present at roll call. Staff present included: General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Manager of Legislative Affairs Marlaigne K. Dumaine, Manager Of Human Resources Laura A. Brunson, Manager of Employee and Organizational Development Derry L. Moten, Special Assistant to the General Manager Alison A. Kastama, and Secretary of the District Lynelle M. Lewis.

#### Public Comment. None.

<u>Update on District Values Project and Employee Recognition Programs</u>. Manager of Employee and Organizational Development Derry L. Moten presented an update on the progress of the project and the feedback from focus groups. The Values and Organizational Improvement teams made a series of recommendations, including a new set of District values (Stewardship, Integrity, Respect and Teamwork) and a series of organizational improvement initiatives. The next phase of the work is the formation of implementation teams that will develop plans for educating the workforce on the values, embedding the values into daily work processes and implementing the strategies for organizational improvement. Four cross-functional teams have been established to guide the implementation of these strategies. General Manager Coate pointed out that the process is intended to facilitate the assimilation of the large numbers of new talent and to provide a new approach to engage employees throughout the organization to make beneficial changes.

Staff responded to questions about the composition of the teams and how the key strategies (i.e., poor performance) will be addressed. AFSCME Local 444 Representative Ruben F. Rodriguez commented that tenured employees have different goals which influence their performance. Next, Mr. Moten reported that the Employee Recognition Team is currently working on enhancements to the District's recognition programs based on feedback gathered from employees. Programs that may undergo change include the Employee Excellence Awards and the Employee Service (longevity) awards. In light of the pending changes, staff made the decision to cancel the 2016 awards program. The team anticipates completing their efforts in 2016 so new programs can be implemented in 2017.

Legislative Report. Manager of Legislative Affairs Marlaigne K. Dumaine reported that Legislative Report No. 05-16 contained the following positions: SUPPORT AB 2543 (Gordon), OPPOSE UNLESS AMENDED AB 163 (Hertzberg), SUPPORT SB 1207 (Hueso), SUPPORT SB 1398 (Leyva) and INFORMATION SB 814 (Hill). She highlighted concerns with SB 163 (Hertzberg) citing significant costs for new infrastructure for treatment and distribution of recycled water, significant rate increases to achieve the mandate, and limiting a local agency's ability to set its own infrastructure

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priorities. Staff estimates that the mandate would raise the average service charge from about \$38 every two months to approximately \$230 every two months and will impact low-income ratepayers the most. Ms. Dumaine noted that though the bill's objective to increase the use of recycled water is consistent with EBMUD's efforts to increase recycled water use in its service area, the proposed mandate is premature and amendments are needed to address concerns.

Ms. Dumaine responded to questions about budget analysis, stakeholder support, and funding sources for SB 163. She pointed out that neither budget analysis had been done nor a list of supporters has come forward. However, WateReuse California and the California Association of Sanitation Agencies have been working with the author's office and have offered an alternative that would convene a task force that would consider the barriers to increased recycled water production and use and provide recommendations for overcoming those barriers. Director Young voiced her support of increasing recycled water projects, but expressed concern about rate impacts to low income customers.

In concluding, Ms. Dumaine highlighted the recommended positons for SB 1207 (Hueso) which is intended to promote energy efficiency and SB 1398 (Leyva) which would provide a timeline for replacement of lead pipes in California's state public water systems. It was moved (Director Coleman) and seconded (Director Young) to approve the staff recommended positions in Legislative Report No. 05-16. The motion carried unanimously (3-0).

Adjournment. Director Patterson adjourned the meeting at 11:06 a.m.

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