BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT

375 – 11th Street, Oakland, CA 94607 Office of the Secretary: (510) 287-0404

AGENDA
Tuesday, November 25, 2014

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

(Director Doug Linney will participate by telephone from 2253 Poipu Road, Koloa, Kauai, Hawaii)

ROLL CALL:

PUBLIC COMMENT: 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. Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): one matter.

2. Initiation of litigation pursuant to Government Code section 54956.9(d)(4): one matter.

3. Personnel exception pursuant to Government Code section 54957 to consider selection for the position of General Counsel.

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

REGULAR BUSINESS MEETING
1:15 p.m., Board Room

(Director Doug Linney will participate by telephone from 2253 Poipu Road, Koloa, Kauai, Hawai)

ROLL CALL:

BOARD OF DIRECTORS:

- Pledge of Allegiance

ANNOUNCEMENTS FROM CLOSED SESSION:

PUBLIC COMMENT: 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 8 recommendations, including 1 Resolution.)

1. Approve the Regular Meeting Minutes of November 12, 2014.

2. File correspondence with the Board.

3. Award a contract to the lowest responsive/responsible bidder, Thermo Electron North America, Inc., in an amount, after the addition of taxes, not to exceed $171,507 for supplying one TSQ 8000 gas chromatograph and tandem mass spectrometer and the associated data system to the District under Request for Quotation (RFQ) No. 1510.

4. Authorize an agreement beginning on or after November 26, 2014 with Bay Line Concrete Cutting and Coring, Inc., Fine Line Cutting and Drilling, and Penhall Company in an amount not to exceed $400,000 annually for rental of fully maintained and operated asphaltic cement/ concrete sawcutting services for two years with three options to renew for an additional one-year period for a total cost of $2,000.000.

5. Authorize an agreement with Dynamic Systems Inc. in an amount not to exceed $973,000 for the delivery of four servers, associated database licensing, technical training, and 1-year maintenance support for Oracle database licenses at the Administration Building Data Center and Sacramento Municipal Utility District Data Center during the period December 1, 2014 to November 31, 2015, with two options to renew for an additional 1-year period for annual maintenance support in an annual amount estimated to be $126,000, for a total cost of $1,225,000.

6. Authorize the Office of General Counsel to continue the employment of the law firm of Foster Employment Law for specialized legal services related to labor and employment law and litigation matters.

7. Authorize the Office of General Counsel to continue the employment of the law office of Remcho, Johansen & Purcell, LLP, for specialized legal services related to elections and conflicts of interest matters.

8. Correct an administrative error in Resolution No. 34005-14 to adopt new Policy 4.25 Municipal Securities Disclosure. (Resolution)

DETERMINATION AND DISCUSSION:

9. Legislative Update:
   - Update on Legislative Issues of Interest to EBMUD

10. General Manager's Report:
    - Recap of Drought Response and Rates Outreach and Proposed Next Steps
    - Water Shortage Emergency Action Plan Update

REPORTS AND DIRECTOR COMMENTS:

11. Committee Reports:
    - Legislative/Human Resources
    - Finance/Administration

12. Director Comments.

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, December 9, 2014 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 11th Street, Oakland, California, during normal business hours.

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BOARD CALENDAR

Date	Meeting	Time/Location	Topics
Tuesday, November 25	**Finance/Administration Committee** Coleman (Chair), Linney, Patterson	8:15 a.m. Training Resource Center	• Advanced Metering Infrastructure Studies Update • Water Loss Control Initiative
	Long-Term Financial Stability Workshop #5	9:00 a.m. Training Resource Center	• Water and Wastewater Cost of Service Study
	Board of Directors	11:00 a.m. 1:15 p.m.	• Closed Session • Regular Meeting
Tuesday, December 9	**Planning Committee** Foulkes (Chair) Linney, McIntosh	9:15 a.m. Training Resource Center	
	Legislative/Human Resources Committee McIntosh (Chair), Coleman, Mellon	10:15 a.m. Training Resource Center	
	Board of Directors	11:00 a.m. 1:15 p.m.	• Closed Session • Regular Meeting
Thursday, November 27 & Friday, November 28	**Thanksgiving Holiday**		***District Offices Closed***
Tuesday, December 23	**Finance/Administration Committee** Coleman (Chair), Linney, Patterson	10:00 a.m. Training Resource Center	• Meeting Typically Cancelled
	Board of Directors	11:00 a.m. 1:15 p.m.	• Meeting Typically Cancelled
Thursday, December 25	**Christmas Holiday**		***District Offices Closed***
Thursday, January 1	**New Years Holiday**		***District Offices Closed***
Tuesday, January 13	**Legislative/Human Resources Committee** McIntosh (Chair), Coleman, Mellon	TBD Training Resource Center	
	Planning Committee Foulkes (Chair) Linney, McIntosh	TBD Training Resource Center	
	Long-Term Financial Stability Workshop #6	9:00 a.m. Training Resource Center	
	Board of Directors	11:00 a.m. 1:15 p.m.	• Closed Session Regular Meeting

Draft prepared by
Secretary's Office

MINUTES

Wednesday, November 12, 2014

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

Regular Closed Session Meeting

Vice-President Katy Foulkes called to order the Regular Closed Session Meeting of the Board of Directors at 11:06 a.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Katy Foulkes, Doug Linney, Lesa R. McIntosh, Frank Mellon, and William B. Patterson were present at roll call. President Andy Katz arrived in Conference Room 8A/B.

Staff present included General Manager Alexander R. Coate, General Counsel Jylana Collins, Director of Finance Eric L. Sandler (Item 1a & 2), Chief Trial Attorney Craig S. Spencer (Items 1a and 2), Director of Wastewater Bennett K. Horenstein (Item 2), Attorney Derek T. McDonald (Items 2 and 3), Manager of Real Estate Services Stephen J. Boeri (Item 3), Manager of Human Resources Delores A. Turner (Item 4), and Manager of Recruitment and Classification Richard G. Jung (Item 4).

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

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

Regular Business Meeting

President Andy Katz called to order the Regular Business Meeting of the Board of Directors at 1:31 p.m. in the Administration Center Board Room.

ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Jylana Collins and Secretary of the District Lynelle M. Lewis.

BOARD OF DIRECTORS

President Katz led the Pledge of Allegiance.

PRESENTATION

On behalf of the Board, President Katz acknowledged the 20-year anniversary of General Counsel Jylana Collins. Ms. Collins began her career at EBMUD as a staff attorney working on labor and employment issues, was promoted to Assistant General Counsel in 2004, and then to General Counsel in 2006. The Board thanked Ms. Collins for her tremendous contributions to the District. Ms. Collins said she has enjoyed working for the District and expressed her appreciation for the Board and her staff.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

Addressing the Board was Kurt Peterson, Alameda resident, who commented on the large number of new home developments in the City of Alameda and asked for EBMUD's justification on providing water to these new homes in light of the current drought and mandate for water rationing. The Board requested that staff provide Mr. Peterson with a response regarding EBMUD's water policy for new developments.

CONSENT CALENDAR

- Motion by Director Coleman, seconded by Director Mellon, to approve Items 1-8 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Foulkes, Linney, McIntosh, Mellon, Patterson, and Katz); NOES (None); ABSTAIN (None); ABSENT (None).

1. **Motion No. 177-14** – Approved the Regular Meeting Minutes of October 28, 2014.

2. The following correspondence was filed with the Board: 1) Presentation entitled "Chabot Watershed Lease with East Bay Regional Park District;" 2) Presentation entitled "Water Shortage Emergency Action Plan November 12, 2014 Update;" and 3) Postcard entitled "Calculate Your Water Score!."

3. **Motion No. 178-14** – Awarded a contract to the lowest responsive/responsible bidder, Triple S Electric Co., in the amount of $489,200 for construction of Adeline Maintenance Center Complex Fire Alarm System Upgrade under Specification 2062A.

4. **Motion No. 179-14** – Authorized an amendment to the February 4, 1997 agreement with Oracle Corporation in an amount not to exceed $331,000 for software licensing for PeopleSoft Financials software and all associated modules.

5. **Motion No. 180-14** – Authorized the direct award to Process Solutions, Inc. for an estimated amount of $1,200,000 (including tax) for the purchase of four chloramine boosting stations and support services to be installed at various distribution reservoirs.

6. **Motion No. 181-14 –** Authorized an amendment to an agreement with the Schnur Consulting Group in the amount of $59,800, increasing the total amount of the agreement to $122,300, for services related to research and clarification of organizational values beginning November 13, 2014.

DETERMINATION AND DISCUSSION

7. **Legislative Update.**

Manager of Legislative Affairs Marlaigne K. Dumaine provided updates on: 1) a statewide mandate on the use of smart meters for all future meter replacements and new installations; and 2) protection of EBMUD's property tax revenue. She reported that staff is in the process of compiling information on smart meters and would report back to the Legislative/Human Resources Committee on November 25. With regard to the matter of property tax revenue, there are no significant indicators that this will be an issue under discussion during the upcoming legislative session. If this changes, staff will apprise the Board.

Next, Ms. Dumaine reported that the Office of Intergovernmental Affairs had evaluated the following three proposed state initiatives for the 2015 legislative year: Initiative #1 – Eliminate the statutory 2015 sunset date on EBMUD's lien authority for delinquent water and wastewater charges; Initiative #2 – Protect EBMUD's interests in any efforts to impose a statewide surcharge or public good charge on water; and Initiative #3 – Protect EBMUD's interests as the Legislature and the administration continue to consider water-related issues. She said that staff will continue to advance EBMUD's interests to protect its water supply and water rights on behalf of its ratepayers.

- Motion by Director McIntosh, seconded by Director Foulkes, to approve staff recommendation carried (7-0) by the following voice vote: AYES (Coleman, Foulkes, Linney, McIntosh, Mellon, Patterson, and Katz); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 182-14 – Authorized staff to proceed with the following state legislative initiatives for the 2015 legislative year: 1) Eliminate the statutory 2015 sunset date on EBMUD's lien authority for delinquent water and wastewater charges; 2) Protect EBMUD's interests in any efforts to impose a statewide surcharge or public good charge on water; and 3) Protect EBMUD's interests as the Legislature and the administration continue to consider water-related issues.

In concluding, Ms. Dumaine provided an update on post-election changes in state and federal representative seats. She noted that Governor Jerry Brown was re-elected to a fourth term.

8. **General Manager's Report.**

Director of Water and Natural Resources Richard G. Sykes presented an update on efforts to develop a new 25-year lease with East Bay Regional Park District (EBRPD) for approximately 1,200 acres of Chabot Reservoir Watershed. Since 1964, EBMUD has leased watershed land to EBRPD and allows them to operate and maintain the park and conduct park related activities. The lease will expire on November 30, 2014. However, it is not expected to be finalized by the expiration date, so staff will execute a month-to-month lease extension until the new lease is implemented. Staff anticipates presenting the new lease for Board consideration in 2015.

Mr. Sykes also presented information on key issues related to the lease agreement between EBRPD and the Willow Park Golf Course which expires on December 1, 2014. EBMUD is not a party to that lease agreement. Earlier this year, EBRPD solicited proposals for a long-term concession contract but that process did not yield an acceptable proposal and the lease will expire prior to selecting a new long-term concessionaire. EBRPD has indicated that there will be a new solicitation process, but in the meantime they have arranged for an interim operator to manage the golf operations; however, the restaurant and the event center will not remain open during the transition.

- Addressing the Board were the following persons: 1) Robert B. Maddow, Counsel for Willow Park Golf Course, expressed concerns about the transition process at the expiration of the lease EBRPD, the equipment owned by the golf course, and related concessionaire operations; 2) Steve Falzone, President, Willow Park Golf Club, expressed concern that in the event center and restaurant would not be available for community use or in conjunction with golf course activities; 3) Cliff Sherwood, commercial real estate developer and resident of Castro Valley, said that he was part of a group which submitted a bid. He explained that the event center was an important economic asset to the community and expressed continuing interest in operating Willow Park Golf Course; and 4) Jim O'Connor, Assistant General Manager of Operations, EBRPD, summarized the key issues under consideration during the bid process. He responded to questions and concerns about interim operator, capital improvements, restaurant and event center operations, and the golf course moving forward.

There was a lengthy question and answer period between the Director Mellon and the speakers. Director Mellon was particularly concerned about the handling of the bid process, closure of the event center, continuity of services to the community and the Willow Park Golf Course, and loss of business. Board members urged EBRPD to get the matters resolved for the benefit of the Castro Valley community. Director Mellon asked for an update on the EBRPD lease agreement bid process at the first Board meeting in December.

Next, Special Assistant to the General Manager Cheryl A. Farr provided a status update on key drought messages. These focus on water supply, conservation, supplemental supply, proposed drought rates, public outreach, Board policy discussions, and outreach activities. She pointed out that through October, based on water production, EBMUD customers are saving 11.8% compared to the same time period in 2013, surpassing the goal of 10% set by the Board on February 11, 2014. The Board held special meetings on drought on October 23 (Walnut Creek), October 29 (Richmond) and November 5 (Oakland). The next meeting is scheduled for November 19 (Castro Valley). At each meeting, staff provided a brief status update on EBMUD's water supply, proposed drought rates, and on water conservation services.

Staff has developed a new postcard entitled "Calculate Your Water Score!" to be mailed to individual multi-family residential customers. President Katz and Director McIntosh urged staff to track whether the postcards generate response from non-bill paying customers (i.e. traffic to web, phone, etc.). Staff will continue to update the Board on the status of the Water Shortage Emergency Action Plan.

General Manager Coate noted that the Monthly Report for October 2014 had been provided in the Board members packets.

REPORTS AND DIRECTOR COMMENTS

9. **Committee Reports.**

- Filed with the Board were the Finance/Administration Committee Minutes of October 28, 2014.

10. **Director Comments.**

- Director Coleman reported attending/participating in the following events: Bay Area Council annual awards dinner on October 29 in San Francisco; Realtors Marketing Group speaking engagement on October 30 in San Ramon; EBMUD biosolids meeting on October 30 in Oakland; ACWA Executive Committee teleconference meeting on November 3 in Oakland; panelist on San Joaquin River for ACWA Brower Center on November 5 in Berkeley; EBMUD/ACWA Interview on Talk Radio 910AM with Ed Baxter on November 5 in Oakland; and ACWA Executive Director review on November 11 in Lafayette. He reported on plans to attend/participate in the following upcoming events: East Bay Economic Development Associationa Legislative Committee teleconference meeting on November 14 in Oakland; Bay Planning Coalition and EBMUD meeting from November 16-19 in Washington, D.C.; ACWA teleconference meeting on November 20 in Oakland; ACWA Executive Committee and Board meetings on November 21 in Sacramento; and ACWA Executive Committee teleconference meeting on November 24. Director Coleman asked staff to explore changing the retirement vesting period for Directors from 5 years to 10 years. Director Mellon commented that this topic should be referred to the Retirement Board for analysis and urged staff to review state Attorney General Kamela Harris' recent determination on vested pension benefits. General Manager Coate said that staff would provide an information memo to explain the process to change the Retirement Ordinance.

- Director Foulkes reported attending/participating in the following events: EBMUD Special Meeting on drought rates on October 29 in Richmond; EBMUD Special Meeting on drought rates on November 5 in Oakland; APEA luncheon on November 6 in Oakland; and Swords to Plowshares dinner on November 6 in San Francisco.

- Director Linney commented that East Bay Regional Park District planned to explore whether the cost of service for candidate elections and ballot measures are commensurate with the costs incurred by the counties for those functions. He requested that EBMUD staff monitor these efforts.

- Director McIntosh had no comment.

- Director Mellon had no comment.

- Director Patterson had no comment.

- President Katz commented that he is interested in looking at strategies to increase Contract Equity Program efforts.

ADJOURNMENT

President Katz adjourned the meeting at 3:20 p.m.

SUBMITTED BY:

_____
Lynelle M. Lewis, Secretary of the District

APPROVED: November 25, 2014

_____
Andy Katz, President of the Board

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EBMUD

AGENDA NO. 3.
MEETING DATE November 25, 2014

TITLE **PURCHASE OF GAS CHROMATOGRAPHY TANDEM MASS SPECTROMETRY INSTRUMENTS FOR THE LABORATORY**

☒ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION

Award a contract to the lowest responsive/responsible bidder, Thermo Electron North America, Inc., (Thermo) in an amount, after the addition of taxes, not to exceed $171,507 for supplying one TSQ 8000 gas chromatograph and tandem mass spectrometer (GC-MS/MS) and the associated data system to the District under Request for Quotation (RFQ) No. 1510.

SUMMARY

The District Laboratory supports water and wastewater system operations by performing a range of analyses including semi-volatile organic compounds (SVOCs) for regulatory compliance, process control and remediation. These analyses are currently conducted on two aging instruments that experience frequent breakdowns and cannot meet more stringent detection level and quality control requirements. The proposed GC-MS/MS instrument has the technology capable of consolidating all analyses from both current instruments. The new instrument will reduce operating and maintenance costs while improving data quality and achieving regulatory and client-specified detection limits.

DISCUSSION

The analytical instrument currently used for high-resolution analysis of trace organics was purchased in 2004. This instrument requires significant operating costs, labor demands and maintenance. The data system is not stable in the Windows 7 environment and since the manufacturer is discontinuing production in 2015 they will not upgrade the software.

The analytical instrument currently used for analysis of SVOCs was purchased in 2006. Within the past year, more stringent data quality objectives and detection limit requirements were established that cannot be met by the current instrument. Further, the current system and its translation software are not stable in the Windows 7 environment.

Funds Available: FY15		Budget Code: WWG/ 930/ 5521/ 2008691
DEPARTMENT SUBMITTING Wastewater	DEPARTMENT MANAGER or DIRECTOR for Bennett K. Horenstein	APPROVED General Manager

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

The replacement GC-MS/MS instrument will improve data quality for drinking water, wastewater and hazardous wastewater samples by increased selectivity and sensitivity. The proposed instrument has been demonstrated to achieve regulated detection limits in other agencies and commercial laboratories. Consolidating two instruments into one would produce cost savings such as labor demands, consumables and repair and maintenance costs for the District.

VENDOR SELECTION

Requests for quotations were sent to 3 resource organizations, 140 potential proposers, and posted to the District website. One response (Thermo) was received and was determined to be responsive and responsible.

CONTRACT EQUITY PROGRAM EFFORTS

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

FISCAL IMPACT

Funds are available for this purchase in the FY15 Laboratory capital budget.

ALTERNATIVES

Do not replace the instruments. This alternative is not recommended because the District Laboratory would not be able to reliably perform drinking water and wastewater trace analyses of regulated SVOCs within the required turnaround time.

Reject bid and rebid the request for quotation. This alternative is not recommended because the District engaged in a fair and competitive bid process and obtained a bid that contains reasonable pricing.

Attachments

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

EAST BAY MUNICIPAL UTILITY DISTRICT

REQUEST FOR QUOTATION NO. 1510

Gas Chromatography Mass Spectrometry Instrument

Bid opened at 1:30pm on October 15, 2014

	BIDDER	SBE (Y/N)	TOTAL AMOUNT BID
1.	Thermo Electron North America LLC 1400 Northpoint Pkwy, Ste 10 West Palm Beach, FL 33407 (800) 532-4752	N	$162,871.98

NOTE: Prices do not include sales tax.
*SBE – Small Business Enterprise

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

EBMUD

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
QUOTATION NO.: 1510 Purchase of Gas Chromatography Tandem Mass Spectrometry Instrument for the Laboratory	October 23, 2014

CONTRACTOR:			PERCENTAGE OF CONTRACT DOLLARS		
Thermo Electron North America, Inc. West Palm Beach, FL	Sole Bidder		Availability Group	Contracting Objectives	Participation
BID/PROPOSER'S PRICE:	FIRM'S OWNERSHIP		White Men	25%	0.0%
	Ethnicity	Gender	White Women	2%	0.0%
$171,507	Publicly Held Corp.		Ethnic Minorities	25%	0.0%

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME:											
Thermo Electron North America, Inc.	$171,507	Publicly Held Corp.			---	---	---	---	100.0%	---	---
SUBS:											
None					---	---	---	---	---	---	---
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TOTAL	$171,507				0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	9,146	5,847	6,145	21,138
Percent of Total Employees:	1.8%	2.9%	95.3%	
MSA Labor Market %:	39.0%	33.7%	27.2%	
MSA Labor Market Location:	Total USA			

COMMENTS

Contract Equity Participation - Zero Contract Equity participation since firm is a publicly held corporation and no subcontract opportunities exist.

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	YES	

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title:	Purchase of Gas Chromatography Tandem Mass Spectrometry Instrument for the Laboratory							
		Ethnic Minority Percentages From U.S. Census Data						
			B	**H**	**A/PI**	**AI/AN**	**TOTAL**	
		National	10.5	10.7	3.7	0.7	27.3	
Quotation #: 1510	DATE: 10/23/2014	**9 Bay Area Counties**	5.5	16.2	14.2	0.4	39.9	
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2	

R=Recmmd P=Prime S=Sub	Composition of Ownership		Number of Ethnic Minority Employees						
	Company Name, Owner/Contact Person, Address, and Phone Number		**B**	**H**	**A/PI**	**AI/AN**	**TOTAL**	**PERCENT**	**MSA %**
RP	**Publicly Held**	**Company Wide**	1,293	1,688	3,107	57	6,145	29.1%	27.2%
	Thermo Electron North America, LLC	Manager/Prof	313	499	1,802	19	2,633	25.8%	
	1400 Northpoint Pkwy, Ste 10	Technical/Sales	244	440	560	16	1,260	26.0%	
	West Palm Beach, FL 33407	Clerical/Skilled	316	298	184	9	807	27.7%	
		Semi/Unskilled	420	451	561	13	1,445	45.8%	
	800-532-4752	**Bay Area**	-	-	-	-	-	NA	39.9%
		AA Plan on File:	NA		Date of last contract with District:		8/27/2014		
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		21,138	Bay Area:	0
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	

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)

EBMUD

AGENDA NO. 4.
MEETING DATE November 25, 2014

TITLE **ASPHALTIC CEMENT/CONCRETE SAWCUTTING SERVICES**

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize an agreement beginning on or after November 26, 2014 with Bay Line Concrete Cutting and Coring, Inc., Fine Line Cutting and Drilling, and Penhall Company in an amount not to exceed $400,000 annually for rental of fully maintained and operated (FMO) asphaltic cement/concrete sawcutting services for two years with three options to renew for an additional one-year period for a total cost of $2,000,000. In awarding this contract, the Board of Directors finds that this work cannot be satisfactorily performed under civil service.

SUMMARY

Concrete/Asphalt cement saws are used to sawcut street and sidewalk surfaces in the repair and replacement of the District's distribution pipeline system and repair of District facilities. Currently, the District has ten concrete saws which are used by crews to perform scheduled and emergency sawcutting work throughout the District. Emergencies, unplanned work, temporary programs, seasonal variations in demand, and personnel vacancies require that the District use FMO asphaltic cement/concrete sawcutting services throughout the service area to augment District staff during times of heavy workload. Rentals are hourly, and rates established by vendors vary from $150 to $170/hour plus water control and slurry disposal charges.

DISCUSSION

The District has been renting FMO asphaltic cement/concrete sawcutting services since the early 1990s on an as-needed basis. Rental charges, for the last five years, averaged approximately $400,000 per year. Demand for sawcutting services has remained high due to increases in pipeline replacements, main breaks, and planned polybutylene replacements. The District developed a list of qualified vendors and issued purchase orders to cover job requirements. Vendors were selected from the list on a rotational basis and work was evenly distributed. Unfortunately, the number of firms offering this service has been declining for the last several years, and the District will continue to rotate jobs between the three vendors.

As the District is able to identify additional companies who meet District standards and offer pricing at or below the range described in the current proposed contracts, to increase flexibility and ensure vendor

Funds Available: FY15/16	Budget Code: Various/Various	
DEPARTMENT SUBMITTING Operations and Maintenance	DEPARTMENT MANAGER or DIRECTOR Michael J. Wallis	APPROVED General Manager

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

availability, the District will also consider awarding contracts to those currently unidentified contractors, pursuant to this recommendation.

The District reviewed 33 vendors within its database for these services and requested qualifications and Contract Equity Program information from 13 vendors, but only those listed met the minimum performance requirements. These requirements included the ability to provide up to five saw crews on one day's notice.

SERVICE PROVIDER SELECTION

The listed vendors represent all of the vendors in the District's database meeting the minimum requirements. Specific jobs will be completed on a job-by-job basis based on location and vendor availability.

CONTRACT EQUITY PROGRAM EFFORTS

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

FISCAL IMPACT

Funds are available for this work in the FY15 budget.

UNION NOTIFICATION

Local 444 was notified in writing on October 16, 2014. In addition, this agenda item was discussed with Local 444 on November 6, 2014. Local 444 opposed the agreement and was informed that management is reviewing staffing needs as part of the upcoming two-year budget process.

ALTERNATIVE

Add staff and equipment to reduce the need for rentals. The District will evaluate the addition of staff and equipment as part of the FY16/17 budget considerations; however, supplementing in-house capabilities with rentals will still be needed due to the nature of the work, which may require concurrent use of multiple saws for two- to three-day assignments, as well as the need to address emergencies and seasonal peak workloads. Should the need for FMO concrete saws diminish, these contracts present no obligation on the part of the District to purchase these services.

Attachments

P-035 CEP Summary
P-061 Affirmative Action Summary

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
General Services Agreement Asphaltic Cement/Concrete Sawcutting Services - 2-Year Contract with 3 One-Year Renewal Options	September 3, 2014

CONTRACTOR:			PERCENTAGE OF CONTRACT DOLLARS		
Various Firms (See Below)			**Availability Group**	**Contracting Objectives**	**Participation**
BID/PROPOSER'S PRICE:	**FIRM'S OWNERSHIP**		**White Men**	**25%**	**67.0%**
	Ethnicity	**Gender**	**White Women**	**6%**	**0.0%**
$2,000,000	See Below		**Ethnic Minorities**	**25%**	**33.0%**

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME:											
Bay Line Concrete Cutting and Coring, Inc.	TBD	Hispanic	X		---	---	33.0%	---	---	---	---
Fine Line Cutting and Drilling	TBD	White	X		33.5%	---	---	---	---	---	---
Penhall Company	TBD	White	X		33.5%	---	---	---	---	---	---
SUBS:											
None					---	---	---	---	---	---	---
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TOTAL	$2,000,000				67.0%	0.0%	33.0%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	See P-61 Form			
Percent of Total Employees:				
MSA Labor Market %:				
MSA Labor Market Location:				

COMMENTS

Contract Equity Participation - TBD

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	NA	

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title:	Asphaltic Cement/Concrete Sawcutting Services - 2-Year Contract with 3 One-Year Renewal Options		Ethnic Minority Percentages From U.S. Census Data				
			B	H	A/PI	AI/AN	TOTAL
		National	10.5	10.7	3.7	0.7	27.3
General Services Agreement		DATE: 9/3/2014	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
			Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub	Composition of Ownership		Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
P	EMM:H - L/SBE	Company Wide	-	38	-	-	38	100.0%	39.9%
Bay Line Cutting & Coring, Inc. 1635 Fourth St. Berkeley, CA 94710		Manager/Prof	-	4	-	-	4	100.0%	
		Technical/Sales	-	1	-	-	1	100.0%	
		Clerical/Skilled	-	33	-	-	33	100.0%	
		Semi/Unskilled	-	-	-	-	-	NA	
510-527-1000		Bay Area	-	-	-	-	0	0.0%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		38	Bay Area:	15
P	WM - SBE	Company Wide	-	11	2	-	13	76.5%	53.9%
Fine Line Sawing & Drilling, Inc. Dennis M. Corcoran 37651 Sycamore St. Newark, CA 94560		Manager/Prof	-	-	-	-	0	0.0%	
		Technical/Sales	-	1	-	-	1	100.0%	
		Clerical/Skilled	-	-	2	-	2	100.0%	
		Semi/Unskilled	-	10	-	-	10	83.3%	
		Bay Area	-	11	2	-	13	76.5%	39.9%
510-793-6700		Co. Wide MSA:	Alameda County		# Employees-Co. Wide:		17	Bay Area:	17
P	WM	Company Wide	33	188	76	4	301	32.4%	27.2%
Penhall Company 1801 Penhall Way Anaheim, CA 92801		Manager/Prof	-	5	2	-	7	6.5%	
		Technical/Sales	2	6	2	1	11	14.1%	
		Clerical/Skilled	3	29	10	-	42	23.0%	
		Semi/Unskilled	28	148	62	3	241	43.0%	
714-772-6450		Bay Area	2	7	6	-	15	21.1%	39.9%
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		930	Bay Area:	71
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	

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)

EBMUD

AGENDA NO. 5.
MEETING DATE November 25, 2014

TITLE **ORACLE SERVERS REPLACEMENT**

☒ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION

Authorize an agreement with Dynamic Systems Inc. in an amount not to exceed $973,000 for the delivery of four servers, associated database licensing, technical training, and 1-year maintenance support for Oracle database licenses at the Administration Building Data Center and Sacramento Municipal Utility District Data Center during the period December 1, 2014 to November 31, 2015, with two options to renew for an additional 1-year period for annual maintenance support in an annual amount estimated to be $126,000, for a total cost of $1,225,000.

SUMMARY

The District has been using Oracle as its core database product since 1989 and it is essential for the majority of our computer information systems including Customer Billing, Financial, Human Resource, and Work Management. Existing server hardware used for the Oracle database is at the end of its reliable service life and must be replaced.

DISCUSSION

The three primary Oracle database servers at the Administration Building and the one Oracle database server at the SMUD Data Center have been operated beyond their expected 4-5 year reliable service lives in order to contain operational costs during the past few fiscally challenging years. The servers are now 7 years old. This replacement of four aging servers will minimize the risk of business disruption and eliminate performance bottlenecks that have begun to hamper operations. The agreement includes additional Oracle database licensing required for the new server hardware as well as licenses for updated data replication software that is necessary for business continuity. The total cost for server hardware is $344,500 and the total cost for associated software licenses, including first year maintenance and support, is $628,500.

Funds Available: FY15	Budget Code: WSO/252/8547/5523	
DEPARTMENT SUBMITTING Information Systems	DEPARTMENT MANAGER or DIRECTOR Nicholas J. Irias	APPROVED General Manager

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

SERVICE PROVIDER SELECTION

Public Contract Code, Section 10298, specifically allows agencies, such as EBMUD, to purchase directly from the state competitively awarded contracts without pursuing separate competitive bidding. The terms and conditions are under the California State Contract #1-12-70-15B and SLP-13-70-0120B using Dynamic Systems Inc. as the representing agent for Oracle enterprise systems products and software maintenance. Dynamic Systems Inc. is federally recognized by the SBA as a Women Owned Small Business.

CONTRACT EQUITY PROGRAM EFFORTS

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

FISCAL IMPACT

Funds are available for this work in the FY15 operating budget.

ALTERNATIVE

Continue using the existing servers. This alternative is not recommended because the aging servers are beginning to experience increased frequency of component failure and performance limitations. With each failure, the risk to the critical business applications which depend on Oracle databases increases dramatically, resulting in disruption to critical business operations and customers.

Attachments

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

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

EBMUD

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
General Services Agreement Oracle Servers Replacement - One-Year Contract with 2 One-Year Renewal Options	November 3, 2014

CONTRACTOR:		PERCENTAGE OF CONTRACT DOLLARS		
Dynamic Systems Inc. El Segundo, CA	State Contract Award/ Small Business	**Availability Group**	**Contracting Objectives**	**Participation**
BID/PROPOSER'S PRICE:	**FIRM'S OWNERSHIP**	**White Men**	**25%**	**0.0%**
	Ethnicity / **Gender**	**White Women**	**6%**	**100.0%**
$1,225,000	White / Women	**Ethnic Minorities**	**25%**	**0.0%**

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME:											
Dynamic Systems Inc.	$1,225,000	White		X	---	100.0%	---	---	---	---	---
SUBS:											
None					---	---	---	---	---	---	---
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TOTAL	$1,225,000				0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	21	20	7	48
Percent of Total Employees:	43.8%	41.7%	14.6%	
MSA Labor Market %:	39.0%	33.7%	27.2%	
MSA Labor Market Location:	Total USA			

COMMENTS

Contract Equity Participation - 100% White Women participation and no subcontract opportunities exist.

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	NA	

EBMUD

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title:		Ethnic Minority Percentages From U.S. Census Data				
Oracle Servers Replacement - One-Year Contract with 2 One-Year Renewal Options			B	H	A/PI	AI/AN	TOTAL
		National	10.5	10.7	3.7	0.7	27.3
General Services Agreement	DATE: 11/3/2014	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WW - SBE	Company Wide	1	2	3	-	6	12.5%	27.2%
Dynamic Systems Inc. 124 Maryland Street El Segundo, CA 90245 310-337-4400		Manager/Prof	-	-	2	-	2	8.3%	
		Technical/Sales	-	1	-	-	1	11.1%	
		Clerical/Skilled	1	1	1	-	3	20.0%	
		Semi/Unskilled	-	-	-	-	-	NA	
		Bay Area	-	-	-	-	0	0.0%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		4/1/2014		
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:	48	Bay Area:	2	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:	# Employees-Co. Wide:				Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:	# Employees-Co. Wide:				Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:	# Employees-Co. Wide:				Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:	# Employees-Co. Wide:				Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:	# Employees-Co. Wide:				Bay Area:		

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)

EBMUD

AGENDA NO. 6.
MEETING DATE November 25, 2014

TITLE **AUTHORIZE CONTINUED EMPLOYMENT OF FOSTER EMPLOYMENT LAW FOR SPECIALIZED LEGAL SERVICES**

☑MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize the Office of General Counsel to continue the employment of the law firm of Foster Employment Law for specialized legal services related to labor and employment law and litigation matters in an additional amount not to exceed $80,000.

DISCUSSION

The firm of Foster Employment Law has been retained to assist the Office of General Counsel in labor and employment law and litigation matters. The Office of General Counsel is now requesting authorization for additional funds for services described in a separate attorney-client confidential memorandum to the Board of Directors.

CONTRACT EQUITY PROGRAM EFFORTS

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

FISCAL IMPACT

Sufficient monies have been budgeted to the Office of General Counsel's budget for fiscal year 2015 for this request for specialized legal assistance.

Attachments

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

Funds Available: FY 2015	Budget Code: WSO 130 8511 5231	
DEPARTMENT SUBMITTING Office of General Counsel	DEPARTMENT MANAGER or DIRECTOR Jylana Collins, General Counsel	APPROVED General Manager

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

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

EBMUD

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
Professional Services Agreement Authorize Continued Employment of Foster Employment Law for Specialized Legal Services	November 6, 2014

CONTRACTOR:		PERCENTAGE OF CONTRACT DOLLARS		
Foster Employment Law Oakland, CA	Direct Award Local/Small Business	**Availability Group**	**Contracting Objectives**	**Participation**
BID/PROPOSER'S PRICE:	**FIRM'S OWNERSHIP**	**White Men**	**25%**	**0.0%**
	Ethnicity / **Gender**	**White Women**	**6%**	**0.0%**
$80,000	Black / Male	**Ethnic Minorities**	**25%**	**100.0%**

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME:											
Foster Employment Law	$80,000	Black	X		---	---	100.0%	---	---	---	---
SUBS:											
None					---	---	---	---	---	---	---
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TOTAL	$80,000				0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	1	8	3	12
Percent of Total Employees:	8.3%	66.7%	25.0%	
MSA Labor Market %:	28.0%	24.2%	47.8%	
MSA Labor Market Location:	Oakland, CA			

COMMENTS

Contract Equity Participation - 100% Ethnic Minority participation.

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	NA	

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: **Authorize Continued Employment of Foster Employment Law for Specialized Legal Services**		Ethnic Minority Percentages From U.S. Census Data					
			B	H	A/PI	AI/AN	TOTAL
		National	10.5	10.7	3.7	0.7	27.3
Professional Services Agreement	DATE: 11/6/2014	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub	Composition of Ownership		Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	EMM:B - L/SBE	Company Wide	3	-	-	-	3	25.0%	47.8%
Foster Employment Law		Manager/Prof	2	-	-	-	-	22.2%	
Michael Foster		Technical/Sales	-	-	-	-	-	NA	
3000 Lakeshore Avenue		Clerical/Skilled	1	-	-	-	-	33.3%	
Oakland, CA 94610		Semi/Unskilled	-	-	-	-	-	NA	
		Bay Area	3	-	-	-	3	25.0%	39.9%
510-763-1900		AA Plan on File:	NA		Date of last contract with District:		NA		
		Co. Wide MSA:	Oakland, CA		# Employees-Co. Wide:		12	Bay Area:	12
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	

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)

EBMUD

AGENDA NO. 7.
MEETING DATE November 25, 2014

TITLE **AUTHORIZE CONTINUED EMPLOYMENT OF REMCHO, JOHANSEN & PURCELL, LLP, FOR SPECIALIZED LEGAL SERVICES**

☑ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION

Authorize the Office of General Counsel to continue the employment of the law office of Remcho, Johansen & Purcell, LLP, for specialized legal services related to elections and conflicts of interest matters in an additional amount not to exceed $60,000.

DISCUSSION

The firm of Remcho, Johansen & Purcell, LLP, has been retained to assist the Office of General Counsel in public policy, elections and conflicts of interest matters. The firm will also assist the Office of General Counsel with the investigation and enforcement of East Bay Municipal Utility District's Campaign Finance Reform Ordinance. The Office of General Counsel is now requesting authorization for additional funds for services described in a separate attorney-client confidential memorandum to the Board of Directors.

CONTRACT EQUITY PROGRAM EFFORTS

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

FISCAL IMPACT

Sufficient monies have been budgeted to the Office of General Counsel's budget for fiscal year 2015 for this request for specialized legal assistance.

Attachments

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

Funds Available: FY 2015	Budget Code: WSO 130 8511 5231	
DEPARTMENT SUBMITTING Office of General Counsel	DEPARTMENT MANAGER or DIRECTOR Jylana Collins, General Counsel	APPROVED General Manager

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

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

EBMUD

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	DATE:
Professional Services Agreement Authorize Continued Employment of Remcho, Johansen & Purcell, LLP for Specialized Legal Services	November 7, 2014

CONTRACTOR:		PERCENTAGE OF CONTRACT DOLLARS		
Remcho, Johansen & Purcell, LLP San Leandro, CA	Direct Award Local/Small Business	**Availability Group**	**Contracting Objectives**	**Participation**
BID/PROPOSER'S PRICE:	**FIRM'S OWNERSHIP**	**White Men**	**25%**	**0.0%**
	Ethnicity / **Gender**	**White Women**	**6%**	**100.0%**
$60,000	White / Women	**Ethnic Minorities**	**25%**	**0.0%**

CONTRACT EQUITY PARTICIPATION

COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME:											
Remcho, Johansen & Purcell, LLP	$60,000	White		X	---	100.0%	---	---	---	---	---
SUBS:											
None					---	---	---	---	---	---	---
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TOTAL	$60,000				0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)

	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	4	6	3	13
Percent of Total Employees:	30.8%	46.2%	23.1%	
MSA Labor Market %:	24.5%	21.6%	53.9%	
MSA Labor Market Location:	Alameda County			

COMMENTS

Contract Equity Participation - 100% White Women participation.

Remcho, Johansen & Purcell LLP's Affirmative Action profile continues to be less than 50% workforce diversity based on the applicable MSA. The District will continue to urge greater implementation efforts.

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
ON FILE	NA	

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title:	Authorize Continued Employment of Remcho, Johansen & Purcell, LLP for Specialized Legal Services	Ethnic Minority Percentages From U.S. Census Data					
			B	H	A/PI	AI/AN	TOTAL
		National	10.5	10.7	3.7	0.7	27.3
Professional Services Agreement	DATE: 11/7/2014	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2

R=Recmmd P=Prime S=Sub	Composition of Ownership		Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WW - L/SBE	Company Wide	-	1	2	-	3	23.1%	53.9%
Remcho, Johansen & Purcell, LLP		Manager/Prof	-	1	1	-	2	25.0%	
Robin Johansen		Technical/Sales	-	-	-	-	0	0.0%	
201 Dolores Avenue		Clerical/Skilled	-	-	1	-	1	33.3%	
San Leandro, CA 94577		Semi/Unskilled	-	-	-	-	-	NA	
		Bay Area	-	-	-	-	0	0.0%	39.9%
510-346-6200		AA Plan on File:	NA		Date of last contract with District:			2/25/2014	
		Co. Wide MSA:	Alameda County		# Employees-Co. Wide:		13	Bay Area:	12
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	

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)

EBMUD

AGENDA NO. 8.
MEETING DATE November 25, 2014

TITLE **CORRECTION OF ADMINISTRATIVE ERROR IN RESOLUTION 34005-14, EXHIBIT G ADOPT NEW POLICY: MUNICIPAL SECURITIES DISCLOSURE**

☐ MOTION ☒ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Correct an administrative error in Resolution No. 34005-14 to adopt new Policy 4.25 Municipal Securities Disclosure.

DISCUSSION

On October 28, 2014 the Board adopted a new Policy for Municipal Securities Disclosure by Resolution No. 34005-14. The reference number assigned to this policy was 4.25, however the correct reference number should have been 4.26. Although it is not currently being used policy reference number 4.25 was previously assigned. In order to prevent any reference misunderstandings, it is our practice not to re-use policy reference numbers. This action is to correct the administrative oversight by providing the appropriate reference number. All other provisions adopted in Resolution No. 34005-14 shall remain in effect.

FISCAL IMPACT

This action has no financial impact.

ALTERNATIVE

- **Do not approve the correction of the administrative error.** This alternative is not recommended because there may be outstanding references to the former policy.

Attachments

I:\SEC\11-28-14 Agenda Items\ FIN - BD1 Correct Admin Error in Reso No. 34005-14 Exhibit G Adopt New Policy 112814.doc

Funds Available FY:	Budget Code:	
DEPARTMENT SUBMITTING Finance Department	DEPARTMENT MANAGER or DIRECTOR Barry N. Gardin	APPROVED General Manager

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

EBMUD

Policy ~~4.25~~4.26

EFFECTIVE ~~28 OCT 14~~ 25 NOV 14

SUPERSEDES ~~NEW~~28 OCT 14

MUNICIPAL SECURITIES DISCLOSURE

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

Provide disclosures that are fair and accurate, and comply with applicable securities laws in its offering documents and other public disclosure statements that are intended (or reasonably can be expected) to be accessible to and relied upon by investors in its bonds and other debt instruments. It is further the intent of the District to satisfy in a timely manner its contractual obligations to provide certain ongoing information to the public debt markets under continuing disclosure agreements entered into in connection with its financings.

Investor Reliance

The District has issued and expects to continue to issue debt securities in the public markets and, in connection with those securities, to issue offering documents and enter into continuing disclosure agreements. The continuing disclosure agreements require the District to update financial and operating data contained in the offering documents at least annually and to file timely notices of certain events with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. Investors in the District's securities rely on the District's offering documents and annual and other filings in deciding whether to buy, hold, or sell the District's securities.

Federal Securities Laws

Under the federal securities law the District must exercise due care to avoid material misstatements or omissions when it prepares offering documents that are used to sell securities. The District may not knowingly or recklessly include material misstatements or misleading statements in any communications that are intended (or reasonably can be expected) to be accessible to and relied upon by investors in its debt securities ("Disclosure Documents").

The District exercises due care by engaging experienced counsel and other professionals to assist in its securities offerings. The District recognizes, however, that it has ultimate responsibility for ensuring that its disclosures are complete and accurate in all material respects.

This policy and related procedures are designed to provide a framework and guide to the principles of disclosure, enhancing District officers' and employees' ability to make appropriate decisions when addressing the particular facts and circumstances attendant to dissemination of any disclosure documents.

Disclosure Principles

The District's disclosures shall be consistent with the following principles:

- **Good Disclosure.** To make disclosure to investors that is sufficiently clear, concise, accurate, and complete to keep them informed of the District's financial condition and results of operations (while advising them of material risks to future financial prospects),
- **Responses to Inquiries.** To respond to all reasonable inquiries from investors, rating agencies, and other participants in the municipal securities markets regarding Disclosure Documents or the financial condition, results of operations, and future financial prospects of District in a manner consistent with the District's publicly available information,
- **Reasonable Care.** To exercise reasonable care in preparing and issuing Disclosure Documents, including responses to inquiries, and
- **Training.** To promote training regarding municipal securities disclosure to assist District officers and employees in understanding their roles and responsibilities in compliance with applicable securities laws.

The District will develop and implement disclosure procedures to guide and direct applicable officers and employees of the District in preparing, checking and issuing disclosure documents consistent with these principles.

Objectives Furthered

This policy and attendant procedures are intended to further the following goals and objectives:

- **Compliance with Law.** To assure compliance with applicable securities law when preparing disclosure documents,
- **Reduce Liability.** To reduce exposure to liability for misstatements and omissions in disclosure documents,
- **Transparency/Liquidity.** To provide transparency and enhance credibility with investors, financial analysts and the general bond market and foster liquidity for the District's securities,
- **Good Investor Relations.** To promote good investor relations,
- **Credit Ratings.** To protect the District's credit ratings, and
- **Protect the District and the Public**. To avoid damage to the District's reputation in the financial markets and damage to third parties from misstatements or omissions in disclosure documents.

Authority

Adopted by Resolution 34005-14, October 28, 2014
As amended by Resolution XXXXX-14, November 25, 2014

Reference

Procedure XXX – Initial and Continuing Disclosure Requirements Related to Bond Financings

EBMUD

Policy 4.26

EFFECTIVE 25 NOV 14

SUPERSEDES 28 OCT 14

MUNICIPAL SECURITIES DISCLOSURE

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

Provide disclosures that are fair and accurate, and comply with applicable securities laws in its offering documents and other public disclosure statements that are intended (or reasonably can be expected) to be accessible to and relied upon by investors in its bonds and other debt instruments. It is further the intent of the District to satisfy in a timely manner its contractual obligations to provide certain ongoing information to the public debt markets under continuing disclosure agreements entered into in connection with its financings.

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The District has issued and expects to continue to issue debt securities in the public markets and, in connection with those securities, to issue offering documents and enter into continuing disclosure agreements. The continuing disclosure agreements require the District to update financial and operating data contained in the offering documents at least annually and to file timely notices of certain events with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. Investors in the District's securities rely on the District's offering documents and annual and other filings in deciding whether to buy, hold, or sell the District's securities.

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- **Reasonable Care.** To exercise reasonable care in preparing and issuing Disclosure Documents, including responses to inquiries, and
- **Training.** To promote training regarding municipal securities disclosure to assist District officers and employees in understanding their roles and responsibilities in compliance with applicable securities laws.

The District will develop and implement disclosure procedures to guide and direct applicable officers and employees of the District in preparing, checking and issuing disclosure documents consistent with these principles.

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- **Compliance with Law.** To assure compliance with applicable securities law when preparing disclosure documents,
- **Reduce Liability.** To reduce exposure to liability for misstatements and omissions in disclosure documents,
- **Transparency/Liquidity.** To provide transparency and enhance credibility with investors, financial analysts and the general bond market and foster liquidity for the District's securities,
- **Good Investor Relations.** To promote good investor relations,
- **Credit Ratings.** To protect the District's credit ratings, and
- **Protect the District and the Public**. To avoid damage to the District's reputation in the financial markets and damage to third parties from misstatements or omissions in disclosure documents.

Authority

Adopted by Resolution 34005-14, October 28, 2014
As amended by Resolution XXXXX-14, November 25, 2014

Reference

Procedure XXX – Initial and Continuing Disclosure Requirements Related to Bond Financings

Draft Prepared By

Office of General Counsel

RESOLUTION NO. _____

AMEND RESOLUTION NO. 34005-14 TO CORRECT ADMINISTRATIVE ERROR

Introduced by Director ; Seconded by Director

WHEREAS, the Board of Directors adopted Resolution No. 34005-14 at the October 28, 2014 meeting of the Board of Directors; and

WHEREAS, Resolution No. 34005-14, in part, adopted Policy 4.25 entitled "Municipal Securities Disclosures," when in fact the correct number of this policy is Policy 4.26; and

WHEREAS, the Board of Directors wishes to correct this administrative error; and

WHEREAS, all other provisions adopted in Resolution No. 34005-14 shall remain in effect;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that Resolution No. 34005-14 is hereby amended to correctly identify the policy regarding Municipal Securities Disclosures as Policy 4.26. All other provisions adopted in Resolution No. 34005-14 shall remain in effect.

ADOPTED this 25th day of November, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
President

ATTEST:

_____
Secretary

APPROVED AS TO FORM AND PROCEDURE

_____
General Counsel

W:\410.01 Resolutions\Policies\AMEND Resolution 34005-14 Adopting Policy 4.25.docx

ITEM #9

LEGISLATIVE UPDATE

WILL BE GIVEN AS AN ORAL REPORT

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: November 25, 2014

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager ARC

SUBJECT: Recap of Drought Response and Rates Outreach and Proposed Next Steps

SUMMARY

Throughout 2014, EBMUD held a series of public workshops to address various topics related to Long-Term Financial Stability. One of the goals of this effort has been to craft a long-term drought response strategy to address the impacts of drought on costs and on revenues, encourage conservation, and be fair, equitable and clear to customers. As dry conditions worsened, the workshops also focused on the short-term goal of developing a proposed system of drought rates. To date the Board of Directors has held five public workshops on key financial policy issues and four special board meetings on drought response and drought rates. This memo summarizes the completed work, the feedback received and the proposed next steps.

DISCUSSION

Long-Term Financial Stability Workshops/Drought Rates

To date the Board of Directors has held five public workshops during 2014 on key financial policy issues that offered a public forum for discussing how various financial policies affect long-term funding needs and for assessing how rates need to be structured to comply with state legal requirements to properly allocate costs of service to customer classes.

The long-term financial planning workshop series was announced to customers in the January-February edition of *Customer Pipeline*, all meetings were publicly noticed, and agenda materials are available on ebmud.com. Drought-related discussions began at the second workshop, which focused on drought's financial risks and financial tools to address these risks—reserves, supplemental supply surcharges and drought rates. As dry conditions worsened staff added a number of workshops focused on drought rates and so the third workshop focused on crafting a flexible system of drought rates using stages tied to a drought's severity. Staff summarized the District drought rate structure history, described the existing water rate structure, reviewed the policy objectives of drought rates, compared potential drought rate structure features, and showed the drought responses of other regional water agencies. The fourth workshop featured further discussion of a staged system of drought rates to recover the costs of supplemental supplies and the revenue lost when customers cut water use during drought.

Few members of the public attended the Long-Term Financial Stability workshops. Public comments received focused mainly on clarification of the information presented by staff.

Board Special Meetings on Drought

At the Board's request, four public meetings were conducted throughout the service area during October and November 2014 to promote public engagement in considering drought issues and a proposed drought rate structure with four stages, an incentive for low water use and a penalty for excess water use. In addition to the standard meeting notice and distribution of agendas, staff sent postcard notices to more than 1,000 key stakeholders, ran display ads for multiple days in 18 papers and on 4 local media websites and announced the meetings on ebmud.com.

The special meetings were held on October 23 (Walnut Creek), October 29 (Richmond), November 5 (Oakland) and November 19 (Castro Valley). In total, approximately 87 members of the public attended. At each meeting, staff provided a brief overview of EBMUD's water supply situation, proposed drought rate structure and water conservation services. At the meetings staff also made available information regarding the District's conservation programs and Customer Assistance Program (CAP).

The input received at these meetings is summarized below:

Drought readiness. Overall, attendees made more comments about drought readiness than on drought rates. Attendees at all meetings were interested in understanding how EBMUD has prepared for drought. The presentation's focus in these areas was on supplemental supply and on conservation programs, so a number of questions were asked about other supply alternatives such as desalination and recycling. Comments were received about how southern California communities use water and statewide management of water supplies. Questions also were raised about how EBMUD is addressing water leaks.

Drought rates. Public feedback included comments that the drought rates overall seemed fair, questions regarding how drought rates would affect non-residential customers, and comments about the steepness of EBMUD's existing tiered volume rates. At the Castro Valley meeting a written comment letter was received addressing a number of drought-related topics and requesting clarification regarding triggers for the drought stage levels of conservation and supplemental supply purchases.

Specific comments on the proposed drought rates were focused more on the features addressing customers at the low and high ends of the water use spectrum and on the use of allocations or water budgets in setting drought rates. No comments were received regarding the fundamental approach—a staged system of uniform surcharges levied on top of existing District volume rates.

Comments on the "Supersaver Credit" and the "Excess Use Penalty" as well as allocations/water budgets are described below with additional information for board consideration.

Supersaver Credit

The Board received several comments about the Supersaver Credit, which would apply during Stages 3 and 4. As proposed, the credit would be $2/unit for those customers who continuously

used 50 gallons per day (gpd) or less during the length of the drought or through the end of the fiscal year, whichever comes first. For customers using 50 gpd, this credit would represent approximately 10% of their annual water bill. For those using less, the percentage would be higher.

Comments expressed varied. Some comments questioned the fairness and usefulness of a Supersaver Credit. Opinions expressed were that the 50 gpd trigger level seemed low, that the $2/month credit was "paltry", and that the District should consider non-monetary incentives, such as a 'conspicuous recognition' program that could be quite meaningful to certain customers.

If a financial incentive for low water use were pursued, increasing the trigger point or credit would impact the total cost of the program. The table below, based on FY13 billing data, sets forth the estimated cost of the program at two possible trigger points, 2 units per month or 50 gpd and 4 units per month or 100 gpd. Costs would likely be higher as calls for conservation would push more customers within the range of the credit. Importantly, this program may not be funded out of water rate revenues, but rather must come from another, unrestricted District revenue source.

Supersaver Credit

Monthly gpd per Account	Number of Accounts Always Under Stated Level	Percent of Total SFR Accounts	Maximum Annual Credit to Supersavers @$2/month
50	14,586	5%	$ 350,064
100	44,421	14%	$ 1,066,104

As is explored in more detail below, the District does not currently collect data on the number of persons per household and as such, it is difficult to create a meaningful Supersaver Credit program. Given the feedback and issues identified, three paths for consideration are:

- Remove the Supersaver Credit from the proposed staged system of drought rates.
- Retain the proposed Supersaver Credit for low water users at the 2 unit per month level (50 gpd).
- Replace the proposed Supersaver Credit with a non-monetary recognition reward for users who conserved a certain percentage more than requested by the District at some periodic interval. For example, if the District called for 15 percent conservation vs. the 2013 baseline, those conserving more than 25 percent (10% more than requested) could be recognized as supersavers and receive non-monetary recognition. Based on the comments received from the public and further review, staff recommends the non-monetary approach as it can more equitably recognize outstanding conservation by all customers.

Excess Use Penalty

The Board received several comments related to the proposed Excess Use Penalty, which would apply during Stage 4. As proposed, the penalty would be $2/unit for customer use over 60 units per month[1]. At current rates, this penalty represents an additional 45 percent surcharge in addition to the Stage 4 drought surcharge of 25 percent. The result is a 70 percent premium on the volume charge for all water above the trigger point.

Comments expressed included the opinion that the 60 unit per month penalty trigger was "timid" for an excess use penalty and concerns that large households might unfairly trigger the penalty. The table below based on FY13 data, sets forth the number of bills and billed units that would be impacted by the penalty at various trigger levels as well as an estimate of penalty revenue.

Penalty Levels, SFR Water Use, and Penalty Amounts

Penalty CCF	Total Annual Water Use Under Penalty Level, Ccf	Total Annual Water Use Over Penalty Level, ccf	Percent of Total SFR Water Use Over Penalty	Percent of Bills Over the Penalty Level	Penalty $ assuming no conservation @$2/ccf	Penalty $ assuming no conservation @$5/ccf
30	36,626,961	4,092,284	10%	5%	$ 8,185,000	$ 20,461,000
40	38,125,429	2,593,816	6%	3%	$ 5,188,000	$ 12,969,000
45	38,605,916	2,113,329	5%	2%	$ 4,227,000	$ 10,567,000
50	38,980,533	1,738,712	4%	2%	$ 3,477,000	$ 8,694,000
60	39,501,740	1,217,505	3%	1%	$ 2,435,000	$ 6,088,000

In selecting the penalty and dollar level of a penalty, important considerations are:

- The goal of the penalty is to be punitive, to reduce consumption and to send a message of the severity of the drought. The level should be selected at a point above that which represents excessive use. Another consideration is that establishing the penalty structure at too low a level will result in lost revenue potentially creating a need to reconsider and increase the Stage 4 - 25 percent surcharge. The table above provides the distribution of water use above various penalty levels.
- In consideration of public comments and to balance meeting the penalty goal while not creating excessive revenue instability, staff reevaluated the initial 60 ccf penalty level. Staff views that most customers even in the hottest parts of the service area should be

[1] 60 units (ccf) = 1,500 gallons

able to meet indoor and outdoor needs at a level of 45 ccf. Therefore staff recommends establishing the penalty level at 45 ccf and the penalty amount at $2/ccf.

- Administrative and financial impacts – The larger the number of customers impacted, the greater the volume of calls and subsequent appeals both with significant costs to the District. The cost of managing a large number of drought related inquiries and appeals is described below.

Allocations and Water Budgets

At each meeting, at least one speaker encouraged EBMUD to find a way to reflect household size in drought rates. Using household size as part of a drought rate structure is a form of allocation or a water budget based rate. Allocation based drought rates have been used by the District during previous droughts but since allocations have never been part of the regular District rate structure, use of an allocation only during drought has been difficult to communicate to the public and has resulted in tremendous increases in staff costs to handle the volume of calls and generate billing adjustments. In the last drought, the allocation was also perceived as unfair by many customers.

The use of allocations in the 1976-1978 drought to adjust for household size resulted in approximately 50,000 additional calls to the District. The use of allocations based on 2005-2007 previous use during the 2007-2010 drought generated more than 65,000 additional calls annually during that period resulting in approximately 14,000 appeals to the allocation of which about 90 percent were granted. The District hired 12 additional staff to support the call volume and processing of the appeal requests. This staffing level was still insufficient to meet the demand and the District then contracted with an outsourced call center to assist with handling drought-only calls. For these reasons, staff recommends that allocations be used as a drought rate structure only if they are a part of the regular rate structure.

While the District does not currently collect information about household size, incorporating such information into the District's rate structure could be considered as part of a broader effort to consider a water budget based allocation rate. The District is currently developing GIS based data on parcels throughout the District to allow for creation of appropriate water budgets for outdoor use which could be either used independently to present Single Family Residence customers with outdoor water budgets or could be incorporated as a major building block of a budget based allocation regular rate structure. The District is also rolling out a program that will be expanded to 50,000 households in coming months that allows homeowners, if they wish to do so, to enter household size into a web based application administered by a third party so that this information can be incorporated into creation of a home-specific water budget calculation.

NEXT STEPS

The District has been informing the public, at the special Board meetings and through other outreach activities, that if weather patterns continue to result in less-than-needed replenishment or further diminishment of water supplies, then staff would recommend a series of drought-

related actions for Board consideration on December 9, 2014. To address the supply shortage in the short-term, the proposed actions will be to consider asking customers to expand their conservation efforts, to utilize the Freeport Water Project to convey additional Central Valley Project supplies from EBMUD's contract with the U.S. Bureau of Reclamation (USBR) or other water transfer opportunities and to begin applying the supplemental water supply surcharge to customer bills. These changes would be effective at the beginning of January 2015. For the longer term, the actions would recommend that the Board establish the proposed set of drought rate stages, which presume that as drought severity increases EBMUD will ask customers to increase their conservation efforts and EBMUD will increase the volume of supplemental water supplies it brings into the system.

Based on the feedback heard from the public and the Board members about the longer term recommendations, staff is preparing a proposal for consideration on December 9, 2014. To that end, on November 25th the Board will have an opportunity to share their thoughts regarding:

- Adopting the set of drought rate stages as presented in long-term financial planning workshops and at special Board meetings, and provide direction to staff to use the proposed staged system to develop rate recommendations for FY16-17.

- Implementing a Supersaver Credit—either the monetary program described in the original proposed system of drought rates or a non-monetary incentive described in this memo.

- Establishing a penalty option that would be used in Stage 4 to discourage excessive use of water during a severe drought.

EAST BAY MUNICIPAL UTIILITY DISTRICT

DATE: November 25, 2014

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager

FROM: Cheryl A. Farr, Special Assistant to the General Manager

SUBJECT: Water Shortage Emergency Action Plan Update

SUMMARY

This memo provides a brief update on the most recent activities related to implementing the Water Shortage Emergency Action Plan. There have been no significant variances from the adopted plan.

DISCUSSION

Statewide Drought Management and EBMUD Involvement. The District submitted its monthly report of water production data for October to the State Water Resources Control Board (SWRCB) on November 14, 2014. EBMUD's October 2014 production was 5,370.6 million gallons compared to October 2013 production of 6,308.7 million gallons, a 14.9 percent reduction. On average, EBMUD residential customers used 74 gallons per capita per day (RGPCD) in October.

Customer Outreach. The fourth of four special Board meetings on drought occurred November 19 in Castro Valley. Previous meetings were held October 23 (Walnut Creek), October 29 (Richmond) and November 5 (Oakland). In total, 87 customers attended the four meetings, where staff provided a brief overview of EBMUD's water supply situation, proposed drought rate structure and water conservation services. Attendees were very interested in learning what EBMUD has done to prepare for drought and provided input on drought incentives and excess use penalties. To date there have been 11 news stories reporting on the scheduled meetings and the resulting discussions at the meetings.

The District continues to work with community organizations and business partners to promote water-efficient practices and conservation services. On November 12, a mailing was sent to 527 service area homeowner associations offering information about EBMUD's conservation services along with a summary of legislation affecting homeowner association landscaping regulations. To date, a couple of homeowner associations have followed up with requests for rebate information and one has asked for ***Save Like a Pro*** posters.

A postcard currently is mailing to 255,000 non-billpayers (including condominium owners, renters, businesses and homeowner associations) in the service area. To raise personal awareness of water use (regardless of a water user getting a bill or not), the postcard features an invitation for readers to go to ebmud.com to calculate their water score – and then provides tips to cut water use. As requested by the Board, staff will be monitoring web statistics to assess whether there is a discernable increase in visits to the advertised site in the weeks following the mailing.

Starting on Dec 1, there will be nearly 100 transit shelters and billboards posted throughout the service area (including 10 each in Spanish and Chinese) featuring the "SAVE WATER - rain or shine save like a pro" message.

Media interest in recent weeks has been focused on the District's receipt of a $2 million state grant to expand recycled water service in the San Ramon Valley. This generated interest from several media outlets. Additionally, there have been several local and regional news stories reporting on the problem of water theft: customers taking water for non-permitted uses from EBMUD hydrants.

NEXT STEPS

Staff will continue to provide a comprehensive monthly status report on the Water Shortage Emergency Action Plan at the first Board meeting of each month and a brief summary highlighting recent activities at the second Board meeting of each month.

ARC:CAF

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: November 20, 2014

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager

FROM: Lynelle M. Lewis, Secretary of the District

SUBJECT: Legislative/Human Resources Committee Minutes – November 12, 2014

Chair Lesa R. McIntosh called to order the Legislative/Human Resources Committee at 9:30 a.m. in the Training Resource Center. Directors John A. Coleman and Frank Mellon were present at roll call. Staff present included: General Manager Alexander R. Coate, General Counsel Jylana Collins, Director of Engineering and Construction Xavier J. Irias, Engineering Manager Jimi Yoloye, Manager of Human Resources Delores A. Turner, Manager of Customer and Community Services Sherri A. Hong, Contract Equity Program Administrator Beverly D. Johnson, Manager of Legislative Affairs Marlaigne K. Dumaine, Special Assistant to the General Manager Cheryl A. Farr, and Secretary of the District Lynelle M. Lewis.

Public Comment. None.

Update on District Values Assessment Project. Mr. Alan Schnur summarized the findings from research that the Schnur Consulting Group led for the purpose of assessing District values from an employee perspective. Phase 1 involved conducting small group interviews with 160 randomly selected District employees. He highlighted the interview findings and the process used to share the findings with senior management, the management team, and union leadership.

In the upcoming phase of the project, senior management and the consultant will present the findings to District employees in meetings held in key District locations between November 21 and December 13, 2014. Subsequently, cross-functional employee teams will continue the work of defining the District's values and determine ways to embed the values into District work processes and employee/workplace culture. To accomplish these tasks, staff will request the Board's authorization to amend the agreement with Schnur Consulting Group to complete the work described. The Board asked questions about the methodology, focus group composition and process. General Manager Coate said that staff would keep the Board apprised of the discussions as the work progresses.

Contract Equity Program (CEP) Annual Report. Contract Equity Program Administrator Beverly D. Johnson presented an overview of the District's contract performance and related staff activities for the year with a comparison to the results for the last five years. FY14 contract awards totaled $143 million with exclusions totaling $27 million. The overall contracting objective was achieved for white men and participation levels for white women and ethnic minorities decreased. The level of small business participation also decreased. It was noted that low-bid requirements and changes in the ownership of firms contributed to these declines in participation. In FY15, staff will continue to focus on possible enhancements to improve participation in the CEP. Director Mellon

urged staff to look at mentoring programs with United Contractors (formerly the Engineering & Utility Contractors Association and the Association of Engineering Construction Employers).

Chabot Dam Seismic Improvement Project – Pilot Project Labor Agreement. Engineering Manager Jimi Yoloye presented information on recent actions to develop "Draft Principles for Negotiation of Pilot Project Labor Agreement (PLA) for the Chabot Dam Project." The pilot PLA concept is for one-time use specific to the Chabot Dam Seismic Improvement Project. Twelve draft principles were developed to serve as the District's basis for negotiating the PLA. Principles 8 and 9 are expected to be the most challenging issues to negotiate: equitable participation by union and non-union contractors, and the contractors' use of "core workers." Staff anticipates clarifying these issues during exploratory meetings with stakeholders in December 2014 and January 2015.

The Committee received correspondence from the Pacific Advocacy Group, the Coalition for Fair Employment in Construction, and the Associated Builders and Contractors-Northern California Chapter regarding the draft principles. There was discussion by the Committee. Director Mellon suggested that one more element be included in the principles: "that the PLA shall not provide for terms or conditions that exceed and/or are less than those provided for in any master labor agreements."

Legislative Report. The Committee recommended that Manager of Legislative Affairs Marlaigne K. Dumaine provide the legislative update to the full Board.

Adjournment. Director McIntosh adjourned the meeting at 10:51 a.m.

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