



**BOARD OF DIRECTORS  
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA  
Tuesday, April 26, 2016**

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

**ROLL CALL:**

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

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

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

**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 11 recommendations, including 3 resolutions.)

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

**DETERMINATION AND DISCUSSION:**

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

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

**REPORTS AND DIRECTOR COMMENTS:**

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

**ADJOURNMENT:**

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

**Disability Notice**

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

**Document Availability**

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

## BOARD CALENDAR

Date	Meeting	Time/Location	Topics
<b>Tuesday, April 26</b>	<b>Sustainability/Energy Committee</b> Katz {Chair}; Linney; and Young	9:15 a.m. Training Resource Center	<ul style="list-style-type: none"> <li>• Port of Oakland Power Purchase Agreement Update</li> <li>• Compressed Renewable Natural Gas Project Update</li> <li>• Evaluating the Triple Bottom Line in BD1 Memos</li> </ul>
	<b>Finance/Administration Committee</b> Coleman {Chair}, Katz, Patterson	10:00 a.m. Training Resource Center	<ul style="list-style-type: none"> <li>• Review of Revisions to District Policies</li> <li>• Investment Policy Annual Review</li> <li>• Financial Quarterly Reports</li> <li>• Water Revenue Consumption Audit</li> </ul>
	<b>Board of Directors</b>	11:00 a.m. 1:15 p.m.	<ul style="list-style-type: none"> <li>• Closed Session</li> <li>• Regular Meeting</li> </ul>
<b>Tuesday, May 10</b>	<b>Planning Committee</b> Linney {Chair}, McIntosh, Young		<i>Cancelled</i>
	<b>Legislative/Human Resources Committee</b> Patterson {Chair}, Coleman, Young	9:00 a.m. Training Resource Center	
	<b>Water Conservation Workshop</b>	9:30 a.m. Training Resource Center	
	<b>Board of Directors</b>	11:00 a.m. 1:15 p.m.	
<b>Tuesday, May 24</b>	<b>Finance/Administration Committee</b> Coleman {Chair}, Katz, Patterson	10:00 a.m. Training Resource Center	<ul style="list-style-type: none"> <li>• Closed Session</li> <li>• Regular Meeting</li> </ul>
	<b>Board of Directors</b>	11:00 a.m. 1:15 p.m.	
<b>Monday, May 30</b>	<b>Memorial Day Holiday</b>		<i>District Offices Closed</i>

**MINUTES**

**Tuesday, April 12, 2016**

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

**Regular Closed Session Meeting**

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

**ROLL CALL**

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

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

**PUBLIC COMMENT**

There was no public comment.

**ANNOUNCEMENT OF CLOSED SESSION AGENDA**

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

**Regular Business Meeting**

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

**ROLL CALL**

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

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

## **BOARD OF DIRECTORS**

President Mellon led the Pledge of Allegiance.

## **ANNOUNCEMENTS FROM CLOSED SESSION**

There were no announcements required from closed session.

## **PUBLIC COMMENT**

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

## **CONSENT CALENDAR**

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

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

#### **DETERMINATION AND DISCUSSION**

#### **8. Legislative Update.**

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

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

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

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

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

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

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

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



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

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

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

## **REPORTS AND DIRECTOR COMMENTS**

### **10. Committee Reports.**

There were no committee reports.

### **11. Other Items for Future Consideration.**

- Past Drought Recovery Information.

### **12. Director Comments.**

- Director Coleman reported attending/participating in the following events: Water Advisory Council meeting with Assemblywoman Catharine Baker on March 24 in San Ramon; ACWA Executive Board and Board of Directors meetings on March 25 in Sacramento; East Bay Council Environment and Water Task Force meeting on April 1 in Walnut Creek; and ACWA

teleconference meeting on April 6 in Oakland. He reported on plans to attend/participate in the following upcoming events: Las Aguilas de Diablo Dinner on April 14 in Moraga; Oakland Strokes meeting on April 18 in Oakland; ACWA teleconference meeting on April 18 in Oakland; and ACWA teleconference meeting on April 25 in Oakland.

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

## **ADJOURNMENT**

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

SUBMITTED BY:

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Lynelle M. Lewis, Secretary of the District

APPROVED: April 26, 2016

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Frank Mellon, President of the Board



AGENDA NO.  
MEETING DATE

3.  
April 26, 2016

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

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

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

**SUMMARY**

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

**VENDOR SELECTION**

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

**CONTRACT EQUITY PROGRAM EFFORTS**

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

**FISCAL IMPACT**

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

Funds Available: FY16/17		Budget Code: WSO/778/1004851/5361
DEPARTMENT SUBMITTING  Finance	DEPARTMENT MANAGER or DIRECTOR   Sophia D. Skoda	APPROVED   General Manager

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

Liquid Oxygen Supply and System Maintenance at Upper San Leandro Reservoir  
April 26, 2016  
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## **ALTERNATIVES**

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

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

### **Attachments**

P-035 – Contract Equity Program Summary

P-061 – Affirmative Action Summary

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



## CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

<b>TITLE</b> <b>Materials &amp; Supplies</b> Liquid Oxygen (LOX) Supply and System Maintenance at Upper San Leandro Reservoir						<b>DATE:</b> April 12, 2016						
<b>CONTRACTOR:</b>				<b>PERCENTAGE OF CONTRACT DOLLARS</b>								
Air Liquide Industrial Countryside, IL				<b>Availability Group</b>				<b>Contracting Objectives</b>		<b>Participation</b>		
<b>BID/PROPOSER'S PRICE:</b>		<b>FIRM'S OWNERSHIP</b>		White Men				25%		100.0%		
\$250,000		Ethnicity	Gender	White Women				2%		0.0%		
		White	Male	Ethnic Minorities				25%		0.0%		
<b>CONTRACT EQUITY PARTICIPATION</b>												
<b>COMPANY NAME</b>		<b>ESTIMATED AMOUNT</b>	<b>ETHNICITY</b>	<b>GENDER</b>		<b>CONTRACTING PARTICIPATION</b>						
				M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
<b>PRIME:</b> Air Liquide Industrial		\$250,000	White	X		100.0%	--	--	--	--	--	--
<b>SUBS:</b> None						--	--	--	--	--	--	--
<b>TOTAL</b>		\$250,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>												
		<b>White Men</b>		<b>White Women</b>		<b>Ethnic Minorities</b>		<b>Total Employees</b>				
<b>No. of Employees:</b>		11		2		10		23				
<b>Percent of Total Employees:</b>		47.8%		8.7%		43.5%						
<b>MSA Labor Market %:</b>		32.3%		27.8%		39.9%						
<b>MSA Labor Market Location:</b>		9 Bay Area Counties										
<b>COMMENTS</b>												
<i>Contract Equity Participation</i> - Zero Contract Equity participation since firm is a publicly held corporation and no subcontract opportunities exist.												
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>				
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: <b>Liquid Oxygen (LOX) Supply and System Maintenance at Upper San Leandro Reservoir</b>		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
<b>Materials &amp; Supplies Award</b>		DATE: 4/12/2016	National	10.5	10.7	3.7	0.7	27.3	
			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	PHC	Company Wide	5	5	-	-	10	43.5%	Insert %
Air Liquide Industrial Amy Waszszak 5220 East Avenue Countryside, IL 60525  708-579-7977		Manager/Prof					0	0.0%	
		Technical/Sales					-	NA	
		Clerical/Skilled		1			1	25.0%	
		Semi/Unskilled	5	4			9	50.0%	
		Bay Area	-	-	-	-	0	0.0%	
		AA Plan on File: NA	Date of last contract with District: Insert Date						
		Co. Wide MSA: Insert MSA	# Employees-Co. Wide: 23		Bay Area: 33				
P	Foreign-Owned	Company Wide							
Matheson Tri-Gas  150 Allen Road Basking Ridge, NJ 07920  209-495-7762		Manager/Prof	INFORMATION NOT PROVIDED						
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA: Insert MSA	# Employees-Co. Wide: 0		Bay Area: 33				
P	WM-SBE	Company Wide	-	2	-	-	2	100.0%	Insert %
Alliance Welding Supplies, Inc. Marvin Rodgers 140 S. Montgomery St. San Jose, CA 95110  510-533-9353		Manager/Prof		2				40.0%	
		Technical/Sales					NA		
		Clerical/Skilled					0.0%		
		Semi/Unskilled					0.0%		
		Bay Area	-	-	-	-	0	0.0%	
		Co. Wide MSA: Insert MSA	# Employees-Co. Wide: 33		Bay Area: 33				

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



AGENDA NO. 4.  
 MEETING DATE April 26, 2016

TITLE SOFTWARE DEVELOPMENT & PROJECT MANAGEMENT TRAINING

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

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

**SUMMARY**

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

**DISCUSSION**

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

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

**VENDOR SELECTION**

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

Funds Available: FY16/17		Budget Code: WSO/251/8523/5231
DEPARTMENT SUBMITTING  Information Systems	DEPARTMENT MANAGER or DIRECTOR   Nicholas J. Irias	APPROVED   General Manager

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

## **CONTRACT EQUITY PROGRAM EFFORTS**

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

## **FISCAL IMPACT**

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

## **ALTERNATIVES**

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

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

## **Attachments**

P-035 – Contract Equity Program Summary

P-061 – Affirmative Action Summary





## CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

<b>TITLE</b> <i>Professional Services Agreement</i> Software Development & Project Management Training						<b>DATE:</b> April 8, 2016							
<b>CONTRACTOR:</b> Construx Software Builders, Inc. Bellevue, WA 98004				Direct Award/Small Business		<b>PERCENTAGE OF CONTRACT DOLLARS</b>							
<b>BID/PROPOSER'S PRICE:</b> \$90,000		<b>FIRM'S OWNERSHIP</b> Ethnicity: White      Gender: Men		Availability Group: White Men		Contracting Objectives: 25%		Participation: 100.0%		White Women: 6%      Participation: 0.0%		Ethnic Minorities: 25%      Participation: 0.0%	
<b>CONTRACT EQUITY PARTICIPATION</b>													
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		
<b>PRIME:</b> Construx Software Builders, Inc.	\$90,000	White	X		100.0%	---	---	---	---	---	---	---	
<b>SUBS:</b> None					---	---	---	---	---	---	---	---	
<b>TOTAL</b>		\$90,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>													
			White Men		White Women		Ethnic Minorities		Total Employees				
No. of Employees:			5		10		3		18				
Percent of Total Employees:			27.8%		55.6%		16.7%						
MSA Labor Market %:			43.6%		37.6%		18.8%						
MSA Labor Market Location:			Washington										
<b>COMMENTS</b>													
<i>Contract Equity Participation - 100.0% White Men participation.</i>													
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>					
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:		Ethnic Minority Percentages From U.S. Census Data								
Software Development & Project Management Training				B	H	A/PI	AI/AN	TOTAL		
		National		10.5	10.7	3.7	0.7	27.3		
		9 Bay Area Counties		5.5	16.2	14.2	0.4	39.9		
Professional Services Agreement		DATE:	Alameda/CC Counties		10.7	15.6	15.4	0.5	46.2	
R=Recommnd P=Prime S=Sub	Composition of Ownership	4/8/2016		Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
RP	WM: SBE	Company Wide		0	1	0	0	1	5.6%	18.8%
Construx Software Builders, Inc. Mark Nygren 10900 NE 8th Street, Suite 1350 Bellevue, WA 98004 425-636-0117		Manager/Prof		0	1	0	0	1	7.7%	
		Technical/Sales		0	0	0	0	0	0.0%	
		Clerical/Skilled		0	0	0	0	0	0.0%	
		Semi/Unskilled		0	0	0	0	0	NA	
		Bay Area		0	0	0	0	0	0.0%	39.9%
AA Plan on File:		NA		Date of last contract with District:		10/1/2014				
Co. Wide MSA:		Washington		# Employees-Co. Wide:		18		Bay Area: 0		

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



AGENDA NO.  
MEETING DATE

5.  
April 26, 2016

**TITLE BUILDING INFORMATION MANAGEMENT (BIM) SUPPORT SERVICES FOR THE HAPPY VALLEY AND SUNNYSIDE PUMPING PLANTS PROJECT**

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

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

**SUMMARY**

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

**DISCUSSION**

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

Funds Available: FY16-17; CIP #2003498; Page 52		Budget Code: WSC\570\7999\2010211:02
DEPARTMENT SUBMITTING Engineering and Construction	DEPARTMENT MANAGER or DIRECTOR  Xavier J. Irias	APPROVED  General Manager

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

## **CONSULTANT SELECTION**

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

## **CONTRACT EQUITY PROGRAM EFFORTS**

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

## **FISCAL IMPACT**

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

## **UNION NOTIFICATION**

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

## **ALTERNATIVES**

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

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

## **Attachments**

P-035 – Contract Equity Program Summary

P-061 – Affirmative Action Summary



# CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

<b>TITLE</b> <b>Professional Services Agreement</b> Building Information Management (BIM) Support Services for Happy Valley and Sunnyside Pumping Plant	<b>DATE:</b> <p style="text-align: center; font-size: 1.2em;">March 25, 2016</p>
---	---

CONTRACTOR:		PERCENTAGE OF CONTRACT DOLLARS		
Microdesk, Inc. Nashua, NH		Availability Group	Contracting Objectives	Participation
BID/PROPOSER'S PRICE:	FIRM'S OWNERSHIP		White Men	25%
	Ethnicity	Gender	White Women	6%
\$164,824 *	White	Men	Ethnic Minorities	25%
				100.0%
				0.0%
				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
<b>PRIME:</b> Microdesk, Inc.	\$164,824	White	X		100.0%	---	---	---	---	---	---
<b>SUBS:</b> None					---	---	---	---	---	---	---
					---	---	---	---	---	---	---
					---	---	---	---	---	---	---
					---	---	---	---	---	---	---
					---	---	---	---	---	---	---
<b>TOTAL</b>	\$164,824				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)				
	White Men	White Women	Ethnic Minorities	Total Employees
<b>No. of Employees:</b>	70	34	27	131
<b>Percent of Total Employees:</b>	53.4%	26.0%	20.6%	
<b>MSA Labor Market %:</b>	39.0%	33.7%	27.3%	
<b>MSA Labor Market Location:</b>	Total USA			

COMMENTS

*Contract Equity Participation - 100.0% White Men participation*

\*Total Not to Exceed \$164,824

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: <b>Building Information Management (BIM) Support Services for Happy Valley and Sunnyside Pumping Plant</b>		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		
<b>Professional Services Agreement</b>		DATE: 3/25/2016	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	<b>Number of Ethnic Minority Employees</b>							
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WM	Company Wide	6	6	14	0	26	19.8%	27.3%
Microdesk, Inc. Jody Reynolds 10 Tam Blvd. Nashua, NH 03062  800-336-3375		Manager/Prof	5	5	11	0	21	19.6%	
		Technical/Sales	1	1	2	0	4	20.0%	
		Clerical/Skilled	0	0	1	0	1	25.0%	
		Semi/Unskilled	0	0	0	0	-	NA	
		Bay Area	-	-	1	-	1	16.7%	
		AA Plan on File:	NA		Date of last contract with District:		NA		
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		131	Bay Area:	6
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:				
P	WM: L/SBE	Company Wide	1	1	3	0	5	21.7%	48.4%
CAD Masters, Inc. Michelle Self 1111 Civic Drive #130 Walnut Creek, CA 94596  925-939-1378		Manager/Prof	0	1	3	0	4	33.3%	
		Technical/Sales	1	0	0	0	1	10.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	NA	
		Bay Area	1	1	3	0	5	23.8%	
		Co. Wide MSA:	California		# Employees-Co. Wide:		23	Bay Area:	21
P	WM	Company Wide	1	0	3	0	4	8.5%	27.3%
IDEATE Robert P. Palioca 44 Montgomery Street, #1000 San Francisco, CA 94104  888-662-7238		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	1	0	3	0	4	12.5%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	NA	
		Bay Area	1	0	3	0	4	20.0%	
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		47	Bay Area:	20
		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)



AGENDA NO. 6.  
 MEETING DATE April 26, 2016

TITLE LELAND RESERVOIR REPLACEMENT PROJECT

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

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

**SUMMARY**

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

**DISCUSSION**

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

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

Funds Available: FY16-17; CIP 2001451; Page 23		Budget Code: WSC 522/2010507:13/5231
DEPARTMENT SUBMITTING <u>Engineering and Construction</u>	DEPARTMENT MANAGER or DIRECTOR  Xavier J. Irias	APPROVED  General Manager

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

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

## **CONSULTANT SELECTION**

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

## **CONTRACT EQUITY PROGRAM EFFORTS**

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

## **FISCAL IMPACT**

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

## **UNION NOTIFICATION**

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

## **ALTERNATIVES**

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

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

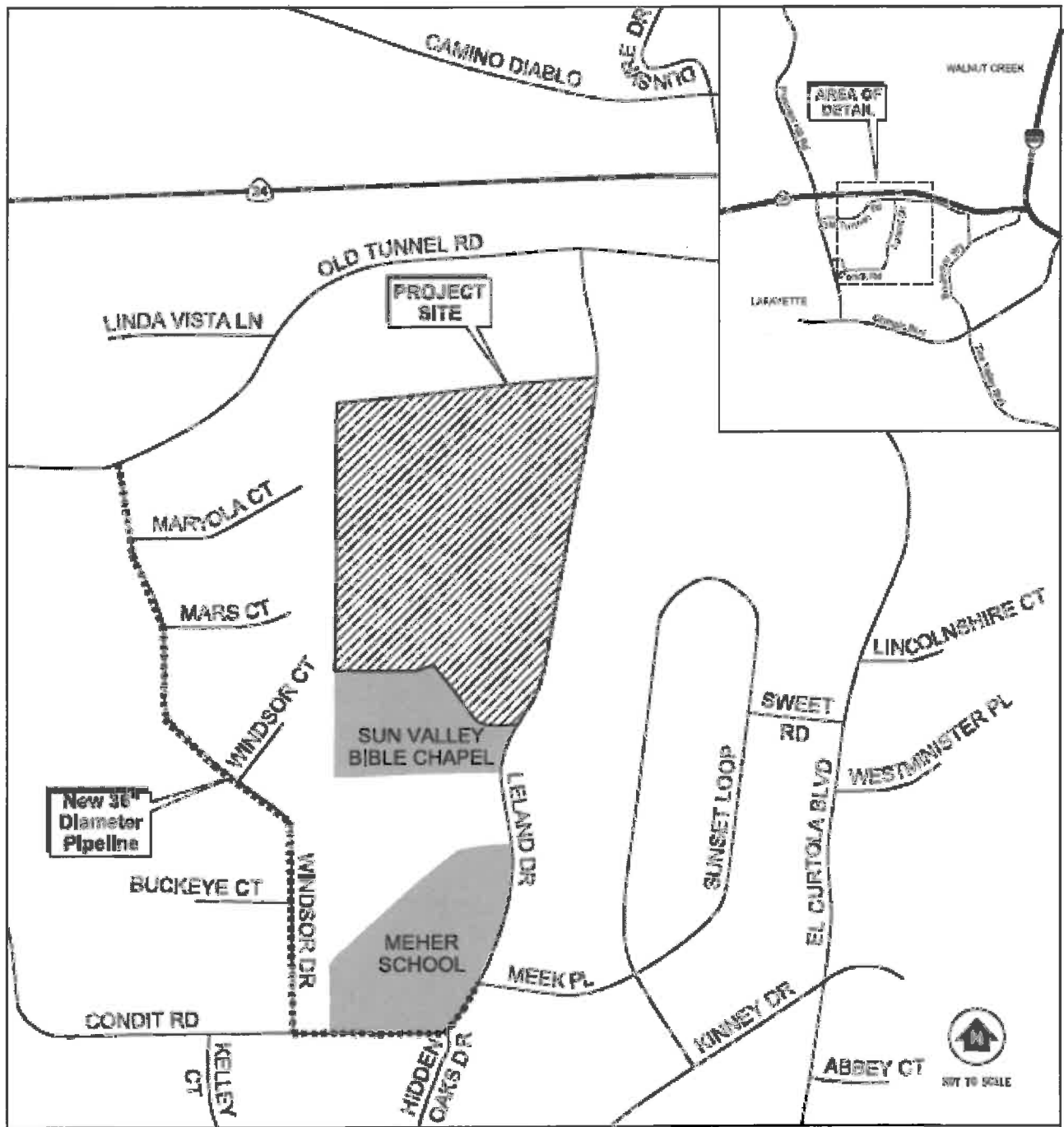


Leland Reservoir Replacement Project  
April 26, 2016  
Page 3

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

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**PROJECT SITE  
LOCATION MAP**

NOT TO SCALE

**EAST BAY MUNICIPAL UTILITY DISTRICT**

**LELAND RESERVOIR  
REPLACEMENT**

**FIGURE 1**





# CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

<b>TITLE</b> <b>Professional Services Agreement</b> Leland Reservoir Replacement Project					<b>DATE:</b> March 25, 2016						
<b>CONTRACTOR:</b> RMC Water and Environment Walnut Creek, CA 94596					<b>PERCENTAGE OF CONTRACT DOLLARS</b>						
LBE					Availability Group		Contracting Objectives		Participation		
<b>BID/PROPOSER'S PRICE:</b>		<b>FIRM'S OWNERSHIP</b>			White Men		25%		55.1%		
		Ethnicity	Gender		White Women		6%		21.0%		
\$1,076,812		White	Men		Ethnic Minorities		25%		23.9%		
<b>CONTRACT EQUITY PARTICIPATION</b>											
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
<b>PRIME:</b>											
RMC Water and Environment	\$538,340	White	X		50.0%	---	---	---	---	---	---
<b>SUBS:</b>											
Burks Toma Architects	\$91,250	White		X	---	8.5%	---	---	---	---	---
CHS Consulting Group	\$93,246	Asian	X		---	---	8.7%	---	---	---	---
Orion Environmental Associates	\$164,322	Asian		X	---	---	15.3%	---	---	---	---
Royston, Hanamoto, Alley & Abey	\$125,487	White		X	---	11.7%	---	---	---	---	---
Sequoia Ecological	\$9,067	White		X	---	0.8%	---	---	---	---	---
WSA, Inc.	\$23,730	White	X		2.2%	---	---	---	---	---	---
Tree Decisions	\$31,370	White	X		2.9%	---	---	---	---	---	---
					---	---	---	---	---	---	---
<b>TOTAL</b>		\$1,076,812			55.1%	21.0%	23.9%	0.0%	0.0%	0.0%	0.0%
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>											
		White Men		White Women		Ethnic Minorities		Total Employees			
<b>No. of Employees:</b>		31		39		40		110			
<b>Percent of Total Employees:</b>		28.2%		35.5%		36.4%					
<b>MSA Labor Market %:</b>		28.0%		23.6%		48.4%					
<b>MSA Labor Market Location:</b>		California									
<b>COMMENTS</b>											
<b>Contract Equity Participation</b> - 55.1% White Men participation, 21.0% White Women participation and 23.9% Ethnic Minority participation.											
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>			
NA				YES							





## 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							
			B	H	A/PI	AI/AN	TOTAL		
<b>Leland Reservoir Replacement Project</b>		National	10.5	10.7	3.7	0.7	27.3		
		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		
<b>Professional Services Agreement</b>	DATE:								
	3/25/2016								
R=Recomm P=Prime S=Sub	Composition of Ownership	<b>Number of Ethnic Minority Employees</b>							
Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
<b>RP</b>	<b>WM: LBE</b>	<b>Company Wide</b>	1	7	21	0	29	26.4%	48.4%
RMC Water and Environment Alyson Watson 2175 North California Blvd., Suite 315 Walnut Creek, CA 94596  925-647-4100		Manager/Prof	0	5	17	0	22	23.9%	
		Technical/Sales	0	0	2	0	2	100.0%	
		Clerical/Skilled	1	2	2	0	5	31.3%	
		Semi/Unskilled	0	0	0	0	-	NA	
		<b>Bay Area</b>	1	3	16	0	20	30.8%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		3/16/2015		
		Co. Wide MSA:	California		# Employees-Co. Wide:		110	Bay Area: 65	
<b>S</b>	<b>WW: L/SBE</b>	<b>Company Wide</b>	0	0	0	0	0	0.0%	0.0%
Burks Toma Architects Karen Burks 814 Camelia Street Berkeley, CA 94710  510-524-4255		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:			# Employees-Co. Wide:			Bay Area:	
<b>S</b>	<b>EMM:A/PI - L/SBE</b>	<b>Company Wide</b>	1	0	4	0	5	38.5%	48.3%
CHS Consulting Group Chi-Hsin Shao 211 Tenth Street, Suite 368 Oakland, CA 94607  415-392-9688		Manager/Prof	0	0	4	0	4	36.4%	
		Technical/Sales	0	0	0	0	-	NA	
		Clerical/Skilled	1	0	0	0	1	50.0%	
		Semi/Unskilled	0	0	0	0	-	NA	
		<b>Bay Area</b>	1	0	0	0	1	7.7%	39.9%
		Co. Wide MSA:	San Francisco Co.		# Employees-Co. Wide:		13	Bay Area: 13	
<b>S</b>	<b>EMW:A/PI - SBE</b>	<b>Company Wide</b>	0	0	2	0	2	28.6%	39.9%
Orion Environmental Associates Joyce Hsiao 211 Sutter Street, Suite 803 San Francisco, CA 94108  415-951-9503		Manager/Prof	0	0	2	0	2	40.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		7	Bay Area: 7	
<b>S</b>	<b>WW: SBE</b>	<b>Company Wide</b>	1	1	4	0	6	18.2%	39.9%
Royston, Hanamoto, Alley & Abey Barbara Lundburg 225 Miller Avenue Mill Valley, CA 94941  415-383-7900		Manager/Prof	0	0	1	0	1	6.7%	
		Technical/Sales	1	1	2	0	4	28.6%	
		Clerical/Skilled	0	0	1	0	1	25.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	0	4	0	4	12.1%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		33	Bay Area: 33	
<b>S</b>	<b>WW: L/SBE</b>	<b>Company Wide</b>	0	0	0	1	1	12.5%	38.5%
Sequoia Ecological Consulting, Inc. Debie Montana 822 Hartz Way, Suite 206 Danville, CA 94506  925-855-5500		Manager/Prof	0	0	0	1	1	16.7%	
		Technical/Sales	0	0	0	0	0	NA	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	-	NA	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	Contra Costa Co.		# Employees-Co. Wide:		8	Bay Area: 8	

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)



## AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: <b>Leland Reservoir Replacement Project</b>		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN			
<b>Professional Services Agreement</b>		DATE: 3/25/2016	National	10.5	10.7	3.7	0.7	27.3	
			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	<b>Number of Ethnic Minority Employees</b>							
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
<b>S</b>	<b>WM: L/SBE</b>	<b>Company Wide</b>	0	0	0	0	0	0.0%	27.3%
WSA, Inc. James Allan 61 Avenida de Orinda, Suite D Orinda, CA 94563  925-253-9070		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	
		Co. Wide MSA: <b>Total USA</b>	# Employees-Co. Wide: <b>20</b>			Bay Area: <b>11</b>			
<b>S</b>	<b>WM: L/SBE</b>	<b>Company Wide</b>	0	0	0	0	0	0.0%	53.9%
Tree Decisions Dennis Yniguez 1428 Spruce Street Berkeley, CA 94709  510-649-9291		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	
		Co. Wide MSA: <b>Alameda</b>	# Employees-Co. Wide: <b>1</b>			Bay Area: <b>1</b>			
		<b>Company Wide</b>							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		<b>Bay Area</b>							
		Co. Wide MSA: <b>Insert MSA</b>	# Employees-Co. Wide: <b>0</b>			Bay Area: <b>0</b>			
<b>P</b>	<b>EMW: A/PI - SBE</b>	<b>Company Wide</b>	0	0	1	0	0	0.0%	48.4%
North State Resources, Inc. Tim Reilly 2020 L. Street, Suite 340 Sacramento, CA 95811  916-446-2566		Manager/Prof	0	0	1	0	0	3.1%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	-	NA	
		<b>Bay Area</b>	0	0	0	0	0	NA	
		Co. Wide MSA: <b>California</b>	# Employees-Co. Wide: <b>44</b>			Bay Area: <b>0</b>			
		<b>Company Wide</b>	4	4	4	4	16	#DIV/0!	Insert %
		Manager/Prof	1	1	1	1	-	NA	
		Technical/Sales	1	1	1	1	-	NA	
		Clerical/Skilled	1	1	1	1	-	NA	
		Semi/Unskilled	1	1	1	1	-	NA	
		<b>Bay Area</b>	-	-	-	-	-	NA	
		Co. Wide MSA:	# Employees-Co. Wide:			Bay Area:			
		<b>Company Wide</b>							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		<b>Bay Area</b>							
		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)





AGENDA NO. 7.

MEETING DATE April 26, 2016

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

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

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

**DISCUSSION**

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

**CONTRACT EQUITY PROGRAM EFFORTS**

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

**FISCAL IMPACT**

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

**ALTERNATIVE**

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

**Attachments**

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

Funds Available: FY		Budget Code:	
DEPARTMENT SUBMITTING	DEPARTMENT MANAGER or DIRECTOR	APPROVED	
Human Resources	 Laura Brunson	 General Manager	

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





## CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

<b>TITLE</b> <i>Professional Services Agreement</i> Amend Agreement with Renne Sloan Holtzman Sakai LLP for Equal Employment Opportunity Discrimination Investigation Services						<b>DATE:</b> April 20, 2016						
<b>CONTRACTOR:</b> Renne Sloan Holtzman Sakai, LLP San Francisco, CA				<b>PERCENTAGE OF CONTRACT DOLLARS</b>								
<b>BID/PROPOSER'S PRICE:</b>		<b>FIRM'S OWNERSHIP</b>		<b>White Men</b>		<b>25%</b>		<b>100.0%</b>				
\$81,000		Ethnicity	Gender	White Women		6%		0.0%				
		White	Men	Ethnic Minorities		25%		0.0%				
<b>CONTRACT EQUITY PARTICIPATION</b>												
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
<i>PRIME:</i> Renne Sloan Holtzman Sakai, LLP		\$81,000	White	X		100.0%	---	---	---	---	---	---
<i>SUBS:</i> None						---	---	---	---	---	---	---
<b>TOTAL</b>		\$81,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>												
		<b>White Men</b>		<b>White Women</b>		<b>Ethnic Minorities</b>		<b>Total Employees</b>				
<b>No. of Employees:</b>		15		18		18		51				
<b>Percent of Total Employees:</b>		29.4%		35.3%		35.3%						
<b>MSA Labor Market %:</b>		32.3%		27.8%		39.9%						
<b>MSA Labor Market Location:</b>		9 Bay Area Counties										
<b>COMMENTS</b>												
<i>Contract Equity Participation - 100% White Men participation</i>												
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>				
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: <b>Amend Agreement with Renne Sloan Holtzman Sakai LLP for Equal Employment Opportunity Discrimination Investigation Services</b>		Ethnic Minority Percentages From U.S. Census Data							
			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>A/AN</b>	<b>TOTAL</b>		
<b>Professional Services Agreement</b>		DATE: 4/20/2016	<b>National</b>	10.5	10.7	3.7	0.7	27.3	
<b>R=Recmmnd P=Prime S=Sub</b>		<b>Composition of Ownership</b>	<b>Number of Ethnic Minority Employees</b>						
<b>Company Name, Owner/Contact Person, Address, and Phone Number</b>			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>A/AN</b>	<b>TOTAL</b>	<b>PERCENT</b>	<b>MSA %</b>
<b>RP</b>	<b>WM</b>	<b>Company Wide</b>	2	4	11	0	17	33.3%	39.9%
Renne Sloan Holtzman Sakai, LLP		Manager/Prof	1	0	7	0	8	25.8%	
Nikki Hall		Technical/Sales	0	0	0	0	-	NA	
350 Sansome St., Ste. 300		Clerical/Skilled	1	4	4	0	9	45.0%	
San Francisco, CA 94104		Semi/Unskilled	0	0	0	0	-	NA	
415-678-3800		<b>Bay Area</b>	2	4	11	0	17	113.3%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		2/19/2016		
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		51 Bay Area: 15		

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



AGENDA NO. 8.  
 MEETING DATE April 26, 2016

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

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

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

**DISCUSSION**

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

**CONTRACT EQUITY PROGRAM EFFORTS**

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

**FISCAL IMPACT**

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

**Attachments**

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

Funds Available: FY 2016		Budget Code: WSO 130 8511 5231	
DEPARTMENT SUBMITTING Office of General Counsel	DEPARTMENT MANAGER or DIRECTOR  Craig S. Spencer	APPROVED  General Manager	

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





## CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

<b>TITLE</b> <i>Professional Services Agreement</i> Authorize Continued Employment of Ellison, Schneider, & Harris, LLP for Specialized Legal Services						<b>DATE:</b> April 8, 2016						
<b>CONTRACTOR:</b> Ellison, Schneider, & Harris, LLP Sacramento, CA				Small Business		<b>PERCENTAGE OF CONTRACT DOLLARS</b>						
<b>BID/PROPOSER'S PRICE:</b> \$175,000		<b>FIRM'S OWNERSHIP</b>		<b>Availability Group</b>		<b>Contracting Objectives</b>		<b>Participation</b>				
		<b>Ethnicity</b>		<b>Gender</b>		<b>White Men</b>		<b>25%</b>		<b>100.0%</b>		
		White		Men		<b>White Women</b>		<b>6%</b>		<b>0.0%</b>		
		Ethnic Minorities		<b>25%</b>		<b>0.0%</b>						
<b>CONTRACT EQUITY PARTICIPATION</b>												
<b>COMPANY NAME</b>		<b>ESTIMATED AMOUNT</b>	<b>ETHNICITY</b>	<b>GENDER</b>		<b>CONTRACTING PARTICIPATION</b>						
				M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
<b>PRIME:</b> Ellison, Schneider, & Harris, LLP		\$175,000	White	X		100.0%	---	---	---	---	---	---
<b>SUBS:</b> None						---	---	---	---	---	---	---
<b>TOTAL</b>		\$175,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>												
		<b>White Men</b>		<b>White Women</b>		<b>Ethnic Minorities</b>		<b>Total Employees</b>				
<b>No. of Employees:</b>		8		9		2		19				
<b>Percent of Total Employees:</b>		42.1%		47.4%		10.5%						
<b>MSA Labor Market %:</b>		32.7%		30.0%		37.3%						
<b>MSA Labor Market Location:</b>		Sacramento										
<b>COMMENTS</b>												
<i>Contract Equity Participation - 100.0% White Men participation.</i>												
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>				
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.

<b>Title:</b> <b>Authorize Continued Employment of Ellison, Schneider, &amp; Harris, LLP</b>		<b>Ethnic Minority Percentages From U.S. Census Data</b>							
		<b>National</b>	<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>		
			10.5	10.7	3.7	0.7	27.3		
		<b>9 Bay Area Counties</b>	5.5	16.2	14.2	0.4	39.9		
		<b>Alameda/CC Counties</b>	10.7	15.6	15.4	0.5	46.2		
<b>Professional Services Agreement</b>	<b>DATE:</b> 4/8/2016								
<b>R=Recmmd P=Prime S=Sub</b>	<b>Composition of Ownership</b>	<b>Number of Ethnic Minority Employees</b>							
<b>Company Name, Owner/Contact Person, Address, and Phone Number</b>		<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>	<b>PERCENT</b>	<b>MSA %</b>	
<b>RP</b>	<b>WM: SBE</b>	<b>Company Wide</b>	0	1	1	0	2	10.5%	37.3%
Ellison, Schneider, & Harris, LLP Robert Donlan 2600 Capitol Avenue, Suite 400 Sacramento, CA 95816  916-447-2166		<b>Manager/Prof</b>	0	0	1	0	1	9.1%	
		<b>Technical/Sales</b>	0	0	0	0	0	0.0%	
		<b>Clerical/Skilled</b>	0	1	0	0	1	12.5%	
		<b>Semi/Unskilled</b>	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		<b>AA Plan on File:</b> NA	<b>Date of last contract with District:</b> 7/1/2014						
		<b>Co. Wide MSA:</b> Sacramento	<b># Employees-Co. Wide:</b> 19			<b>Bay Area:</b> 0			

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





AGENDA NO. 9.  
 MEETING DATE April 26, 2016

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

MOTION                       RESOLUTION                       ORDINANCE

**RECOMMENDED ACTION**

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

**SUMMARY**

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

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

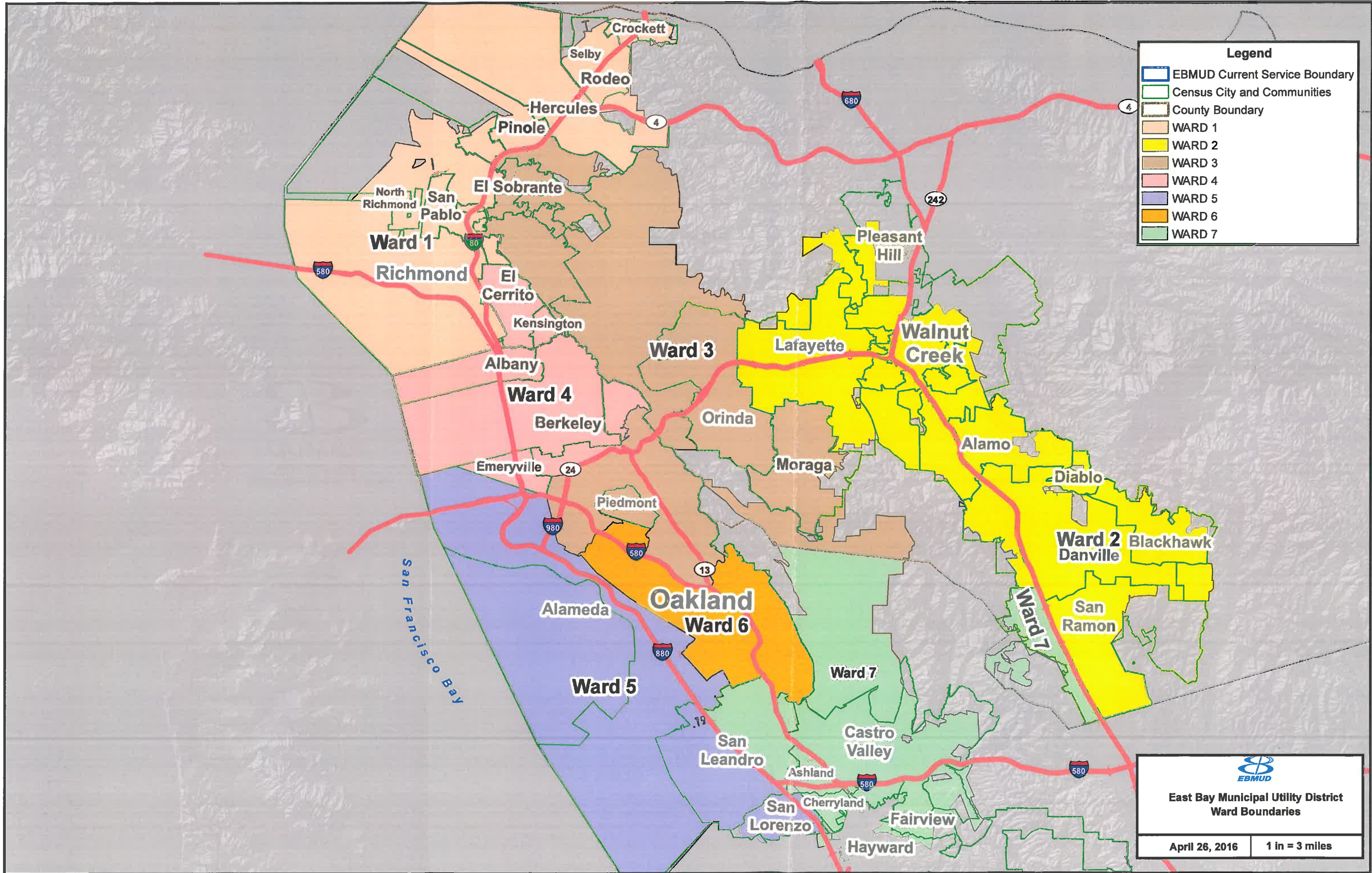
Following Board action, staff will submit the resolution and approved legal ward boundaries to the counties to enable them to determine their precinct boundaries for the November 2016 General Election.

Attachment

Funds Available: FY16/17		Budget Code:	
DEPARTMENT SUBMITTING  Office of the Secretary	DEPARTMENT MANAGER or DIRECTOR  <i>Lynelle M. Lewis</i> Lynelle M. Lewis	APPROVED  <i>Alexander R. C...</i> General Manager	


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





**Legend**

- EBMUD Current Service Boundary
- Census City and Communities
- County Boundary
- WARD 1
- WARD 2
- WARD 3
- WARD 4
- WARD 5
- WARD 6
- WARD 7

  
**East Bay Municipal Utility District**  
**Ward Boundaries**

April 26, 2016	1 in = 3 miles
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RESOLUTION NO. \_\_\_\_\_

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

Introduced by Director \_\_\_\_\_ ; Seconded by Director \_\_\_\_\_

BE IT RESOLVED AS FOLLOWS:

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

WARD NO. 1

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

CENSUS TRACTS:

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

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

Tract 3560.02 Blocks as follows: 1001, 1002, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1029, 1030, 1031, 1032, 1037, 2023, 2024, 2032, 2034, 2035, 2101, 2102, 2105, 2106, 2107, 2108, 2109, 2129, 2130, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3012, 3013;

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

Tract 3592.02 Blocks as follows: 1004;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## WARD NO. 2

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

### CENSUS TRACTS:

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

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

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

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

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

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

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

Tract 3383.01 Blocks as follows: 2008;

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

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



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

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

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

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

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

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

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

Tract 3461.02 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 2000, 2001, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2026, 2027, 2028, 2029, 2030, 2031, 3001, 3002, 3003, 3004, 3008, 3009, 3011;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### WARD NO. 3

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

#### Census Tracts:

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

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

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

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

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

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

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

Tract 4050 Blocks as follows: 3012;

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

Tract 4064 Blocks as follows: 1000, 2000;

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

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

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

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

3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021;

Tract 4081 Blocks as follows: 2013, 2014;

Tract 4301.02 Blocks as follows: 1020;

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

Census Tracts:

3522.01, 3540.01, 3602;

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

Tract 3470 Blocks as follows: 2105, 2106;

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

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

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

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

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

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

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

Tract 3530.02 Blocks as follows: 1006, 1007, 1008, 1010, 1011, 1014, 1015, 1016, 1018, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2013, 2014, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011;

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

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

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

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

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

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

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

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



Tract 3690.02 Blocks as follows: 1000, 1001;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXCEPTION NINE: All those parcels of land in Contra Costa County, being a portion of Census Tract 3592.02 bounded northerly by those certain annexations to East Bay Municipal Utility District known as the Town of Hercules Annexation, EBMUD Resolution No. 15962, dated May 22, 1953 and the Hanna Ranch Annexation, EBMUD Resolution No. 31777, dated December 9, 1986; bounded southerly and easterly by that certain annexation known as the EBMUD Watershed #2 Annexation, EBMUD Resolution No. 26849, dated March 12, 1974; bounded southwesterly by that certain annexation known as the Marcas Street Annexation, EBMUD Resolution No. 23141, dated April 8, 1966 and bounded westerly by those certain annexations known as the Sliver Canyon Annexation, EBMUD Resolution No. 22726, dated September 19, 1965 and the Marsten Ranch Annexation, EBMUD Resolution No. 31986, dated December 8, 1987.

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

#### WARD NO. 4

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

#### Census Tracts:

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

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

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

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

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

Census Tracts:

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

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

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

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

WARD NO. 5

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

Census Tracts:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### WARD NO. 6

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

##### Census Tracts:

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

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

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

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

Tract 4060 Blocks as follows: 3001;

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

Tract 4066.01 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 4007, 4008, 4009;

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

Tract 4070 Blocks as follows: 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007;

Tract 4079 Blocks as follows: 1012;

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

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

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

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

Tract 4100 Blocks as follows: 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011;

Tract 4301.02 Blocks as follows: 1025;

Tract 4328 Blocks as follows: 1009, 1010;

WARD NO. 7



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

Census Tracts:

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

Tract 4093 Blocks as follows: 2023;

Tract 4100 Blocks as follows: 1000, 1001;

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

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

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

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

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

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

Tract 4353 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2008, 2014, 2022, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007;

Tract 4354 Blocks as follows: 2000, 2004;

Tract 4355 Blocks as follows: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2015, 2016, 3000, 3001, 3002, 3005, 3006, 3007, 3008, 3018, 3020;

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

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

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

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

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

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

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

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

**Census Tracts:**

3451.16;

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

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

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

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

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

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

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

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

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

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

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

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

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

The area bounded northerly and westerly by that certain annexation to East Bay Municipal Utility District known as the Fairview County Water District Annexation, EBMUD Resolution

No. 4283, dated May 26, 1933; bounded easterly by that certain annexation known as the Palomares Canyon Annexation, filed November 2, 1965 in Book 51, Page 8, Annexation Maps of Alameda County; and bounded southerly by that certain annexation known as the Rancho Palomares Annexation, recorded December 26, 1990, Alameda County Recorder's series number 90-335077.

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

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

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

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

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

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

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

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

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

ATTEST:


\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

\_\_\_\_\_  
General Counsel



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

  
\_\_\_\_\_  
Craig A. Roberts L.S. 8736  
Exp. Date 12/31/16





AGENDA NO. 10.

MEETING DATE April 26, 2016

TITLE INVESTMENT POLICY ANNUAL REVIEW

MOTION  RESOLUTION  ORDINANCE

**RECOMMENDED ACTION**

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

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

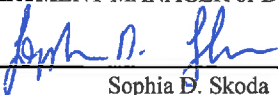

This item was reviewed with the Finance/Administration Committee on April 26, 2016.

**DISCUSSION**

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

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

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

Funds Available FY:		Budget Code:	
DEPARTMENT SUBMITTING:	DEPARTMENT MANAGER or DIRECTOR:		APPROVED:
Finance	 Sophia D. Skoda		 General Manager

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

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

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

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

Attachments





# Policy 4.07

EFFECTIVE

28 APR 15

## INVESTMENT POLICY

SUPERSEDES

26 MAR 13

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

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

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

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**Investment Criteria** Criteria for selecting investments, in order of priority are:

1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields.
3. *Yield* - Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
4. *Diversity* - Ability to maintain a broad investment portfolio for the District. In order to accomplish this, no more than 40% of the total portfolio shall be invested in any one type of security, and other than federally backed securities, no more than 10% in any one investment issue, nor more than 10% with any one issuer.

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**Investment Options** The District is able to purchase investments in the following instruments as stipulated under Section 53601 et. seq. of the California Government Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions and guidelines set by the District:

1. U.S. Treasury Notes, Bonds and Bills
  - Unlimited investments
  - Maturity date not to exceed 5 years
2. State of California, Local Agency Investment Fund (LAIF)
  - Maximum limit as determined by Section 16429.1 of the California Government Code

3. Obligations issued by Federal Agencies or a U.S. Government sponsored enterprise such as the Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), and Federal National Mortgage Association (FNMA).
  - Each agency holding limited to 40% of the Portfolio Investments
  - Maturity date not to exceed 5 years
4. Banker's Acceptances
  - Limited to 40% of the District's Portfolio
  - Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more
  - Maturity not to exceed 180 days
  - Prime quality depending on size and credit worthiness of Bank
  - Issued by banks from offices in the U.S.
5. Commercial Paper
  - Limited to 25% of the District's Portfolio
  - Maturity not to exceed 270 days
  - Ratings of A1, P1 or F1 by either S&P, Moody's, or Fitch respectively
  - Eligible Commercial Paper is limited to those issued by corporations organized and operating in the U.S., with total assets exceeding \$500,000,000
6. Medium Term Corporate Notes
  - Limited to 30% of the District's Portfolio
  - Maturity not to exceed five years
  - Issued by corporations operating within the United States
  - Rated AA or higher by one nationally-recognized rating service. If the rating drops below AA, an evaluation of the credit will be performed to determine if the notes should be sold.
7. Repurchase Agreements
  - Limited to 20% of the District's investment portfolio
  - Maturity not to exceed 270 days
  - Collateral may be any securities authorized in items 1 through 5 above
  - A Master Repurchase Agreement must be on file with the District
  - Security marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%
  - Primarily used as a limited term investment and a vehicle to fill particular dates and amounts
8. Certificates of Time Deposit
  - Maturity not to exceed 5 years
  - On uncollateralized deposits, limited to \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
  - On collateralized deposits, limited to 30% of District's Investment Portfolio
  - Investment in local branches within the District, whenever possible
  - Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
  - Deposits will be supported by a Contract for Deposit of Money with the depositing bank
  - An important consideration will be credit worthiness/solvency of the banking institution as evaluated by S&P or Moody's or other evaluator of financial institution's fiscal stability

9. Negotiable Certificates of Deposit

- Limited to 30% of the District's portfolio
- Maturity not to exceed five years
- Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more, and a credit rating of AA or higher

10. Money Market Mutual Funds

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

11. Municipal Bonds

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

12. California Asset Management Program (CAMP)

- Limited to 10% of the District's portfolio
- Investments will be made in the CAMP Investors Shares Series
- Rated highest short term rating by either S&P, Moody's or Fitch

**Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, the Treasurer will obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

**Selling Securities Prior To Maturity**

Losses are only allowable if either the sale of securities was necessary to meet payment obligations where no other funds are available, or the proposed swap/trade can enhance yield over the life of the new security on a total return basis.

**Collateral**

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

**Purchasing Entities**

Investments not purchased directly from the issuer will be purchased from:

- Institutions licensed by the State of California as a broker - dealer
- National or California State Chartered Banks
- Federal or California Chartered Savings Institution
- Brokerage firms designated as a primary government dealer by the Federal Reserve Bank
- Member of a federally regulated securities exchange

The Treasurer shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized. Strong capital base and credit worthiness are primary criteria for inclusion on the approved list. Dealers and brokers shall be regulated by the Securities and Exchange Commission and be members in good standing of the Financial Industry Regulatory Authority.

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**Investment Security**

To ensure a high degree of internal control, the District shall comply with the following:

1. All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
  2. All trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. All trade confirmations must be an original; copies of confirmations are not allowed. Any discrepancies will be brought to the attention of the Treasurer.
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**Fund Wire Procedures**

Payment for securities purchased from broker dealers that are ineligible to provide safekeeping will be made through the District's custodial bank. Funds will only be transferred subsequent but immediately following the custodial bank's acknowledgment that they are prepared to make settlement on the terms and conditions specified by the District. Payment for securities purchased from bank investment departments that will be safe kept with the trust department of the bank will be made immediately upon confirmation of the trade.

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**Review And Reporting Requirements**

On a quarterly basis the Treasurer shall prepare and submit a report to the General Manager and the Board of Directors listing investment transactions for the quarter and providing an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the California Government Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer of the District.

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**Performance Review And Internal Control**

Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

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

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**Authority**

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

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# Policy 4.07R

EFFECTIVE

~~28 APR 15~~  
26 APR 16

## INVESTMENT POLICY

SUPERSEDES

~~26 MAR 13~~  
28 APR 15

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

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

#### Authority

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

#### Investment Criteria

##### Criteria for selecting investments shall:

- adhere to the prudent investor standard, described in Section 53600.3 of the Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," and
- conform with the Code and M.U.D. Act, and
- ~~Criteria for selecting investments~~have the following objectives, in order of priority~~-are:~~
  1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
  2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields.
  3. *Yield* - Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
  4. *Diversity* - Ability to maintain a broad an investment portfolio that includes a range of security types for the District. In order to accomplish this, ~~no more than 40%~~each Investment Option shall have defined limits on maximum share of the total portfolio shall be invested in any one type of security, single issuer and single issue holdings, and maturity, rating and other than federally backed securities, no more than 10% in any one investment issue, nor more than 10% with any one issuerrestrictions where applicable.

**Investment  
Options**

The District is able to purchase investments in the ~~following~~ instruments listed in this section as stipulated allowed and defined under Section ~~53601~~53600 et. seq. of the ~~California Government~~ Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions ~~and guidelines set, and via this policy.~~ As used in this section, the term "Portfolio" refers to each investment portfolio managed by the District.

1. ~~U.S. United States Treasury Notes, Bonds and Bills~~ Obligations

~~— Unlimited investments~~

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

2. ~~State of California, Local Agency Investment Fund (LAIF)~~

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

2. United States Government Agencies' Obligations

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

- o Federal Agricultural Mortgage Corporation (Farmer Mac)
- o Federal Farm Credit Bank (FFCB)
- o Federal Home Loan Bank (FHLB)
- o Federal Home Loan Mortgage Corporation (FHLMC)
- o Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none

3. ~~Obligations issued by Federal Agencies or a U.S. Government sponsored enterprise such as the Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), and Federal National Mortgage Association (FNMA).~~

- ~~— Each agency holding limited to 40% of the Portfolio Investments~~
- ~~— Maturity date not to exceed 5 years~~

3. State of California, Local Agency Investment Fund (LAIF)

- Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none



~~4. Banker's Acceptances~~

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

4. Local Government Investment Pools

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

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

~~5. Commercial Paper~~

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

5. Money Market Mutual Funds

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

~~6. Medium Term Corporate Notes~~

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

6. Certificates of Time Deposit- Uncollateralized:

- o Maximum Share of Portfolio: 20% of the Portfolio when added together with Collateralized Certificates of Time Deposits and Negotiable Certificates of Deposit
- o Maximum Issuer Limit: \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
- o Maximum Issue Limit: n/a
- o Maximum Maturity: Not to exceed five (5) years from the purchase date
- o Minimum Rating: credit worthiness/solvency of the banking institution as evaluated by an S&P, Moody's, or Fitch will be an important consideration
- o Other Restrictions:
  - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
  - Investment in local branches within the District, whenever possible

- Collateralized:

- o Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Negotiable Certificates of Deposit
- o Maximum Issuer Limit: unlimited
- o Maximum Issue Limit: Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
- o Maximum Maturity: Not to exceed five (5) years from the purchase date
- o Minimum Rating: credit worthiness/solvency of the banking institution as evaluated by S&P, Moody's, or Fitch will be an important consideration
- o Other Restrictions:
  - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
  - Investment in local branches within the District, whenever possible

~~7. Repurchase Agreements~~

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

7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Collateralized Certificates of Time Deposits
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2016)
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: AA (or equivalent) or higher, by all rating agencies rating the security
- Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more

~~8. Certificates of Time Deposit~~

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

8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 10% of outstanding amount for the issuer
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the purchase date
- Minimum Rating: Highest available rating only by S&P, Moody's, or Fitch
- Other Restrictions: issued by an entity that is:
  - o organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by either S&P, Moody's, or Fitch; or
  - o is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, and has commercial paper that is rated A-1, P-1 or F-1 by either S&P, Moody's or Fitch respectively

~~9. Negotiable Certificates of Deposit~~

- ~~— Limited to 30% of the District's portfolio~~
- ~~— Maturity not to exceed five years~~
- ~~— Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more, and a credit rating of AA or higher~~

9. Medium Term Corporate Notes

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

~~10. Money Market Mutual Funds~~

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

10. Repurchase Agreements

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

~~11. Municipal Bonds~~

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

11. Municipal Obligations

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

- o Any local agency within the State of California
- o Registered treasury obligations of the State of California

- Municipal Bonds:

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

- Municipal Notes:

- o Maximum Share of Portfolio: 40% of the Portfolio together with Municipal Bonds
- o Maximum Issuer Limit: 20% of the Portfolio
- o Maximum Issue limit: 10% of original issue amount
- o Maximum Maturity: n/a
- o Minimum Rating: Notes maturing within 365 days must have a rating of SP-1, MIG-1, or F-1 by either S&P, Moody's, or Fitch respectively
- o Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.

12. California Asset Management Program (CAMP)

- ~~o Limited to 10% of the District's portfolio~~
- ~~o Investments will be made in the CAMP Investors Shares Series~~
- ~~o Rated highest short term rating by either S&P, Moody's or Fitch~~

**Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, the Treasurer will make best efforts to obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

**Selling Securities Prior To Maturity**

~~Losses~~When selling securities prior to maturity, principal losses are only allowable ~~if~~ to either comply with this policy; the sale of securities was necessary to meet payment obligations where no other funds are available, or or if the proposed swap/trade sale and subsequent purchase can enhance yield over the life of the new security on a total return basis; or if the sale of securities is necessary to meet payment obligations.

**Collateral**

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

**Purchasing Entities**

Investments ~~not purchased directly from the issuer~~ will be purchased from:

- ~~Institutions licensed by the State of California as a broker-dealer~~
- Primary Dealers as designated by the Federal Reserve Bank of New York
- National or California State Chartered Banks
- Federal or California Chartered Savings Institution
- ~~Brokerage firms designated as a primary government dealer by the Federal Reserve Bank~~
- Broker-Dealers registered with the State of California
- Issuers of securities eligible for purchase by the District
- ~~Member of a federally regulated securities exchange~~

In addition, these institutions must be

- registered by the Securities and Exchange Commission (SEC)
- members in good standing of the Financial Industry Regulatory Authority (FINRA)

The Treasurer shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized. Strong capital base and credit worthiness are primary criteria for inclusion on the approved list. ~~Dealers and brokers shall be regulated by the Securities and Exchange Commission and be members in good standing of the Financial Industry Regulatory Authority.~~ Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy.

**Investment Security**

To ensure a high degree of internal control, the District shall comply with the following:

1. All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
2. All trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. ~~All trade confirmations must be an original; copies of confirmations are not allowed.~~ Any discrepancies will be brought to the attention of the Treasurer.

**Fund Wire Procedures**

Payment for securities purchased from broker dealers that are ineligible to provide safekeeping will be made through the District's custodial bank. Funds will only be transferred subsequent but immediately following the custodial bank's acknowledgment that they are prepared to make settlement on the terms and conditions specified by the District. Payment for securities purchased from bank investment departments that will be safe kept with the trust department of the bank will be made immediately upon confirmation of the trade.

**Review And Reporting Requirements**

On a quarterly basis the Treasurer shall prepare and submit a report to the General Manager and the Board of Directors listing investment transactions for the quarter and providing an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the ~~California Government~~ Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer ~~of the District.~~

**Performance  
Review And  
Internal  
Control**Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

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

**Authority**

Resolution No. 33019-96 on December 10, 1996;  
Amended by Resolution No. 33134-99 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
Amended by Resolution 33464-05 on February 22, 2005  
Amended by Resolution 33516-06 on January 24, 2006  
Amended by Resolution 33585-07 on March 13, 2007  
Approved by Resolution 33658-08, February 26, 2008  
Approved by Resolution 33702-09, February 24, 2009  
Approved by Resolution 33752-10, January 26, 2010  
Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013  
Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
Approved by Resolution XXXXX-16, April 26, 2016







# Policy 4.07

EFFECTIVE

26 APR 16

SUPERSEDES

28 APR 15

## INVESTMENT POLICY

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

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

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#### Authority

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

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#### Investment Criteria

Criteria for selecting investments shall:

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

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

1. United States Treasury Obligations

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

2. United States Government Agencies' Obligations

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

- o Federal Agricultural Mortgage Corporation (Farmer Mac)
- o Federal Farm Credit Bank (FFCB)
- o Federal Home Loan Bank (FHLB)
- o Federal Home Loan Mortgage Corporation (FHLMC)
- o Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none

3. State of California, Local Agency Investment Fund (LAIF)

- Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

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

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

5. Money Market Mutual Funds

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

## 6. Certificates of Time Deposit

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

## 7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Collateralized Certificates of Time Deposits
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2016)
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: AA (or equivalent) or higher, by all rating agencies rating the security
- Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more

## 8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 10% of outstanding amount for the issuer
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the purchase date
- Minimum Rating: Highest available rating only by S&P, Moody's, or Fitch
- Other Restrictions: issued by an entity that is:
  - o organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by either S&P, Moody's, or Fitch; or
  - o is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1, P-1 or F-1 by either S&P, Moody's or Fitch respectively

**9. Medium Term Corporate Notes**

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

**10. Repurchase Agreements**

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

**11. Municipal Obligations**

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

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

**Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, the Treasurer will make best efforts to obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

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**Selling Securities Prior To Maturity**

When selling securities prior to maturity, principal losses are only allowable to either comply with this policy; or if the proposed sale and subsequent purchase can enhance yield over the life of the new security on a total return basis; or if the sale of securities is necessary to meet payment obligations.

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**Collateral**

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

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**Purchasing Entities**

Investments will be purchased from:

- Primary Dealers as designated by the Federal Reserve Bank of New York
- National or California State Chartered Banks
- Federal or California Chartered Savings Institution
- Broker-Dealers registered with the State of California
- Issuers of securities eligible for purchase by the District

In addition, these institutions must be

- registered by the Securities and Exchange Commission (SEC)
- members in good standing of the Financial Industry Regulatory Authority (FINRA)

The Treasurer shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized. Strong capital base and credit worthiness are primary criteria for inclusion on the approved list. Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy.

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**Investment Security**

To ensure a high degree of internal control, the District shall comply with the following:

1. All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
2. All trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.

**Fund Wire  
Procedures**

Payment for securities purchased from broker dealers that are ineligible to provide safekeeping will be made through the District's custodial bank. Funds will only be transferred subsequent but immediately following the custodial bank's acknowledgment that they are prepared to make settlement on the terms and conditions specified by the District. Payment for securities purchased from bank investment departments that will be safe kept with the trust department of the bank will be made immediately upon confirmation of the trade.

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**Review And  
Reporting  
Requirements**

On a quarterly basis the Treasurer shall prepare and submit a report to the General Manager and the Board of Directors listing investment transactions for the quarter and providing an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer.

---

**Performance  
Review And  
Internal  
Control**Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

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

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**Authority**

Resolution No. 33019-96 on December 10, 1996  
Amended by Resolution No. 33134-99 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
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Approved by Resolution 33658-08, February 26, 2008  
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Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013  
Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
Approved by Resolution XXXXX-16, April 26, 2016

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

ADOPTING REVISED POLICY 4.07, "INVESTMENT POLICY"

Introduced by Director \_\_\_\_\_ ; Seconded by Director \_\_\_\_\_

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

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

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

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE

\_\_\_\_\_  
General Counsel







# Policy 4.07R

EFFECTIVE

~~28-APR-15~~  
26-APR-16

## INVESTMENT POLICY

SUPERSEDES

~~26-MAR-13~~  
28-APR-15

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

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

#### Authority

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

#### Investment Criteria

##### Criteria for selecting investments shall:

- adhere to the prudent investor standard, described in Section 53600.3 of the Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," and
- conform with the Code and M.U.D. Act, and
- ~~Criteria for selecting investments~~ have the following objectives, in order of priority ~~are~~:
  1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
  2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives. The average maturity of the portfolio shall not exceed 720 days in order to balance liquidity and yields.
  3. *Yield* - Ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
  4. *Diversity* - Ability to maintain ~~a broad~~ an investment portfolio ~~that includes a range of security types~~ for the District. In order to accomplish this, ~~no more than 40% each Investment Option shall have defined limits on maximum share of the total portfolio shall be invested in any one type of security, single issuer and single issue holdings, and maturity, rating and other than federally backed securities, no more than 10% in any one investment issue, nor more than 10% with any one issuer~~ restrictions where applicable.

**Investment Options**

The District is able to purchase investments in the ~~following~~ instruments listed in this section as stipulated, allowed and defined under Section ~~53601~~ 53600 et. seq. of the ~~California Government Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions and guidelines set, and via this policy. As used in this section, the term "Portfolio" refers to each investment portfolio managed by the District.~~

1. ~~U.S. United States Treasury Notes, Bonds and Bills~~ Obligations

~~Unlimited investments~~

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

2. ~~State of California, Local Agency Investment Fund (LAIF)~~

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

2. United States Government Agencies' Obligations

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

- o Federal Agricultural Mortgage Corporation (Farmer Mac)
- o Federal Farm Credit Bank (FFCB)
- o Federal Home Loan Bank (FHLB)
- o Federal Home Loan Mortgage Corporation (FHLMC)
- o Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none

3. ~~Obligations issued by Federal Agencies or a U.S. Government sponsored enterprise such as the Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), and Federal National Mortgage Association (FNMA).~~

- ~~Each agency holding limited to 40% of the Portfolio Investments~~
- ~~Maturity date not to exceed 5 years~~

3. State of California, Local Agency Investment Fund (LAIF)

- Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

~~4. Banker's Acceptances~~

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

4. Local Government Investment Pools

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

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

~~5. Commercial Paper~~

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

5. Money Market Mutual Funds

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

~~6. Medium Term Corporate Notes~~

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

6. Certificates of Time Deposit

- Uncollateralized:

- o Maximum Share of Portfolio: 20% of the Portfolio when added together with Collateralized Certificates of Time Deposits and Negotiable Certificates of Deposit
- o Maximum Issuer Limit: \$100,000 per Bank or Savings & Loan, or maximum FDIC insured
- o Maximum Issue Limit: n/a
- o Maximum Maturity: Not to exceed five (5) years from the purchase date
- o Minimum Rating: credit worthiness/solvency of the banking institution as evaluated by an S&P, Moody's, or Fitch will be an important consideration
- o Other Restrictions:
  - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
  - Investment in local branches within the District, whenever possible

- Collateralized:

- o Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Negotiable Certificates of Deposit
- o Maximum Issuer Limit: unlimited
- o Maximum Issue Limit: Deposits over \$100,000 will be collateralized in accordance with Sections 53651 and 53652 of the California Government Code
- o Maximum Maturity: Not to exceed five (5) years from the purchase date
- o Minimum Rating: credit worthiness/solvency of the banking institution as evaluated by S&P, Moody's, or Fitch will be an important consideration
- o Other Restrictions:
  - Deposits must be supported by a Contract for Deposit of Money with the depositing bank
  - Investment in local branches within the District, whenever possible

~~7. Repurchase Agreements~~

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

7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Collateralized Certificates of Time Deposits
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2016)
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: AA (or equivalent) or higher, by all rating agencies rating the security
- Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more

~~8.—Certificates of Time Deposit~~

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

8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 10% of outstanding amount for the issuer
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the purchase date
- Minimum Rating: Highest available rating only by S&P, Moody's, or Fitch
- Other Restrictions: issued by an entity that is:
  - o organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by either S&P, Moody's, or Fitch; or
  - o is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, and has commercial paper that is rated A-1, P-1 or F-1 by either S&P, Moody's or Fitch respectively

~~9.—Negotiable Certificates of Deposit~~

- ~~— Limited to 30% of the District's portfolio~~
- ~~— Maturity not to exceed five years~~
- ~~— Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more, and a credit rating of AA or higher~~

9. Medium Term Corporate Notes

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

~~40. Money Market Mutual Funds~~

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

10. Repurchase Agreements

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

~~11. Municipal Bonds~~

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

11. Municipal ObligationsUnder this subsection, only obligations of the following agencies are permitted:

- o Any local agency within the State of California
- o Registered treasury obligations of the State of California

- Municipal Bonds:

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

- Municipal Notes:

- o Maximum Share of Portfolio: 40% of the Portfolio together with Municipal Bonds
- o Maximum Issuer Limit: 20% of the Portfolio
- o Maximum Issue limit: 10% of original issue amount
- o Maximum Maturity: n/a
- o Minimum Rating: Notes maturing within 365 days must have a rating of SP-1, MIG-1, or F-1 by either S&P, Moody's, or Fitch respectively
- o Other Restrictions: If a rating is revised downwards at any time, an evaluation will be made to determine if the notes should be sold.

12. California Asset Management Program (CAMP)

- ~~o Limited to 10% of the District's portfolio~~
- ~~o Investments will be made in the CAMP Investors Shares Series~~
- ~~o Rated highest short term rating by either S&P, Moody's or Fitch~~

**Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, the Treasurer will make best efforts to obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

**Selling Securities Prior To Maturity**

~~Losses~~When selling securities prior to maturity, principal losses are only allowable ~~if to~~ either comply with this policy; the sale of securities was necessary to meet payment obligations where no other funds are available, or or if the proposed swap/trade sale and subsequent purchase can enhance yield over the life of the new security on a total return basis; or if the sale of securities is necessary to meet payment obligations.

**Collateral**

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

**Purchasing  
Entities**

Investments ~~not purchased directly from the issuer~~ will be purchased from:

- ~~Institutions licensed by the State of California as a broker-dealer~~
- Primary Dealers as designated by the Federal Reserve Bank of New York
- National or California State Chartered Banks
- Federal or California Chartered Savings Institution
- ~~Brokerage firms designated as a primary government dealer by the Federal Reserve Bank~~
- Broker-Dealers registered with the State of California
- Issuers of securities eligible for purchase by the District
- ~~Member of a federally regulated securities exchange~~

In addition, these institutions must be

- registered by the Securities and Exchange Commission (SEC)
- members in good standing of the Financial Industry Regulatory Authority (FINRA)

The Treasurer shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized. Strong capital base and credit worthiness are primary criteria for inclusion on the approved list. ~~Dealers and brokers shall be regulated by the Securities and Exchange Commission and be members in good standing of the Financial Industry Regulatory Authority.~~ Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy.

**Investment  
Security**

To ensure a high degree of internal control, the District shall comply with the following:

1. All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
2. All trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. ~~All trade confirmations must be an original; copies of confirmations are not allowed.~~ Any discrepancies will be brought to the attention of the Treasurer.

**Fund Wire  
Procedures**

Payment for securities purchased from broker dealers that are ineligible to provide safekeeping will be made through the District's custodial bank. Funds will only be transferred subsequent but immediately following the custodial bank's acknowledgment that they are prepared to make settlement on the terms and conditions specified by the District. Payment for securities purchased from bank investment departments that will be safe kept with the trust department of the bank will be made immediately upon confirmation of the trade.

**Review And  
Reporting  
Requirements**

On a quarterly basis the Treasurer shall prepare and submit a report to the General Manager and the Board of Directors listing investment transactions for the quarter and providing an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the ~~California Government~~ Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer ~~of the District.~~



**Performance  
Review And  
Internal  
Control**

Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

The ~~Director of Finance~~[Treasurer](#) will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.

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**Authority**

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Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
[Approved by Resolution XXXXX-16, April 26, 2016](#)

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# Policy 4.07

EFFECTIVE

26 APR 16

## INVESTMENT POLICY

SUPERSEDES

28 APR 15

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

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

#### Authority

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

#### Investment Criteria

Criteria for selecting investments shall:

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

#### Investment Options

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

**1. United States Treasury Obligations**

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

**2. United States Government Agencies' Obligations**

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

- o Federal Agricultural Mortgage Corporation (Farmer Mac)
- o Federal Farm Credit Bank (FFCB)
- o Federal Home Loan Bank (FHLB)
- o Federal Home Loan Mortgage Corporation (FHLMC)
- o Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: n/a
- Other Restrictions: none

**3. State of California, Local Agency Investment Fund (LAIF)**

- Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

**4. Local Government Investment Pools**

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

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

**5. Money Market Mutual Funds**

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

## 6. Certificates of Time Deposit

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

## 7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Uncollateralized Certificates of Time Deposits and Collateralized Certificates of Time Deposits
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2016)
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the purchase date
- Minimum Rating: AA (or equivalent) or higher, by all rating agencies rating the security
- Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more

## 8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 10% of outstanding amount for the issuer
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the purchase date
- Minimum Rating: Highest available rating only by S&P, Moody's, or Fitch
- Other Restrictions: issued by an entity that is:
  - o organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by either S&P, Moody's, or Fitch; or
  - o is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, and has commercial paper that is rated A-1, P-1 or F-1 by either S&P, Moody's or Fitch respectively

**9. Medium Term Corporate Notes**

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

**10. Repurchase Agreements**

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

**11. Municipal Obligations**

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

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

**Investment Placement** Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, the Treasurer will make best efforts to obtain at least three quotations from dealers, brokers, banks or savings and loan associations before finalizing any investment purchase for all investments in excess of \$1 million. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

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**Selling Securities Prior To Maturity** When selling securities prior to maturity, principal losses are only allowable to either comply with this policy; or if the proposed sale and subsequent purchase can enhance yield over the life of the new security on a total return basis; or if the sale of securities is necessary to meet payment obligations.

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**Collateral** Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

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**Purchasing Entities** Investments will be purchased from:

- Primary Dealers as designated by the Federal Reserve Bank of New York
- National or California State Chartered Banks
- Federal or California Chartered Savings Institution
- Broker-Dealers registered with the State of California
- Issuers of securities eligible for purchase by the District

In addition, these institutions must be

- registered by the Securities and Exchange Commission (SEC)
- members in good standing of the Financial Industry Regulatory Authority (FINRA)

The Treasurer shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized. Strong capital base and credit worthiness are primary criteria for inclusion on the approved list. Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy.

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**Investment Security** To ensure a high degree of internal control, the District shall comply with the following:

1. All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
2. All trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.

**Fund Wire Procedures** Payment for securities purchased from broker dealers that are ineligible to provide safekeeping will be made through the District's custodial bank. Funds will only be transferred subsequent but immediately following the custodial bank's acknowledgment that they are prepared to make settlement on the terms and conditions specified by the District. Payment for securities purchased from bank investment departments that will be safe kept with the trust department of the bank will be made immediately upon confirmation of the trade.

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**Review And Reporting Requirements** On a quarterly basis the Treasurer shall prepare and submit a report to the General Manager and the Board of Directors listing investment transactions for the quarter and providing an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer.

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**Performance Review And Internal Control** Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

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

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**Authority**

Resolution No. 33019-96 on December 10, 1996  
Amended by Resolution No. 33134-99 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
Amended by Resolution 33464-05 on February 22, 2005  
Amended by Resolution 33516-06 on January 24, 2006  
Amended by Resolution 33585-07 on March 13, 2007  
Approved by Resolution 33658-08, February 26, 2008  
Approved by Resolution 33702-09, February 24, 2009  
Approved by Resolution 33752-10, January 26, 2010  
Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013  
Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
Approved by Resolution XXXXX-16, April 26, 2016

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AGENDA NO. 11.  
 MEETING DATE April 26, 2016

TITLE REVISIONS TO SEVERAL DISTRICT POLICIES

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

Approve revisions to the following District policies:

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

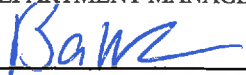
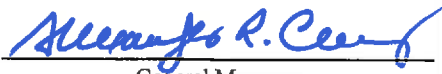
**DISCUSSION**

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

**POLICIES RECOMMENDED FOR REVISION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**UNION NOTIFICATION**

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

**FISCAL IMPACT**

These policy changes have no fiscal impact.

**ALTERNATIVE**

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

**Attachments**





# Policy 1.13R

EFFECTIVE [26 APR 16](#)

~~25 MAR 14~~

SUPERSEDES [25 MAR 14](#)

~~26 JUN 12~~

## CUSTOMER IDENTITY THEFT PREVENTION PROGRAM

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

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

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

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**Authority** Resolution No. 33710-09, April 28, 2009  
As amended by Resolution No. 33883-12, June 26, 2012  
As amended by Resolution No. 33968-14, March 25, 2014  
[As amended by Resolution No. XXXXX-16, April 26, 2016](#)

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**References** Procedure 144 – Identity Theft Prevention Program Guidelines  
Fair and Accurate Credit Transactions Act of 2003

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# Policy 1.13

EFFECTIVE 26 APR 16

SUPERSEDES 25 MAR 14

## CUSTOMER IDENTITY THEFT PREVENTION PROGRAM

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**Authority** Resolution No. 33710-09, April 28, 2009  
As amended by Resolution No. 33883-12, June 26, 2012  
As amended by Resolution No. 33968-14, March 25, 2014  
As amended by Resolution No. XXXXX-16, April 26, 2016

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**References** Procedure 144 – Identity Theft Prevention Program Guidelines  
Fair and Accurate Credit Transactions Act of 2003

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# Policy 2.04R

EFFECTIVE [26 APR 16](#)

~~11 AUG 92~~

SUPERSEDES [11 AUG 92](#)

**NEW**

## CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES

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

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

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- Conditions**
- The former employee offers unique knowledge and skills for specialized professional services.
  - Payment of compensation for such services shall not prejudice the retirement rights or benefits of the person.
  - At least one year has elapsed since separation from the District.
  - At least one year has elapsed since separation from the District when accepting former employees in principal roles on professional services contracts with outside firms.
- 

**Exception**

The one-year waiting period may be waived when, in the opinion of the General Counsel, it is in the best interest of the District to retain the services of a former employee to serve as a percipient witness, consultant or expert witness for or on behalf of the District in any pending litigation. The term "pending litigation" shall be defined to include any adjudicatory proceeding before a court, administrative body, hearing officer or arbitrator to which the District is a party and/or those matters where there is a significant exposure to litigation against the District.

[Contractual agreements with former employees who have retired from the District are subject to the requirements set forth under the Public Employees' Pension Reform Act \("PEPRA"\) under California Government Code Section 7522.56.](#)

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**Authority**

Motion No. 92-130, August 11, 1992  
[Amended by Resolution No. XXXXX-16, April 26, 2016](#)

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# Policy 2.04

EFFECTIVE

26 APR 16

## CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES

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SUPERSEDES

11 AUG 92

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

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

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#### Conditions

- The former employee offers unique knowledge and skills for specialized professional services.
  - Payment of compensation for such services shall not prejudice the retirement rights or benefits of the person.
  - At least one year has elapsed since separation from the District.
  - At least one year has elapsed since separation from the District when accepting former employees in principal roles on professional services contracts with outside firms.
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#### Exception

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Contractual agreements with former employees who have retired from the District are subject to the requirements set forth under the Public Employees' Pension Reform Act ("PEPRA") under California Government Code Section 7522.56.

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#### Authority

Motion No. 92-130, August 11, 1992  
Amended by Resolution No. XXXXX-16, April 26, 2016

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# Policy 3.05R

EFFECTIVE [26 APR 16](#)  
~~14 NOV 06~~

SUPERSEDES [14 NOV 06](#)  
~~13 FEB 01~~

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

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

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

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

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

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

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#### Authority

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

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# Policy 3.05

EFFECTIVE 26 APR 16

SUPERSEDES 14 NOV 06

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

---

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

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

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

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

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

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#### Authority

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

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# Policy 3.07R

EFFECTIVE [26 APR 16](#)~~12~~ [AUG 14](#)

SUPERSEDES ~~24 APR 12~~ [12 AUG 14](#)

## RESPONSIBILITY TO SERVE WATER CUSTOMERS

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

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

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#### Discussion

It is expected that water available for supplying EBMUD's customers will vary over time depending on the following factors: diversions by Mokelumne River users with senior water rights, requirements for instream flows to protect fish and wildlife in the Mokelumne River, the Sacramento-San Joaquin River Delta, and the San Francisco Bay, [state conservation mandates](#), as well as ~~development of the availability of current and~~ future ~~supplemental~~ [dry year](#) supplies.

Water agencies are responsible for planning to meet the needs of their customers through periods of drought with minimal disruption by minimizing the need for extreme rationing within their service area.

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#### Water Service Responsibility

EBMUD recognizes that when there is [an actual or projected](#) water shortage ~~or projected water shortage~~, EBMUD's responsibility to serve its customers and service area is prioritized as follows:

- First, ~~to serve its~~ existing customers within [the District's](#) ~~its existing~~ service area ~~while meeting the goal of limiting customer rationing to 15 percent per Board Policy 9.03.~~
- Second, ~~to serve~~ expected new customers within [the District's](#) ~~its existing~~ service area, ~~but only~~ if this does not unacceptably impair EBMUD's ability to serve its existing customers ~~without exceeding 15 percent rationing.~~
- Third, to consider serving new customers outside of [the District's](#) ~~its existing~~ service area, ~~but only~~ if this does not impair EBMUD's ability to serve existing and expected new customers within its service area.

In accordance with California Government Code, Section 65589.7, when new service connections are restricted by EBMUD's Board of Directors, priority shall be given to applicants for water service to proposed developments within EBMUD's existing service area that include housing units affordable to lower income households, subject to income limits specified in the California Code of Regulations ~~and pursuant to administrative procedures adopted by the General Manager.~~

Applicants granted such priority shall comply with EBMUD's Regulations Governing Water Service and pay all requisite fees.

EBMUD shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the Board of Directors makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- EBMUD is operating under a declared water shortage emergency condition under California Water Code, Section 350, et seq.

- Sufficient water supply is not available to support the granting of all requests for new service, based upon a consideration of all factors provided by California Government Code, Section 66473.7.
  - EBMUD does not have sufficient water treatment or distribution capacity to serve the needs of proposed development, as demonstrated by a written engineering analysis and report.
  - EBMUD is subject to a compliance order by ~~the Department of Public Health~~ [designated state agency](#) that prohibits new water connections.
  - The applicant has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking water service from EBMUD, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of applicable fees or charges.
- 

**Authority**

Resolution No. 32867-94, June 28, 1994  
As amended by Resolution No. 33443-04, September 28, 2004  
As amended by Resolution No. 33543-06, June 27, 2006  
As amended by Resolution No. 33687-08, October 14, 2008  
As amended by Resolution No. 33763-10, April 27, 2010-  
As amended by Resolution No. 33871-12, April 24, 2012  
As amended by Resolution No. 33993-14, August 12, 2014  
[As amended by Resolution No. XXXXX-16, April 26, 2016](#)

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**Reference**

California Government Code, Section 66473.7  
California Government Code, Section 65589.7  
California Code of Regulations, Title 25, Section 6932 [income limit for "lower income households"]  
Procedure 109 – Water Mains: Water Service Estimates  
[Policy 3.01 – Annexations](#)  
Policy 7.05 – Sustainability  
Policy 9.03 – Water Supply Availability and Deficiency  
Policy 9.05 – Non-Potable Water

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# Policy 3.07

EFFECTIVE

26 APR 16

## RESPONSIBILITY TO SERVE WATER CUSTOMERS

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SUPERSEDES

12 AUG 14

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

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

---

#### Discussion

It is expected that water available for supplying EBMUD's customers will vary over time depending on the following factors: diversions by Mokelumne River users with senior water rights, requirements for instream flows to protect fish and wildlife in the Mokelumne River, the Sacramento-San Joaquin River Delta, and the San Francisco Bay, state conservation mandates, as well as the availability of current and future dry year supplies.

Water agencies are responsible for planning to meet the needs of their customers through periods of drought with minimal disruption by minimizing the need for extreme rationing within their service area.

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#### Water Service Responsibility

EBMUD recognizes that when there is an actual or projected water shortage, EBMUD's responsibility to serve its customers and service area is prioritized as follows:

- First, serve existing customers within the District's service area.
- Second, serve expected new customers within the District's service area, if this does not unacceptably impair EBMUD's ability to serve its existing customers.
- Third, to consider serving new customers outside of the District's service area, if this does not impair EBMUD's ability to serve existing and expected new customers within its service area.

In accordance with California Government Code, Section 65589.7, when new service connections are restricted by EBMUD's Board of Directors, priority shall be given to applicants for water service to proposed developments within EBMUD's existing service area that include housing units affordable to lower income households, subject to income limits specified in the California Code of Regulations. Applicants granted such priority shall comply with EBMUD's Regulations Governing Water Service and pay all requisite fees.

EBMUD shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the Board of Directors makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- EBMUD is operating under a declared water shortage emergency condition under California Water Code, Section 350, et seq.
- Sufficient water supply is not available to support the granting of all requests for new service, based upon a consideration of all factors provided by California Government Code, Section 66473.7.

- EBMUD does not have sufficient water treatment or distribution capacity to serve the needs of proposed development, as demonstrated by a written engineering analysis and report.
  - EBMUD is subject to a compliance order by a designated state agency that prohibits new water connections.
  - The applicant has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking water service from EBMUD, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of applicable fees or charges.
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**Authority**

Resolution No. 32867-94, June 28, 1994  
As amended by Resolution No. 33443-04, September 28, 2004  
As amended by Resolution No. 33543-06, June 27, 2006  
As amended by Resolution No. 33687-08, October 14, 2008  
As amended by Resolution No. 33763-10, April 27, 2010  
As amended by Resolution No. 33871-12, April 24, 2012  
As amended by Resolution No. 33993-14, August 12, 2014  
As amended by Resolution No. XXXXX-16, April 26, 2016

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**Reference**

California Government Code, Section 66473.7  
California Government Code, Section 65589.7  
California Code of Regulations, Title 25, Section 6932 [income limit for "lower income households"]  
Procedure 109 – Water Mains: Water Service Estimates  
Policy 3.01 – Annexations  
Policy 7.05 – Sustainability  
Policy 9.03 – Water Supply Availability and Deficiency  
Policy 9.05 – Non-Potable Water

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# Policy 4.13R

EFFECTIVE 26 APR 16

~~24 APR 12~~

SUPERSEDES 24 APR 12

~~27 APR 10~~

## ESTABLISHING WATER AND WASTEWATER RATES

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

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

### Rate Methodology

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

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

- ~~• Allocation of costs applicable to the functional cost components of water service which could include extra capacity (peaking demands);~~
- ~~• Distribution of the component costs to the various customer classes in accordance with their requirements for service; and~~
- ~~• Design of water rates that will recover from each class of customer, within practical limits and consistent with District policy and applicable law, the reasonable, estimated costs to serve that class of customer.~~

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

### Water Rate Design

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

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

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

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

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**Rate Distribution**

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

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**Wastewater Rate Design**

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

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**Public Involvement in Rate Setting**

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

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**Establishing Water and Wastewater  
Rates**

NUMBER 4.13

PAGE NO.: 3

EFFECTIVE DATE 26 APR 14  
~~24 APR 12~~

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**Authority**

Resolution No. 32985-96, May 14, 1996,  
Amended by Motion 143-96, June 25, 1996,  
Amended by Resolution 33550-06, July 25, 2006  
Amended by Resolution 33763-10, April 27, 2010  
Amended by Resolution No. 33871-12, April 24, 2012  
Amended by Resolution No. XXXXX-16, April 26, 2016

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# Policy 4.13

EFFECTIVE 26 APR 16

SUPERSEDES 24 APR 12

## ESTABLISHING WATER AND WASTEWATER RATES

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

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

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**Rate Methodology** The District's water and wastewater rates are developed and structured in conformance with all applicable laws including the MUD Act and Proposition 218 (California Constitution article XIII D, section 6).

To ensure compliance with these requirements, a cost-of-service study of the District's water and wastewater service fees and charges is to be completed at least every ten years.

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**Water Rate Design** To the extent authorized by law, the District's water rates will be designed to encourage conservation, water use efficiency and resource management, and enhance reliability and supply. The District's water rates will be designed to recover the operating and capital costs of the water facilities in order to ensure reliable delivery of water.

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

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**Public Involvement in Rate Setting** In accordance with MUD Act Section 14401, prior to the Board's consideration of new or revised water and wastewater rates, a staff report presenting rate recommendations will be filed with the Board of Directors and made available to the public. Within 40 days of the filing of the report, EBMUD will conduct a public hearing on the report and its rate recommendations.

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**Authority** Resolution No. 32985-96, May 14, 1996  
Amended by Motion 143-96, June 25, 1996  
Amended by Resolution 33550-06, July 25, 2006  
Amended by Resolution 33763-10, April 27, 2010  
Amended by Resolution No. 33871-12, April 24, 2012  
Amended by Resolution No. XXXXX-16, April 26, 2016

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# Policy 4.20R

EFFECTIVE [26 APR 16](#)

~~26 JUN 12~~

SUPERSEDES ~~11 DEC 07~~

[26 JUN 12](#)

## USE OF DISTRICT TECHNOLOGY RESOURCES

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

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

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#### Ownership and Privacy

All software and data are the property of the District. Software, data, and all electronic files developed by employees, may not be taken with them when they leave the District without the written permission of the employee's Department ~~head~~ [Manager](#).

Electronic mail, Internet access, telephones, and other Technology Resources ("systems") are provided for District activities and are not intended for the personal use of employees as a substitute for their [personally-owned](#) ~~purchased~~ devices. District procedures, however, may allow incidental and appropriate personal use of these resources. In allowing such incidental use, no expectation of privacy is conveyed. The District may examine its systems and any electronic information, including files and electronic mail, at any time. Under no circumstances may District systems be used for [political purposes or for](#) an employee's non-District commercial or business activities, whether engaged in for profit or not, or for any illicit purpose.

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#### Use of Computer Software

All software used by the District must be properly licensed. District employees shall not copy or install unauthorized software onto District computers or improperly copy authorized District software in violation of software license agreements. The Information Systems Department is responsible for determining when software may be copied onto District systems.

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#### Authority

Resolution No. 32886-94, October 25, 1994,  
As amended by Resolution No. 33225-00, October 10, 2000  
As amended by Resolution No. 33646-07, December 11, 2007  
As amended by Resolution No. 33883-12, June 26, 2012  
[As amended by Resolution No. XXXXX-16, April 26, 2016](#)

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#### References

Policy 2.05	Employee Discipline
Policy 6.04	Ethics Policy Of The EBMUD Board Of Directors
Procedure 453	Technology Use And Privacy Procedure
Procedure 461	Information Security

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# Policy 4.20

EFFECTIVE 26 APR 16

SUPERSEDES 26 JUN 12

## USE OF DISTRICT TECHNOLOGY RESOURCES

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

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

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All software and data are the property of the District. Software, data, and all electronic files developed by employees, may not be taken with them when they leave the District without the written permission of the employee's Department head.

Electronic mail, Internet access, telephones, and other Technology Resources ("systems") are provided for District activities and are not intended for the personal use of employees as a substitute for their personally-owned devices. District procedures, however, may allow incidental and appropriate personal use of these resources. In allowing such incidental use, no expectation of privacy is conveyed. The District may examine its systems and any electronic information, including files and electronic mail, at any time. Under no circumstances may District systems be used for political purposes or for an employee's non-District commercial or business activities, whether engaged in for profit or not, or for any illicit purpose.

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Resolution No. 32886-94, October 25, 1994,  
As amended by Resolution No. 33225-00, October 10, 2000  
As amended by Resolution No. 33646-07, December 11, 2007  
As amended by Resolution No. 33883-12, June 26, 2012  
As amended by Resolution No. XXXXX-16, April 26, 2016

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#### References

Policy 2.05	Employee Discipline
Policy 6.04	Ethics Policy Of The EBMUD Board Of Directors
Procedure 453	Technology Use And Privacy Procedure
Procedure 461	Information Security

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# Policy 9.01R

EFFECTIVE [26 APR 16](#)

~~24 APR 12~~

SUPERSEDES [24 Apr 12](#)

~~23 FEB 10~~

## FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS

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

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

#### Protection of Watershed Lands and Water Quality

The District will:

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

**Fire Control and Fuels Management on Watershed  
Lands**

NUMBER 9.01

PAGE NO.: 2

EFFECTIVE DATE: 26 APR 16  
~~24 APR 12~~

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**Authority**

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

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**Reference**

Policy 7.10 – Source Water Quality

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# Policy 9.01

EFFECTIVE 26 APR 16

SUPERSEDES 24 Apr 12

## FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS

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

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

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#### Protection of Watershed Lands and Water Quality

The District will:

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

**Fire Control and Fuels Management on Watershed  
Lands**

NUMBER 9.01

PAGE NO.: 2

EFFECTIVE DATE: 26 APR 16

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

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**Reference** Policy 7.10 – Source Water Quality

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# Policy 9.03R

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

## WATER SUPPLY AVAILABILITY AND DEFICIENCY

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

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

### Annual Water Supplies WSADR Reports

A Preliminary WSADR review assessment and report to the Board of Directors shall be made ~~on the current and long-term adequacy of the District's water supplies~~ by March 1 of each year in which hydrologic conditions may trigger a need for dry year supplies. The Preliminary WSADR will be in the form of an informational memo that may include the following comments: an early assessment of the current year's water supply, a discussion of any new or ongoing state actions related to water supply, and a summary of the results of any demand management programs or acquisition of dry year or other supplemental supplies in the previous year. May 1<sup>st</sup> of each year.

A final assessment and report to the Board of Directors shall be made by May 1 of each year. ~~The report shall include an evaluation of the adequacy of the District's water supplies to satisfy customer demand for the current water year, based on the District's Drought Management Program Guidelines, and a projection through the year 2040, based on the determination of the Allowable Maximum Level of Demand (AMLDD). The report may include the following components: projected customer demand, projected runoff from Department of Water Resources, implementation of the Drought Management Program, forecast of the District's Total System Storage and, if applicable, adaptive management measures including discussion of gainsharing. This report will also refer to and, if applicable, provide updates to the water supply reliability analysis reported in the current Urban Water Management Plan (UWMP).~~

### Demand Management Program

In the Final WSADR, when a determination of deficient water supply is made, the Board of Directors will consider the implementation of a Demand Management Program (DMP).

The Final WSADR, supplemented by other Board actions, will identify the various components of the DMP as outlined in the UWMP that will need to be implemented. The components include the level of districtwide customer cutbacks and other dry year supplies obtained as well as any external mandates, if applicable.

### Long-Term Water Supply Reliability

An assessment of long-term water supply reliability through the year 2040 shall be made assuming:

- ~~• Water service will be provided in accordance with the District's Regulations Governing Water Service to Customers.~~
- ~~• Water conservation and water recycling programs will be implemented as provided in the District's current Urban Water Management Plan (UWMP).~~

**Supplemental Supplies**

The District shall pursue supplemental supplies if existing supplies are found to be inadequate ~~either for the current year or through the year 2040~~ as outlined in the District's current UWMP.

**Demand Management Program Implementation**

~~When a determination of deficient water supply is made for the current water year, the District will consider the implementation of a Demand Management Program.~~

~~The District shall have a goal of limiting customer rationing to a maximum of 15% of District-wide annual demand and will implement this policy consistent with the District's Drought Management Program Guidelines, as outlined in the District's current UWMP.~~

**Surplus Water Notification**

In accordance with the 1998 Joint Settlement Agreement, when a determination of the availability of Mokelumne River water is made in the final WSADR, the District will notify the Resources Agencies, specifically the United States Fish and Wildlife Services and the California Department of Fish and Wildlife, of the availability of the additional water within two weeks after the filing of the Final WSADR.

**Definitions**

~~*Allowable Maximum Level of Demand (AML D)* – The allowable maximum level of customer demand, expressed in MGD as an annual average, that the existing water supply system can sustain under the Drought Planning Sequence (DPS).~~

*Drought Planning Sequence (DPS)* – Three year hydrology sequence representing a worst case drought scenario that is derived from, but more severe than, the hydrological record as outlined in the District's UWMP.

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

*Water Year* – The term defined as the 12-month period from October 1 through September 30, of the following year. The water year is designated by the calendar year in which it ends, ~~and which includes 9 of the 12 months.~~ Thus, the year ending September 30, 2013 is called the "2013" water year.

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

**Authority**

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



# Policy 9.03

EFFECTIVE 26 APR 16

SUPERSEDES 12 NOV 13

## WATER SUPPLY AVAILABILITY AND DEFICIENCY

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

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

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#### **Annual WSADR Reports**

A Preliminary WSADR assessment and report to the Board of Directors shall be made by March 1 of each year in which hydrologic conditions may trigger a need for dry year supplies. The Preliminary WSADR will be in the form of an informational memo that may include the following comments: an early assessment of the current year's water supply, a discussion of any new or ongoing state actions related to water supply, and a summary of the results of any demand management programs or acquisition of dry year or other supplemental supplies in the previous year.

A final assessment and report to the Board of Directors shall be made by May 1 of each year. The report may include the following components: projected customer demand, projected runoff from Department of Water Resources, implementation of the Drought Management Program, forecast of the District's Total System Storage and, if applicable, adaptive management measures including discussion of gainsharing. This report will also refer to and, if applicable, provide updates to the water supply reliability analysis reported in the current Urban Water Management Plan (UWMP).

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#### **Demand Management Program**

In the Final WSADR, when a determination of deficient water supply is made, the Board of Directors will consider the implementation of a Demand Management Program (DMP).

The Final WSADR, supplemented by other Board actions, will identify the various components of the DMP as outlined in the UWMP that will need to be implemented. The components include the level of districtwide customer cutbacks and other dry year supplies obtained as well as any external mandates, if applicable.

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#### **Supplemental Supplies**

The District shall pursue supplemental supplies if existing supplies are found to be inadequate as outlined in the District's current UWMP.

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#### **Surplus Water Notification**

In accordance with the 1998 Joint Settlement Agreement, when a determination of the availability of Mokelumne River water is made in the final WSADR, the District will notify the Resources Agencies, specifically the United States Fish and Wildlife Services and the California Department of Fish and Wildlife, of the availability of the additional water within two weeks after the filing of the Final WSADR.

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#### **Definitions**

*Drought Planning Sequence (DPS)* – Three year hydrology sequence representing a worst case drought scenario that is derived from, but more severe than, the historical hydrological record as outlined in the District's UWMP.

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

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

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

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**Authority**

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

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**References**

Policy 3.01 – Annexations  
Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary  
Policy 3.07 – Responsibility to Serve Water Customers  
Procedure 900 – Water Supply and Consumption Accounting and Reporting  
Procedure 901 – Recycled Water Accounting and Reporting  
Procedure 902 – Water Conservation Accounting and Reporting  
Procedure 903 – Compliance with USBR Long Term Renewal Contract for Delivery of CVP Water  
EBMUD's Urban Water Management Plan  
FERC Project 2916 Lower Mokelumne River – Joint Settlement Agreement

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# Policy 9.04R

EFFECTIVE [26 APR 16](#)  
~~[24 APR 12](#)~~

SUPERSEDES [24 APR 12](#)  
~~[23 FEB 10](#)~~

## WATERSHED MANAGEMENT AND USE

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

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

#### Watershed Management and Use – General

- Implement the Mokelumne Watershed Master Plan (MWMP) adopted by Resolution No. 33668-08 and the East Bay Watershed Master Plan (EBWMP) adopted by Resolution No. 32979-96 as policy for those District-owned lands described therein.
- Manage and maintain District-owned watershed lands in accordance with all applicable environmental laws, regulations and requirements.

#### Watershed Land Acquisition

- Anticipate watershed land requirements necessary for District operations and protection of source water quality with sufficient lead-time to effect economic acquisition of property.
- Acquire, maintain, and/or dispose of watershed land, consistent with District land ownership priorities and in accordance with District environmental principles and primary objective of providing high quality drinking water.
- Work with other agencies or public utilities seeking interest in or acquisition of District lands in accordance with the District's mission as outlined in this policy and in the MWMP and EBWMP.
- ~~Resist~~ Oppose, with all means and methods provided by law, land acquisition or use by non-District entities for purposes which are inconsistent with District Watershed Master Plans and Policies or which would result in the deterioration of environmental or drinking water source quality.

#### Watershed Land Protection

- ~~Maintain an active program that p~~ Preserves and protects source water quality through sanitary control, watershed assessment and protection of District-owned watershed lands tributary to District reservoirs, all consistent with the Safe Drinking Water Act and its amendments.
- Work with officials from sanitary districts, the Regional Water Quality Control Boards, and federal, state, county, and local governments to preserve and protect source water quality.

- 
- Develop, implement, and maintain Best Management Practices to minimize soil erosion, sedimentation, fire damage, nutrient and other pollutant impacts on District-owned lands and source water quality.
  - Track climate change science and the potential impacts of climate change on watershed lands. Incorporate findings, as appropriate into future studies and master plans.
  - Prevent contamination and pollution from entering District reservoirs.
  - Identify sediment sources from non-District owned land and determine their impact on District reservoirs and watercourses, while encouraging owners of non-District owned watershed lands to develop and implement Best Management Practices for erosion control.
  - Where feasible, purchase and eliminate occupancy on watershed lands where sewage disposal is impracticable or constitutes a special hazard or where occupancy will result in the degradation of the District's source water quality. Prohibit any human use of District lands that lack adequate and approved facilities for removal of sewage.

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**Land Management and Control**

- Permit public use of District-owned land/watershed for purposes including, but not limited to, education, recreation and fishing that are consistent with the District's primary objective of providing high quality drinking water by protecting source water quality and preserving open space characteristics of land as outlined in the MWMP, EBWMP and in District policy. Permit only those uses that can be adequately monitored and managed by the District. Prioritize these uses to best meet core business needs and regulatory requirements of water supply, water quality, environmental protection and recreation. Consider the impact to ratepayers in determining the appropriateness of any watershed use not related to core business requirements.
- Maintain and operate reservoir recreation areas consistent with the District's mission and policies as described in the MWMP and EBWMP. Recreation areas will be developed and operated by District staff, qualified public agencies or private concessionaires as determined by the Board of Directors. Non-District operation of recreation areas must conform with District-adopted performance standards.
- Obtain public input on District watershed management by inviting public participation ~~via citizen advisory committees or other means, as deemed appropriate by the District,~~ as part of the master planning process.
- Coordinate District land use planning and management with federal, state, and local agencies as required.
- Retain fee title to and direct control over all watershed lands and reservoirs essential to the security or operation of the utility system.
- Ensure security (including patrols) of District watershed lands and reservoirs.



- Modifications to the MWMP and EBWMP shall be made only by appropriate action of the Board of Directors following public notification and hearing. The Board of Directors may make such modifications as may be necessary to meet the requirements for the primary purpose of protecting ~~watershed land, source water quality, and water production~~ water supply and natural resources, and sustainability values.

**Authority**

Resolution No. 25,418, October 13, 1970  
As amended by Resolution No. 33116-98, August 11, 1998  
As amended by Resolution No. 33236-01, February 13, 2001  
As amended by Resolution No. 33634-07, October 9, 2007  
As amended by Resolution No. 33756-10, February 23, 2010  
As amended by Resolution No. 33871-12, April 24, 2012  
As amended by Resolution No. XXXXX-16, April 26, 2016

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**References**

~~Policy 7.10 – Source Water Quality~~  
Policy 7.05 – Sustainability  
Policy 7.10 – Source Water Quality

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# Policy 9.04

EFFECTIVE 26 APR 16

SUPERSEDES 24 APR 12

## WATERSHED MANAGEMENT AND USE

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

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

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#### **Watershed Management and Use – General**

- Implement the Mokelumne Watershed Master Plan (MWMP) adopted by Resolution No. 33668-08 and the East Bay Watershed Master Plan (EBWMP) adopted by Resolution No. 32979-96 as policy for those District-owned lands described therein.
  - Manage and maintain District-owned watershed lands in accordance with all applicable environmental laws, regulations and requirements.
- 

#### **Watershed Land Acquisition**

- Anticipate watershed land requirements necessary for District operations and protection of source water quality with sufficient lead-time to effect economic acquisition of property.
  - Acquire, maintain, and/or dispose of watershed land, consistent with District land ownership priorities and in accordance with District environmental principles and primary objective of providing high quality drinking water.
  - Work with other agencies or public utilities seeking interest in or acquisition of District lands in accordance with the District's mission as outlined in this policy and in the MWMP and EBWMP.
  - Oppose, with all means and methods provided by law, land acquisition or use by non-District entities for purposes which are inconsistent with District Watershed Master Plans and Policies or which would result in the deterioration of environmental or drinking water source quality.
- 

#### **Watershed Land Protection**

- Preserve and protect source water quality through sanitary control, watershed assessment and protection of District-owned watershed lands tributary to District reservoirs, all consistent with the Safe Drinking Water Act and its amendments.
- Work with officials from sanitary districts, the Regional Water Quality Control Boards, and federal, state, county, and local governments to preserve and protect source water quality.
- Develop, implement, and maintain Best Management Practices to minimize soil erosion, sedimentation, fire damage, nutrient and other pollutant impacts on District-owned lands and source water quality.
- Track climate change science and the potential impacts of climate change on watershed lands. Incorporate findings as appropriate into future studies and master plans.

- Prevent contamination and pollution from entering District reservoirs.
  - Identify sediment sources from non-District owned land and determine their impact on District reservoirs and watercourses, while encouraging owners of non-District owned watershed lands to develop and implement Best Management Practices for erosion control.
  - Where feasible, purchase and eliminate occupancy on watershed lands where sewage disposal is impracticable or constitutes a special hazard or where occupancy will result in the degradation of the District's source water quality. Prohibit any human use of District lands that lack adequate and approved facilities for removal of sewage.
- 

**Land Management and Control**

- Permit public use of District-owned land/watershed for purposes including, but not limited to, education, recreation and fishing that are consistent with the District's primary objective of providing high quality drinking water by protecting source water quality and preserving open space characteristics of land as outlined in the MWMP, EBWMP and in District policy. Permit only those uses that can be adequately monitored and managed by the District. Prioritize these uses to best meet core business needs and regulatory requirements of water supply, water quality, environmental protection and recreation. Consider the impact to ratepayers in determining the appropriateness of any watershed use not related to core business requirements.
- Maintain and operate reservoir recreation areas consistent with the District's mission and policies as described in the MWMP and EBWMP. Recreation areas will be developed and operated by District staff, qualified public agencies or private concessionaires as determined by the Board of Directors. Non-District operation of recreation areas must conform with District-adopted performance standards.
- Obtain public input on District watershed management by inviting public participation as part of the master planning process.
- Coordinate District land use planning and management with federal, state, and local agencies as required.
- Retain fee title to and direct control over all watershed lands and reservoirs essential to the security or operation of the utility system.
- Ensure security (including patrols) of District watershed lands and reservoirs.
- Modifications to the MWMP and EBWMP shall be made only by appropriate action of the Board of Directors following public notification and hearing. The Board of Directors may make such modifications as may be necessary to meet the requirements for the primary purpose of protecting water quality, water supply and natural resources, and sustainability values.

**Authority**

Resolution No. 25,418, October 13, 1970  
As amended by Resolution No. 33116-98, August 11, 1998  
As amended by Resolution No. 33236-01, February 13, 2001  
As amended by Resolution No. 33634-07, October 9, 2007  
As amended by Resolution No. 33756-10, February 23, 2010  
As amended by Resolution No. 33871-12, April 24, 2012  
As amended by Resolution No. XXXXX-16, April 26, 2016

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**References**

Policy 7.05 – Sustainability  
Policy 7.10 – Source Water Quality

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

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

Introduced by Director \_\_\_\_\_ ; Seconded by Director \_\_\_\_\_

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

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

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

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

\_\_\_\_\_  
General Counsel







# Policy 1.13R

EFFECTIVE [26 APR 16](#)

~~25-MAR-14~~

SUPERSEDES [25 MAR 14](#)

~~26 JUN12~~

## CUSTOMER IDENTITY THEFT PREVENTION PROGRAM

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

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

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

**Authority** Resolution No. 33710-09, April 28, 2009  
As amended by Resolution No. 33883-12, June 26, 2012  
As amended by Resolution No. 33968-14, March 25, 2014  
[As amended by Resolution No. XXXXX-16, April 26, 2016](#)

**References** Procedure 144 – Identity Theft Prevention Program Guidelines  
Fair and Accurate Credit Transactions Act of 2003



# Policy 1.13

EFFECTIVE 26 APR 16

SUPERSEDES 25 MAR 14

## CUSTOMER IDENTITY THEFT PREVENTION PROGRAM

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

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

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

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**Authority** Resolution No. 33710-09, April 28, 2009  
As amended by Resolution No. 33883-12, June 26, 2012  
As amended by Resolution No. 33968-14, March 25, 2014  
As amended by Resolution No. XXXXX-16, April 26, 2016

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**References** Procedure 144 – Identity Theft Prevention Program Guidelines  
Fair and Accurate Credit Transactions Act of 2003

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# Policy 2.04R

EFFECTIVE [26 APR 16](#)

~~11 AUG 02~~

SUPERSEDES [11 AUG 92](#)

NEW

## CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES

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

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

---

### Conditions

- The former employee offers unique knowledge and skills for specialized professional services.
  - Payment of compensation for such services shall not prejudice the retirement rights or benefits of the person.
  - At least one year has elapsed since separation from the District.
  - At least one year has elapsed since separation from the District when accepting former employees in principal roles on professional services contracts with outside firms.
- 

### Exception

The one-year waiting period may be waived when, in the opinion of the General Counsel, it is in the best interest of the District to retain the services of a former employee to serve as a percipient witness, consultant or expert witness for or on behalf of the District in any pending litigation. The term "pending litigation" shall be defined to include any adjudicatory proceeding before a court, administrative body, hearing officer or arbitrator to which the District is a party and/or those matters where there is a significant exposure to litigation against the District.

[Contractual agreements with former employees who have retired from the District are subject to the requirements set forth under the Public Employees' Pension Reform Act \("PEPRA"\) under California Government Code Section 7522.56.](#)

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### Authority

Motion No. 92-130, August 11, 1992  
[Amended by Resolution No. XXXXX-16, April 26, 2016](#)

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# Policy 2.04

EFFECTIVE 26 APR 16

SUPERSEDES 11 AUG 92

## **CONTRACTUAL AGREEMENTS WITH FORMER EMPLOYEES**

---

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

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

---

- Conditions**
- The former employee offers unique knowledge and skills for specialized professional services.
  - Payment of compensation for such services shall not prejudice the retirement rights or benefits of the person.
  - At least one year has elapsed since separation from the District.
  - At least one year has elapsed since separation from the District when accepting former employees in principal roles on professional services contracts with outside firms.
- 

**Exception**

The one-year waiting period may be waived when, in the opinion of the General Counsel, it is in the best interest of the District to retain the services of a former employee to serve as a percipient witness, consultant or expert witness for or on behalf of the District in any pending litigation. The term "pending litigation" shall be defined to include any adjudicatory proceeding before a court, administrative body, hearing officer or arbitrator to which the District is a party and/or those matters where there is a significant exposure to litigation against the District.

Contractual agreements with former employees who have retired from the District are subject to the requirements set forth under the Public Employees' Pension Reform Act ("PEPRA") under California Government Code Section 7522.56.

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**Authority**

Motion No. 92-130, August 11, 1992  
Amended by Resolution No. XXXXX-16, April 26, 2016

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# Policy 3.05R

EFFECTIVE [26 APR 16](#)

~~14 NOV 06~~

SUPERSEDES [14 NOV 06](#)

~~13 FEB 01~~

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

---

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

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

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

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

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

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#### Authority

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

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# Policy 3.05

EFFECTIVE 26 APR 16

SUPERSEDES 14 NOV 06

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

---

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

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

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

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

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

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### Authority

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

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# Policy 3.07R

EFFECTIVE [26 APR 16](#)~~12 AUG 14~~

SUPERSEDES ~~24 APR 12~~[12 AUG 14](#)

## RESPONSIBILITY TO SERVE WATER CUSTOMERS

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

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

---

#### Discussion

It is expected that water available for supplying EBMUD's customers will vary over time depending on the following factors: diversions by Mokelumne River users with senior water rights, requirements for instream flows to protect fish and wildlife in the Mokelumne River, the Sacramento-San Joaquin River Delta, and the San Francisco Bay, [state conservation mandates](#), as well as ~~development of the availability of current and future supplemental dry year~~ supplies.

Water agencies are responsible for planning to meet the needs of their customers through periods of drought with minimal disruption by minimizing the need for extreme rationing within their service area.

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#### Water Service Responsibility

EBMUD recognizes that when there is [an actual or projected](#) water shortage ~~or projected water shortage~~, EBMUD's responsibility to serve its customers and service area is prioritized as follows:

- First, ~~to serve its~~ existing customers within [the District's its existing](#) service area ~~while meeting the goal of limiting customer rationing to 15 percent per Board Policy 9.03.~~
- Second, ~~to serve~~ expected new customers within [the District's its existing](#) service area, ~~but only~~ if this does not unacceptably impair EBMUD's ability to serve its existing customers ~~without exceeding 15 percent rationing.~~
- Third, to consider serving new customers outside of [the District's its existing](#) service area, ~~but only~~ if this does not impair EBMUD's ability to serve existing and expected new customers within its service area.

In accordance with California Government Code, Section 65589.7, when new service connections are restricted by EBMUD's Board of Directors, priority shall be given to applicants for water service to proposed developments within EBMUD's existing service area that include housing units affordable to lower income households, subject to income limits specified in the California Code of Regulations ~~and pursuant to administrative procedures adopted by the General Manager.~~ Applicants granted such priority shall comply with EBMUD's Regulations Governing Water Service and pay all requisite fees.

EBMUD shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the Board of Directors makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- EBMUD is operating under a declared water shortage emergency condition under California Water Code, Section 350, et seq.

- Sufficient water supply is not available to support the granting of all requests for new service, based upon a consideration of all factors provided by California Government Code, Section 66473.7.
- EBMUD does not have sufficient water treatment or distribution capacity to serve the needs of proposed development, as demonstrated by a written engineering analysis and report.
- EBMUD is subject to a compliance order by ~~the Department of Public Health~~ [designated state agency](#) that prohibits new water connections.
- The applicant has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking water service from EBMUD, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of applicable fees or charges.

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**Authority**

Resolution No. 32867-94, June 28, 1994  
As amended by Resolution No. 33443-04, September 28, 2004  
As amended by Resolution No. 33543-06, June 27, 2006  
As amended by Resolution No. 33687-08, October 14, 2008  
As amended by Resolution No. 33763-10, April 27, 2010-  
As amended by Resolution No. 33871-12, April 24, 2012  
As amended by Resolution No. 33993-14, August 12, 2014  
[As amended by Resolution No. XXXXX-16, April 26, 2016](#)

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**Reference**

California Government Code, Section 66473.7  
California Government Code, Section 65589.7  
California Code of Regulations, Title 25, Section 6932 [income limit for “lower income households”]  
Procedure 109 – Water Mains: Water Service Estimates  
[Policy 3.01 – Annexations](#)  
Policy 7.05 – Sustainability  
Policy 9.03 – Water Supply Availability and Deficiency  
Policy 9.05 – Non-Potable Water

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# Policy 3.07

EFFECTIVE

26 APR 16

## RESPONSIBILITY TO SERVE WATER CUSTOMERS

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SUPERSEDES

12 AUG 14

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

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

---

#### Discussion

It is expected that water available for supplying EBMUD's customers will vary over time depending on the following factors: diversions by Mokelumne River users with senior water rights, requirements for instream flows to protect fish and wildlife in the Mokelumne River, the Sacramento-San Joaquin River Delta, and the San Francisco Bay, state conservation mandates, as well as the availability of current and future dry year supplies.

Water agencies are responsible for planning to meet the needs of their customers through periods of drought with minimal disruption by minimizing the need for extreme rationing within their service area.

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#### Water Service Responsibility

EBMUD recognizes that when there is an actual or projected water shortage, EBMUD's responsibility to serve its customers and service area is prioritized as follows:

- First, serve existing customers within the District's service area.
- Second, serve expected new customers within the District's service area, if this does not unacceptably impair EBMUD's ability to serve its existing customers.
- Third, to consider serving new customers outside of the District's service area, if this does not impair EBMUD's ability to serve existing and expected new customers within its service area.

In accordance with California Government Code, Section 65589.7, when new service connections are restricted by EBMUD's Board of Directors, priority shall be given to applicants for water service to proposed developments within EBMUD's existing service area that include housing units affordable to lower income households, subject to income limits specified in the California Code of Regulations. Applicants granted such priority shall comply with EBMUD's Regulations Governing Water Service and pay all requisite fees.

EBMUD shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the Board of Directors makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- EBMUD is operating under a declared water shortage emergency condition under California Water Code, Section 350, et seq.
- Sufficient water supply is not available to support the granting of all requests for new service, based upon a consideration of all factors provided by California Government Code, Section 66473.7.

- EBMUD does not have sufficient water treatment or distribution capacity to serve the needs of proposed development, as demonstrated by a written engineering analysis and report.
  - EBMUD is subject to a compliance order by a designated state agency that prohibits new water connections.
  - The applicant has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking water service from EBMUD, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of applicable fees or charges.
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**Authority**

Resolution No. 32867-94, June 28, 1994  
As amended by Resolution No. 33443-04, September 28, 2004  
As amended by Resolution No. 33543-06, June 27, 2006  
As amended by Resolution No. 33687-08, October 14, 2008  
As amended by Resolution No. 33763-10, April 27, 2010  
As amended by Resolution No. 33871-12, April 24, 2012  
As amended by Resolution No. 33993-14, August 12, 2014  
As amended by Resolution No. XXXXX-16, April 26, 2016

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**Reference**

California Government Code, Section 66473.7  
California Government Code, Section 65589.7  
California Code of Regulations, Title 25, Section 6932 [income limit for "lower income households"]  
Procedure 109 – Water Mains: Water Service Estimates  
Policy 3.01 – Annexations  
Policy 7.05 – Sustainability  
Policy 9.03 – Water Supply Availability and Deficiency  
Policy 9.05 – Non-Potable Water

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# Policy 4.13R

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

## ESTABLISHING WATER AND WASTEWATER RATES

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

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

### Rate Methodology

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

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

- ~~• Allocation of costs applicable to the functional cost components of water service which could include extra capacity (peaking demands);~~
- ~~• Distribution of the component costs to the various customer classes in accordance with their requirements for service; and~~
- ~~• Design of water rates that will recover from each class of customer, within practical limits and consistent with District policy and applicable law, the reasonable, estimated costs to serve that class of customer.~~

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

### Water Rate Design

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

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

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

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

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**Rate Distribution**

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

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**Wastewater Rate Design**

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

---

**Public Involvement in Rate Setting**

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

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**Establishing Water and Wastewater  
Rates**

NUMBER 4.13

PAGE NO.: 3

EFFECTIVE DATE [26 APR 14](#)  
~~[24 APR 12](#)~~

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**Authority**

Resolution No. 32985-96, May 14, 1996;  
Amended by Motion 143-96, June 25, 1996;  
Amended by Resolution 33550-06, July 25, 2006  
Amended by Resolution 33763-10, April 27, 2010  
Amended by Resolution No. 33871-12, April 24, 2012  
[Amended by Resolution No. XXXXX-16, April 26, 2016](#)

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# Policy 4.13

EFFECTIVE 26 APR 16

SUPERSEDES 24 APR 12

## ESTABLISHING WATER AND WASTEWATER RATES

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

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

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**Rate Methodology** The District's water and wastewater rates are developed and structured in conformance with all applicable laws including the MUD Act and Proposition 218 (California Constitution article XIII D, section 6).

To ensure compliance with these requirements, a cost-of-service study of the District's water and wastewater service fees and charges is to be completed at least every ten years.

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**Water Rate Design** To the extent authorized by law, the District's water rates will be designed to encourage conservation, water use efficiency and resource management, and enhance reliability and supply. The District's water rates will be designed to recover the operating and capital costs of the water facilities in order to ensure reliable delivery of water.

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

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**Public Involvement in Rate Setting** In accordance with MUD Act Section 14401, prior to the Board's consideration of new or revised water and wastewater rates, a staff report presenting rate recommendations will be filed with the Board of Directors and made available to the public. Within 40 days of the filing of the report, EBMUD will conduct a public hearing on the report and its rate recommendations.

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**Authority** Resolution No. 32985-96, May 14, 1996  
Amended by Motion 143-96, June 25, 1996  
Amended by Resolution 33550-06, July 25, 2006  
Amended by Resolution 33763-10, April 27, 2010  
Amended by Resolution No. 33871-12, April 24, 2012  
Amended by Resolution No. XXXXX-16, April 26, 2016

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# Policy 4.20R

EFFECTIVE [26 APR 16](#)

~~26 JUN 12~~

SUPERSEDES ~~11 DEC 07~~

[26 JUN 12](#)

## USE OF DISTRICT TECHNOLOGY RESOURCES

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

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

#### Ownership and Privacy

All software and data are the property of the District. Software, data, and all electronic files developed by employees, may not be taken with them when they leave the District without the written permission of the employee's Department ~~head~~ [Manager](#).

Electronic mail, Internet access, telephones, and other Technology Resources ("systems") are provided for District activities and are not intended for the personal use of employees as a substitute for their [personally-owned](#) ~~purchased~~ devices. District procedures, however, may allow incidental and appropriate personal use of these resources. In allowing such incidental use, no expectation of privacy is conveyed. The District may examine its systems and any electronic information, including files and electronic mail, at any time. Under no circumstances may District systems be used for [political purposes or for](#) an employee's non-District commercial or business activities, whether engaged in for profit or not, or for any illicit purpose.

#### Use of Computer Software

All software used by the District must be properly licensed. District employees shall not copy or install unauthorized software onto District computers or improperly copy authorized District software in violation of software license agreements. The Information Systems Department is responsible for determining when software may be copied onto District systems.

#### Authority

Resolution No. 32886-94, October 25, 1994,  
As amended by Resolution No. 33225-00, October 10, 2000  
As amended by Resolution No. 33646-07, December 11, 2007  
As amended by Resolution No. 33883-12, June 26, 2012  
[As amended by Resolution No. XXXXX-16, April 26, 2016](#)

#### References

Policy 2.05	Employee Discipline
Policy 6.04	Ethics Policy Of The EBMUD Board Of Directors
Procedure 453	Technology Use And Privacy Procedure
Procedure 461	Information Security



# Policy 4.20

EFFECTIVE 26 APR 16

SUPERSEDES 26 JUN 12

## USE OF DISTRICT TECHNOLOGY RESOURCES

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

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

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#### **Ownership and Privacy**

All software and data are the property of the District. Software, data, and all electronic files developed by employees, may not be taken with them when they leave the District without the written permission of the employee's Department head.

Electronic mail, Internet access, telephones, and other Technology Resources ("systems") are provided for District activities and are not intended for the personal use of employees as a substitute for their personally-owned devices. District procedures, however, may allow incidental and appropriate personal use of these resources. In allowing such incidental use, no expectation of privacy is conveyed. The District may examine its systems and any electronic information, including files and electronic mail, at any time. Under no circumstances may District systems be used for political purposes or for an employee's non-District commercial or business activities, whether engaged in for profit or not, or for any illicit purpose.

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#### **Authority**

Resolution No. 32886-94, October 25, 1994,  
As amended by Resolution No. 33225-00, October 10, 2000  
As amended by Resolution No. 33646-07, December 11, 2007  
As amended by Resolution No. 33883-12, June 26, 2012  
As amended by Resolution No. XXXXX-16, April 26, 2016

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#### **References**

Policy 2.05	Employee Discipline
Policy 6.04	Ethics Policy Of The EBMUD Board Of Directors
Procedure 453	Technology Use And Privacy Procedure
Procedure 461	Information Security

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# Policy 9.01R

EFFECTIVE [26 APR 16](#)

~~24 APR 12~~

SUPERSEDES [24 Apr 12](#)

~~23 FEB 10~~

## FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS

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

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

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#### Protection of Watershed Lands and Water Quality

The District will:

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

**Fire Control and Fuels Management on Watershed  
Lands**

NUMBER 9.01

PAGE NO.: 2

EFFECTIVE DATE: [26 APR 16](#)  
~~[24 APR 12](#)~~

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**Authority**

Resolution No. 16,866, January 14, 1955  
Amended by Resolution No. 33116-98, August 11, 1998,  
Amended by Resolution No. 33236-01, February 13, 2001  
Amended by Resolution No. 33634-07, October 9, 2007  
Amended by Resolution No. 33756-10, February 23, 2010  
Amended by Resolution No. 33871-12, April 24, 2012  
[Amended by Resolution No. XXXXX-16, April 26, 2016](#)

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**Reference**

Policy 7.10 – Source Water Quality

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# Policy 9.01

EFFECTIVE 26 APR 16

## **FIRE CONTROL AND FUELS MANAGEMENT ON WATERSHED LANDS**

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SUPERSEDES 24 Apr 12

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

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

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#### **Protection of Watershed Lands and Water Quality**

The District will:

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

**Fire Control and Fuels Management on Watershed  
Lands**

NUMBER 9.01

PAGE NO.: 2

EFFECTIVE DATE: 26 APR 16

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**Authority**

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

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**Reference**

Policy 7.10 – Source Water Quality

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# Policy 9.03R

EFFECTIVE [26 APR 16](#)  
~~12 NOV 13~~  
SUPERSEDES [12 NOV 13](#)  
~~14 JUN 11~~

## WATER SUPPLY AVAILABILITY AND DEFICIENCY

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

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

### Annual ~~Water Supplies~~ WSADR Reports

~~A Preliminary WSADR review assessment and report to the Board of Directors shall be made on the current and long-term adequacy of the District's water supplies by March 1 of each year in which hydrologic conditions may trigger a need for dry year supplies. The Preliminary WSADR will be in the form of an informational memo that may include the following comments: an early assessment of the current year's water supply, a discussion of any new or ongoing state actions related to water supply, and a summary of the results of any demand management programs or acquisition of dry year or other supplemental supplies in the previous year. May 1<sup>st</sup> of each year.~~

A final assessment and report to the Board of Directors shall be made by May 1 of each year. The report shall include an evaluation of the adequacy of the District's water supplies to satisfy customer demand for the current water year, based on the District's Drought Management Program Guidelines, and a projection through the year 2040, based on the determination of the Allowable Maximum Level of Demand (AML). The report may include the following components: projected customer demand, projected runoff from Department of Water Resources, implementation of the Drought Management Program, forecast of the District's Total System Storage and, if applicable, adaptive management measures including discussion of gainsharing. This report will also refer to and, if applicable, provide updates to the water supply reliability analysis reported in the current Urban Water Management Plan (UWMP).

### Demand Management Program

In the Final WSADR, when a determination of deficient water supply is made, the Board of Directors will consider the implementation of a Demand Management Program (DMP).

The Final WSADR, supplemented by other Board actions, will identify the various components of the DMP as outlined in the UWMP that will need to be implemented. The components include the level of districtwide customer cutbacks and other dry year supplies obtained as well as any external mandates, if applicable.

### ~~Long-Term Water Supply Reliability~~

~~An assessment of long-term water supply reliability through the year 2040 shall be made assuming:~~

- ~~• Water service will be provided in accordance with the District's Regulations Governing Water Service to Customers.~~
- ~~• Water conservation and water recycling programs will be implemented as provided in the District's current Urban Water Management Plan (UWMP).~~

# Water Supply Availability and Deficiency

NUMBER 9.03

PAGE NO.: 2

EFFECTIVE DATE [26 APR 16](#)  
[12 NOV 13](#)

## Supplemental Supplies

The District shall pursue supplemental supplies if existing supplies are found to be inadequate ~~either for the current year or through the year 2040~~ as outlined in the District's current UWMP.

## ~~Demand Management Program Implementation~~

~~When a determination of deficient water supply is made for the current water year, the District will consider the implementation of a Demand Management Program.~~

~~The District shall have a goal of limiting customer rationing to a maximum of 15% of District wide annual demand and will implement this policy consistent with the District's Drought Management Program Guidelines, as outlined in the District's current UWMP.~~

## Surplus Water Notification

In accordance with the 1998 Joint Settlement Agreement, when a determination of the availability of Mokelumne River water is made in the final WSADR, the District will notify the Resources Agencies, specifically the United States Fish and Wildlife Services and the California Department of Fish and Wildlife, of the availability of the additional water within two weeks after the filing of the Final WSADR.

## Definitions

~~*Allowable Maximum Level of Demand (AML D)*—The allowable maximum level of customer demand, expressed in MGD as an annual average, that the existing water supply system can sustain under the Drought Planning Sequence (DPS).~~

*Drought Planning Sequence (DPS)* – Three year hydrology sequence representing a worst case drought scenario that is derived from, but more severe than, the historical hydrological record as outlined in the District's UWMP.

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

*Water Year* – The term defined as the 12-month period from October 1 through September 30, of the following year. The water year is designated by the calendar year in which it ends, ~~and which includes 9 of the 12 months.~~ Thus, the year ending September 30, 2013 is called the "2013" water year.

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

## Authority

Amended by Resolution [No. 31,246](#), May 14, 1985  
Amended by Resolution No. 32,204, May 9, 1989  
Amended by Resolution No. 33175-99, November 9, 1999  
Amended by Resolution No. 33759-10, April 13, 2010  
Amended by Resolution No. 33821-11, June 14, 2011  
Amended by Resolution No. 33950-13, November 12, 2013  
Amended by Resolution No. XXXXX-16, April 26, 2016



# Water Supply Availability and Deficiency

NUMBER 9.03

PAGE NO.: 3

EFFECTIVE DATE [26 APR 16](#)  
~~[12 NOV 13](#)~~

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## References

Policy 3.01 - Annexations

Policy 3.05 - ~~Effects of~~ [Considerations for](#) Extension of Water Beyond the Ultimate Service Boundary

Policy 3.07 - Responsibility to Serve Water Customers

Procedure 900 – Water Supply and Consumption Accounting and Reporting

Procedure 901 – Recycled Water Accounting and Reporting

Procedure 902 – Water Conservation Accounting and Reporting

[Procedure 903 – Compliance with USBR Long Term Renewal Contract for Delivery of CVP Water](#)

EBMUD's Urban Water Management Plan

[FERC Project 2916 Lower Mokelumne River – Joint Settlement Agreement](#)

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# Policy 9.03

EFFECTIVE 26 APR 16

SUPERSEDES 12 NOV 13

## WATER SUPPLY AVAILABILITY AND DEFICIENCY

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

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

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#### **Annual WSADR Reports**

A Preliminary WSADR assessment and report to the Board of Directors shall be made by March 1 of each year in which hydrologic conditions may trigger a need for dry year supplies. The Preliminary WSADR will be in the form of an informational memo that may include the following comments: an early assessment of the current year's water supply, a discussion of any new or ongoing state actions related to water supply, and a summary of the results of any demand management programs or acquisition of dry year or other supplemental supplies in the previous year.

A final assessment and report to the Board of Directors shall be made by May 1 of each year. The report may include the following components: projected customer demand, projected runoff from Department of Water Resources, implementation of the Drought Management Program, forecast of the District's Total System Storage and, if applicable, adaptive management measures including discussion of gainsharing. This report will also refer to and, if applicable, provide updates to the water supply reliability analysis reported in the current Urban Water Management Plan (UWMP).

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#### **Demand Management Program**

In the Final WSADR, when a determination of deficient water supply is made, the Board of Directors will consider the implementation of a Demand Management Program (DMP).

The Final WSADR, supplemented by other Board actions, will identify the various components of the DMP as outlined in the UWMP that will need to be implemented. The components include the level of districtwide customer cutbacks and other dry year supplies obtained as well as any external mandates, if applicable.

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#### **Supplemental Supplies**

The District shall pursue supplemental supplies if existing supplies are found to be inadequate as outlined in the District's current UWMP.

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#### **Surplus Water Notification**

In accordance with the 1998 Joint Settlement Agreement, when a determination of the availability of Mokelumne River water is made in the final WSADR, the District will notify the Resources Agencies, specifically the United States Fish and Wildlife Services and the California Department of Fish and Wildlife, of the availability of the additional water within two weeks after the filing of the Final WSADR.

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#### **Definitions**

*Drought Planning Sequence (DPS)* – Three year hydrology sequence representing a worst case drought scenario that is derived from, but more severe than, the historical hydrological record as outlined in the District's UWMP.

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

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

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

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**Authority**

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

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**References**

Policy 3.01 – Annexations  
Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary  
Policy 3.07 – Responsibility to Serve Water Customers  
Procedure 900 – Water Supply and Consumption Accounting and Reporting  
Procedure 901 – Recycled Water Accounting and Reporting  
Procedure 902 – Water Conservation Accounting and Reporting  
Procedure 903 – Compliance with USBR Long Term Renewal Contract for Delivery of CVP Water  
EBMUD's Urban Water Management Plan  
FERC Project 2916 Lower Mokelumne River – Joint Settlement Agreement

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# Policy 9.04R

EFFECTIVE [26 APR 16](#)  
~~[24 APR 12](#)~~

SUPERSEDES [24 APR 12](#)  
~~[23 FEB 10](#)~~

## WATERSHED MANAGEMENT AND USE

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

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

#### Watershed Management and Use – General

- Implement the Mokelumne Watershed Master Plan (MWMP) adopted by Resolution No. 33668-08 and the East Bay Watershed Master Plan (EBWMP) adopted by Resolution No. 32979-96 as policy for those District-owned lands described therein.
- Manage and maintain District-owned watershed lands in accordance with all applicable environmental laws, regulations and requirements.

#### Watershed Land Acquisition

- Anticipate watershed land requirements necessary for District operations and protection of source water quality with sufficient lead-time to effect economic acquisition of property.
- Acquire, maintain, and/or dispose of watershed land, consistent with District land ownership priorities and in accordance with District environmental principles and primary objective of providing high quality drinking water.
- Work with other agencies or public utilities seeking interest in or acquisition of District lands in accordance with the District's mission as outlined in this policy and in the MWMP and EBWMP.
- ~~Resist~~ Oppose, with all means and methods provided by law, land acquisition or use by non-District entities for purposes which are inconsistent with District Watershed Master Plans and Policies or which would result in the deterioration of environmental or drinking water source quality.

#### Watershed Land Protection

- ~~Maintain an active program that p~~ Preserves and protects source water quality through sanitary control, watershed assessment and protection of District-owned watershed lands tributary to District reservoirs, all consistent with the Safe Drinking Water Act and its amendments.
- Work with officials from sanitary districts, the Regional Water Quality Control Boards, and federal, state, county, and local governments to preserve and protect source water quality.

- 
- Develop, implement, and maintain Best Management Practices to minimize soil erosion, sedimentation, fire damage, nutrient and other pollutant impacts on District-owned lands and source water quality.
  - Track climate change science and the potential impacts of climate change on watershed lands. Incorporate findings, as appropriate into future studies and master plans.
  - Prevent contamination and pollution from entering District reservoirs.
  - Identify sediment sources from non-District owned land and determine their impact on District reservoirs and watercourses, while encouraging owners of non-District owned watershed lands to develop and implement Best Management Practices for erosion control.
  - Where feasible, purchase and eliminate occupancy on watershed lands where sewage disposal is impracticable or constitutes a special hazard or where occupancy will result in the degradation of the District's source water quality. Prohibit any human use of District lands that lack adequate and approved facilities for removal of sewage.

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## Land Management and Control

- Permit public use of District-owned land/watershed for purposes including, but not limited to, education, recreation and fishing that are consistent with the District's primary objective of providing high quality drinking water by protecting source water quality and preserving open space characteristics of land as outlined in the MWMP, EBWMP and in District policy. Permit only those uses that can be adequately monitored and managed by the District. Prioritize these uses to best meet core business needs and regulatory requirements of water supply, water quality, environmental protection and recreation. Consider the impact to ratepayers in determining the appropriateness of any watershed use not related to core business requirements.
- Maintain and operate reservoir recreation areas consistent with the District's mission and policies as described in the MWMP and EBWMP. Recreation areas will be developed and operated by District staff, qualified public agencies or private concessionaires as determined by the Board of Directors. Non-District operation of recreation areas must conform with District-adopted performance standards.
- Obtain public input on District watershed management by inviting public participation ~~via citizen advisory committees or other means, as deemed appropriate by the District,~~ as part of the master planning process.
- Coordinate District land use planning and management with federal, state, and local agencies as required.
- Retain fee title to and direct control over all watershed lands and reservoirs essential to the security or operation of the utility system.
- Ensure security (including patrols) of District watershed lands and reservoirs.

- Modifications to the MWMP and EBWMP shall be made only by appropriate action of the Board of Directors following public notification and hearing. The Board of Directors may make such modifications as may be necessary to meet the requirements for the primary purpose of protecting ~~watershed land, source water quality, and water production~~ [water supply and natural resources, and sustainability values](#).

**Authority**

Resolution No. 25,418, October 13, 1970  
As amended by Resolution No. 33116-98, August 11, 1998  
As amended by Resolution No. 33236-01, February 13, 2001  
As amended by Resolution No. 33634-07, October 9, 2007  
As amended by Resolution No. 33756-10, February 23, 2010  
As amended by Resolution No. 33871-12, April 24, 2012  
[As amended by Resolution No. XXXXX-16, April 26, 2016](#)

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**References**

~~Policy 7.10—Source Water Quality~~  
Policy 7.05 – Sustainability  
Policy 7.10 – Source Water Quality

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# Policy 9.04

EFFECTIVE 26 APR 16

SUPERSEDES 24 APR 12

## WATERSHED MANAGEMENT AND USE

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

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

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#### **Watershed Management and Use – General**

- Implement the Mokelumne Watershed Master Plan (MWMP) adopted by Resolution No. 33668-08 and the East Bay Watershed Master Plan (EBWMP) adopted by Resolution No. 32979-96 as policy for those District-owned lands described therein.
  - Manage and maintain District-owned watershed lands in accordance with all applicable environmental laws, regulations and requirements.
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#### **Watershed Land Acquisition**

- Anticipate watershed land requirements necessary for District operations and protection of source water quality with sufficient lead-time to effect economic acquisition of property.
  - Acquire, maintain, and/or dispose of watershed land, consistent with District land ownership priorities and in accordance with District environmental principles and primary objective of providing high quality drinking water.
  - Work with other agencies or public utilities seeking interest in or acquisition of District lands in accordance with the District's mission as outlined in this policy and in the MWMP and EBWMP.
  - Oppose, with all means and methods provided by law, land acquisition or use by non-District entities for purposes which are inconsistent with District Watershed Master Plans and Policies or which would result in the deterioration of environmental or drinking water source quality.
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#### **Watershed Land Protection**

- Preserve and protect source water quality through sanitary control, watershed assessment and protection of District-owned watershed lands tributary to District reservoirs, all consistent with the Safe Drinking Water Act and its amendments.
- Work with officials from sanitary districts, the Regional Water Quality Control Boards, and federal, state, county, and local governments to preserve and protect source water quality.
- Develop, implement, and maintain Best Management Practices to minimize soil erosion, sedimentation, fire damage, nutrient and other pollutant impacts on District-owned lands and source water quality.
- Track climate change science and the potential impacts of climate change on watershed lands. Incorporate findings as appropriate into future studies and master plans.

- Prevent contamination and pollution from entering District reservoirs.
  - Identify sediment sources from non-District owned land and determine their impact on District reservoirs and watercourses, while encouraging owners of non-District owned watershed lands to develop and implement Best Management Practices for erosion control.
  - Where feasible, purchase and eliminate occupancy on watershed lands where sewage disposal is impracticable or constitutes a special hazard or where occupancy will result in the degradation of the District's source water quality. Prohibit any human use of District lands that lack adequate and approved facilities for removal of sewage.
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**Land Management and Control**

- Permit public use of District-owned land/watershed for purposes including, but not limited to, education, recreation and fishing that are consistent with the District's primary objective of providing high quality drinking water by protecting source water quality and preserving open space characteristics of land as outlined in the MWMP, EBWMP and in District policy. Permit only those uses that can be adequately monitored and managed by the District. Prioritize these uses to best meet core business needs and regulatory requirements of water supply, water quality, environmental protection and recreation. Consider the impact to ratepayers in determining the appropriateness of any watershed use not related to core business requirements.
- Maintain and operate reservoir recreation areas consistent with the District's mission and policies as described in the MWMP and EBWMP. Recreation areas will be developed and operated by District staff, qualified public agencies or private concessionaires as determined by the Board of Directors. Non-District operation of recreation areas must conform with District-adopted performance standards.
- Obtain public input on District watershed management by inviting public participation as part of the master planning process.
- Coordinate District land use planning and management with federal, state, and local agencies as required.
- Retain fee title to and direct control over all watershed lands and reservoirs essential to the security or operation of the utility system.
- Ensure security (including patrols) of District watershed lands and reservoirs.
- Modifications to the MWMP and EBWMP shall be made only by appropriate action of the Board of Directors following public notification and hearing. The Board of Directors may make such modifications as may be necessary to meet the requirements for the primary purpose of protecting water quality, water supply and natural resources, and sustainability values.

**Authority**

Resolution No. 25,418, October 13, 1970  
As amended by Resolution No. 33116-98, August 11, 1998  
As amended by Resolution No. 33236-01, February 13, 2001  
As amended by Resolution No. 33634-07, October 9, 2007  
As amended by Resolution No. 33756-10, February 23, 2010  
As amended by Resolution No. 33871-12, April 24, 2012  
As amended by Resolution No. XXXXX-16, April 26, 2016

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**References**

Policy 7.05 – Sustainability  
Policy 7.10 – Source Water Quality

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**EAST BAY MUNICIPAL UTILITY DISTRICT**

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DATE: April 21, 2016  
 MEMO TO: Board of Directors  
 FROM: Alexander R. Coate, General Manager *ARC*  
 SUBJECT: Legislative Report No. 06-16

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

**RECOMMENDED ACTION**

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

**STATE LEGISLATION**

**RECOMMENDED  
POSITION**

**SB 1262  
(Pavley)**

**WATER SUPPLY PLANNING**

**SUPPORT IF  
AMENDED**

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

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

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

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

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

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

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

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

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

Support

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

Opposition

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

<b>SB 1263 (Wieckowski)</b>	<b>PUBLIC WATER SYSTEM: PERMITS</b>	<b>SUPPORT IF AMENDED</b>
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Existing law requires the State Water Resources Control Board (SWRCB) to regulate drinking water and enforce the federal Safe Drinking Water Act, requires permits for the operation of public water systems, requires permit applications to include a technical report, and allows the SWRCB to impose permit conditions. Existing law also requires a public water system created after January 1, 1998 to demonstrate that the water supplier possesses adequate financial, managerial, and technical capability to ensure the delivery of pure, wholesome, and potable drinking water in order to receive a permit to operate. Existing law also allows the SWRCB to delegate primary responsibility for the federal Safe Drinking Water Act to a county local health officer.

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

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

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

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

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

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



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

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

Support

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

Opposition

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

**FEDERAL LEGISLATION**

**RECOMMENDED POSITION**

**H.R. 4653      ASSISTANCE, QUALITY, AND AFFORDABILITY      SUPPORT  
(Tonko)      ACT OF 2016**

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

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

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

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

### DWSRF

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

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

### Removal of lead service lines

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

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

### Drinking water system resiliency

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

#### Other provisions

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

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

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

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

**S. 2588**  
**(Cardin)**

**GET THE LEAD OUT ACT OF 2016**

**SUPPORT**

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

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

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

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

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

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

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

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

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

ARC:MD:JW



**Introduced by Senators Pavley and Wieckowski**February 18, 2016

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

**LEGISLATIVE COUNSEL'S DIGEST**

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

20 (B) The applicability of an urban water shortage contingency  
21 analysis prepared pursuant to Section 10632 of the Water Code  
22 that includes actions to be undertaken by the public water system  
23 in response to water supply shortages.

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

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

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

15 (i) *For a basin for which a court or the State Water Resources*  
16 *Control Board has adjudicated the rights to pump groundwater,*  
17 *the order or decree adopted by the court or the State Water*  
18 *Resources Control Board.*

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

20 (I) *For a basin designated as high- or medium-priority pursuant*  
21 *to Section 10722.4 of the Water Code, the most recently adopted*  
22 *or revised adopted groundwater sustainability plan.*

23 (II) *For a basin designated as low- or very-low priority pursuant*  
24 *to Section 10722.4 of the Water Code, information as to whether*  
25 *the Department of Water Resources has identified the basin or*  
26 *basins as overdrafted or has projected that the basin will become*  
27 *overdrafted if present management conditions continue.*

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

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

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

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

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

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

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

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

34 (2) A water supply assessment that was completed pursuant to  
35 Part 2.10 (commencing with Section 10910) of Division 6 of the  
36 Water Code.

37 (3) *A groundwater sustainability plan adopted pursuant to Part*  
38 *2.74 (commencing with Section 10720) of Division 6 of the Water*  
39 *Code.*

40 (3)

1 (4) Other information relating to the sufficiency of the water  
2 supply that contains analytical information that is substantially  
3 similar to the assessment required by Section 10635 of the Water  
4 Code.

5 (d) When the written verification pursuant to subdivision (b)  
6 relies on projected water supplies that are not currently available  
7 to the public water system, to provide a sufficient water supply to  
8 the subdivision, the written verification as to those projected water  
9 supplies shall be based on all of the following elements, to the  
10 extent each is applicable:

11 (1) Written contracts or other proof of valid rights to the  
12 identified water supply that identify the terms and conditions under  
13 which the water will be available to serve the proposed subdivision.

14 (2) Copies of a capital outlay program for financing the delivery  
15 of a sufficient water supply that has been adopted by the applicable  
16 governing body.

17 (3) Securing of applicable federal, state, and local permits for  
18 construction of necessary infrastructure associated with supplying  
19 a sufficient water supply.

20 (4) Any necessary regulatory approvals that are required in order  
21 to be able to convey or deliver a sufficient water supply to the  
22 subdivision.

23 (e) If there is no public water system, the local agency shall  
24 make a written finding of sufficient water supply based on the  
25 evidentiary requirements of subdivisions (c) and (d) and identify  
26 the mechanism for providing water to the subdivision.

27 (f) In making any findings or determinations under this section,  
28 a local agency, or designated advisory agency, may work in  
29 conjunction with the project applicant and the public water system  
30 to secure water supplies sufficient to satisfy the demands of the  
31 proposed subdivision. If the local agency secures water supplies  
32 pursuant to this subdivision, which supplies are acceptable to and  
33 approved by the governing body of the public water system as  
34 suitable for delivery to customers, it shall work in conjunction  
35 with the public water system to implement a plan to deliver that  
36 water supply to satisfy the long-term demands of the proposed  
37 subdivision.

38 (g) The written verification prepared under this section shall  
39 also include a description, to the extent that data is reasonably  
40 available based on published records maintained by federal and

1 state agencies, and public records of local agencies, of the  
2 reasonably foreseeable impacts of the proposed subdivision on the  
3 availability of water resources for agricultural and industrial uses  
4 within the public water system's service area that are not currently  
5 receiving water from the public water system but are utilizing the  
6 same sources of water. To the extent that those reasonably  
7 foreseeable impacts have previously been evaluated in a document  
8 prepared pursuant to the California Environmental Quality Act  
9 (Division 13 (commencing with Section 21000) of the Public  
10 Resources Code) or the National Environmental Policy Act (Public  
11 Law 91-190) for the proposed subdivision, the public water system  
12 may utilize that information in preparing the written verification.

13 (h) (1) Where a water supply for a proposed subdivision  
14 includes groundwater, the public water system serving the proposed  
15 subdivision shall evaluate, based on substantial evidence, the extent  
16 to which it or the landowner has the right to extract the additional  
17 groundwater needed to supply the proposed subdivision. Nothing  
18 in this subdivision is intended to modify state law with regard to  
19 groundwater rights.

20 (2) *Groundwater from a basin designated by the State Water  
21 Resources Control Board as a probationary basin pursuant to  
22 Chapter 11 (commencing with Section 10735) of Part 2.74 of  
23 Division 6 of the Water Code is not considered as a water supply  
24 for the purposes of this section.*

25 (i) This section shall not apply to any residential project  
26 proposed for a site that is within an urbanized area and has been  
27 previously developed for urban uses, or where the immediate  
28 contiguous properties surrounding the residential project site are,  
29 or previously have been, developed for urban uses, or housing  
30 projects that are exclusively for very low and low-income  
31 households.

32 (j) The determinations made pursuant to this section shall be  
33 consistent with the obligation of a public water system to grant a  
34 priority for the provision of available and future water resources  
35 or services to proposed housing developments that help meet the  
36 city's or county's share of the regional housing needs for lower  
37 income households, pursuant to Section 65589.7.

38 (k) The County of San Diego shall be deemed to comply with  
39 this section if the Office of Planning and Research determines that  
40 all of the following conditions have been met:

1 (1) A regional growth management strategy that provides for a  
2 comprehensive regional strategy and a coordinated economic  
3 development and growth management program has been developed  
4 pursuant to Proposition C as approved by the voters of the County  
5 of San Diego in November 1988, which required the development  
6 of a regional growth management plan and directed the  
7 establishment of a regional planning and growth management  
8 review board.

9 (2) Each public water system, as defined in Section 10912 of  
10 the Water Code, within the County of San Diego has adopted an  
11 urban water management plan pursuant to Part 2.6 (commencing  
12 with Section 10610) of the Water Code.

13 (3) The approval or conditional approval of tentative maps for  
14 subdivisions, as defined in this section, by the County of San Diego  
15 and the cities within the county requires written communications  
16 to be made by the public water system to the city or county, in a  
17 format and with content that is substantially similar to the  
18 requirements contained in this section, with regard to the  
19 availability of a sufficient water supply, or the reliance on projected  
20 water supplies to provide a sufficient water supply, for a proposed  
21 subdivision.

22 (l) Nothing in this section shall preclude the legislative body of  
23 a city or county, or the designated advisory agency, at the request  
24 of the applicant, from making the determinations required in this  
25 section earlier than required pursuant to subdivision (b).

26 (m) Nothing in this section shall be construed to create a right  
27 or entitlement to water service or any specific level of water  
28 service.

29 (n) Nothing in this section is intended to change existing law  
30 concerning a public water system's obligation to provide water  
31 service to its existing customers or to any potential future  
32 customers.

33 (o) Any action challenging the sufficiency of the public water  
34 system's written verification of a sufficient water supply shall be  
35 governed by Section 66499.37.

36 SEC. 2. Section 10910 of the Water Code is amended to read:

37 10910. (a) Any city or county that determines that a project,  
38 as defined in Section 10912, is subject to the California  
39 Environmental Quality Act (Division 13 (commencing with Section

1 21000) of the Public Resources Code) under Section 21080 of the  
2 Public Resources Code shall comply with this part.

3 (b) The city or county, at the time that it determines whether an  
4 environmental impact report, a negative declaration, or a mitigated  
5 negative declaration is required for any project subject to the  
6 California Environmental Quality Act pursuant to Section 21080.1  
7 of the Public Resources Code, shall identify any water system  
8 *whose service area includes the project site and any water system*  
9 *adjacent to the project site* that is, or may become as a result of  
10 supplying water to the project identified pursuant to this  
11 subdivision, a public water system, as defined in Section 10912,  
12 that may supply water for the project. ~~If the city or county is not~~  
13 ~~able to identify any public water system that may supply water for~~  
14 ~~the project, the city or county shall prepare the water assessment~~  
15 ~~required by this part after consulting with any entity serving~~  
16 ~~domestic water supplies whose service area includes the project~~  
17 ~~site, the local agency formation commission, and any public water~~  
18 ~~system adjacent to the project site.~~

19 (c) (1) The city or county, at the time it makes the determination  
20 required under Section 21080.1 of the Public Resources Code,  
21 shall request each public water system identified pursuant to  
22 subdivision (b) to determine whether the projected water demand  
23 associated with a proposed project was included as part of the most  
24 recently adopted urban water management plan adopted pursuant  
25 to Part 2.6 (commencing with Section 10610).

26 (2) If the projected water demand associated with the proposed  
27 project was accounted for in the most recently adopted urban water  
28 management plan, the public water system may incorporate the  
29 requested information from the urban water management plan in  
30 preparing the elements of the assessment required to comply with  
31 subdivisions ~~(d)~~, (e), (f), ~~and (g)~~: (g), and (h).

32 (3) If the projected water demand associated with the proposed  
33 project was not accounted for in the most recently adopted urban  
34 water management plan, or the public water system has no urban  
35 water management plan, *plan but the public water system is willing*  
36 *to supply water*, the water supply assessment for the project shall  
37 include a discussion with regard to whether the public water  
38 system's total projected water supplies available during normal,  
39 single dry, and multiple dry water years during a 20-year projection  
40 will meet the projected water demand associated with the proposed

1 project, in addition to the public water system's existing and  
2 planned future uses, including agricultural and manufacturing uses.

3 ~~(4) If the city or county is required to comply with this part~~  
4 ~~pursuant to subdivision (b), the water supply assessment for the~~  
5 ~~project shall include a discussion with regard to whether the total~~  
6 ~~projected water supplies, determined to be available by the city or~~  
7 ~~county for the project during normal, single dry, and multiple dry~~  
8 ~~water years during a 20-year projection, will meet the projected~~  
9 ~~water demand associated with the proposed project, in addition to~~  
10 ~~existing and planned future uses, including agricultural and~~  
11 ~~manufacturing uses.~~

12 *(d) (1) If a water system is not identified pursuant to subdivision*  
13 *(b), or none of the water systems identified pursuant to subdivision*  
14 *(b) are willing to supply the water, the city or county shall prepare*  
15 *a technical report that includes all of the following:*

16 *(A) The name of each public water system that has a service*  
17 *area boundary within five miles of any boundary of the applicant's*  
18 *proposed service area.*

19 *(B) An analysis of the feasibility of a water system identified*  
20 *pursuant to subdivision (b) annexing, connecting, or otherwise*  
21 *supplying domestic water to the project.*

22 *(C) An analysis of the long-term feasibility of creating a new*  
23 *water system to serve the project, including, but not limited to,*  
24 *projecting the capacity of anticipated ratepayers to sustain a water*  
25 *system if there is the potential that water treatment will be required*  
26 *in the foreseeable future.*

27 *(D) A description of all actions taken by the city or county to*  
28 *secure a supply of domestic water from an existing public water*  
29 *system for the project.*

30 *(E) A description of all actions taken by the project proponent*  
31 *to pursue a contract for managerial or operational oversight from*  
32 *an existing public waster system.*

33 *(2) If the city or county concludes, based on the technical report*  
34 *prepared pursuant to paragraph (1), that it is feasible for a water*  
35 *system identified pursuant to subdivision (b) to provide water to*  
36 *the project, the city or county shall submit their technical report*  
37 *to the local agency formation commission with jurisdiction over*  
38 *the project.*

39 *(3) If the local agency formation commission declines to approve*  
40 *an annexation or extension of service, the city or county shall*



1 *develop a water supply assessment for the project that includes a*  
2 *discussion on whether the total projected water supplies,*  
3 *determined to be available by the city or county for the project*  
4 *during normal, single dry, or multiple dry water years during a*  
5 *20-year projection, will meet the projected water demand*  
6 *associated with the proposed project, in addition to existing and*  
7 *planned future uses, including agricultural and manufacturing*  
8 *uses.*

9 ~~(d)~~

10 (e) (1) The assessment required by this section shall include  
11 an identification of any existing water supply entitlements, water  
12 rights, or water service contracts relevant to the identified water  
13 supply for the proposed project, and a description of the quantities  
14 of water received in prior years by the public water system, or the  
15 city or county if either is required to comply with this part pursuant  
16 to subdivision ~~(b)~~; (d), under the existing water supply entitlements,  
17 water rights, or water service contracts.

18 (2) An identification of existing water supply entitlements, water  
19 rights, or water service contracts held by the public water system,  
20 or the city or county if either is required to comply with this part  
21 pursuant to subdivision ~~(b)~~; (d), shall be demonstrated by providing  
22 information related to all of the following:

23 (A) Written contracts or other proof of entitlement to an  
24 identified water supply.

25 (B) Copies of a capital outlay program for financing the delivery  
26 of a water supply that has been adopted by the public water system.

27 (C) Federal, state, and local permits for construction of necessary  
28 infrastructure associated with delivering the water supply.

29 (D) Any necessary regulatory approvals that are required in  
30 order to be able to convey or deliver the water supply.

31 ~~(e)~~

32 (f) If no water has been received in prior years by the public  
33 water system, or the city or county if either is required to comply  
34 with this part pursuant to subdivision ~~(b)~~; (d), under the existing  
35 water supply entitlements, water rights, or water service contracts,  
36 the public water system, or the city or county if either is required  
37 to comply with this part pursuant to subdivision ~~(b)~~; (d), shall also  
38 include in its water supply assessment pursuant to subdivision (c),  
39 an identification of the other public water systems or water service  
40 contractholders that receive a water supply or have existing water

1 supply entitlements, water rights, or water service contracts, to the  
2 same source of water as the public water system, or the city or  
3 county if either is required to comply with this part pursuant to  
4 subdivision ~~(b)~~, *(d)*, has identified as a source of water supply  
5 within its water supply assessments.

6 ~~(f)~~

7 *(g)* If a water supply for a proposed project includes  
8 groundwater, the following additional information shall be included  
9 in the water supply assessment:

10 (1) A review of any information contained in the urban water  
11 management plan relevant to the identified water supply for the  
12 proposed project.

13 (2) *(A)* A description of any groundwater basin or basins from  
14 which the proposed project will be supplied. ~~For~~

15 *(B)* ~~For those basins for which a court or the board has~~  
16 ~~adjudicated the rights to pump groundwater, a copy of the order~~  
17 ~~or decree adopted by the court or the board and a description of~~  
18 ~~the amount of groundwater the public water system, or the city or~~  
19 ~~county if either is required to comply with this part pursuant to~~  
20 ~~subdivision ~~(b)~~, *(d)*, has the legal right to pump under the order or~~  
21 ~~decree. For basins that have not been adjudicated, information as~~  
22 ~~to whether the department has identified the basin or basins as~~  
23 ~~overdrafted or has projected that the basin will become overdrafted~~  
24 ~~if present management conditions continue, in the most current~~  
25 ~~bulletin of the department that characterizes the condition of the~~  
26 ~~groundwater basin, and a detailed description by the public water~~  
27 ~~system, or the city or county if either is required to comply with~~  
28 ~~this part pursuant to subdivision ~~(b)~~, of the efforts being undertaken~~  
29 ~~in the basin or basins to eliminate the long-term overdraft~~  
30 ~~condition.~~

31 *(C)* ~~For a basin that has not been adjudicated that is a basin~~  
32 ~~designated as high- or medium-priority pursuant to Section~~  
33 ~~10722.4, information regarding the following:~~

34 *(i)* ~~Whether the department has identified the basin as being~~  
35 ~~subject to critical conditions of overdraft pursuant to Section~~  
36 ~~12924.~~

37 *(ii)* ~~Whether the board has designated the basin as a~~  
38 ~~probationary basin pursuant to Chapter 11 (commencing with~~  
39 ~~Section 10735) of Part 2.74.~~

1 (iii) *If a groundwater sustainability agency has adopted a*  
2 *groundwater sustainability plan or submitted an alternative plan,*  
3 *a copy of that plan.*

4 (D) *For a basin that has not been adjudicated that is a basin*  
5 *designated as low- or very-low priority pursuant to Section*  
6 *10722.4, information as to whether the department has identified*  
7 *the basin or basins as overdrafted or has projected that the basin*  
8 *will become overdrafted if present management conditions*  
9 *continue, in the most current bulletin of the department that*  
10 *characterizes the condition of the groundwater basin, and a*  
11 *detailed description by the public water system, or the city or*  
12 *county if either is required to comply with this part pursuant to*  
13 *subdivision (d), of the efforts being undertaken in the basin or*  
14 *basins to eliminate the long-term overdraft condition.*

15 (3) A detailed description and analysis of the amount and  
16 location of groundwater pumped by the public water system, or  
17 the city or county if either is required to comply with this part  
18 pursuant to subdivision ~~(b)~~; (d), for the past five years from any  
19 groundwater basin from which the proposed project will be  
20 supplied. The description and analysis shall be based on  
21 information that is reasonably available, including, but not limited  
22 to, historic use records.

23 (4) A detailed description and analysis of the amount and  
24 location of groundwater that is projected to be pumped by the  
25 public water system, or the city or county if either is required to  
26 comply with this part pursuant to subdivision ~~(b)~~; (d), from any  
27 basin from which the proposed project will be supplied. The  
28 description and analysis shall be based on information that is  
29 reasonably available, including, but not limited to, historic use  
30 records.

31 (5) An analysis of the sufficiency of the groundwater from the  
32 basin or basins from which the proposed project will be supplied  
33 to meet the projected water demand associated with the proposed  
34 project. A water supply assessment shall not be required to include  
35 the information required by this paragraph if the public water  
36 system determines, as part of the review required by paragraph  
37 (1), that the sufficiency of groundwater necessary to meet the initial  
38 and projected water demand associated with the project was  
39 addressed in the description and analysis required by paragraph  
40 (4) of subdivision (b) of Section 10631.

1     ~~(g)~~  
2     (h) (1) Subject to paragraph (2), the governing body of each  
3 public water system shall submit the assessment to the city or  
4 county not later than 90 days from the date on which the request  
5 was received. The governing body of each public water system,  
6 or the city or county if either is required to comply with this act  
7 pursuant to subdivision ~~(b)~~, (d), shall approve the assessment  
8 prepared pursuant to this section at a regular or special meeting.

9     (2) Prior to the expiration of the 90-day period, if the public  
10 water system intends to request an extension of time to prepare  
11 and adopt the assessment, the public water system shall meet with  
12 the city or county to request an extension of time, which shall not  
13 exceed 30 days, to prepare and adopt the assessment.

14     (3) If the public water system fails to request an extension of  
15 time, or fails to submit the assessment notwithstanding the  
16 extension of time granted pursuant to paragraph (2), the city or  
17 county may seek a writ of mandamus to compel the governing  
18 body of the public water system to comply with the requirements  
19 of this part relating to the submission of the water supply  
20 assessment.

21     ~~(h)~~  
22     (i) Notwithstanding any other provision of this part, if a project  
23 has been the subject of a water supply assessment that complies  
24 with the requirements of this part, no additional water supply  
25 assessment shall be required for subsequent projects that were part  
26 of a larger project for which a water supply assessment was  
27 completed and that has complied with the requirements of this part  
28 and for which the public water system, or the city or county if  
29 either is required to comply with this part pursuant to subdivision  
30 ~~(b)~~, (d), has concluded that its water supplies are sufficient to meet  
31 the projected water demand associated with the proposed project,  
32 in addition to the existing and planned future uses, including, but  
33 not limited to, agricultural and industrial uses, unless one or more  
34 of the following changes occurs:

35     (1) Changes in the project that result in a substantial increase  
36 in water demand for the project.

37     (2) Changes in the circumstances or conditions substantially  
38 affecting the ability of the public water system, or the city or county  
39 if either is required to comply with this part pursuant to subdivision  
40 ~~(b)~~, (d), to provide a sufficient supply of water for the project.

1 (3) Significant new information becomes available ~~which~~ that  
2 was not known and could not have been known at the time when  
3 the assessment was prepared.

4 (j) For the purposes of this section, the following are not  
5 considered as a source of water:

6 (1) Hauled water.

7 (2) Groundwater from a basin designated by the board as a  
8 probationary basin pursuant to Chapter 11 (commencing with  
9 Section 10735) of Part 2.74.

10 (k) If a water supply for a proposed project includes water of  
11 a quality not sufficient to meet all primary and secondary drinking  
12 water standards, the following additional information shall be  
13 included in the water supply assessment:

14 (1) A detailed description of the concentration of contaminants.

15 (2) The proposed method for treating, blending, or otherwise  
16 ensuring that the water will meet drinking water quality standards.

17 (3) The project cost to achieve drinking water quality.

18 (4) An analysis of the affordability of water for the project's  
19 anticipated residents.

20 SEC. 3. Section 10911 of the Water Code is amended to read:

21 10911. (a) If, as a result of its assessment, the public water  
22 system concludes that its water supplies are, or will be, insufficient,  
23 the public water system shall provide to the city or county its plans  
24 for acquiring additional water supplies, setting forth the measures  
25 that are being undertaken to acquire and develop those water  
26 supplies. If the city or county, if either is required to comply with  
27 this part pursuant to subdivision ~~(b)~~, (d) of Section 10910,  
28 concludes as a result of its assessment, that water supplies are, or  
29 will be, insufficient, the city or county shall include in its water  
30 supply assessment its plans for acquiring additional water supplies,  
31 setting forth the measures that are being undertaken to acquire and  
32 develop those water supplies. Those plans may include, but are  
33 not limited to, information concerning all of the following:

34 (1) The estimated total costs, and the proposed method of  
35 financing the costs, associated with acquiring the additional water  
36 supplies.

37 (2) All federal, state, and local permits, approvals, or  
38 entitlements that are anticipated to be required in order to acquire  
39 and develop the additional water supplies.

1 (3) Based on the considerations set forth in paragraphs (1) and  
2 (2), the estimated timeframes within which the public water system,  
3 or the city or county if either is required to comply with this part  
4 pursuant to subdivision ~~(b)~~; (d) of Section 10910, expects to be  
5 able to acquire additional water supplies.

6 (b) The city or county shall include the water supply assessment  
7 provided pursuant to Section 10910, and any information provided  
8 pursuant to subdivision (a), in any environmental document  
9 prepared for the project pursuant to Division 13 (commencing with  
10 Section 21000) of the Public Resources Code.

11 (c) The city or county may include in any environmental  
12 document an evaluation of any information included in that  
13 environmental document provided pursuant to subdivision (b).  
14 The city or county shall determine, based on the entire record,  
15 whether projected water supplies will be sufficient to satisfy the  
16 demands of the project, in addition to existing and planned future  
17 uses. If the city or county determines that water supplies will not  
18 be sufficient, the city or county shall include that determination  
19 in its findings for the project.

20 SEC. 4. If the Commission on State Mandates determines that  
21 this act contains costs mandated by the state, reimbursement to  
22 local agencies and school districts for those costs shall be made  
23 pursuant to Part 7 (commencing with Section 17500) of Division  
24 4 of Title 2 of the Government Code.

**Introduced by Senators Wieckowski and Pavley**February 18, 2016

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An act to amend Section 116540 of, and to add Section 116527 to, the Health and Safety Code, relating to drinking water.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1263, as introduced, Wieckowski. Public water system: permits.

(1) Existing law, the California Safe Drinking Water Act, imposes on the State Water Resources Control Board various responsibilities and duties relating to providing a dependable, safe supply of drinking water. The act prohibits a person from operating a public water system unless he or she first submits an application, including a technical report, to the state board and receives a permit, as specified. The act requires the state board, upon determination that the application is complete, to make a specified investigation, and allows the state board to impose permit conditions, requirements for system improvements, and time schedules as the state board deems necessary to ensure an affordable, reliable, and adequate supply of water at all times that is pure, wholesome, and potable. The act prohibits a public water system that was not in existence on January 1, 1998, from being granted a permit unless the system demonstrates that the water supplier possesses adequate financial, managerial, and technical capability to ensure the delivery of pure, wholesome, and potable drinking water, and requires that this prohibition apply to any change of ownership of a public water system.

This bill would, commencing January 1, 2017, prohibit an application for a permit for a new public water system from being deemed complete unless the applicant has submitted a preliminary technical report to the state board, as specified, and would allow the state board to impose

technical, financial, or managerial requirements on the permit. The bill would prohibit a public water system not in existence on January 1, 1998, from being granted a permit unless the public water system demonstrates that the water supplier also possesses adequate water rights to ensure the delivery of pure, wholesome, and potable drinking water, and would specify that the prohibition applies to any change in ownership of the public water system, including the consolidation of a public water system. The bill would allow the state board to deny the permit if the state board determines that the service area of the public water system can be served by one or more currently permitted public water systems.

(2) Existing law allows the state board to delegate primary responsibility for the administration and enforcement of the act within a county to a local health officer if certain criteria are met. Existing law requires that the local primacy agency be empowered with all of the authority granted to the state board over the specified public water systems.

This bill would prohibit a local primacy agency from issuing a permit without the concurrence of the state board.

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

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

1 SECTION 1. Section 116527 is added to the Health and Safety  
2 Code, to read:  
3 116527. (a) Commencing January 1, 2017, an application for  
4 a permit for a new public water system under this chapter shall  
5 not be deemed complete unless the applicant has complied with  
6 the requirements of this section.  
7 (b) The applicant shall submit a preliminary technical report to  
8 the state board six months before submission of an application for  
9 a building permit for any improvement in the service area of a  
10 proposed new public water system or six months before initiating  
11 construction of any facility or component of a new public water  
12 system, whichever is earliest. This report shall include all of the  
13 following:  
14 (1) The name of each public water system for which any service  
15 area boundary is within three miles of any boundary of the  
16 applicant's proposed public water system's service area.



1 (2) A discussion of the feasibility of each of the adjacent public  
2 water systems annexing, connecting, or otherwise supplying  
3 domestic water to the service area of the applicant's proposed  
4 public water system.

5 (3) All proposed sources of domestic water supply for the  
6 proposed new public water system.

7 (4) The estimated cost to construct, operate, and maintain the  
8 proposed new public water system, including long-term operation  
9 and maintenance costs and a proposed rate structure.

10 (5) A comparison of the cost associated with the construction,  
11 operation and maintenance, and long-term sustainability of the  
12 proposed new public water system to costs associated with the  
13 annexation, consolidation, or connection to an existing public water  
14 system.

15 (6) A discussion of all actions taken by the applicant to secure  
16 a supply of domestic water from an existing public water system  
17 for the service area of the proposed new public water system.

18 (7) A discussion of all actions taken by the applicant to pursue  
19 a contract for managerial or operational oversight from an existing  
20 public water system.

21 (c) Upon review of a preliminary technical report submitted  
22 pursuant to this section, the state board may do all of the following  
23 actions:

24 (1) Direct the applicant to undertake additional discussion and  
25 negotiation with any existing public water system the state board  
26 determines has the technical, managerial, and financial capacity  
27 to provide an adequate and reliable supply of domestic water to  
28 the service area of the proposed new public water system.

29 (2) Direct the applicant to report on the results of discussion  
30 and negotiations conducted pursuant to paragraph (1) to the state  
31 board.

32 (3) Establish a time schedule for the applicant's performance  
33 of directives issued pursuant to this subdivision.

34 (d) An applicant shall comply with the state board's directives  
35 before submitting an application for a permit under this chapter.

36 (e) The state board's review of a preliminary technical report  
37 pursuant to this section shall not be deemed approval of a project  
38 or approval of any permit application submitted under this chapter.

39 SEC. 2. Section 116540 of the Health and Safety Code is  
40 amended to read:

1 116540. (a) Following completion of the investigation and  
 2 satisfaction of the requirements of ~~subdivisions (a) and (b)~~  
 3 *paragraphs (1) and (2)*, the ~~department~~ *state board* shall issue or  
 4 deny the permit. The ~~department~~ *state board* may impose permit  
 5 conditions, requirements for system improvements, *technical,*  
 6 *financial, or managerial requirements*, and time schedules as it  
 7 deems necessary to ensure a reliable and adequate supply of water  
 8 at all times that is pure, wholesome, potable, and does not endanger  
 9 the health of consumers.

10 ~~(a) No~~

11 (1) A public water system that was not in existence on January  
 12 1, 1998, shall *not* be granted a permit unless the *public water*  
 13 *system* demonstrates to the ~~department~~ *state board* that the water  
 14 supplier possesses adequate *water rights, as well as* financial,  
 15 managerial, and technical capability to ensure the delivery of pure,  
 16 wholesome, and potable drinking water. This section shall also  
 17 apply to any change of ownership of a public water ~~system that~~  
 18 ~~occurs after January 1, 1998.~~ *system, including the consolidation*  
 19 *of a public water system.*

20 ~~(b) No~~

21 (2) A permit under this chapter shall *not* be issued to an  
 22 association organized under Title 3 (commencing with Section  
 23 18000) of the Corporations Code. This section shall not apply to  
 24 unincorporated associations ~~that that~~, as of December 31, 1990,  
 25 are holders of a permit issued under this chapter.

26 (b) *Notwithstanding Section 116330, a local primacy agency*  
 27 *shall not issue a permit under this chapter without the concurrence*  
 28 *of the state board.*

29 (c) *If the state board determines that the service area of the*  
 30 *public water system addressed by an application under this article*  
 31 *can be served by one or more currently permitted public water*  
 32 *systems, the state board may deny the permit.*

114TH CONGRESS  
2D SESSION

# H. R. 4653

To amend the Safe Drinking Water Act to increase assistance for States, water systems, and disadvantaged communities; to encourage good financial and environmental management of water systems; to strengthen the Environmental Protection Agency's ability to enforce the requirements of the Act; and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 29, 2016

Mr. TONKO (for himself, Mr. PALLONE, Mrs. CAPPS, Mr. CÁRDENAS, Mr. GENE GREEN of Texas, and Mr. MCNERNEY) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend the Safe Drinking Water Act to increase assistance for States, water systems, and disadvantaged communities; to encourage good financial and environmental management of water systems; to strengthen the Environmental Protection Agency's ability to enforce the requirements of the Act; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-**  
2 **ERENCES.**

3 (a) **SHORT TITLE.**—This Act may be cited as the  
4 “Assistance, Quality, and Affordability Act of 2016”.

5 (b) **TABLE OF CONTENTS.**—The table of contents of  
6 this Act is as follows:

- Sec. 1. Short title; table of contents; references.
- Sec. 2. Prevailing wages.
- Sec. 3. Use of funds.
- Sec. 4. Requirements for use of American materials.
- Sec. 5. Data on variances, exemptions, and persistent violations.
- Sec. 6. Assistance for restructuring.
- Sec. 7. Priority and weight of applications.
- Sec. 8. Disadvantaged communities.
- Sec. 9. Administration of State loan funds.
- Sec. 10. State revolving loan funds for American Samoa, Northern Mariana Islands, Guam, and the Virgin Islands.
- Sec. 11. Authorization of appropriations.
- Sec. 12. Affordability of new standards.
- Sec. 13. Focus on lifecycle costs.
- Sec. 14. Enforcement.
- Sec. 15. Presence of pharmaceuticals and personal care products in sources of drinking water.
- Sec. 16. Electronic reporting of compliance monitoring data to the Administrator.
- Sec. 17. Best practices for administration of State revolving loan fund programs.
- Sec. 18. Water loss and leak control technology.
- Sec. 19. Risks of drought to drinking water.
- Sec. 20. Water infrastructure resiliency and sustainability program.
- Sec. 21. Reducing lead in drinking water.

7 (c) **REFERENCES.**—Except as otherwise specified,  
8 whenever in this Act an amendment is expressed in terms  
9 of an amendment to a section or other provision, the ref-  
10 erence shall be considered to be made to a section or other  
11 provision of the Safe Drinking Water Act (42 U.S.C. 300f  
12 et seq.).

1 **SEC. 2. PREVAILING WAGES.**

2 Subsection (e) of section 1450 (42 U.S.C. 300j-9)  
3 is amended to read as follows:

4 “(e) LABOR STANDARDS.—

5 “(1) IN GENERAL.—The Administrator shall  
6 take such action as the Administrator determines to  
7 be necessary to ensure that each laborer and me-  
8 chanic employed by a contractor or subcontractor in  
9 connection with a construction project financed, in  
10 whole or in part, by a grant, loan, loan guarantee,  
11 refinancing, or any other form of financial assistance  
12 provided under this title (including assistance pro-  
13 vided by a State loan fund established under section  
14 1452) is paid wages at a rate of not less than the  
15 wages prevailing for the same type of work on simi-  
16 lar construction in the immediate locality, as deter-  
17 mined by the Secretary of Labor in accordance with  
18 subchapter IV of chapter 31 of title 40, United  
19 States Code.

20 “(2) AUTHORITY OF SECRETARY OF LABOR.—  
21 With respect to the labor standards specified in this  
22 subsection, the Secretary of Labor shall have the au-  
23 thority and functions established in Reorganization  
24 Plan Numbered 14 of 1950 (5 U.S.C. App.) and sec-  
25 tion 3145 of title 40, United States Code.”.

1 **SEC. 3. USE OF FUNDS.**

2 Section 1452(a)(2) (42 U.S.C. 300j-12(a)(2)) is  
3 amended—

4 (1) by striking “Except as otherwise” and in-  
5 serting the following:

6 “(A) IN GENERAL.—Except as otherwise”;

7 (2) by striking “Financial assistance under this  
8 section” and inserting the following:

9 “(B) PERMISSIBLE EXPENDITURES.—Fi-  
10 nancial assistance under this section”;

11 (3) by striking “The funds may also be used”  
12 and inserting the following:

13 “(D) CERTAIN LOANS.—Financial assist-  
14 ance under this section may also be used”;

15 (4) by striking “The funds shall not be used”  
16 and inserting the following:

17 “(E) LIMITATION.—Financial assistance  
18 under this section shall not be used”;

19 (5) by striking “Of the amount credited” and  
20 inserting the following:

21 “(F) SET-ASIDE.—Of the amount cred-  
22 ited”;

23 (6) in subparagraph (B) (as designated by  
24 paragraph (2)) by striking “(not” and inserting  
25 “(including expenditures for planning, design, siting,  
26 and associated preconstruction activities, for replac-

1 ing or rehabilitating aging treatment, storage, or  
2 distribution facilities of public water systems, or for  
3 producing or capturing sustainable energy on site or  
4 through the transportation of water through the  
5 public water system, but not”; and

6 (7) by inserting after such subparagraph (B)  
7 the following:

8 “(C) SALE OF BONDS.—If a State issues  
9 revenue or general obligation bonds to provide  
10 all or part of the State contribution required by  
11 subsection (e), and the proceeds of the sale of  
12 such bonds will be deposited into the State loan  
13 fund—

14 “(i) financial assistance made avail-  
15 able under this section may be used by the  
16 State as security for payment of the prin-  
17 cipal and interest on such bonds; and

18 “(ii) interest earnings of the State  
19 loan fund may be used by the State as rev-  
20 enue for payment of the principal and in-  
21 terest on such bonds.”.

22 **SEC. 4. REQUIREMENTS FOR USE OF AMERICAN MATE-**  
23 **RIALS.**

24 Section 1452(a) (42 U.S.C. 300j–12(a)) is amended  
25 by adding at the end the following new paragraph:

1           “(4) REQUIREMENTS FOR USE OF AMERICAN  
2 MATERIALS.—

3           “(A) IN GENERAL.—Notwithstanding any  
4 other provision of law, none of the funds made  
5 available by a State loan fund as authorized  
6 under this section may be used for a project for  
7 the construction, alteration, maintenance, or re-  
8 pair of a public water system unless all of the  
9 iron and steel products used in such project are  
10 produced in the United States.

11           “(B) APPLICATION.—Subparagraph (A)  
12 shall not apply in any case in which the Admin-  
13 istrator (in consultation with the Governor of  
14 the State) finds that—

15           “(i) applying subparagraph (A) would  
16 be inconsistent with the public interest;

17           “(ii) iron and steel products are not  
18 produced in the United States in sufficient  
19 and reasonably available quantities and of  
20 a satisfactory quality; or

21           “(iii) inclusion of iron and steel prod-  
22 ucts produced in the United States will in-  
23 crease the cost of the overall project by  
24 more than 25 percent.



1           “(C) WAIVER.—If the Administrator re-  
2 ceives a request for a waiver under this section,  
3 the Administrator shall—

4           “(i) make available to the public, on  
5 an informal basis, a copy of the request  
6 and information available to the Adminis-  
7 trator concerning the request;

8           “(ii) make the request and accom-  
9 panying information available by electronic  
10 means, including on the official public  
11 Internet site of the Environmental Protec-  
12 tion Agency; and

13           “(iii) allow for informal public input  
14 on the request for at least 15 days prior to  
15 making a finding based on the request.

16           “(D) CONSISTENCY WITH INTERNATIONAL  
17 AGREEMENTS.—This paragraph shall be applied  
18 in a manner consistent with United States obli-  
19 gations under international agreements.

20           “(E) DEFINITION OF IRON AND STEEL  
21 PRODUCTS.—In this paragraph, the term ‘iron  
22 and steel products’ means the following prod-  
23 ucts made primarily of iron or steel: lined or  
24 unlined pipes and fittings, manhole covers and  
25 other municipal castings, hydrants, tanks,

1 flanges, pipe clamps and restraints, valves,  
2 structural steel, reinforced precast concrete,  
3 and construction materials.”.

4 **SEC. 5. DATA ON VARIANCES, EXEMPTIONS, AND PER-**  
5 **SISTENT VIOLATIONS.**

6 Section 1452(b)(2) (42 U.S.C. 300j-12(b)(2)) is  
7 amended—

8 (1) in subparagraph (B), by striking “and” at  
9 the end;

10 (2) in subparagraph (C), by striking the period  
11 at the end and inserting “; and”; and

12 (3) by adding at the end the following:

13 “(D) a list of all water systems within the  
14 State that have in effect an exemption or vari-  
15 ance for any national primary drinking water  
16 regulation or that are in persistent violation of  
17 the requirements for any maximum contami-  
18 nant level or treatment technique under a na-  
19 tional primary drinking water regulation, in-  
20 cluding identification of—

21 “(i) the national primary drinking  
22 water regulation in question for each such  
23 exemption, variance, or violation; and

1                   “(ii) the date on which the exemption  
2                   or variance came into effect or the viola-  
3                   tion began.”.

4 **SEC. 6. ASSISTANCE FOR RESTRUCTURING.**

5       (a) DEFINITION.—Section 1401 (42 U.S.C. 300f) is  
6 amended by adding at the end the following:

7                   “(17) RESTRUCTURING.—The term ‘restruc-  
8                   turing’ means changes in operations (including own-  
9                   ership, management, cooperative partnerships, joint  
10                  purchasing arrangements, consolidation, and alter-  
11                  native water supply).”.

12       (b) RESTRUCTURING.—Clause (ii) of section  
13 1452(a)(3)(B) (42 U.S.C. 300j–12(a)(3)(B)) is amended  
14 by striking “changes in operations (including ownership,  
15 management, accounting, rates, maintenance, consolida-  
16 tion, alternative water supply, or other procedures)” and  
17 inserting “restructuring”.

18 **SEC. 7. PRIORITY AND WEIGHT OF APPLICATIONS.**

19       (a) PRIORITY.—Section 1452(b)(3) (42 U.S.C. 300j–  
20 12(b)(3)) is amended—

21                   (1) in subparagraph (A)—

22                   (A) in clause (ii), by striking “and” at the  
23                   end;

24                   (B) in clause (iii), by striking the period at  
25                   the end and inserting “; and”; and

1 (C) by adding at the end the following:

2 “(iv) improve the ability of systems to  
3 protect human health and comply with the  
4 requirements of this title affordably in the  
5 future.”;

6 (2) by redesignating subparagraph (B) as sub-  
7 paragraph (D);

8 (3) by inserting after subparagraph (A) the fol-  
9 lowing:

10 “(B) AFFORDABILITY OF NEW STAND-  
11 ARDS.—For any year in which enforcement be-  
12 gins for a new national primary drinking water  
13 standard, each State that has entered into a  
14 capitalization agreement pursuant to this sec-  
15 tion shall evaluate whether capital improve-  
16 ments required to meet the standard are afford-  
17 able for disadvantaged communities (as defined  
18 in subsection (d)(3)) in the State. If the State  
19 finds that such capital improvements do not  
20 meet affordability criteria for disadvantaged  
21 communities in the State, the State’s intended  
22 use plan shall provide that priority for the use  
23 of funds for such year be given to public water  
24 systems affected by the standard and serving  
25 disadvantaged communities.

1           “(C) WEIGHT GIVEN TO APPLICATIONS.—  
2           After determining priority under subparagraphs  
3           (A) and (B), an intended use plan shall provide  
4           that the State will give greater weight to an ap-  
5           plication for assistance if the application con-  
6           tains—

7                   “(i) a description of measures under-  
8                   taken by the system to improve the man-  
9                   agement and financial stability of the sys-  
10                  tem, which may include—

11                           “(I) an inventory of assets, in-  
12                           cluding a description of the condition  
13                           of the assets;

14                           “(II) a schedule for replacement  
15                           of assets;

16                           “(III) an audit of water losses;

17                           “(IV) a financing plan that fac-  
18                           tors in all lifecycle costs indicating  
19                           sources of revenue from ratepayers,  
20                           grants, bonds, other loans, and other  
21                           sources to meet the costs; and

22                           “(V) a review of options for re-  
23                           structuring;

1           “(ii) a demonstration of consistency  
2 with State, regional, and municipal water-  
3 shed plans;

4           “(iii) a water conservation plan con-  
5 sistent with guidelines developed for such  
6 plans by the Administrator under section  
7 1455(a); and

8           “(iv) a description of measures under-  
9 taken by the system to improve the effi-  
10 ciency of the system or reduce the system’s  
11 environmental impact, which may in-  
12 clude—

13                   “(I) water efficiency or conserva-  
14 tion, including the rehabilitation or re-  
15 placement of existing leaking pipes;

16                   “(II) use of reclaimed water;

17                   “(III) actions to increase energy  
18 efficiency;

19                   “(IV) actions to generate or cap-  
20 ture sustainable energy on site or  
21 through the transportation of water  
22 through the system;

23                   “(V) actions to protect source  
24 water;

1                   “(VI) actions to mitigate or pre-  
2                   vent corrosion, including design, selec-  
3                   tion of materials, selection of coating,  
4                   and cathodic protection; and

5                   “(VII) actions to reduce disinfection  
6                   byproducts.”; and

7                   (4) in subparagraph (D) (as redesignated by  
8                   paragraph (2)) by striking “periodically” and insert-  
9                   ing “at least biennially”.

10                  (b) GUIDANCE.—Section 1452 (42 U.S.C. 300j–12)  
11 is amended—

12                   (1) by redesignating subsection (r) as sub-  
13                   section (t); and

14                   (2) by inserting after subsection (q) the fol-  
15                   lowing:

16                   “(r) SMALL SYSTEM GUIDANCE.—The Administrator  
17 may provide guidance and, as appropriate, tools, meth-  
18 odologies, or computer software, to assist small systems  
19 in undertaking measures to improve the management, fi-  
20 nancial stability, and efficiency of the system or reduce  
21 the system’s environmental impact.”.

22 **SEC. 8. DISADVANTAGED COMMUNITIES.**

23                   (a) ASSISTANCE TO INCREASE COMPLIANCE.—Sec-  
24 tion 1452(b)(3) (42 U.S.C. 300j–12(b)(3)), as amended,  
25 is further amended by adding at the end the following:

1           “(E) ASSISTANCE TO INCREASE COMPLI-  
2           ANCE.—A State’s intended use plan shall pro-  
3           vide that, of the funds received by the State  
4           through a capitalization grant under this sec-  
5           tion for a fiscal year, the State will, to the ex-  
6           tent that there are sufficient eligible project ap-  
7           plications, reserve not less than 6 percent to be  
8           spent on assistance under subsection (d) to  
9           public water systems included in the State’s  
10          most recent list under paragraph (2)(D).”.

11          (b) ASSISTANCE FOR DISADVANTAGED COMMU-  
12          NITIES.—Section 1452(d) (42 U.S.C. 300j–12(d)) is  
13          amended—

14                 (1) in paragraph (1), by adding at the end the  
15                 following: “Such additional subsidization shall di-  
16                 rectly and primarily benefit the disadvantaged com-  
17                 munity.”; and

18                 (2) in paragraph (3), by inserting “, or portion  
19                 of a service area,” after “service area”.

20          (c) AFFORDABILITY CRITERIA.—Section 1452(d)(3)  
21          is amended by adding at the end: “Each State that has  
22          entered into a capitalization agreement pursuant to this  
23          section shall, in establishing affordability criteria, con-  
24          sider, solicit public comment on, and include as appro-  
25          prium—



1           “(A) the methods or criteria that the State  
2 will use to identify disadvantaged communities;

3           “(B) a description of the institutional, reg-  
4 ulatory, financial, tax, or legal factors at the  
5 Federal, State, or local level that affect identi-  
6 fied affordability criteria; and

7           “(C) a description of how the State will  
8 use the authorities and resources under this  
9 subsection to assist communities meeting the  
10 identified criteria.”.

11 **SEC. 9. ADMINISTRATION OF STATE LOAN FUNDS.**

12       Section 1452(g) (42 U.S.C. 300j-12(g)) is amend-  
13 ed—

14           (1) in paragraph (2)—

15           (A) in the first sentence, by striking “up  
16 to 4 percent of the funds allotted to the State  
17 under this section” and inserting “, for each  
18 fiscal year, an amount that does not exceed the  
19 sum of the amount of any fees collected by the  
20 State for use in covering reasonable costs of ad-  
21 ministration of programs under this section, re-  
22 gardless of the source, and an amount equal to  
23 the greatest of \$400,000,  $\frac{1}{5}$  of one percent of  
24 the current valuation of the State loan fund, or

1           6 percent of all grant awards to the State loan  
2 fund under this section for the fiscal year,”;

3           (B) by striking “1419,” and all that fol-  
4 lows through “1993.” and inserting “1419.”;  
5 and

6           (C) in the matter following subparagraph  
7 (D), by striking “2 percent” and inserting “4  
8 percent”; and

9 (2) by adding at the end the following:

10 “(5) TRANSFER OF FUNDS.—

11           “(A) IN GENERAL.—The Governor of a  
12 State may—

13           “(i) reserve for any fiscal year not  
14 more than the lesser of—

15           “(I) 33 percent of a capitaliza-  
16 tion grant made under this section; or

17           “(II) 33 percent of a capitaliza-  
18 tion grant made under section 601 of  
19 the Federal Water Pollution Control  
20 Act; and

21           “(ii) add the funds so reserved to any  
22 funds provided to the State under this sec-  
23 tion or section 601 of the Federal Water  
24 Pollution Control Act.

1           “(B) STATE MATCHING FUNDS.—Funds  
2 reserved under this paragraph shall not be con-  
3 sidered for purposes of calculating the amount  
4 of a State contribution required by subsection  
5 (e) of this section or section 602(b) of the Fed-  
6 eral Water Pollution Control Act.”.

7 **SEC. 10. STATE REVOLVING LOAN FUNDS FOR AMERICAN**  
8           **SAMOA, NORTHERN MARIANA ISLANDS,**  
9           **GUAM, AND THE VIRGIN ISLANDS.**

10       Section 1452(j) (42 U.S.C. 300j–12(j)) is amended  
11 by striking “0.33 percent” and inserting “1.5 percent”.

12 **SEC. 11. AUTHORIZATION OF APPROPRIATIONS.**

13       Subsection (m) of section 1452 (42 U.S.C. 300j–12)  
14 is amended to read as follows:

15       “(m) AUTHORIZATION OF APPROPRIATIONS.—

16           “(1) IN GENERAL.—There are authorized to be  
17 appropriated to carry out this section—

18           “(A) \$3,130,000,000 for fiscal year 2017;

19           “(B) \$3,600,000,000 for fiscal year 2018;

20           “(C) \$4,140,000,000 for fiscal year 2019;

21           “(D) \$4,800,000,000 for fiscal year 2020;

22           and

23           “(E) \$5,500,000,000 for fiscal year 2021.

1           “(2) AVAILABILITY.—Amounts made available  
2 pursuant to this subsection shall remain available  
3 until expended.

4           “(3) RESERVATION FOR NEEDS SURVEYS.—Of  
5 the amount made available under paragraph (1) to  
6 carry out this section for a fiscal year, the Adminis-  
7 trator may reserve not more than \$1,000,000 per  
8 year to pay the costs of conducting needs surveys  
9 under subsection (h).”.

10 **SEC. 12. AFFORDABILITY OF NEW STANDARDS.**

11       (a) TREATMENT TECHNOLOGIES FOR SMALL PUBLIC  
12 WATER SYSTEMS.—Clause (ii) of section 1412(b)(4)(E)  
13 (42 U.S.C. 300g–1(b)(4)(E)) is amended by adding at the  
14 end the following: “If no technology, treatment technique,  
15 or other means is included in a list under this subpara-  
16 graph for a category of small public water systems, the  
17 Administrator shall periodically review the list and supple-  
18 ment it when new technology becomes available.”.

19       (b) ASSISTANCE FOR DISADVANTAGED COMMU-  
20 NITIES.—

21           (1) IN GENERAL.—Subparagraph (E) of section  
22 1452(a)(1) (42 U.S.C. 300j–12(a)(1)) is amended—

23                   (A) by striking “except that the Adminis-  
24 trator may reserve” and inserting “except  
25 that—

1           “(i) in any year in which enforcement  
2 of a new national primary drinking water  
3 standard begins, the Administrator may  
4 use the remaining amount to make grants  
5 to States whose public water systems are  
6 disproportionately affected by the new  
7 standard for the provision of assistance  
8 under subsection (d) to such public water  
9 systems;

10           “(ii) the Administrator may reserve”;

11           and

12           (B) by striking “and none of the funds re-  
13 allotted” and inserting “; and

14           “(iii) none of the funds reallocated”.

15           (2) ELIMINATION OF CERTAIN PROVISIONS.—

16           (A) Section 1412(b) (42 U.S.C. 300g-  
17 1(b)) is amended by striking paragraph (15).

18           (B) Section 1415 (42 U.S.C. 300g-4) is  
19 amended by striking subsection (e).

20           (3) CONFORMING AMENDMENTS.—

21           (A) Subparagraph (B) of section  
22 1412(b)(6) (42 U.S.C. 300g-1(b)(6)) is amend-  
23 ed—

24           (i) by striking “experienced by—” and  
25 all that follows through “would justify”

1 and inserting “experienced by persons  
2 served by large public water systems would  
3 justify”; and

4 (ii) by striking “This subparagraph  
5 shall not apply if the contaminant is found  
6 almost exclusively in small systems eligible  
7 under section 1415(e) for a small system  
8 variance.”.

9 (B) Subparagraph (B) of section  
10 1414(c)(1) (42 U.S.C. 300g-3(e)(1)(B)) is  
11 amended by striking “, (a)(2), or (e)” and in-  
12 serting “or (a)(2)”.

13 (C) Section 1416(b)(2) (42 U.S.C. 300g-  
14 5(b)(2)) is amended by striking subparagraph  
15 (D).

16 (D) Section 1445(h) (42 U.S.C. 300j-  
17 4(h)) is amended—

18 (i) by striking “sections  
19 1412(b)(4)(E) and 1415(e) (relating to  
20 small system variance program” and in-  
21 serting “section 1412(b)(4)(E)”; and

22 (ii) by striking “guidance under sec-  
23 tions 1412(b)(4)(E) and 1415(e)” and in-  
24 serting “guidance under section  
25 1412(b)(4)(E)”.

1 **SEC. 13. FOCUS ON LIFECYCLE COSTS.**

2 Section 1412(b)(4) (42 U.S.C. 300g-1(b)(4)) is  
3 amended—

4 (1) in subparagraph (D), by striking “taking  
5 cost into consideration” and inserting “taking  
6 lifecycle costs, including maintenance, replacement,  
7 and avoided costs, into consideration”; and

8 (2) in the matter preceding subclause (I) in  
9 subparagraph (E)(ii), by inserting “taking lifecycle  
10 costs, including maintenance, replacement, and  
11 avoided costs, into consideration,” after “as deter-  
12 mined by the Administrator in consultation with the  
13 States,”.

14 **SEC. 14. ENFORCEMENT.**

15 (a) **ADVICE AND TECHNICAL ASSISTANCE.**—Section  
16 1414 (42 U.S.C. 300g-3) is amended—

17 (1) in the matter following clause (ii) in sub-  
18 section (a)(1)(A), by striking “and provide such ad-  
19 vice and technical assistance to such State and pub-  
20 lic water system as may be appropriate to bring the  
21 system into compliance with the requirement by the  
22 earliest feasible time”; and

23 (2) in subsection (a)(1), by adding at the end  
24 the following:

25 “(C) At any time after providing notice of a violation  
26 to a State and public water system under subparagraph

1 (A), the Administrator may provide such advice and tech-  
2 nical assistance to such State and public water system as  
3 may be appropriate to bring the system into compliance  
4 with the requirement by the earliest feasible time. In de-  
5 ciding whether the provision of advice or technical assist-  
6 ance is appropriate, the Administrator may consider the  
7 potential for the violation to result in serious adverse ef-  
8 fects to human health, whether the violation has occurred  
9 continuously or frequently, and the effectiveness of past  
10 technical assistance efforts.”.

11 (b) ADDITIONAL INSPECTIONS.—

12 (1) IN GENERAL.—Section 1414 (42 U.S.C.  
13 300g-3) is amended—

14 (A) by redesignating subsections (d)  
15 through (i) as subsections (e) through (j), re-  
16 spectively; and

17 (B) by inserting after subsection (c) the  
18 following:

19 “(d) ADDITIONAL INSPECTIONS FOLLOWING VIOLA-  
20 TIONS.—

21 “(1) IN GENERAL.—The Administrator shall,  
22 by regulation, and after consultation with the States,  
23 prescribe the number, frequency, and type of addi-  
24 tional inspections to follow any violation requiring



1 notice under subsection (c). Regulations under this  
2 subsection shall—

3 “(A) take into account—

4 “(i) differences between violations  
5 that are intermittent or infrequent and vio-  
6 lations that are continuous or frequent;

7 “(ii) the seriousness of any potential  
8 adverse health effects that may be in-  
9 volved; and

10 “(iii) the number and severity of past  
11 violations by the public water system; and

12 “(B) specify procedures for inspections fol-  
13 lowing a violation by a public water system that  
14 has the potential to have serious adverse effects  
15 on human health as a result of short-term expo-  
16 sure.

17 “(2) STATE PRIMARY ENFORCEMENT RESPONSI-  
18 BILITY.—Nothing in this subsection shall be con-  
19 strued or applied to modify the requirements of sec-  
20 tion 1413.”.

21 (2) CONFORMING AMENDMENTS.—

22 (A) Subsections (a)(1)(B), (a)(2)(A), and  
23 (b) of section 1414 (42 U.S.C. 300g-3) are  
24 amended by striking “subsection (g)” each  
25 place it appears and inserting “subsection (h)”.

1 (B) Section 1448(a) is amended by strik-  
2 ing “1414(g)(3)(B)” and inserting  
3 “1414(h)(3)(B)”.

4 **SEC. 15. PRESENCE OF PHARMACEUTICALS AND PERSONAL**  
5 **CARE PRODUCTS IN SOURCES OF DRINKING**  
6 **WATER.**

7 Subsection (a) of section 1442 (42 U.S.C. 300j-1)  
8 is amended by adding at the end the following:

9 “(11) PRESENCE OF PHARMACEUTICALS AND PER-  
10 SONAL CARE PRODUCTS IN SOURCES OF DRINKING  
11 WATER.—

12 “(A) STUDY.—The Administrator shall carry  
13 out a study on the presence of pharmaceuticals and  
14 personal care products in sources of drinking water,  
15 which shall—

16 “(i) identify pharmaceuticals and personal  
17 care products that have been detected in  
18 sources of drinking water and the levels at  
19 which such pharmaceuticals and personal care  
20 products have been detected;

21 “(ii) identify the sources of pharma-  
22 ceuticals and personal care products in sources  
23 of drinking water, including point sources and  
24 nonpoint sources of pharmaceutical and per-  
25 sonal care products;

1           “(iii) identify the effects of such products  
2           on humans, the environment, and the safety of  
3           drinking water; and

4           “(iv) identify methods to control, limit,  
5           treat, or prevent the presence of such products.

6           “(B) CONSULTATION.—The Administrator shall  
7           conduct the study described in subparagraph (A) in  
8           consultation with the Secretary of Health and  
9           Human Services (acting through the Commissioner  
10          of Food and Drugs), the Director of the United  
11          States Geological Survey, the heads of other appro-  
12          priate Federal agencies (including the National In-  
13          stitute of Environmental Health Sciences), and other  
14          interested stakeholders (including manufacturers of  
15          pharmaceuticals and personal care products and  
16          consumer groups and advocates).

17          “(C) REPORT.—Not later than 4 years after  
18          the date of the enactment of this paragraph, the Ad-  
19          ministrator shall submit to the Congress a report on  
20          the results of the study carried out under this para-  
21          graph.

22          “(D) DEFINITIONS.—In this paragraph:

23                 “(i) The term ‘personal care product’ has  
24                 the meaning given the term ‘cosmetic’ in section

1           201 of the Federal Food, Drug, and Cosmetic  
2           Act.

3           “(ii) The term ‘pharmaceutical’ has the  
4           meaning given the term ‘drug’ in section 201 of  
5           the Federal Food, Drug, and Cosmetic Act.”.

6 **SEC. 16. ELECTRONIC REPORTING OF COMPLIANCE MONI-**  
7 **TORING DATA TO THE ADMINISTRATOR.**

8           (a) REQUIREMENT.—Section 1414 (42 U.S.C. 300g–  
9 3), as amended, is further amended by adding at the end  
10 the following:

11           “(k) ELECTRONIC REPORTING OF COMPLIANCE  
12 MONITORING DATA TO THE ADMINISTRATOR.—The Ad-  
13 ministrator shall by rule establish requirements for—

14           “(1) electronic submission by public water sys-  
15 tems of all compliance monitoring data—

16           “(A) to the Administrator; or

17           “(B) with respect to public water systems  
18 in a State which has primary enforcement re-  
19 sponsibility under section 1413, to such State;  
20 and

21           “(2) electronic submission to the Administrator  
22 by each State which has primary enforcement re-  
23 sponsibility under section 1413 of all compliance  
24 monitoring data submitted to such State by public  
25 water systems pursuant to paragraph (1)(B).”.

1 (b) FINAL RULE.—Not later than 12 months after  
2 the date of the enactment of this Act, the Administrator  
3 of the Environmental Protection Agency shall issue a final  
4 rule to carry out section 1414(k) of the Safe Drinking  
5 Water Act, as added by subsection (a).

6 **SEC. 17. BEST PRACTICES FOR ADMINISTRATION OF STATE**  
7 **REVOLVING LOAN FUND PROGRAMS.**

8 Section 1452 (42 U.S.C. 300j–12) is amended by in-  
9 serting after subsection (r), as added by section 7(b), the  
10 following:

11 “(s) BEST PRACTICES FOR PROGRAM ADMINISTRA-  
12 TION.—The Administrator shall—

13 “(1) collect information from States on admin-  
14 istration of State programs with respect to State  
15 loan funds, including—

16 “(A) efforts to streamline the process for  
17 applying for assistance through such programs;

18 “(B) programs in place to assist with the  
19 completion of application forms;

20 “(C) incentives provided to systems that  
21 partner with small public water systems for the  
22 application process; and

23 “(D) techniques to ensure that obligated  
24 balances are liquidated in a timely fashion;

1           “(2) not later than 3 years after the date of en-  
2           actment of the Assistance, Quality, and Affordability  
3           Act of 2016, disseminate to the States best practices  
4           for administration of such programs, based on the  
5           information collected pursuant to this subsection;  
6           and

7           “(3) periodically update such best practices, as  
8           appropriate.”.

9   **SEC. 18. WATER LOSS AND LEAK CONTROL TECHNOLOGY.**

10          Part E of the Safe Drinking Water Act (42 U.S.C.  
11   300j et seq.) is amended by adding at the end the fol-  
12   lowing:

13   **“SEC. 1460. WATER LOSS AND LEAK CONTROL TECH-**  
14                                   **NOLOGY.**

15          “The Administrator shall—

16               “(1) not later than 5 years after the date of en-  
17               actment of the Assistance, Quality, and Affordability  
18               Act of 2016, develop criteria for effective water loss  
19               and leak control technology to be used by water sys-  
20               tems; and

21               “(2) implement a program through which a  
22               manufacturer of such technology may apply, on a  
23               voluntary basis, for certification of compliance with  
24               such criteria.”.

1 **SEC. 19. RISKS OF DROUGHT TO DRINKING WATER.**

2 Part E of the Safe Drinking Water Act (42 U.S.C.  
3 300j et seq.), as amended, is further amended by adding  
4 at the end the following new section:

5 **“SEC. 1460A. DROUGHT RISK ASSESSMENT AND MANAGE-**  
6 **MENT.**

7 “(a) STRATEGIC PLAN.—

8 “(1) DEVELOPMENT.—Not later than 90 days  
9 after the date of enactment of this section, the Ad-  
10 ministrator shall develop and submit to Congress a  
11 strategic plan for assessing and managing the risks  
12 of drought to drinking water provided by public  
13 water systems. The strategic plan shall include steps  
14 and timelines to—

15 “(A) evaluate the risks posed by drought  
16 to drinking water provided by public water sys-  
17 tems;

18 “(B) establish a comprehensive list of the  
19 effects of drought on drinking water provided  
20 by public water systems which the Adminis-  
21 trator determines may have an adverse effect  
22 on human health;

23 “(C) summarize—

24 “(i) the known adverse human health  
25 effects resulting from the effects of

1 drought on drinking water included on the  
2 list established under subparagraph (B);

3 “(ii) factors that cause drought; and

4 “(iii) factors that exacerbate the ef-  
5 fects of drought on drinking water pro-  
6 vided by public water systems;

7 “(D) with respect to the effects of drought  
8 on drinking water included on the list estab-  
9 lished under subparagraph (B), determine  
10 whether to—

11 “(i) establish guidance regarding fea-  
12 sible analytical methods to quantify such  
13 effects; and

14 “(ii) establish guidance regarding the  
15 frequency of monitoring necessary to de-  
16 tect such effects;

17 “(E) recommend feasible treatment op-  
18 tions, including procedures, equipment, and  
19 source water protection practices, to mitigate  
20 such effects; and

21 “(F) enter into cooperative agreements  
22 with, and provide technical assistance to, af-  
23 fected States and public water systems, as iden-  
24 tified by the Administrator, for the purpose of



1 managing risks associated with the effects of  
2 drought on drinking water.

3 “(2) UPDATES.—The Administrator shall, as  
4 appropriate, update and submit to Congress the  
5 strategic plan developed under paragraph (1).

6 “(b) INFORMATION COORDINATION.—In carrying out  
7 this section the Administrator shall—

8 “(1) identify gaps in the Agency’s under-  
9 standing of the effects of drought on drinking water  
10 provided by public water systems, including—

11 “(A) the human health effects of drought;  
12 and

13 “(B) methods and means of testing and  
14 monitoring for the effects of drought on source  
15 water of, or drinking water provided by, public  
16 water systems;

17 “(2) as appropriate, consult with—

18 “(A) other Federal agencies that—

19 “(i) examine or analyze drought; or

20 “(ii) address public health concerns  
21 related to drought;

22 “(B) States;

23 “(C) operators of public water systems;

24 “(D) multinational agencies;

25 “(E) foreign governments;

1 “(F) research and academic institutions;

2 and

3 “(G) companies that provide relevant

4 drinking water treatment options; and

5 “(3) assemble and publish information from

6 each Federal agency that has—

7 “(A) examined or analyzed drought; or

8 “(B) addressed public health concerns re-

9 lated to drought.

10 “(c) USE OF SCIENCE.—The Administrator shall

11 carry out this section in accordance with the requirements

12 described in section 1412(b)(3)(A), as applicable.

13 “(d) FEASIBLE.—For purposes of this section, the

14 term ‘feasible’ has the meaning given such term in section

15 1412(b)(4)(D).”.

16 **SEC. 20. DRINKING WATER INFRASTRUCTURE RESILIENCY**

17 **AND SUSTAINABILITY PROGRAM.**

18 Part E of the Safe Drinking Water Act (42 U.S.C.

19 300j et seq.), as amended, is further amended by adding

20 at the end the following new section:

21 **“SEC. 1460B. DRINKING WATER INFRASTRUCTURE RESIL-**

22 **IENCY AND SUSTAINABILITY PROGRAM.**

23 “(a) PROGRAM.—The Administrator shall establish

24 and implement a program, to be known as the Drinking

25 Water Infrastructure Resiliency and Sustainability Pro-

1 gram, for the purpose of increasing the resiliency or  
2 adaptability of public water systems to changing hydro-  
3 logic conditions. The goals of such program are—

4 “(1) to promote more efficient water use in  
5 public water systems;

6 “(2) to promote more efficient energy use in  
7 public water systems; and

8 “(3) to ensure that public water systems main-  
9 tain a reliable, safe drinking water supply for their  
10 customers.

11 “(b) GRANTS.—The Administrator shall establish cri-  
12 teria for providing assistance and awarding grants under  
13 the program established under this section to owners and  
14 operators of public water systems to carry out eligible  
15 projects.

16 “(c) ELIGIBLE PROJECTS.—For purposes of this sec-  
17 tion, the term ‘eligible project’ means a project for the  
18 planning, design, construction, implementation, operation,  
19 or maintenance of an improvement to a public water sys-  
20 tem that meets the purpose described in subsection (a)  
21 by—

22 “(1) improving or expanding the water supply  
23 of an existing public water system, including en-  
24 hancement of water use efficiency;

1           “(2) modifying or relocating existing public  
2 water system infrastructure projected to be signifi-  
3 cantly impaired by changing hydrologic conditions;

4           “(3) preserving or improving water quality;

5           “(4) enhancing source water protection;

6           “(5) enhancing energy efficiency or the use and  
7 generation of renewable energy in the conveyance or  
8 treatment of drinking water;

9           “(6) promoting the adoption and use of water  
10 reuse and recycling by customers served by the pub-  
11 lic water system, including the use of gray water  
12 systems; and

13           “(7) implementing measures to increase the re-  
14 siliance of public water systems to rapid hydrologic  
15 change or a natural disaster.

16           “(d) APPLICATION.—To seek a grant under this sec-  
17 tion the owner or operator of a public water system shall  
18 submit to the Administrator a proposal for an eligible  
19 project that includes, as appropriate—

20           “(1) a description of the risk to the source  
21 water or infrastructure of the public water system  
22 resulting from changes to the hydrologic system of  
23 the region in which the public water system is lo-  
24 cated;

1           “(2) a description of how the proposed eligible  
2 project would address the risk due to the changes in  
3 hydrologic conditions and enhance the resiliency of  
4 the public water system;

5           “(3) a description of how the proposed project  
6 will enhance efficiency in the use of energy by the  
7 public water system;

8           “(4) a description of how the proposed project  
9 will enhance the quality and quantity of the water  
10 supply for the public water system; and

11           “(5) a description of how the proposed eligible  
12 project is consistent with or contributes to any appli-  
13 cable State, tribal, or local climate adaptation plan.

14           “(e) PRIORITY.—

15           “(1) DRINKING WATER SYSTEMS AT GREATEST  
16 AND MOST IMMEDIATE RISK.—In awarding grants  
17 under this section, the Administrator shall give pri-  
18 ority to public water systems that are at the greatest  
19 and most immediate risk of facing significant nega-  
20 tive impacts due to changing hydrologic conditions.

21           “(2) GOALS.—In selecting among public water  
22 systems described in paragraph (1), the Adminis-  
23 trator shall ensure that, to the extent practicable,  
24 for each year, eligible projects for which grants are  
25 awarded will use innovative approaches to meet one

1 or more of the goals of the program described in  
2 subsection (a).

3 “(f) COST-SHARING.—

4 “(1) FEDERAL SHARE.—The Federal share of  
5 the cost of any eligible project for which a grant is  
6 awarded by the Administrator to an owner or oper-  
7 ator of a public water system under this section  
8 shall not exceed 50 percent of the cost of the eligible  
9 project.

10 “(2) CALCULATION OF NON-FEDERAL SHARE.—

11 In calculating the non-Federal share of the cost of  
12 an eligible project, the Administrator shall—

13 “(A) include the value of any in-kind serv-  
14 ices that are integral to the completion of the  
15 eligible project, including reasonable adminis-  
16 trative and overhead costs; and

17 “(B) not include any other amount that  
18 the owner or operator of a public water system  
19 receives from the Federal Government.

20 “(g) REPORT TO CONGRESS.—Not later than 3 years  
21 after the date of the enactment of this section, and every  
22 3 years thereafter, the Administrator shall submit to Con-  
23 gress a report on progress in implementing this section,  
24 including information on project applications received and  
25 funded annually.

1 “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 is authorized to be appropriated to carry out this section  
 3 \$50,000,000 for each of fiscal years 2017 through 2021.”.

4 **SEC. 21. REDUCING LEAD IN DRINKING WATER.**

5 Section 1417 (42 U.S.C. 300g–6) is amended by add-  
 6 ing at the end the following:

7 “(f) REPLACING LEAD SERVICE LINES.—

8 “(1) DEFINITIONS.—In this subsection:

9 “(A) ELIGIBLE ENTITY.—The term ‘eligi-  
 10 ble entity’ means—

11 “(i) an owner or operator of a public  
 12 water system;

13 “(ii) a qualified nonprofit organiza-  
 14 tion, as determined by the Administrator;  
 15 or

16 “(iii) a municipality or a State, inter-  
 17 state, or intermunicipal agency.

18 “(B) LEAD PIPE REPLACEMENT PRO-  
 19 GRAM.—The term ‘lead pipe replacement pro-  
 20 gram’ means a project or activity the primary  
 21 purpose of which is to eliminate lead in water  
 22 for human consumption by—

23 “(i) replacing lead service lines;

24 “(ii) testing, planning, or carrying out  
 25 other relevant activities, as determined by

1 the Administrator, to identify the location  
2 and condition of lead service lines; or

3 “(iii) providing assistance to low-in-  
4 come homeowners to replace privately  
5 owned lead service lines.

6 “(C) LEAD SERVICE LINE.—The term  
7 ‘lead service line’ means a service line made of  
8 lead within a public water system, including  
9 pipes that connect the water main to the build-  
10 ing inlet, privately owned lead service lines that  
11 deliver water for human consumption from a  
12 public water system to a building inlet, and any  
13 lead pigtail, gooseneck, or other fitting that is  
14 connected to such lead lines.

15 “(D) LOW-INCOME HOMEOWNER.—The  
16 term ‘low-income homeowner’ has such meaning  
17 as may be given the term by the Governor of  
18 the applicable State.

19 “(2) GRANT PROGRAM.—

20 “(A) ESTABLISHMENT.—Not later than  
21 180 days after the date of enactment of this  
22 subsection, the Administrator shall establish a  
23 grant program to provide assistance to eligible  
24 entities for lead pipe replacement programs.



1           “(B) EVALUATION.—In determining  
2 whether to provide assistance to an eligible enti-  
3 ty under this subsection, the Administrator  
4 shall evaluate whether the eligible entity has—

5           “(i) a current inventory of lead service  
6 lines in the applicable public water system;

7           “(ii) a plan to notify customers of  
8 such public water system of the replace-  
9 ment of any publicly owned portion of a  
10 lead service line;

11           “(iii) a plan to replace the privately  
12 owned portion of a lead service line at the  
13 cost of replacement;

14           “(iv) a plan for a program of assist-  
15 ance to low-income homeowners to replace  
16 the privately owned portion of lead service  
17 lines; or

18           “(v) a plan of recommended measures  
19 to avoid exposure of the public to short-  
20 term increases in lead levels following a  
21 lead service line replacement.

22           “(C) PRIORITY APPLICATION.—In pro-  
23 viding assistance under this subsection, the Ad-  
24 ministrator shall give priority to an eligible en-  
25 tity that—

1           “(i) will carry out a lead pipe replace-  
2           ment program at a public water system  
3           that has exceeded the lead action level es-  
4           tablished by the Administrator at any time  
5           during the 3-year period preceding the  
6           date of submission of the application of the  
7           eligible entity;

8           “(ii) will address lead levels in water  
9           for human consumption at a school,  
10          daycare, or other facility that primarily  
11          serves children or subpopulations at great-  
12          er risk as identified under section 1458(a);

13          “(iii) will include in the lead pipe re-  
14          placement program a program to provide  
15          assistance to low-income homeowners; or

16          “(iv) addresses such priority criteria  
17          as the Administrator may establish, con-  
18          sistent with the goal of reducing lead in  
19          water for human consumption.

20          “(D) COST SHARING.—

21                 “(i) IN GENERAL.—Subject to clause  
22                 (ii), the non-Federal share of the total cost  
23                 of a program funded by a grant provided  
24                 under this subsection shall be not less than  
25                 20 percent.

1           “(ii) WAIVER.—The Administrator  
2           may reduce or eliminate the non-Federal  
3           share required under clause (i) for reasons  
4           of affordability, as the Administrator de-  
5           termines to be appropriate.

6           “(E) LOW-INCOME HOMEOWNER ASSIST-  
7           ANCE.—

8           “(i) IN GENERAL.—Subject to clauses  
9           (ii) and (iii), an eligible entity may use a  
10          grant provided under this subsection to  
11          provide assistance to low-income home-  
12          owners to replace privately owned lead  
13          service lines.

14          “(ii) LOW-INCOME HOMEOWNER AS-  
15          SISTANCE CAP.—Of the funds made avail-  
16          able to carry out this subsection, not more  
17          than \$10,000,000 may be allocated to pro-  
18          vide assistance to low-income homeowners  
19          under this subparagraph for any fiscal  
20          year.

21          “(iii) LIMITATION.—The amount of  
22          assistance provided to an individual low-in-  
23          come homeowner under this subparagraph  
24          shall not exceed \$10,000.

1           “(3) GUIDANCE.—Not later than 180 days  
2 after the date of enactment of this subsection the  
3 Administrator shall, in cooperation with States and  
4 qualified nonprofit organizations, develop guidance  
5 for owners and operators of public water systems to  
6 assist such owners and operators in the preparation  
7 of an inventory of lead service lines in their public  
8 water system.

9           “(4) AUTHORIZATION OF APPROPRIATIONS.—  
10 There is authorized to be appropriated to carry out  
11 this subsection \$100,000,000 for each of fiscal years  
12 2017 through 2021.”.

○

114TH CONGRESS  
2D SESSION

# S. 2588

To provide grants to eligible entities to reduce lead in drinking water.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2016

Mr. CARDIN (for himself and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## A BILL

To provide grants to eligible entities to reduce lead in drinking water.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Grants and Education  
5 To Tackle Homeowner Exposure to Lead Ensuring Amer-  
6 ica Drinks Only from Unpolluted Taps Act of 2016” or  
7 the “GET THE LEAD OUT Act of 2016”.

8 **SEC. 2. REDUCING LEAD IN DRINKING WATER.**

9 (a) **DEFINITIONS.**—In this section:

1 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
2 ty” means—

3 (A) a community water system (as defined  
4 in section 1401 of the Safe Drinking Water Act  
5 (42 U.S.C. 300f));

6 (B) a system located in an area governed  
7 by an Indian Tribe (as defined in that section);

8 (C) a nontransient noncommunity water  
9 system;

10 (D) a qualified nonprofit organization, as  
11 determined by the Administrator; and

12 (E) a municipality or State, interstate, or  
13 intermunicipal agency.

14 (2) LEAD REDUCTION PROJECT.—

15 (A) IN GENERAL.—The term “lead reduc-  
16 tion project” means a project or activity the  
17 primary purpose of which is to reduce the level  
18 of lead in water for human consumption by—

19 (i) replacement of publicly owned por-  
20 tions of lead service lines;

21 (ii) testing, planning, or other relevant  
22 activities, as determined by the Adminis-  
23 trator, to identify and address conditions  
24 (including corrosion control) that con-

1           tribute to increased lead levels in water for  
2           human consumption;

3                   (iii) assistance to low-income home-  
4           owners to replace privately owned portions  
5           of service lines, pipes, fittings, or fixtures  
6           that contain lead; and

7                   (iv) education of consumers regarding  
8           measures to reduce exposure to lead from  
9           drinking water or other sources.

10           (B) LIMITATION.—The term “lead reduc-  
11           tion project” does not include a partial lead  
12           service line replacement if, at the conclusion of  
13           that service line replacement, drinking water is  
14           delivered to a household through a publicly or  
15           privately owned portion of a lead service line.

16           (3) LOW-INCOME.—The term “low-income”,  
17           with respect to an individual provided assistance  
18           under this section, has such meaning as may be  
19           given the term by the head of the municipality or  
20           State, interstate, or intermunicipal agency with ju-  
21           risdiction over the area to which assistance is pro-  
22           vided.

23           (4) MUNICIPALITY.—The term “municipality”  
24           means—

1 (A) a city, town, borough, county, parish,  
2 district, association, or other public entity es-  
3 tablished by, or pursuant to, applicable State  
4 law; and

5 (B) an Indian tribe (as defined in section  
6 4 of the Indian Self-Determination and Edu-  
7 cation Assistance Act (25 U.S.C. 450b)).

8 (b) GRANT PROGRAM.—

9 (1) ESTABLISHMENT.—Not later than 180 days  
10 after the date of enactment of this Act, the Adminis-  
11 trator shall establish a grant program to provide as-  
12 sistance to eligible entities for lead reduction  
13 projects in the United States.

14 (2) EVALUATION.—In providing assistance  
15 under this section, the Administrator shall evalu-  
16 ate—

17 (A) that an eligible entity applying for as-  
18 sistance has identified the source of lead in  
19 water for human consumption; and

20 (B) the means by which the proposed lead  
21 reduction project would reduce lead levels in the  
22 applicable water system.

23 (3) PRIORITY APPLICATION.—In providing  
24 grants under this subsection, the Administrator shall  
25 give priority to an eligible entity that—



1 (A) carries out a lead reduction project at  
2 a public water system or nontransient non-  
3 community water system that has exceeded the  
4 lead action level established by the Adminis-  
5 trator at any time during the 3-year period pre-  
6 ceding the date of submission of the application  
7 of the eligible entity;

8 (B) addresses lead levels in water for  
9 human consumption at a school, daycare, or  
10 other facility that primarily serves children or  
11 another vulnerable human subpopulation; or

12 (C) addresses such priority criteria as the  
13 Administrator may establish, consistent with  
14 the goal of reducing lead levels of concern.

15 (4) COST SHARING.—

16 (A) IN GENERAL.—Subject to subpara-  
17 graph (B), the non-Federal share of the total  
18 cost of a project funded by a grant under this  
19 subsection shall be not less than 20 percent.

20 (B) WAIVER.—The Administrator may re-  
21 duce or eliminate the non-Federal share under  
22 subparagraph (A) for reasons of affordability,  
23 as the Administrator determines to be appro-  
24 priate.

25 (5) LOW-INCOME ASSISTANCE.—

1 (A) IN GENERAL.—Subject to subpara-  
2 graph (B), an eligible entity may use a grant  
3 provided under this subsection to provide assist-  
4 ance to low-income homeowners to carry out  
5 lead reduction projects.

6 (B) LIMITATION.—The amount of a grant  
7 provided to a low-income homeowner under this  
8 paragraph shall not exceed the cost of replace-  
9 ment of the privately owned portion of the serv-  
10 ice line.

11 (6) SPECIAL CONSIDERATION FOR LEAD SERV-  
12 ICE LINE REPLACEMENT.—In carrying out lead serv-  
13 ice line replacement using a grant under this sub-  
14 section, an eligible entity shall—

15 (A) notify customers of the planned re-  
16 placement of any publicly owned portion of the  
17 lead service line;

18 (B) offer—

19 (i) in the case of a homeowner that is  
20 not low-income, to replace the privately  
21 owned portion of the lead service line at  
22 the cost of replacement; and

23 (ii) in the case of a low-income home-  
24 owner, to replace the privately owned por-  
25 tion of the lead service line and any pipes,

1 fittings, and fixtures that contain lead at a  
2 cost that is equal to the difference be-  
3 tween—

4 (I) the cost of replacement; and

5 (II) the amount of low-income as-  
6 sistance available to the homeowner  
7 under paragraph (5);

8 (C) notify each customer that a planned  
9 replacement of any publicly owned portion of a  
10 lead service line that is funded by a grant made  
11 under this subsection will not be carried out un-  
12 less the customer consents to the simultaneous  
13 replacement of the privately owned portion of  
14 the lead service line; and

15 (D) demonstrate that the eligible entity  
16 has considered multiple options for reducing  
17 lead in drinking water, including an evaluation  
18 of options for corrosion control.

19 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
20 authorized to be appropriated to carry out this Act  
21 \$60,000,000 for each of fiscal years 2017 through 2021.

○





AGENDA NO.  
MEETING DATE

13.  
April 26, 2016

TITLE WATER SUPPLY AVAILABILITY AND DEFICIENCY REPORT

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

1. File the Water Supply Availability and Deficiency Report in conformance with District Policy 9.03.
2. Declare that the District's water supply is sufficient for meeting customer demands in 2016.
3. Defer taking anticipated drought-related actions until the State Water Resources Control Board (SWRCB) takes action on May 18.

**SUMMARY**



The annual Water Supply Availability and Deficiency Report is prepared and submitted to the Board of Directors as required under Policy 9.03. The report evaluates the adequacy of the current year's (2016) water supply. In low water supply years, this annual report provides the basis for the Board's consideration of possible demand management and/or supplemental supply measures as part of the District's Drought Management Plan. In years of surplus water supply, this report provides the basis for the Board's determination of additional availability of water for potential use by others.

For 2016, the projected September 30 total system storage is between 595 and 630 thousand acre-feet (TAF), resulting in the District's water supply being sufficient to meet customer demands in 2016. The 2016 assessment also concludes that projected runoff and water storage require designating Below Normal year type flows in the lower Mokelumne River under the District's Joint Settlement Agreement (JSA).

**DISCUSSION**

2016 Water Supply and Demand Assessment

Current year water supply availability is determined by forecasting the amount of water that will be stored in District reservoirs on September 30, which marks the end of the "water year." This forecast is a two-step calculation. First, the amount of total system storage (TSS) as of September 30 is determined by adding projected runoff amounts to existing storage levels. The second step is the subtraction of anticipated customer demands and the volume of water that must be released from the District's storage

Funds Available: FY		Budget Code:	
DEPARTMENT SUBMITTING	DEPARTMENT MANAGER or DIRECTOR		APPROVED
Water and Natural Resources	 Richard G. Sykes		 General Manager

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reservoirs to meet downstream obligations. These obligations include minimum flows for fishery requirements, use by senior water right holders, and water requirements of other downstream interests. If the projected September 30 TSS exceeds 500 TAF, the District has sufficient current year water supply. If the sum is less than 500 TAF, the District's water supply is deficient.

Water Years 2014 and 2015 were two of the driest on record for the State of California and for the District, prompting the District in 2015 to declare a Stage 4 drought under the Drought Management Program Guidelines. The District responded by securing dry year supplies conveyed through the Freeport Project and set a mandatory water use reduction goal of 20 percent. District customers responded to the call for increased conservation, meeting and exceeding the water use reduction goal.

Water Year 2016 sees an improved water supply outlook for much of the state, with significant precipitation and snowpack in northern California. The District's watersheds have experienced above average precipitation to date; as of April 10, 2016, season to date precipitation was 109 percent of average in the Mokelumne River watershed and 101 percent of average in the East Bay. As of April 10, staff forecasts that the end of September TSS will be between 595 and 630 TAF. Since the TSS is expected to be greater than 500 TAF at the end of the current water year, the District's water supply for 2016 is deemed to be sufficient.

The 2016 water year falls within the Below Normal year type category under the terms of the District's JSA, which establishes fishery flow releases by water year type. This determination is based on the Department of Water Resources' April 1 project Mokelumne River runoff, which for 2016, is 103 percent of average.

Based on current 2016 runoff projections assuming median rainfall for the remainder of the year, Woodbridge Irrigation District would receive its full base supply of 60,000 acre-feet (AF); Jackson Valley Irrigation District would receive its maximum entitlement of 3,850 AF; and North San Joaquin Water Conservation District (NSJWCD), a junior water right holder, may receive a portion of the 20,000 AF they requested on February 9, 2016 in the event that surplus storage is available during the summer season. These allocations will be finalized once they submit their delivery schedules to the District.

#### State Emergency Conservation Regulations and Further Drought-Related Actions

On March 22, 2016, the Board modified and adopted Drought Management Program (DMP) Guidelines to address recent state actions (attached). The District has historically declared differing drought stages based on local water supply conditions (end of September TSS). In the updated DMP guidelines, the Board adopted a second scenario, wherein the District could declare a drought stage based on state mandated customer demand reduction goals, if those goals exceed the levels that would be otherwise required by local conditions. Tables 1 and 2 provide the stages for the TSS scenario and the state mandated reduction scenario, respectively.

With the current end of September TSS projections ranging between 595 to 630 TAF, the District would be under Stage '0 (Zero)' or 'Normal' Stage under the TSS scenario. However, as explained below, depending on the outcome of upcoming SWRCB actions, staff may recommend that the Board take drought actions based upon the DMP Guidelines' state mandated reduction scenario.

Currently the District is required to meet a 16 percent conservation goal as mandated by the SWRCB through April 2016. The District, from June 2015 through March 2016, has achieved a 23 percent savings. Since precipitation and snowpack in parts of California in 2016 have reached average conditions, the SWRCB has indicated that it will consider modifying the Emergency Regulation, and consider regional hydrology and the reliability of urban water supply portfolios in its assessment. In response to the SWRCB’s request for input on their Emergency Regulations, EBMUD sent a comment letter suggesting a framework for collecting and comparing water supply and consumption data that can serve as the basis for the SWRCB to lift the mandatory conservation target for agencies demonstrating they have sufficient water supplies. The District, along with other urban water agencies, recommended this ‘self-certification’ process. The SWRCB is expected to modify their regulations, based on the input received and staff recommendations on May 18, 2016.

**Table 1: Drought Management Program Guidelines - TSS Scenario**

Stage		Projected End-of-September Total System Storage	Quantity of CVP & Supplemental Supply Needed	Customer Demand Reduction	Rate/Penalty Impacts	Regulations in Effect or Potentially Enacted
		(TAF)	(Acre-Feet)			
0	Normal	500 or more	0	Wise water use	Normal Rates	Section 29
1	Moderate	500 - 450	0	Voluntary up to 15%	Normal Rates	Section 29
2	Significant	450 - 390	0-35,000	Voluntary up to 15%	- Normal Rates - Drought Surcharge	Section 29
3	Severe	390 - 325	35,000-65,000	Mandatory up to 15%	- Normal Rates - Drought Surcharge - Excessive Use Penalty	- Section 28 - Section 29 - Excessive Use Ordinance
4	Critical	<325	>65,000	Mandatory ≥ 15%	- Normal Rates - Drought Surcharge - Excessive Use Penalty	- Section 28 - Section 29 - Excessive Use Ordinance

Notes:

- a) Maximum System Storage capacity of 767 TAF, which includes Pardee, Camanche, and terminal reservoirs.
- b) Drought Surcharges will reflect the most recently adopted Proposition 218 rates.
- c) Under Drought Stage 3 or 4, the Board can enact Section 28 to implement conservation saving measures, along with the Excessive Use Ordinance to achieve the targeted customer water demand reductions.

**Table 2: Drought Management Program Guidelines – State Mandate Scenario**

Stage	State Mandated Customer Demand Reduction	Rate Impacts	Regulations in Effect or Potentially Enacted
0 or 1	≤10%	Normal Rates	Section 29
2	10-15%	- Normal Rates - Drought Surcharge	Section 29
3	15-20%	- Normal Rates - Drought Surcharge	- Section 28 - Section 29
4	≥20%	- Normal Rates - Drought Surcharge	- Section 28 - Section 29

Notes:

- a) Drought Surcharges will reflect the most recently adopted Proposition 218 rates.
- b) The Board can enact Section 28 to implement conservation measures to achieve desired customer demand reductions.

The SWRCB mandated conservation targets for EBMUD will likely be reduced or eliminated, and staff recommends that the Board defer taking anticipated drought-related actions until the SWRCB takes action on May 18. Following SWRCB action, staff will bring to the Board recommendations regarding declaring an end the District’s water shortage emergency, making associated changes in Section 28 of the District’s Regulations Governing Water Service to Customers, and changes in drought stage and drought surcharge levels. ,

Bayside Groundwater Phase One Project

If certain conditions are met, the District could operate the Bayside Groundwater Project in 2016 by injecting potable drinking water into the groundwater basin. During wet years, the District can inject water into the deep aquifers in the East Bay for eventual extraction, treatment, and use during dry years. Although construction of the Phase 1 facility was completed in 2010, EBMUD has not yet made groundwater injections due to ongoing drought. Staff is prepared to operate the Bayside Phase 1 project in the injection mode if sufficient water is available and will provide an update to the Board in future board meetings.





AGENDA NO. 14.  
 MEETING DATE April 26, 2016

TITLE SUSPEND THE IMPLEMENTATION OF THE EXCESSIVE WATER USE PENALTY ORDINANCE

MOTION \_\_\_\_\_  RESOLUTION \_\_\_\_\_  ORDINANCE \_\_\_\_\_

**RECOMMENDED ACTION**

Authorize suspending the implementation of the Excessive Water Use Penalty Ordinance (Ordinance) effective May 3, 2016 as a result of the District's improved water supply conditions.

**SUMMARY**

The Water Supply Availability and Deficiency Report presented on April 26, 2016, projects total system storage (TSS) at the end of September 2016 to be between 595 and 630 thousand acre-feet (TAF). This indicates that the District's projected end of year storage will be sufficient to meet next year's water demand. As the District's water supply has improved and drought conditions have eased significantly, staff recommends suspending the implementation of the Ordinance.

**DISCUSSION**

On April 14, 2015, the Board declared a Stage 4 critical drought within the District's service area and adopted a mandatory District-wide reduction goal of 20 percent. These actions were in response to the state's mandatory conservation orders and the unprecedented water shortage emergency experienced locally and throughout the state. To support these efforts, the District initiated a number of actions to protect the water supply including the adoption of the Excessive Water Use Penalty Ordinance to prohibit the excessive and wasteful use of water. The Ordinance was adopted by the Board on April 28, 2015. The Ordinance was enacted under authority of Water Code Section 350 to address the local water shortage emergency and under Water Code Section 375 as a conservation measure to reduce demand in light of the local shortage. The Ordinance has been enforced since July 1, 2015 in conjunction with the District's Water Shortage Emergency Critical Action Plan. From July 1, 2015, through March 31, 2016, 7,081 violations of the Ordinance occurred throughout the District's service area. These violations represent 5,627 accounts or 1.7 percent of single family residential accounts. Twenty-three percent or 1,271 accounts had more than one penalty assessed. The District received approximately 813 appeals. Penalties assessed through March 31, 2016 total \$596,878.

Funds Available: Not Applicable		Budget Code:
DEPARTMENT SUBMITTING  Customer and Community Services	DEPARTMENT MANAGER or DIRECTOR  <i>Sherri A. Hong</i> Sherri A. Hong	APPROVED  <i>Michael R. Lee</i> General Manager

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Customers have responded positively to the District's call to action to conserve. Overall customer demand reduction is at 24 percent and has exceeded the District's goal of 20 percent and the state requirement of 16 percent. In May 2016, the state will consider reductions of the mandated conservation levels for those areas that have adequate water supplies.

As demonstrated by previous droughts, current customer conservation levels are likely to continue for many years and lower demand is projected. Staff will continue to support customers through conservation education and outreach, as well as enhanced water conservation services as outlined in the Water Conservation Master Plan. District regulations will continue to be in effect and enforced to restrain the wasteful use of water.

Given the reductions in water demand and the projected water supply conditions described above, the Board has the discretion to determine that continued enforcement of the Ordinance is not presently required to preserve the District's supply. Staff recommends suspending implementation of the Ordinance and associated penalties.

#### **FISCAL IMPACTS**

Suspending implementation of the Ordinance will end the enforcement and collection of the \$2.00 per unit penalty for any water use in excess of 80 hundred cubic feet/bimonthly billing cycle.

#### **ALTERNATIVE**

**Take no action.** This alternative is not recommended. The Excessive Water Use Penalty Ordinance was adopted in response to the unprecedented water shortage emergency experienced throughout the State and locally to conserve its water supply. Water supply projections have improved significantly and current projected conditions indicate that it might not be necessary to penalize excessive water use as a means to incentivize conservation. Wasteful water use will be handled through education and monitoring in reference to Section 28 and 29 of the Regulations.

Attachment

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

AUTHORIZING THE SUSPENSION OF THE IMPLEMENTATION OF EXCESSIVE  
WATER USE PENALTIES

Introduced by Director \_\_\_\_\_ ; Seconded by Director \_\_\_\_\_

WHEREAS, on January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions; and

WHEREAS, on April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions; and

WHEREAS, on April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Water Resource Control Board (the "State Board") to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February 2016; and

WHEREAS, on April 1, 2015, Governor Jerry Brown issued an Executive Order calling for statewide mandatory potable water use reductions of up to 25%; and

WHEREAS, on May 5, 2015, the State Board approved regulations, based on Governor Brown's Executive Order, mandating the East Bay Municipal Utility District (the "District") reduce its potable water consumption by 16% percent for June 2015 through February 2016 as compared to the same months in 2013; and

WHEREAS, on November 13, 2015, the Governor issued an Executive Order that directs the State Board to, if drought conditions persist through January 2016, extend until October 31, 2016 restrictions to achieve a statewide reduction in potable usage; and

WHEREAS, the State Board has determined that the drought conditions that formed the basis of the Governor's emergency proclamations continue to exist, and that the drought conditions will likely continue for the foreseeable future and additional action by both the State Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation; and

WHEREAS, the District is authorized pursuant to California Water Code section 350 to declare a water shortage emergency to prevail within its jurisdiction when it finds and determines that the District will not be able to or cannot satisfy the ordinary demands and requirements of water consumers without depleting the water supply of the District to the extent that there would be insufficient water for human consumption, sanitation, and fire protection; and

WHEREAS, the District is authorized pursuant to Water Code section 375(a) to prescribe and define by ordinance restrictions, prohibitions, and exclusions for the use of water during a threatened or existing water shortage and adopt and enforce a water conservation and regulatory program to: (i) prohibit the waste of District water or the unreasonable use of District water during such period; (ii) prohibit use of water during such periods for specific uses which the District may from time to time find to be nonessential, an unreasonable use, and unreasonable method of use, or a waste of water; and (iii) reduce and restrict the quantity of water used by those persons within the District for the purpose of conserving the water supplies of the District; and

WHEREAS, pursuant to California Government Code section 53069.4, the District may, by ordinance, make the violation of any ordinance enacted by its Board of Directors subject to a civil administrative fine or penalty; and

WHEREAS, to secure compliance with the rules and regulations established by the District during water shortages, and assure important public policy objectives are achieved for the reduction of water usage during severe and critical water shortages, on April 28, 2015, the District adopted Ordinance No. 364-15 establishing volumetric penalties for excessive water use (the “penalties”) by single-family residential customers when the District has declared a Stage 3 or a Stage 4 water shortage, as such terms are defined in Ordinance No. 364-15; and

WHEREAS, on April 14, 2015, the District Board of Directors adopted a Stage 4 water shortage; and

WHEREAS, the District has been imposing the penalties on single-family residential customers who have violated the Stage 4 mandatory water use restrictions in accordance with and as set forth in Section 3.E. of Ordinance No. 364-15; and

WHEREAS, in response to the mandatory Stage 4 conservation measures in effect within the District, customers reduced their potable water consumption by 24 percent for April 2015 through April 2016 as compared to 2013; and

WHEREAS, to date, Water Year 2016 has been wetter than Water Year 2015, and the District’s water supply projections for total system storage at the end of September 2016 show an improvement over last year; and

WHEREAS, based on the reduction in potable water use and the District’s improved water supply projections, the Board of Directors has determined to suspend the imposition of the penalties authorized pursuant to Section 3 of Ordinance No. 364-15;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District finds and determines and hereby declares as follows:

1. The above Recitals are true and correct and by this reference are incorporated herein and made a part hereof.
2. Effective May 3, 2016, the Board of Directors hereby suspends the imposition of any penalties authorized to be imposed pursuant to Section 3.F. of Ordinance No. 364-15.
3. Except for the suspension of the imposition of the penalties authorized to be imposed pursuant to Section 3.F. of Ordinance No. 364-15, Ordinance No. 364-15 shall remain in effect until otherwise modified or terminated by a resolution or ordinance of the Board of Directors.
4. The Board of Directors retains the authority to impose the penalties authorized to be imposed pursuant to Section 3.F. of Ordinance No. 364-15 at any time that it determines the District's water supply conditions have worsened and the projected Total System Storage supports a Stage 3 or Stage 4 drought declaration.

BE IT FURTHER RESOLVED:

5. The appropriate officers of the District are hereby authorized and directed to take such actions as shall be necessary to effectuate the purposes of this Resolution.
6. The District Board of Directors hereby declares that it would have adopted each section of this Resolution irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective, and should any portion of this Resolution be invalidated by order of a Court of competent jurisdiction, all other portions of this Resolution shall remain in full force and effect until modified or superseded by action of this Board of Directors.

7. This Resolution shall supersede all other previous District Board of Directors resolutions and ordinances that may conflict with, or be contrary to, this Resolution, and shall take effect immediately upon its adoption.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

---

President

ATTEST:

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Secretary

APPROVED AS TO FORM AND PROCEDURE:

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General Counsel

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ITEM 15

WATER SUPPLY UPDATE

WILL BE GIVEN AS AN  
ORAL REPORT





**EAST BAY MUNICIPAL UTILITY DISTRICT**

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DATE: April 21, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Alison Anja Kastama, Special Assistant to the General Manager *AK*

SUBJECT: 2016 Critical Drought Action Plan Update

**SUMMARY**

This memo provides a brief update on recent activities related to the Critical Drought Action Plan. There have been no significant variances from the adopted plan.

**DISCUSSION**

**Statewide Drought Report.** The District submitted its latest monthly report on water production data to the State Water Resources Control Board on April 15, 2016. We reported that:

- EBMUD's March 2016 production was 24 percent lower than March 2013 production.
- On average, residential customers used 53 gallons per capita per day (gpcd) in March 2016, compared to 71 gpcd in March 2013 and 71 gpcd on average in March 2005 through 2007.
- For March 2016, EBMUD has received 149 water waste complaints which is down significantly from 388 in 2015.
- For the State Water Resources Control Board compliance period of June 2015 to March 2016, customers saved 23.9% surpassing the mandated target of 16%.

**Customer Outreach.** Staff continues to implement the Critical Drought Action Plan. The top of bill message: "EBMUD and State drought mandates are still in effect. Recent rains are not enough to end the drought, but they are enough to eliminate the need to water landscaping. Hand water only as necessary. Please continue to conserve. We appreciate your efforts!" Staff is preparing alternative top of bill messages in preparation for changes in State drought mandates and Board action. Water waste calls are being followed up on and more than 60,000 customers receive Home Water Reports.

**Excessive Use.** In response to the media's public records requests for the names, addresses and consumption for customers who violated the Excessive Water Use Penalty Ordinance, on March 24, 2016, the District released the seventh list of 204 customer records. The number of accounts on the list continues to decrease from the cooler weather and continued messaging

to conserve. Staff continues to reach out to the largest users and especially those who have also been noted as potential water wasters to offer audits, home water reports, and conservation tips to help comply with water use restrictions.

#### **NEXT STEPS**

The next list of customers who violated the Excessive Water Use Penalty Ordinance will be released on April 28, followed by monthly releases until declaration of a Stage 4 or Stage 3 drought is lifted. Staff will continue to reach out to customers to aid their conservation efforts.

Staff will continue to provide a comprehensive monthly report on the Critical Drought Action Plan at the first Board meeting of each month and a brief summary highlighting recent activities and significant changes at the second Board meeting of each month.

ARC:AAK

## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: April 21, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Lynelle M. Lewis, Secretary of the District *Lynelle*

SUBJECT: Planning Committee Minutes – April 12, 2016

Chair Doug Linney called to order the Planning Committee in the Training Resource Center at 8:32 a.m. Director Lesa R. McIntosh was present at roll call and Director Marguerite Young arrived at 8:38 a.m. Staff present included: General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Operations and Maintenance Michael J. Wallis, Director of Water and Natural Resources Richard G. Sykes, Director of Engineering and Construction Xavier J. Irias, Manager of Water Quality Rick Sakaji, Manager of Regulatory Compliance Michael R. Ambrose, Manager of Distribution Maintenance and Construction Leann M. Gustafson, Customer Services Manager Andrew L. Lee, Supervising Fish and Wildlife Biologist Michelle L. Workman, Senior Civil Engineer Timothy R. McGowan, Senior Civil Engineer Roberts H. McMullin, Special Assistant to the General Manager Alison A. Kastama, and Secretary of the District Lynelle M. Lewis.

**Public Comment.** None.

**Water Quality Program Semi-Annual Update.** Manager of Water Quality Rick Sakaji reported that in calendar year 2015 the District met 100 percent of federal and state drinking water quality standards and 95 percent of its water quality goals (6 of 121 were not met). Operational changes during the drought are believed to have impacted drinking water quality during the latter half of the year. Since the last briefing on the Lead and Copper Rule (LCR), the United States Environmental Protection Agency (USEPA) called upon the states to make sure their enforcement activities were consistent with the LCR. They asked that lead inventories and LCR sampling results be published so they were accessible to the public. The District's 2015 Annual Water Quality Report will list the 90<sup>th</sup> percentile lead value, the number of samples collected, and the number of sample results that exceeded the lead action level for the last round of sampling (2014) in which no samples exceeded the action level. As a service to customers, the District is planning to conduct a consumer tap sampling program outside the normal LCR compliance sampling cycle (which is next scheduled to occur in 2017). This special sampling will be conducted incorporating the new USEPA recommendations regarding the sampling protocol and is scheduled to occur in the June to October time frame. In addition, the District plans to offer lead sampling kits to customers for a subsidized fee. The Committee asked staff to consider whether the sampling kit fee can be waived for low-income customers.

**Regulatory Compliance Semi-Annual Reports – September 2015 through February 2016.**

Manager of Regulatory Compliance Michael R. Ambrose reported that in this reporting period, the District received one new Notice of Violation (NOV) associated with National Pollutant Discharge Elimination System (NPDES) and Waste Discharge Requirement permits. Additionally, there are three outstanding contested NOV's that were previously reported in the last semi-annual report. The District experienced two large unplanned emergency water main breaks that resulted in impacts to

San Francisco Regional Water Quality Control Board for potential enforcement action. The Main Wastewater Treatment Plant recorded two air quality permit exceedances in this period. The District continues to make progress in reducing the number of lost time injuries. Staff continues to review health and safety programs for areas of improvement. During the next six months, the District will continue to provide outreach and education to our regulators and other watershed partners on our environmental protection programs as well as train staff on requirements internally to implement the state's new NPDES Permit for Drinking Water Discharges. The Penn Mine landfill continues to be monitored to verify reductions in leachate generation following completion of a \$650,000 project to reduce stormwater intrusion into the landfill.

**Joint Exercise of Powers Agreement with the City of Alameda.** Manager of Distribution Maintenance and Construction Leann M. Gustafson and Customer Services Manager Andrew L. Lee reported that the District and the City extended the existing Joint Exercise of Powers Agreement (JPA) for six months. This will allow time to craft an agreement that would clarify the roles and responsibilities of each agency for operation and maintenance of the Alameda Point (Point) water system. The JPA originally was initiated to allow time for the City to make the necessary investments in the water system to bring it to an acceptable standard to allow transfer to the District. In the interim under the JPA, the District has been providing operations and maintenance services to the Point, including pipe repairs, water quality monitoring, backflow prevention, new service installation, and regulatory reporting. The District will begin meeting with the City in late April to negotiate the terms of a new JPA and to address outstanding issues such as: current records of changes in occupancy, accurate infrastructure maps, compliance with a Consent Decree to reduce inflow and infiltration in the regional wastewater system, new infrastructure (e.g., water main extensions), and removing properties deeded to private parties from the JPA. Staff anticipates completing the negotiations by September 30, 2016. The Committee asked staff to provide information on water efficiency commitments for the Alameda Point development.

**Current East Bay Watershed Land Issues.** Director of Water and Natural Resources Richard G. Sykes provided an update on the potential purchase of the Carr Ranch property in the Upper San Leandro (USL) watershed, the potential sale of approximately 2,000 acres of District property in the uplands area in the Pinole Valley, and the completion of review by California Department of Fish and Wildlife and U.S. Fish and Wildlife Service regarding the proposed Oursan Ridge Conservation Bank (ORCB) in the Pinole watershed. Funding for the Carr Ranch property purchase would come from surplus watershed property sales and/or revenues from the ORCB. East Bay Regional Park District (EBRPD) has expressed an interest in purchasing the 2,000 acre upland portion of the Pinole Valley to keep it in open space and offer recreational access. Staff is scheduled to meet with EBRPD in late April. Staff has been working on development of the ORCB for five years and preliminary agency approval was finally received last month after years of delay. The ORCB would conserve approximately 470 acres of the Pinole Valley watershed.

**2015 Mokelumne Fall-Run Chinook Salmon Returns.** Supervising Fish and Wildlife Biologist Michelle L. Workman reported that the 2015 fall-run Chinook salmon returns to the Mokelumne River were an estimated 12,879 fish, including 4,584 fish that spawned in the river and 8,295 that were collected at the hatchery for egg production. Although the drought resulted in challenges, the 2015 Mokelumne escapement continued to be strong and over two and one-half times the long-term average. One key to this success was managing Pardee and Camanche Reservoirs in order to

meet the required cold water pool volume in Camanche for fall spawning releases beginning in October 2015. Program changes implemented in 2009 and continued through 2015 also have played a role in recovering and increasing the Mokelumne population more quickly than any other system in the Central Valley. Staff will continue to implement actions to improve the survival of juvenile salmon as they migrate through the Central Delta. These actions will include barging of a portion of the hatchery production and spring pulse flows. EBMUD will continue work with resource agencies and others to ensure that any Delta "fix" or Central Valley drought management actions are protective of the Mokelumne fishery.

**West of Hills Northern Pipelines Project Update.** Senior Civil Engineer Timothy R. McGowan provided a project update and described the advantages of the recommended alternative alignment for the Wildcat Pipeline in Berkeley. During the original design of the pipeline, staff identified several construction challenges. Subsequently, an alternative alignment, known as the Ellsworth Street Alignment, was selected for the pipeline in Berkeley. The Ellsworth Street Alignment still fulfills the project objectives of improving transmission capacity within the west of hills service area. The Ellsworth Street Alignment has significant advantages in constructability while also reducing environmental impacts. The proposed alignment reduces the length of constructed pipeline, reduces the number of trees to be removed, reduces the degree of disturbance to existing sidewalks, and reduces the challenges in connecting the new pipeline to existing transmission pipelines. In addition, the total length of the Ellsworth Street Alignment is about 3,000 feet shorter than the initial Benvenue Avenue Alignment. Staff evaluated the environmental impacts of this alignment and confirmed that there are no new significant impacts resulting from the project changes. An addendum to the Environmental Impact Report was prepared detailing the proposed modifications to the Wildcat Pipeline (Berkeley), and no further environmental analysis is required for the project. Staff will be conducting public informational meetings on April 19 and April 27, 2016 to nearby residents on the new alignment. Design will start again in May 2016 followed by construction in summer 2017.

**AC Transit Bus Rapid Transit Water Main Relocations.** Senior Civil Engineer Roberts H. McMullen presented information on the proposed Alameda-Contra Costa Transit District (AC Transit) East Bay Bus Rapid Transit (BRT) Project. The project requires deep pavement reconstruction and mill and overlay roadway improvements along the limits of the bus corridor. The pavement reconstruction depths conflict with the District's Engineering Standard Practice to provide a minimum cover of 24 inches above existing pipelines during construction work. As a result, the District recommended that over 10 miles of old distribution water mains be relocated prior to or as part of the roadway improvements for the BRT project. AC Transit recently stated that they cannot accommodate these pipeline relocations within the BRT project budget or schedule. AC Transit is currently negotiating with the City of Oakland and Caltrans in an effort to revise the BRT pavement requirements to better align with the District's Engineering Standard Practice, thus reducing the length of District pipelines needing relocation. Staff is actively working with AC Transit to resolve this conflict.

**Adjournment.** Chair Linney adjourned the meeting at 10:20 a.m.

ARC/LML



**EAST BAY MUNICIPAL UTILITY DISTRICT**

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DATE: April 21, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Lynelle M. Lewis, Secretary of the District *Lynelle*

SUBJECT: Legislative/Human Resources Committee Minutes – April 12, 2016

Chair William B. Patterson called to order the Legislative/Human Resources Committee at 10:25 a.m. in the Training Resource Center. Directors John A. Coleman and Marguerite Young were present at roll call. Staff present included: General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Manager of Legislative Affairs Marlaigne K. Dumaine, Manager Of Human Resources Laura A. Brunson, Manager of Employee and Organizational Development Derry L. Moten, Special Assistant to the General Manager Alison A. Kastama, and Secretary of the District Lynelle M. Lewis.

**Public Comment.** None.

**Update on District Values Project and Employee Recognition Programs.** Manager of Employee and Organizational Development Derry L. Moten presented an update on the progress of the project and the feedback from focus groups. The Values and Organizational Improvement teams made a series of recommendations, including a new set of District values (Stewardship, Integrity, Respect and Teamwork) and a series of organizational improvement initiatives. The next phase of the work is the formation of implementation teams that will develop plans for educating the workforce on the values, embedding the values into daily work processes and implementing the strategies for organizational improvement. Four cross-functional teams have been established to guide the implementation of these strategies. General Manager Coate pointed out that the process is intended to facilitate the assimilation of the large numbers of new talent and to provide a new approach to engage employees throughout the organization to make beneficial changes.

Staff responded to questions about the composition of the teams and how the key strategies (i.e., poor performance) will be addressed. AFSCME Local 444 Representative Ruben F. Rodriguez commented that tenured employees have different goals which influence their performance. Next, Mr. Moten reported that the Employee Recognition Team is currently working on enhancements to the District's recognition programs based on feedback gathered from employees. Programs that may undergo change include the Employee Excellence Awards and the Employee Service (longevity) awards. In light of the pending changes, staff made the decision to cancel the 2016 awards program. The team anticipates completing their efforts in 2016 so new programs can be implemented in 2017.

**Legislative Report.** Manager of Legislative Affairs Marlaigne K. Dumaine reported that Legislative Report No. 05-16 contained the following positions: SUPPORT AB 2543 (Gordon), OPPOSE UNLESS AMENDED AB 163 (Hertzberg), SUPPORT SB 1207 (Hueso), SUPPORT SB 1398 (Leyva) and INFORMATION SB 814 (Hill). She highlighted concerns with SB 163 (Hertzberg) citing significant costs for new infrastructure for treatment and distribution of recycled water, significant rate increases to achieve the mandate, and limiting a local agency's ability to set its own infrastructure

priorities. Staff estimates that the mandate would raise the average service charge from about \$38 every two months to approximately \$230 every two months and will impact low-income ratepayers the most. Ms. Dumaine noted that though the bill's objective to increase the use of recycled water is consistent with EBMUD's efforts to increase recycled water use in its service area, the proposed mandate is premature and amendments are needed to address concerns.

Ms. Dumaine responded to questions about budget analysis, stakeholder support, and funding sources for SB 163. She pointed out that neither budget analysis had been done nor a list of supporters has come forward. However, WaterReuse California and the California Association of Sanitation Agencies have been working with the author's office and have offered an alternative that would convene a task force that would consider the barriers to increased recycled water production and use and provide recommendations for overcoming those barriers. Director Young voiced her support of increasing recycled water projects, but expressed concern about rate impacts to low income customers.

In concluding, Ms. Dumaine highlighted the recommended positions for SB 1207 (Hueso) which is intended to promote energy efficiency and SB 1398 (Leyva) which would provide a timeline for replacement of lead pipes in California's state public water systems. It was moved (Director Coleman) and seconded (Director Young) to approve the staff recommended positions in Legislative Report No. 05-16. The motion carried unanimously (3-0).

**Adjournment.** Director Patterson adjourned the meeting at 11:06 a.m.

ARC/LML:lml

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