

MINUTES

Tuesday, April 28, 2015

**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 11:05 a.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, Attorney Derek T. McDonald (Items 1a and 2b); Attorney Xanthe M. Berry (Item 2a); Workers Compensation Manager & Risk Specialist Vladimir Bessarabov (Item 2a); Director of Wastewater Bennett K. Horenstein (Item 2b), Manager of Real Estate Services Stephen J. Boeri (Item 2b), Manager of Real Estate Matt Elawady (Item 2b), Attorney Frederick S. Etheridge (Item 3), Attorney Rachel R. Jones (Item 3), Director of Water and Natural Resources Richard G. Sykes (Item 3); and Manager of Water Supply Improvements Michael T. Tognolini (Item 3).

PUBLIC COMMENT

Addressing the Board were the following persons: 1) James Tillman, resident of Pinole, expressed concerns about broken pipes in Pinole, storm drain overflows, availability of recycled water, and upgrades to the pumping plant. He requested information on pipeline repairs and a schedule of the repair work. President Mellon referred Mr. Tillman to staff.; 2) Mark Foley, President, AFSCME Local 2019; commented that the union had concerns about the proposed staffing plan and urged the District to fill the vacant Water System Inspector position and not attempt to interchange it with a Treatment Plant Specialist because they have different qualifications; and 3) John Briceno, President, AFSCME Local 444, expressed concern about the vacant Water System Inspector position, which is represented by Local 2019, being replaced with a Treatment Plant Specialist which is represented by Local 444.

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 Frank Mellon called to order the Regular Business Meeting of the Board of Directors at 1:21 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.

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 were the following persons: 1) Peter Rosen, President, California Landscape Contract Association of the East Bay, expressed concerns about the environmental impacts of artificial turf and urged the Board not to offer an incentive for installation of artificial turf; and 2) John Briceno, President, AFSCME Local 444, commented that the union had reached an accepted solution to the heating, ventilating, air conditioning and refrigeration (HVAC/R) service contract (Consent Calendar Item 14); however, the memo submitted by staff proposing a newly funded Facility Specialist II position in FY18-19 to perform HVAC work in the Wastewater Department is not the resolution the union is seeking but noted that it is a step in the right direction.

CONSENT CALENDAR

- Items 7 and 17 were removed from the Consent Calendar for discussion.
 - Motion by Director Coleman, seconded by Director Patterson, to approve Items 1-6, 8-16 and 18-19 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. 059-15** – Approved the Special and Regular Meeting Minutes of April 14, 2015.
 2. The following correspondence was filed with the Board: 1) Memorandum dated April 22, 2015, to John M. Briceno, President, AFSCME Local 444 from Bennett K. Horenstein, Director of Wastewater, regarding HVAC/R Contract with Outside Services; 2) Presentation entitled “Automobile and Light Truck Purchases,” dated April 28, 2015; 3) Presentation entitled “Excessive Water Use Penalty Ordinance,” dated April 28, 2015; 4) Presentation entitled “Water Theft Penalty Ordinance,” dated April 28, 2015; 5) Presentation entitled “Critical Drought Action Plan,” dated April 28, 2015; 6) Fact Sheet entitled “EBMUD

Customer Pipeline May-June 2015"; 7) Fact Sheet entitled "City & County Water Use Restrictions & Recommended Guidelines," dated April 28, 2015; 8) Presentation entitled "FY2015 Financing Plan Update," dated April 28, 2015; 9) Memorandum dated April 28, 2015 to Board of Directors from Eric L. Sandler, Director of Finance, regarding the Water and Wastewater Cost of Service Study (report attached dated April 9, 2015); 10) Presentation entitled "2015 Potential Sacramento River Water Transfers," dated April 28, 2015; and 11) Presentation entitled "Water Supply Briefing," dated April 28, 2015.

3. **Motion No. 060-15** – Awarded a contract to the lowest responsive/responsible bidder, Diede Construction, Inc. in the amount of \$4,018,000 for construction of Pardee Recreation Area Recreational Vehicle Park Improvements under Specification 2094.
4. **Motion No. 061-15** – Awarded a contract to the lowest responsive/responsible bidder, Granite Construction Company, in the amount of \$5,583,550 for construction of the San Ramon Valley Recycled Water Pipeline – Bishop Ranch under Specification 2100.
5. **Motion No. 062-15** – Awarded a contract to the lowest responsive/responsible bidder, Manito Construction, Inc., in the amount of \$4,796,400 for construction of the Main Wastewater Treatment Plant Primary Sedimentation Tanks/Influent Channels Rehabilitation, Phase 3 and Aerated Grit Tank Modifications under Specification SD 364.
6. **Motion No. 063-15** – Awarded a contract to the lowest responsive/responsible bidder, Skyler Electric Co., Inc., in the amount of \$209,500 for construction of the Main Wastewater Treatment Plant Administration Building Uninterruptible Power Supply Replacement under Specification SD 371.
7. **Motion No. 073-15** – Authorized agreements for the purchase of automobiles and light trucks with various companies in accordance with the timing and pricing specified in the relevant State of California annual vehicle purchase contracts. This authorization shall remain in effect from May 1, 2015, through April 30, 2020. The estimated aggregate amount is \$12,655,400 for the five-year period.
 - Director Coleman removed Item 7 from the Consent Calendar to ask questions of staff. Operations and Maintenance Department Manager Clifford C. Chan presented information on the vehicle replacement spending from FY08-FY14. He pointed out that due to the age of the fleet and increased maintenance costs, the proposed vehicle replacement will take place over a five-year period.
 - Motion by Director Coleman, seconded by Director Patterson, to approve the recommended action on Item 7, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
8. **Motion No. 064-15** – Authorized renewal of an agreement with AdvanTel, Inc. for one year beginning on or after April 29, 2015 in an amount not to exceed \$28,000 for maintenance of the Contact Center hardware and software solution with one option to renew for an additional one-year period for a total cost of \$56,000. The additional \$56,000 will increase the total cost for AdvanTel's services under the agreement to \$111,708.

9. **Motion No. 065-15** – Authorized an agreement with Bentley Systems, Incorporated in an amount not to exceed \$512,250 for construction document management software services during the period May 12, 2015 to May 11, 2020, with an option to renew for an additional five-year period.
10. **Motion No. 066-15** – Authorized an agreement beginning on or after April 29, 2015 with Carollo Engineers, Incorporated in an amount not to exceed \$3,473,035 for design of the Sobrante and Upper San Leandro Water Treatment Plants Ozone System Improvements Project and for design services during construction of the project.
11. **Motion No. 067-15** – Authorized an amendment to the existing agreement with GHD, Inc. for an additional amount not to exceed \$260,000, increasing the total agreement not to exceed amount to \$409,827, to provide detailed design services and engineering services during construction of upgrades to the communication systems at the Main Wastewater Treatment Plant during the period March 2015 to December 2016.
12. **Motion No. 068-15** – Authorized an agreement with Panorama Environmental, Inc. in an amount not to exceed \$606,108 to prepare an Environmental Impact Report for the Alameda-North Bay Farm Island Pipeline Crossings Project, pursuant to the California Environmental Quality Act.
13. **Motion No. 069-15** – Authorized the sole source purchase of calcium thiosulfate under the brand name “Captor” from Pacific Coast Chemicals for an estimated amount of \$425,000, for the period May 1, 2015 to October 31, 2015.
14. **Motion No. 070-15** – Authorized agreements with the following vendors: Airflow Specialists; American Air Conditioning Co.; Comfort Air Mechanical Systems; Emcor Service; Honeywell, Inc.; Matrix Hg Inc.; Syserco, Inc.; and Temperature Technology, Inc. to provide heating, ventilation, air conditioning, refrigeration, and related services for an estimated total annual amount of \$540,000 for the period April 29, 2015 through April 28, 2017, with three options to extend for additional one-year periods with an estimated annual amount of \$450,000 for a total five-year cost of \$2,430,000. Also authorized additional agreements with companies that meet District standards and offer pricing at or below the range described in the current proposed agreements to increase flexibility and ensure vendor availability pursuant to this recommendation.
15. **Motion No. 071-15** – Authorized an agreement beginning on or after April 29, 2015, with the following vendors: Eyeball Engineering, Ferguson Welding Services, T.A.Z. Welding & Fabrication, Lynn Lefevre Welding, Mid Mountain Mechanical, Larson Welding, Nicole Welding, and NorCal Welding, in an amount not to exceed \$86,000 annually, for the rental of fully maintained and operated portable welding services at locations throughout the District’s service area for two years with three options to renew for an additional one-year period for a total cost of \$430,000. Also authorized additional agreements with companies that meet District standards and offer pricing at or below the range described in the current contracts to increase the flexibility and ensure vendor availability pursuant to this recommendation. Vendors will be rotated based on need and availability. If additional vendors are added under this authorization, the Board of Directors will be notified by means of the monthly report to the General Manager.

16. **Motion No. 072-15** – Approved the Water Supply Assessment requested by the Lawrence Berkeley National Laboratory (LBNL) for LBNL's proposed future development and operations pursuant to California Water Code, Sections 10910-10915.
17. **Resolution No. 34029-15** – Adopting Revised Policy 1.03, Contract Equity Program, Revised Policy 1.04, Contractors' Compliance With Equal Employment Opportunity.
 - General Manager Coate reported that only two policies (1.03 and 1.04) were being presented for consideration at today's meeting, and staff was pulling the proposed new policy on Social Media for further review.
 - Motion by Director Katz, seconded by Director Patterson, to approve Policies 1.03 and 1.04, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
18. **Resolution No. 34027-15** – Adopting Revised Policy 4.07, "Investment Policy."
19. **Resolution No. 34028-15** – Revise District Salary Ranges, Salaries And Wage Rates. (Approved the third year general salary increase of 2.7% effective April 20, 2015.)

PUBLIC HEARING

20. **Public Hearing on the Second Reading and Adoption of the Excessive Water Use Penalty Ordinance.**

President Mellon opened the public hearing at 2:33 p.m.

Manager of Customer and Community Services Sherri A. Hong presented a summary of the proposed Excessive Water Use Penalty Ordinance. She said that the purpose of the Ordinance is to prohibit excessive water use when the Board has declared a Stage 3 or Stage 4 drought and to authorize the District to impose a financial penalty on customers who disregard the mandate to conserve water during the drought water shortage conditions. At the first reading on April 14, 2015, the Board voted to lower the penalty threshold during Stage 4 drought from forty-five (45) hundred cubic feet (CCF) per month to forty (40) CCF per month to further encourage water conservation during serious water shortage conditions. The second reading of the Ordinance incorporates this revision, as well as a revision to the definition of "CCF" to provide an equivalent in gallons to better reflect water use from the customer's perspective, as recommended in public comment. "CCF" means one hundred cubic feet. EBMUD bills for water use are based on units, with each unit equaling one (1) CCF. Each unit equals 748 gallons.

In adopting the Ordinance, the Board finds and determines that during an advanced stage of a water shortage when a Stage 3 or 4 drought has been declared, it is necessary and appropriate for the District to adopt, implement, and enforce an Excessive Water Use Penalty Ordinance to reduce the quantity of water used by single-family residential customers within the District to ensure that there is sufficient water for human consumption, sanitation, and fire protection.

The District further finds that the use of water beyond the restrictions on excessive water use contained in the Ordinance represent unreasonable and wasteful use in an advanced drought stage and that imposing an administrative penalty for excessive water use is appropriate and reasonable and may be used by the District to conserve the water supply for the greatest public benefit.

Ms. Hong reported that if approved, the Ordinance as presented in this second reading will take effect 30 calendar days after adoption by the Board of Directors. In addition, the Water Code requires that within ten (10) days of its adoption, the Ordinance be published in full in a newspaper of general circulation in the District's service area. To allow sufficient time for customer education and outreach, any applicable penalty charges will be reflected in customer bills beginning September 1, 2015, and will apply to water use in July and August 2015. Customer outreach will include a notification in customer bills to inform them of the new Ordinance and a targeted courtesy letter to those customers who may be subject to a penalty based on their current water usage, advising them of the need to reduce their use to avoid a penalty.

There was Board comment and discussion. The Board requested that staff provide the following information: 1) Report, by city, on the number of customers receiving excessive use warning letters along with a sample letter; and 2) Monthly updates, by city, on the number of customers receiving excessive use charges.

President Mellon closed the public hearing at 2:57 pm.

DETERMINATION AND DISCUSSION

21. Second Reading and Adoption of the Excessive Water Use Penalty Ordinance For Drought Stages 3 and 4 to Provide the District with Authority to Impose Administrative Penalties on Single-Family Residential Customers Who Use Water in Excess of the Water Use Restrictions Set Forth in the Ordinance When the District Has Declared a Stage 3 or a Stage 4 Water Shortage/Drought.

- Motion by Director Linney, seconded by Director McIntosh, to approve recommended action on Item 21, carried (6-1) by the following voice vote: AYES (Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (Coleman); ABSTAIN (None); ABSENT (None).

Ordinance No. 364-15 – Excessive Water Use Penalty Ordinance For Drought Stages 3 and 4.

22. Second Reading, and Adopt the Water Theft Penalty Ordinance to Provide the District with Authority to Impose Administrative Penalties on Any Person Who Engages in Water Theft, Including the Unauthorized Use of Water From a Public Fire Hydrant or Other Facilities, as Set Forth in the Ordinance.

Manager of Customer and Community Services Sherri A. Hong presented a summary of the Water Theft Penalty Ordinance. She reported that the purpose of the Ordinance is to

provide the District with authority to impose administrative penalties on any person who engages in water theft, including the unauthorized use of water from a public fire hydrant or other facilities, as set forth in the Ordinance. At the first reading on April 14, 2015, the Board recommended increasing the penalties imposed by the Ordinance for the first and second violations to reflect the seriousness of the offense and to protect the District's water supply. Specifically, the Board proposed increasing the penalty for the first violation from \$500 to \$1,000, and increasing the penalty for the second violation within a twelve-month period from \$1,000 to \$2,000. No change was proposed for the \$3,000 penalty for the third violation within a twelve-month period. These recommendations have been incorporated into the Ordinance and are being presented for the second reading of the Ordinance.

Additionally, the Board recommended that the Ordinance should prohibit any person who has committed three violations of the Ordinance within a twelve-month period from obtaining a District hydrant meter permit. The Ordinance incorporates this proposal by including a three (3) year ban on hydrant meter use by any hydrant meter customer who violates the Ordinance three times within a twelve-month period. Corresponding changes were made to the appeals process in Section 4 of the Ordinance to allow anyone who is subject to a three-year ban the opportunity to appeal the ban, as required by due process principles. By adopting the Ordinance, the Board is acknowledging that water theft, including the unauthorized use of water: (1) is strictly prohibited, (2) may be reported to the appropriate prosecuting agency and recommended for prosecution pursuant to the penal code, (3) may subject the violator to an administrative penalty and other charges and remedies as outlined in the Ordinance, (4) may ban the person(s) from the issuance and use of a hydrant meter for a three-year period, and (5) results in the loss of water, which is unacceptable especially during periods of a declared water shortage emergency.

If approved, the Ordinance as presented in this second reading will take effect 30 calendar days after adoption by the Board of Directors. In addition, the Municipal Utility District Act requires that within fifteen (15) calendar days of its adoption, a summary of the Ordinance be published once a week for two successive weeks in a newspaper of general circulation published in the District's service area. There was Board discussion and the Board urged staff to conduct public outreach efforts to educate customers on the provisions of the Ordinance.

- Motion by Director Coleman, seconded by Director Patterson, to approve recommended action on Item 22, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).

Ordinance No. 365-15 – Water Theft Penalty Ordinance.

23. **Approve a Critical Drought Action Plan in Accordance with District Policy 9.03 (Water Supply Availability and Deficiency) to Guide Public Outreach in Support of District Regulation 28 (Water Use During Water Shortage Emergency Condition) and to Support Public Education on Statewide Mandatory Restrictions On Outdoor Water Use Pursuant to Regulations Adopted by the State Water Resources Control Board under California Water Code Section 1058.5.**

Assistant General Manager Cheryl A. Farr presented a summary of the recommended actions to approve a Critical Drought Action Plan in accordance with District Policy 9.03 (Water Supply Availability and Deficiency) to guide public outreach in support of District Regulation 28 (Water Use During Water Shortage Emergency Condition) and to support public education on statewide mandatory restrictions on outdoor water use pursuant to regulations adopted by the State Water Resources Control Board under California Water Code Section 1058.5.

Ms. Farr reported that on April 14, 2015, the EBMUD Board of Directors adopted revised drought management program guidelines, conducted a public hearing to declare a continuation of a water shortage emergency and declared a Stage 4 Critical Drought. While District Policy 9.03 establishes a maximum District-wide water use reduction goal of 15 percent, the revised drought management program guidelines define the need to exceed that goal in the current situation (an extreme drought of unknown duration generating statewide impacts as well as uncertainties regarding the availability of supplemental supplies to EBMUD). After considering these factors, the Board established a goal of saving 20 percent throughout the service area in 2015 compared to 2013 and adopted revisions to a District regulation, Water Use during Water Shortage Emergency Condition - Section 28. To guide District outreach activities and conservation services in support of the 20 percent District-wide goal, staff is recommending the adoption of a Critical Drought Action Plan to replace the Water Shortage Emergency Action Plan that the Board previously adopted. The new plan will support implementation of Section 28 and includes actions to comply with the State Water Resources Control Board's regulations.

Key changes from previous action plans are: 1) expanding outreach efforts by using robocalls and social media, investing more in advertising and community sponsorships, and participating in more community events and workshops. These activities will supplement ongoing efforts that include outreach to key stakeholders, website information, media, and communication through the bill inserts; and 2) expanding conservation programs by broadening incentives (rebate programs), conducting more audience-specific outreach on new drought restrictions, strengthening collaboration with public agencies on conservation efforts, opening a WaterSmart Drought Center at the Administration Building and expanding Home Water Reports to all 326,000 single-family residential customers as an opt-in email service.

There was considerable Board discussion regarding the most effective methods for providing customer information (i.e. robocalls versus direct mail; District publications, advertising, etc.). There was consensus on implementing the Plan with the following additional direction to staff: 1) add a mailer to all customers (including non-bill payer households) about the drought rules and restrictions; 2) include social media in advertising plans; 3) continue to

report outreach by customer class; and 4) put drought bumper stickers on all District vehicles and provide stickers for Board member's use.

Manager of Customer and Community Services Sherri A. Hong presented a summary of conservation outreach and drought response conservation strategies. These included education and outreach, water management, conservation incentives, regulations and legislation, supply side conservation, and research and development. There was discussion about artificial turf replacement as a conservation incentive. Ms. Hong noted that staff proposed doing a pilot of this incentive. The Board urged staff to include large rental companies (i.e. Oakland Housing Authority) in its outreach efforts and to develop clear, measurable targets for rebates.

- Addressing the Board was Peter Rosen, President, California Landscape Contract Association of the East Bay, who commented that there needs to be clear guidance to the public about outdoor watering. He also commented that the cost of artificial turf replacement is not a good conservation incentive.
- Motion by Director Young, seconded by Director Patterson, to approve recommended action for Item 23, 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. 074-15 – Approved a Critical Drought Action Plan in accordance with District Policy 9.03 (Water Supply Availability and Deficiency) to guide public outreach in support of District Regulation 28 (Water Use During Water Shortage Emergency Condition) and to support public education on statewide mandatory restrictions on outdoor water use pursuant to regulations adopted by the State Water Resources Control Board under California Water Code Section 1058.5.

24. Approve Proposed Guidance for Issuing Green Bonds.

Finance/Administration Committee Chair William B. Patterson announced that the Committee unanimously approved the staff recommendations for Items 24-28. Director of Finance Eric L. Sandler presented an overview of proposed Guidance for Issuing Green Bonds. He pointed out that there is no legal distinction between Green Bonds and traditional municipal bonds. The proposed Guidance for Issuing Green Bonds is intended to both help staff select appropriate projects for Green Bond funding and comply with the Principles' recommendation. The Principles recommend that issuers should report on the use of Green Bond proceeds, detailing wherever possible the specific project and the dollars invested in the project. Accordingly, the Guidance suggests that the District identify projects funded through Green Bonds in the annual sustainability report to the Board.

- Motion by Director Patterson, seconded by Director Young to approve recommended action, 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. 075-15 – Approved Proposed Guidance for Issuing Green Bonds.

25. Declare Intention to Authorize the Issuance of up to \$653 million of Additional Water System Revenue Bonds Payable Solely from Revenues and Direct Publication of the Attendant Resolution.

Director of Finance Eric L. Sandler presented a summary of the recommended action.

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

Resolution No. 34031-15 – Declaring The Intention Of The Board Of Directors Of East Bay Municipal Utility District To Authorize The Issuance Of Water Bonds Payable Solely From Revenues And Directing The Publication Of This Resolution.

26. Authorize Successive Issues of Short-Term Indebtedness Payable Solely From Revenues, as Set Forth in Chapter 7.5 of the Municipal Utility District Act, for An Additional Seven Years and Direct Publication of Attendant Resolution.

Director of Finance Eric L. Sandler presented a summary of the recommended action.

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

Resolution No. 34032-15 – Declaring The Intention Of The Board Of Directors Of East Bay Municipal District To Authorize Successive Issues Of Short-Term Indebtedness Payable Solely From Revenues And Directing The Publication Of This Resolution.

27. Authorize Amendment and Extension of U.S. Bank Liquidity Facility for Water Series 2008A-2 and 2008A-3.

Director of Finance Eric L. Sandler presented a summary of the recommended action. He pointed out that the amended agreement would lower fees, extend expiration by three years, and provide an annual savings of \$48,933.

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

Resolution No. 34033-15 – Authorizing The Execution Of A First Amendment To Standby Bond Purchase Agreement And Related Amended And Restated Fee Agreement And Other Matters In Connection Therewith.

28. Authorize and Approve the Issuance of Not to Exceed \$220,000,000 Aggregate Principal Amount of EBMUD Water System Revenue Bonds, Series 2015B and Series 2015C, and Approve the Form and Authorize the Execution of Certain Documents, Including a Supplemental Indenture, in Connection With the Issuance, Securing and Sale of Such Bonds.

Director of Finance Eric L. Sandler reviewed the recommendation to authorize and approve the issuance of Water System Revenue Bonds, Series 2015B and Series 2015C, and approve the form and authorize the execution of certain documents in connection with the issuance, securing and sale of such bonds. The bonds are scheduled to be sold in June 2015. The proposed bonds will fund Water System capital improvements and pay for costs of issuance of the bonds.

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

Resolution No. 34034-15 – Authorize And Approve The Issuance Of Not To Exceed \$220 Million Aggregate Principal Amount Of East Bay Municipal Utility District Water System Revenue Bonds, Series 2015 In One Or More Series; Approve The Form, And Authorize The Execution, Of Certain Documents In Connection With The Issuance, Securing And Sale Of Such Bonds; And Approve Certain Actions Relating Thereto.

29. Approve Transfers from Sacramento River Settlement Contractors and Authorize One-Year Water Purchase and Forbearance Agreements

Manager of Water Supply Improvements Michael T. Tognolini presented an overview of the proposed 2015 Sacramento River water transfers along with the recommended actions to: 1) Adopt findings and a mitigation monitoring and reporting program as a responsible agency under the California Environmental Quality Act (CEQA), find proposed water transfers between East Bay Municipal Utility District (EBMUD) and Sycamore Mutual Water Company (Sycamore), Reclamation District 1004 (RD 1004), and Glenn-Colusa Irrigation District (GCID) exempt from the requirements of CEQA, and approve the proposed transfers; 2) Authorize the negotiation and execution of one-year water purchase and sale agreements, and 3) Authorize the negotiation and execution of companion Forbearance Agreements with each Seller and Reclamation to set forth the terms and conditions under which Reclamation will facilitate making water available for transfer in 2015.

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

Resolution No. 34030-15 – Adopting Findings And A Mitigation Monitoring And Reporting Program As A Responsible Agency Under CEQA, Finding Proposed Water Transfers Between East Bay Municipal Utility District And Sycamore Mutual Water Company, Reclamation District 1004, And Glenn-Colusa Irrigation District Exemption From

The Requirements Of CEQA, Approving The Proposed Transfers, And Authorizing
Negotiation And Execution Of Related Agreements.

30. **General Manager's Report.**

Operations and Maintenance Department Manager Eileen M. White presented the water supply update. She reported that the Mokelumne watershed received 1.8 inches of precipitation this past weekend, but water storage levels remained at critical levels. Total system storage is 398,380 acre feet (AF), which is 52% of total capacity. Total Water Year 2015 (WY15) runoff is projected to be 200 to 230 thousand acre feet (TAF) and total system storage is projected to be between 320 to 330 TAF. Next Ms. White presented an overview of the District's efforts to manage the drought including customer demand savings and the startup of the Freeport Regional Water Project.

REPORTS AND DIRECTOR COMMENTS

31. **Committee Reports.**

- Filed with the Board were the Minutes of the April 14, 2015 Planning and Legislative/ Human Resources Committees.

32. **Director Comments.**

Director Coleman reported attending/participating in the following events: CNBC Radio interview on April 14 in Oakland; drought presentation to the San Ramon City Council on April 14; ACWA Executive Committee teleconference meeting on April 20 in Oakland; KGO Radio interview regarding the drought on April 21 in Richmond; drought update presentation to the Walnut Creek City Council on April 21; Upper Mokelumne River Water Authority Board meeting on April 24 at Pardee Reservoir; ACWA teleconference meeting on April 24; ACWA teleconference meeting regarding drought panel on April 27 in Oakland; EBMUD/Dublin San Ramon Water Authority Board meeting on April 27 in Dublin; and ACWA Executive Committee teleconference meeting on April 28 in Oakland. He reported on plans to attend/participate in the following upcoming events: Meeting to discuss drought restrictions on April 29 in Lafayette; drought update presentation on April 30 in Danville; drought update presentation on April 30 in Orinda; ACWA 2015 Spring Conference from May 4-8 in Sacramento; Mokelumne Art Show on May 9 at Pardee Reservoir; ACWA Executive Committee teleconference meeting on May 11 in Oakland; and drought update presentation on May 11 in Danville.

- Director Katz reported attending/participating in the following events: meeting with Mayor Ruth Atkins on March 30 at Emeryville City Hall; meeting with Mayor Peter Maass on April 8 at Albany City Hall; and an Earth Day event on April 18 at El Cerrito Community Center.
- Director Linney thanked staff for their work on addressing the drought.
- Director McIntosh reported attending the Contra Costa County Special Districts meeting on April 20 in Martinez.
- Director Patterson reported the African American Water Leadership Coalition will be honoring

him with its 2015 Legacy Award on May 5 in Sacramento and that his high school in Little Rock, Arkansas will be honoring in later in the year.

- Director Young reported attending/participating in the following events: Testimony at Oakland City Council regarding the Food Waste to Energy Contract on April 21; meeting with several members of the Oakland City Council on April 27; submitted an article for publication in the *Bay Area Reporter*; and met with a representatives of City Sourced regarding an "application" developer who has a product to report water waste. She announced that the Pride Month events would kick off on June 4.
- President Mellon reported participating in the EBMUD booth at the San Lorenzo Homeowners Association plant faire on April 25 and the EBMUD/Dublin San Ramon Water Authority Board meeting on April 27 in Dublin.

ADJOURNMENT

President Mellon adjourned the meeting at 3:51 p.m.

SUBMITTED BY:


Lynelle M. Lewis, Secretary of the District

APPROVED: May 12, 2015


Frank Mellon, President of the Board

