



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

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375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

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**AGENDA  
Tuesday, November 8, 2016**

**REGULAR CLOSED SESSION**

**11:00 a.m., Board Room**

*(Director Andy Katz will participate by phone from Residence Ezzahia, Avenue Abdelkrim El Khattabi Gueliz, Marrakech 40000, Morocco)*

**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. *Ivette Rivera v. Public Employment Relations Board, et al.*  
Alameda County Superior Court, Case No. RG16813608
  - b. *Timothy Alford, et al. v. East Bay Municipal Utility District, et al.*  
Contra Costa County Superior Court, Case No. MSC16-01348
  - c. *AFSCME Local 444 v. East Bay Municipal Utility District*  
Alameda County Superior Court, Case No. RG16820998.
2. Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2):
  - a. Pedro and Ann Urista  
Claim No. 2015-L-085-2
  - b. Barbara Vanek and John Kerry  
Claim No. 2015-L-158-1
  - c. Two matters

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

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

*(Director Andy Katz will participate by phone from Residence Ezzahia, Avenue  
Abdelkrim El Khattabi Gueliz, Marrakech 40000, Morocco)*

**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 10 recommendations, including 3 resolutions.)

1. Approve the Regular Meeting Minutes of October 25, 2016.
2. File correspondence with the Board.
3. Award a contract to the lowest responsive/responsible bidder, CDW Government, LLC, in an amount, after the addition of taxes, not to exceed \$225,000 for the purchase of Microsoft desktop productivity software for one year beginning on or after December 1, 2016.
4. Award a contract to the lowest responsive/responsible bidder, Monterey Mechanical Co., in the amount of \$7,097,000 for construction of the Main Wastewater Treatment Plant Influent Pump Station Odor Control System Upgrade Phase 1 and Aerated Grit Piping Replacement Project under Specification SD-361.
5. Authorize an agreement beginning on or after November 8, 2016 with Honeywell International, LLC, in an amount not to exceed \$133,000 for five years for the Building Management Control System upgrade and support services.
6. Authorize the Office of General Counsel to continue the employment of the law firm of Downey Brand, LLP, for specialized legal services related to natural resources and environmental regulatory and litigation matters.
7. Approve the City of San Leandro's request to provide recycled water within the City of San Leandro (City) via the City's Recycled Water Fill Station (Fill Station) at the City's Water Pollution Control Plant.
  - 7.1. Approve a Resolution allowing the City of San Leandro to provide recycled water from the Fill Station to San Leandro residents and commercial trucks. (Resolution)
  - 7.2. Authorize the District to sign an agreement with the City of San Leandro for the construction, operation, and maintenance of the Fill Station.

**CONSENT CALENDAR:** (Continued)

8. Approve actions related to the sale of Laguna No. 2 Pumping Plant property. (Resolution)
  - 8a. Approve the sale of the surplus Laguna No. 2 Pumping Plant property in Orinda to Christopher and Julia Stenzel for the purchase price of \$150,000.
  - 8b. Authorize District staff to execute the Property Purchase Agreement and Joint Escrow Instructions for the sale of the property to Christopher and Julia Stenzel.
9. Approve actions related to the Oursan Ridge Conservation Bank enabling instrument. (Resolution)
  - 9a. Consider and approve the addendum to the Programmatic Environmental Impact Report for the East Bay Watershed Master Plan.
  - 9b. Determine that no further environmental review is required under the California Environmental Quality Act and find that the Oursan Ridge Conservation Bank (ORCB) is within the scope of the East Bay Watershed Master Plan.
  - 9c. Authorize the District to enter into a conservation bank enabling instrument beginning on or after November 8, 2016, with the California Department of Fish and Wildlife and the United States Fish and Wildlife Service establishing the ORCB on EBMUD-owned watershed lands in the Pinole Valley with EBMUD as Bank Sponsor and Owner.
  - 9d. Authorize the District to enter an endowment agreement on or after November 8, 2016, with the Wildlife Heritage Foundation (WHF) establishing the WHF as the ORCB Endowment Fund holder and the funds required for ORCB administration, operations, and maintenance activities.
  - 9e. Authorize the recording of a permanent conservation easement in Contra Costa County on the 429.9 acre ORCB project site and establishment of the WHF as the conservation easement holder.

**DETERMINATION AND DISCUSSION:**

10. Adopt the EBMUD Principles Regarding Major Delta Initiatives to guide EBMUD efforts in this area and to supplement guidance established in EBMUD Policy 9.06 – Bay-Delta Protection.
11. General Manager’s Report:
  - Chevron Recycled Water Contract Negotiations Update
  - Monthly Report – October 2016

**REPORTS AND DIRECTOR COMMENTS:**

12. Committee Reports:
- Sustainability/Energy
  - Finance/Administration
  - Legislative/Human Resources
  - Planning
13. Other Items for Future Consideration.
14. Director Comments.

**ADJOURNMENT:**

*The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, November 22, 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
Tuesday, November 8	<b>Legislative/Human Resources Committee</b> Patterson {Chair}, Coleman, Young	8:45 a.m. Training Resource Center	<ul style="list-style-type: none"> <li>Hazardous Materials in District Watersheds</li> <li>Dakota Access Pipeline Project and Protest</li> <li>District Employee Recognition and Service Award Program</li> </ul>
	<b>Planning Committee</b> Linney {Chair}, McIntosh, Young	9:30 a.m. Training Resource Center	<ul style="list-style-type: none"> <li>Customer Lead Tap Sampling Program</li> <li>Customer Assistance Programs Update</li> <li>Groundwater Update in Sacramento and San Joaquin Counties</li> <li>Joint Exercise of Powers Agreement with City of Alameda</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>
Friday, November 11	<b>Veteran's Day Holiday</b>		<i>District Offices Closed</i>
Tuesday, November 22	<b>Finance/Administration Committee</b> Coleman {Chair}, Katz, Patterson	9:00 a.m. Training Resource Center	
	<b>Food Waste Workshop</b>	9:30 a.m. Training Resource Center	
	<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>
Thursday, November 24 - Friday, November 25	<b>Thanksgiving Day Holiday</b>		<i>District Offices Closed</i>
Tuesday, December 13	<b>Planning Committee</b> Linney {Chair}, McIntosh, Young	9:15 a.m. Training Resource Center	
	<b>Legislative/Human Resources</b> Patterson {Chair}, Coleman, Young	10:15 a.m. Training Resource Center	
	<b>Long-Term Financial Stability Workshop</b>	TBD Training Resource Center	
	<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>



**MINUTES**

**Tuesday, October 25, 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 11:03 a.m. in the Administration Center Board Room.

**ROLL CALL**

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

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Manager of Real Estate Services Matt Elawady (Item 1a), Attorney Derek T. McDonald (Item 1a), and Attorney Lourdes Matthew (Item 1b).

**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 8 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.

## **PRESENTATION**

General Manager Coate announced the 2016 WaterSmart Business Certification award winners. This program helps business customers identify and implement water efficient measures in their facilities. This year, 17 new businesses were certified and together they saved nearly three million gallons of water annually. Additionally, eight businesses were recertified for continuing their water-efficient practices. On behalf of the Board, President Mellon presented awards to: Mr. Luis Gomez, Owner of Alameda Auto Lab in Alameda; Mr. Matt Hussain, Owner of Alameda Cellars Wines & Liquor in Alameda; Mr. Arthur Ratner, Owner of Arts Automotive in Berkeley; Mr. Hamed Mohammadbagher, Manager of Barney's Gourmet Hamburger in Berkeley; Mr. Fahad Ahad, Manager of Boulevard Auto in Castro Valley; Mr. Tom Burrough, Owner of Burrough & Sons Auto in El Sobrante; Mr. Larry Gagnon, Owner of Choicelunch in Danville; Ms. Leah Talley, Manager of Aging Services, North Berkeley Senior Center in Berkeley; Ms. Katherine Brown, South Berkeley Senior Center Manager in Berkeley; Ms. Dina Quan, City of Berkeley West Berkeley Senior Center in Berkeley; Mr. Dana Meyer, Owner of Dana Meyer Auto Care in Albany; Mr. Daria Hosseinyoun, Vice-President/Broker for FH One in Oakland; Ms. Arlene Giordano, Owner of Le Bateau Ivre in Berkeley; Mr. Duane Watson, Owner of Lee Auto Supply in Alameda; Ms. Elizabeth Poy-Wing, Owner of Oakland Auto Works in Oakland; and Mr. Kurt Caudle, Triple Rock Brewery in Berkeley.

President Mellon also presented awards to the following eight recertified businesses for their continued commitment to water conservation: Berkeley Minicar in Berkeley; Blackhawk Master Association in Danville; Captain Vineyards in Moraga; Castro Valley Sanitary District in Castro Valley; Clif Bar in Emeryville; Hollis Street Investors LLC (2 locations) in Emeryville; and Temple Isaiah, Contra Costa Jewish Day School in Lafayette.

Additionally, General Manager Coate announced that the following EBMUD facilities achieved WaterSmart certification: Administration Building in Oakland; Fleet Building at Adeline Maintenance Center in Oakland; South Area Service Yard in San Lorenzo; Orinda Water Treatment Plant in Orinda; Castaneda Pumping Plant in Danville; East Area Service Center in Walnut Creek; Central Service Area in Oakland; and the Adeline Maintenance Building in Oakland. The Board thanked and applauded the successful businesses for their efforts to conserve water.

## **ANNOUNCEMENTS FROM CLOSED SESSION**

There were no announcements required from closed session.

## **PUBLIC COMMENT**

- Addressing the Board were the following persons: 1) Steve Garrett, Lamorinda resident, commented on the January 2016 Moraga landslide damage and he asked the Board to take immediate action to restore the area; 2) Dan Alipsaz, Moraga resident, said EBMUD has a responsibility to its ratepayers to repair the damages caused by the Moraga landslide; 3) Mark Robeson, Moraga resident, urged the District to repair damage to the trail area near the slide and provide an update to residents; 4) Rebecca Cingolani, Moraga resident, commented on damage to the creek and trails done by the Moraga landslide and said EBMUD needs to mitigate the damage; 5) Julie Wheeler, Moraga resident, commented that the trails near the slide are unusable and expressed concern about the residents' safety; 6) Carrie Avica, Moraga resident, said that EBMUD needs to repair the damaged slide area and provide residents with a schedule

for completion; 7) Laura Bercersa, former resident of Augusta Drive in Moraga, commented that the unrepaired landslide area has negatively impacted the community (i.e., mosquitos from standing water, hot pipes, blight, etc.) and said EBMUD needs to make repairs and keep residents updated; and 8) Debra Smith, Moraga resident, commented that the landslide displaced residents, caused unsafe conditions, and left the area blighted. She urged EBMUD to take responsibility to clean up the area.

Board members commented and asked questions about the status of the repairs. They requested an update on repairs to the area including monitoring and mitigation efforts for the trails and creek, status of the above ground mains, and coordination efforts with other local entities. The Board directed staff to provide updates to the residents and notice when the item will be discussed at future Board meetings.

### **CONSENT CALENDAR**

- Motion by Director Coleman, seconded by Director Katz, to approve the recommended actions for Items 1-7 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. 179-16** – Approved the Special and Regular Meeting Minutes of October 11, 2016.
2. The following correspondence was filed with the Board: 1) Revised Policy 6.04R - Ethics Policy of EBMUD Board of Directors, dated October 25, 2016; 2) Presentation entitled “Extend Standby Bond Purchase Agreement for Water Revenue Bond Series 2008 A-1 and A-4” dated October 25, 2016; 3) Presentation entitled “Response To Wells Fargo’s Banking Practices” dated October 25, 2016; 4) Presentation entitled “Water Supply Board Briefing” dated October 25, 2016; and 5) Presentation entitled “2016 Statistical Opinion and Customer Outreach Research Plan” dated October 25, 2016.
3. **Motion No. 180-16** – Awarded a contract to the lowest responsive/responsible bidder, Capital Flow Waterworks, in the estimated annual amount of \$179,035, after the addition of taxes, for supplying fire service detector check valves to the District for three years, beginning on or after November 1, 2016, with two options to renew for an additional one-year period for a total cost of \$895,175 under Request for Quotation No. 1625.
4. **Motion No. 181-16** – Authorized an agreement beginning on or after October 25, 2016 with National Plant Services, Inc., in an amount not to exceed \$3,000,000 for flow monitoring and related services for the Satellite Field Services Project in support of the East Bay communities’ Infiltration and Inflow reduction activities in the communities’ collection systems through June 30, 2021.
5. **Motion No. 182-16** – Authorized an amendment to the existing Western Area Power Administration Custom Product Agreement to extend the termination date from September 30, 2020 to December 31, 2024 for electricity purchases at District facilities.

6. **Motion No. 183-16** – Approved the Water Supply Assessment requested by the City of Oakland for the MacArthur Station Project pursuant to California Water Code, Sections 10910-10915.
7. **Resolution No. 35008-16** – Adopting Revised Policy 2.19, Tuition Refund For Employee Education; Revised Policy 4.02, Cash Reserves And Debt Management; Revised Policy 4.10, Public Service Enterprises; Revised Policy 6.04, Ethics Policy Of The EBMUD Board of Directors; Revised Policy 7.13, Security; and Revised Policy 8.02, Biosolids Management.
  - Director Coleman pointed out that the Legislative/Human Resources Committee requested additional revisions to Policy 6.04 to incorporate the recent amendment regarding late arrival to board meetings found in Resolution No. 35000-16.

#### **DETERMINATION AND DISCUSSION**

8. **Authorize Execution of Legal Documents Associated with Extending Wells Fargo Bank's Standby Bond Purchase Agreement for Water Revenue Bond Series 2008A-1 and 2008A-4.**

Treasury Manager Dari Barzel presented the staff recommendation to authorize execution of legal documents associated with extending Wells Fargo Bank's Standby Bond Purchase Agreement (SBPA) for Water Revenue Bond Series 2008A-1 and 2008A-4. Wells Fargo Bank provides liquidity support to Water Revenue Bond Series 2008A-1 and A-4, outstanding in the total amount of \$56.7 million. These bond series are variable rate demand obligations and liquidity support is an essential component of their financing structure. The liquidity support takes the form of a SBPA. The District's SBPA with Wells Fargo Bank expires in December 2016. Wells Fargo Bank has proposed to extend the SBPA for three years at the current fee of 0.27 percent (27 basis points) per annum. This proposal is extremely competitive in light of recent fee increases and the high cost of implementing alternative options. Wells Fargo Bank's proposal was discussed at the October 11, 2016 Board meeting at which time the Board approved use of the Wells Fargo Bank SBPA. The purpose of the current action is to adopt a resolution authorizing execution of the related legal documents.

- Motion by Director McIntosh, seconded by Director Coleman, to approve the recommended action for Item 8, carried (7-0) by the following roll call vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).

**Resolution No. 35009-16** – Authorizing Execution Of Certain Amendments To Standby Bond Purchase Agreements And Related Amended And Restated Fee Agreements And Other Matters In Connection Therewith.

9. **Adopt Actions in Response to Wells Fargo & Company's Banking Practices.**

Director of Finance Sophia D. Skoda presented the staff recommendations to adopt the following actions in response to Wells Fargo & Company's ("Wells Fargo") banking practices: A) Suspend the District's use of Wells Fargo for the following activities, consistent with the suspensions declared by the Treasurer of the State of California, for a minimum of one year: (i) investments in

all Wells Fargo securities, (ii) use of Wells Fargo as a broker-dealer for purchasing investments, (iii) use of Wells Fargo as underwriter on negotiated sales of bonds; B) Notify the Association of California Water Agencies and the California Association of Sanitation Agencies that the District has taken these steps; C) Notify *The Bond Buyer*, the primary municipal bond market periodical, that the District has taken these actions; and D) Send a letter to Wells Fargo notifying them that the District has taken the approved actions based on the bank's recent activities which do not align with standards of business conduct required by the District. Ms. Skoda said staff will begin implementing Board approved actions immediately upon their approval and anticipates completion within three weeks.

- Addressing the Board was Susan Harman, Oakland resident, who suggested that EBMUD consider joining a Financial Services Organization (FSO) to avoid Wall Street banks and urged the Board to divorce itself from all dealings with Wells Fargo Bank.

There was discussion regarding the viability of joining a FSO and a concern was raised about financial impacts it could have on the District. There was also discussion regarding the impacts of EBMUD's actions to Wells Fargo's employees (i.e. layoffs) since 25 percent of its employees are EBMUD customers. Board members presented their viewpoints and there was general consensus to support the staff recommendations with modifications to the letter to Wells Fargo. The Board recommended that the Attorney General of the State of California and the Attorney General of the United States of America review whether criminal investigation of Wells Fargo senior management and officers is warranted. If these managers are found criminally accountable, the financial bonuses given to these managers should be returned. Additionally, the Board recommended that Wells Fargo provide full disclosure of the actions taken to remedy the illegal banking practices, including legal actions taken against its Board members and senior management, and evidence of resolved internal practices and safeguards that eliminate the possibility of these actions occurring in the future. Further, the Board recommended adding language to the recommendation to revisit Wells Fargo's response in one year to determine whether the District should sustain its current actions. Lastly, the Board recommended notifying the League of California Cities of the District's actions.

- Motion by Director Young, seconded by Director Mellon, to approve staff recommended actions A, B, and C and then revisit Wells Fargo's corrective actions before the year is out, carried (6-1) by the following voice vote: AYES (Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (Coleman); ABSTAIN (None); ABSENT (None).
- Motion by Director Coleman, seconded by Director Paterson, to strengthen the letter to Wells Fargo (recommendation D) notifying them that the District is requesting a criminal investigation of the senior management decision makers and rescission of the bonuses of those implicated, and that the League of California Cities will be informed of EBMUD's actions, carried (7-0) by the following roll call vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).

**Resolution No. 35010-16** – Authorizing Actions In Response To Wells Fargo & Company's Banking Practices.

**10. Adopt the 2016 East Bay Municipal Utility District Local Hazard Mitigation Plan.**

- Motion by Director McIntosh, seconded by Director Mellon, to approve the recommended action for Item 10, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).

**Resolution No. 35011-16** – Adopt The 2016 East Bay Municipal Utility District Local Hazard Mitigation Plan.

**11. General Manager's Report.**

Operations and Maintenance Department Manager Eileen M. White presented an update on Water Year 2016 (WY 2016) which ended September 30, 2016. Total runoff was 695,000 acre-feet (AF) and total system storage was 608,000 AF. Cumulative precipitation as of October 23, 2016 was 2.44 inches in the East Bay and 5.21 inches for the 4-station average. Ms. White highlighted current water production, water supply operations, and regional water supply projections. She reviewed the planned operational changes to allow a complete shutdown of the Orinda Water Treatment Plant for improvements. The outage is planned for November 2016 through February 2017 and Ms. White pointed out that customers may notice changes to the taste and smell of their water during this period.

Next, Special Assistant to the General Manager Alison A. Kastama reported on the 2016 Statistical Opinion and Customer Outreach Research Plan. In consultation with EMC Research Inc., staff has crafted a statistical sample set with a goal to achieve 1,200 completed surveys. The survey seeks to gauge customers' perception of the District's operations, management, and services to guide District outreach in 2017. The survey will be offered by phone in English, Spanish and Cantonese. Once finalized, the survey will be conducted between November 10 and December 6, 2016. The survey results will be presented to the Board in January 2017. There was a lengthy question and answer period regarding the survey (i.e. questions about cost of water; embedding favorable bias; seeking out areas of concern; and ways to target our messages). The Board asked staff to include a question about whether customers have sufficient water supplies to last during and after an emergency.

Ms. Kastama also reported on a new online mapping tool that shows ongoing construction in areas of the District. The Board commended staff for implementing this new feature and asked to have a ward boundary layer placed on the mapping tool in the Board section of [www.ebmud.com](http://www.ebmud.com).

**REPORTS AND DIRECTOR COMMENTS**

**12. Committee Reports**

- Filed with the Board were the Planning Committee and Sustainability/Energy Committee Minutes of October 11, 2016.

**13. Other Items for Future Consideration.**

- Explore joining a Financial Services Organization
- Update on water bottle filling stations
- Status update on Board succession plan

**14. Director Comments.**

- Director Coleman reported attending/participating in the following events: ACWA teleconference meetings on October 12, 17, and 24 in Oakland; meeting with Sasha Harris-Lovett from U.C. Berkeley on October 13 in Oakland; Contra Costa County Mayors' Conference on October 13 in Martinez; East Bay Leadership Council Board meeting on October 21 in Walnut Creek; and the Dublin San Ramon Services District/EBMUD Water Authority Board meeting on October 24 in Dublin. He reported on plans to attend/participate in the following upcoming events: Bay Area Council Dinner on October 26 in San Francisco; John Nejedly memorial service on October 27 in Livermore; ACWA teleconference meeting on October 31 in Oakland; recycled water meeting on November 2 in Orinda; ACWA teleconference meeting on November 7 in Oakland; and ACWA Executive Director evaluation meeting on November 7 in Lafayette.
- Director Katz reported attending the Bay Area Air Quality Management District Conference on October 13-14 in San Francisco and the Environmental Law Conference on October 20-23 in Fish Camp, CA.
- Director Linney had no report.
- Director McIntosh had no report.
- Director Patterson reported attending Congresswoman Barbara Lee's 25<sup>th</sup> Anniversary Gala Dinner on October 18 in Oakland; Peralta College Foundation Scholarship Awards Banquet on October 20 in Oakland; and the 50<sup>th</sup> Anniversary of the Black Panther Party event on October 21-24 in Oakland.
- Director Young had no report.
- President Mellon reported attending the Alameda County Mayors' Conference on October 12 in Emeryville and the Contra Costa County Special Districts meeting on October 17 in Martinez.

**ADJOURNMENT**

President Mellon adjourned the meeting at 3:44 p.m.

SUBMITTED BY:

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Lynelle M. Lewis, Secretary of the District

APPROVED: November 8, 2016

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Frank Mellon, President of the Board

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AGENDA NO.  
MEETING DATE

3.  
November 8, 2016

TITLE MICROSOFT LICENSE PURCHASE FOR DESKTOP PRODUCTIVITY SOFTWARE

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

### RECOMMENDED ACTION

Award a contract to the lowest responsive/responsible bidder CDW Government LLC in an amount, after the addition of taxes, not to exceed \$225,000 for the purchase of Microsoft desktop productivity software for one year beginning on or after December 1, 2016.

### SUMMARY

The Microsoft desktop productivity software, which includes Access, Project, and Visio, helps employees manage large amounts of data, aids in the planning and implementation of large scale projects, and provides a tool to create complex diagrams. The applications are used on a daily basis throughout the District, with usage increasing over time.

### DISCUSSION

The District periodically inventories the software installed on its computers to ensure compliance with software license requirements. Staff recently completed an inventory of District computers to identify all Microsoft desktop productivity software currently in use. That effort determined how many additional licenses are required. This purchase will pay for additional licenses needed at this time as well as for projected usage increases during 2017. Purchase of this software supports the District Strategic Plan in many goal areas including infrastructure investment.

### VENDOR SELECTION

Requests for quotations were sent to three potential vendors on the Microsoft Government Select Agreement for the State of California. The low bidder being recommended for this award holds a California Department of General Services (DGS) contract (No. SLP-13-70-0025W). The services and pricing offered to the District will be reflective of the DGS agreement.

Funds Available: FY17		Budget Code: WSO/252/8765/5243
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.

## **SUSTAINABILITY**

### **Economic**

Funds for this purchase are available in the FY17 operating budget.

### **Social**

The completed P-035 and P-061 forms for the Contract Equity Program are attached. Purchase of the software facilitates efficient management of projects and data which is a benefit for District customers.

## **ALTERNATIVES**

**Do not purchase desktop productivity software.** This alternative is not recommended because this software helps employees manage large amounts of data, aids in the planning and implementation of large scale projects, and provides a tool to create complex diagrams.

**Purchase different desktop productivity software.** This alternative is not recommended because this particular software is used in the majority of office environments inside and outside of the District. Introducing a different type of software could lead to compatibility issues and would require additional staff training.

## **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>Materials &amp; Supplies</b> Microsoft License Purchase for Desktop Productivity Software					<b>DATE:</b> October 20, 2016						
<b>CONTRACTOR:</b> CDW Government, LLC Vernon Hills, IL State Contract Award					<b>PERCENTAGE OF CONTRACT DOLLARS</b>						
					<b>Availability Group</b>		<b>Contracting Objectives</b>		<b>Participation</b>		
<b>BID/PROPOSER'S PRICE:</b>		<b>FIRM'S OWNERSHIP</b>			<b>White Men</b>		<b>25%</b>		<b>0.0%</b>		
		<b>Ethnicity</b>	<b>Gender</b>		<b>White Women</b>		<b>2%</b>		<b>0.0%</b>		
\$225,000		Publicly Held			<b>Ethnic Minorities</b>		<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>						
			<b>M</b>	<b>W</b>	<b>White-Men</b>	<b>White-Women</b>	<b>Ethnic Minorities</b>	<b>Unclassified</b>	<b>Publicly Held Corp.</b>	<b>Gov't/Non Profit</b>	<b>Foreign</b>
<b>PRIME:</b> CDW Government, LLC		\$225,000	Publicly Held							100.0%	
<b>SUBS:</b> None											
<b>TOTAL</b>		\$225,000			0.0%	0.0%	0.0%	0.0%	100.0%	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>		3,705	1,429	1,728	6,862						
<b>Percent of Total Employees:</b>		54.0%	20.8%	25.2%							
<b>MSA Labor Market %:</b>		38.6%	33.6%	27.8%							
<b>MSA Labor Market Location:</b>		Illinois									
<b>COMMENTS</b>											
Contract Equity Participation - Zero participation since firm is Publicly Held and no subcontracting 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							





AGENDA NO.  
MEETING DATE

4.

November 8, 2016

**TITLE      MWWTP INFLUENT PUMP STATION ODOR CONTROL SYSTEM UPGRADE  
              PHASE 1 AND AERATED GRIT PIPING REPLACEMENT**

☒ MOTION                      ☐ RESOLUTION                      ☐ ORDINANCE

**RECOMMENDED ACTION**



Award a contract to the lowest responsive/responsible bidder, Monterey Mechanical Co., in the amount of \$7,097,000 for construction of the Main Wastewater Treatment Plant (MWWTP) Influent Pump Station (IPS) Odor Control System Upgrade Phase 1 and Aerated Grit Piping Replacement Project under Specification SD-361.

**SUMMARY**

This construction contract includes an upgrade of the existing IPS odor control system, which is not effectively removing odor compounds and is near the end of its useful life. A new dual-stage odor control system will be installed to improve system performance and reliability to reduce the potential for off-site odor complaints, in particular near the eastern fence line where local businesses and residents are in close proximity to the MWWTP. In addition, this project includes replacement of failed piping that conveys grit from the aerated grit tanks to the grit dewatering building. This key odor control capital improvement project was discussed during an update to the Planning Committee on August 9, 2016 on current odor mitigation efforts.

**DISCUSSION**

The existing odor control system, installed in 1999, treats odorous air from key areas at the IPS and is approaching the end of its operational life. Based on field sampling and performance evaluation data, this system removes hydrogen sulfide but does not effectively remove other odor compounds and is a major source of off-site odors. The new system includes improved odor control technology that utilizes a dual-stage system, a biofilter followed by an activated carbon system, to ensure removal of a broader range of odor compounds. A second project phase is anticipated to upgrade a second existing odor control system that treats odorous air from other process areas at the IPS; however, the need for implementation will be assessed following completion of this initial project phase.

Funds Available: FY17		Budget Code: 927/7999/2010994/5561
DEPARTMENT SUBMITTING  Wastewater	DEPARTMENT MANAGER or DIRECTOR   Bennett K. Horenstein	APPROVED   General Manager

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

Following detection of an underground leak in the aerated grit piping system in October 2015, the District installed a temporary, above-ground piping system to maintain grit removal process availability. This project will replace the temporary piping system with a permanent system designed to provide effective and reliable conveyance of grit from the aerated grit tanks to the grit dewatering building. This project supports the District's Strategic Plan goal for Customer and Community Services, specifically reducing odor complaints near the MWWTP.

## **BID RESULTS**

Bid documents were issued to 23 resource organizations and 30 prospective bidders. Four bids were received, ranging from \$7,097,000 to \$7,860,000. The bid summary is attached. The engineer's estimate for this work is \$7,160,000.

The lowest responsive/responsible bidder, Monterey Mechanical Co., is licensed to perform work in California, and is not on the State Department of Industrial Relations (DIR) debarment list. Monterey Mechanical Co. and its listed subcontractors are properly registered with the State DIR. In the past five years, Monterey Mechanical Co. has not filed a Government Code Claim and has not initiated any litigation against the District.

## **SUSTAINABILITY**

### **Economic**

This item is included in the FY17 budget for the construction of the MWWTP IPS Odor Control System Upgrade Phase 1 and Aerated Grit Piping Replacement Project.

### **Social**

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

Work under this contract is subject to payment of current prevailing wages according to determinations for each craft as established by the Director of Industrial Relations of the State of California.

This new odor control system will reduce the potential for odors in the local community and continue providing a safe working environment for employees. Replacing the aerated grit piping will help ensure continued process operational reliability.

Local 444 was notified of this contract on July 5, 2016 and did not raise any specific issues related to this contract.

### **Environmental**

A Notice of Exemption was posted with the Alameda County Clerk on June 15, 2016.

## ALTERNATIVES

**Reject all bids and immediately rebid the work.** This alternative is not recommended because the bids appear to be reasonable for the scope of work involved and because rebidding the work would result in a significant delay and increased project costs.

**Reject all bids and do not perform the work.** This alternative is not recommended because the odor control system needs to be upgraded to effectively treat odors and permanent aerated grit lines are needed to replace the temporary system.

## Attachments

### Bid Summary

P-035 – Contract Equity Program Summary

P-061 – Affirmative Action Summary

**EAST BAY MUNICIPAL UTILITY DISTRICT**

**SPECIAL DISTRICT NO. 1**

**SPECIFICATION SD-361  
MWWTP INFLUENT PUMP STATION ODOR CONTROL SYSTEM UPGRADE PHASE 1  
AND AERATED GRIT PIPING REPLACEMENT**

**OCTOBER 12, 2016**

**BID SUMMARY**

<b>BIDDER</b>		<b>TOTAL BID</b>
<b>1.</b>	<b>Monterey Mechanical Co.*</b>	<b>\$7,097,000</b>
2.	J. F. Shea Construction, Inc.	\$7,183,000
3.	Blocka Construction, Inc.	\$7,610,000
4.	Anderson Pacific Engineering Construction, Inc.	\$7,860,000

**\* Apparent Low Bidder**

Number of Proposals sent to Contractors	30
Number of Proposals sent to Resource Orgs	23
Number of Proposals sent to MBEs	1
Number of Proposals sent to WBEs	1
Number of Proposals sent to SBs	0
Number of bids received	4

Engineer's Estimate	\$7,160,000
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# CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

<b>TITLE</b> <b>SPECIFICATION NO.:</b> SD-361 <b>MWWTP Influent Pump Station Odor Control System Upgrade Phase 1 and Aerated Grit Piping Replacement</b>						<b>DATE:</b> <b>October 31, 2016</b>					
<b>CONTRACTOR:</b> <b>Monterey Mechanical Co. Local Business</b> <b>Oakland, CA 94621</b>					<b>PERCENTAGE OF CONTRACT DOLLARS</b>						
<b>BID/PROPOSER'S PRICE:</b> <b>\$7,097,000</b>		<b>FIRM'S OWNERSHIP</b>		<b>White Men</b> <b>25%</b>		<b>Contracting Objectives</b> <b>25%</b>		<b>Participation</b> <b>96.8%</b>			
		<b>Ethnicity</b> <b>White</b>	<b>Gender</b> <b>Men</b>	<b>White Women</b> <b>9%</b>		<b>25%</b>		<b>0.0%</b>			
				<b>Ethnic Minorities</b> <b>25%</b>		<b>3.2%</b>					
<b>CONTRACT EQUITY PARTICIPATION</b>											
<b>COMPANY NAME</b>	<b>ESTIMATED AMOUNT</b>	<b>ETHNICITY</b>	<b>GENDER</b>		<b>CONTRACTING PARTICIPATION</b>						
			<b>M</b>	<b>W</b>	<b>White-Men</b>	<b>White-Women</b>	<b>Ethnic Minorities</b>	<b>Unclassified</b>	<b>Publicly Held Corp.</b>	<b>Gov't/Non Profit</b>	<b>Foreign</b>
<b>PRIME:</b> <b>Monterey Mechanical Co.</b>	<b>\$5,912,000</b>	<b>White</b>	<b>X</b>		<b>83.3%</b>						
<b>SUBS:</b> <b>R&amp;W Concrete Contractors</b>	<b>\$230,000</b>	<b>Hispanic</b>	<b>X</b>				<b>3.2%</b>				
<b>Camblin Steel</b>	<b>\$36,000</b>	<b>White</b>	<b>X</b>		<b>0.5%</b>						
<b>Jeffco Painting</b>	<b>\$145,000</b>	<b>White</b>	<b>X</b>		<b>2.0%</b>						
<b>Stroer &amp; Graff</b>	<b>\$174,000</b>	<b>White</b>	<b>X</b>		<b>2.5%</b>						
<b>Ransome Company</b>	<b>\$90,000</b>	<b>White</b>	<b>X</b>		<b>1.3%</b>						
<b>HGH Electric</b>	<b>\$510,000</b>	<b>White</b>	<b>X</b>		<b>7.2%</b>						
<b>TOTAL</b>	<b>\$7,097,000</b>				<b>96.8%</b>	<b>0.0%</b>	<b>3.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
<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>		<b>57</b>	<b>9</b>	<b>32</b>	<b>98</b>						
<b>Percent of Total Employees:</b>		<b>58.2%</b>	<b>9.2%</b>	<b>32.7%</b>							
<b>MSA Labor Market %:</b>		<b>32.3%</b>	<b>27.8%</b>	<b>39.9%</b>							
<b>MSA Labor Market Location:</b>		<b>9 Bay Area Counties</b>									
<b>COMMENTS</b>											
<b>Contract Equity Participation - 96.8% White Men participation and 3.2% Ethnic Minority participation.</b>											
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>			
<b>NA</b>				<b>YES</b>							



# AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: <b>MWWTP Influent Pump Station Odor Control System Upgrade Phase 1 and Aerated Grit Piping Replacement</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	
Spec. No.: <b>SD-361</b>		DATE: <b>10/31/2016</b>	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
RP	WM: LBE	Company Wide	3	22	4	1	30	30.6%
Monterey Mechanical Co. Richard Hamilton 8275 San Leandro Street Oakland, CA 94621  510-632-3173		Manager/Prof	0	2	1	1	4	18.2%
		Technical/Sales	0	0	1	0	1	100.0%
		Clerical/Skilled	2	16	2	0	20	33.3%
		Semi/Unskilled	1	4	0	0	5	33.3%
		Bay Area	3	22	4	0	29	29.6%
		AA Plan on File: <b>NA</b>	Date of last contract with District: <b>7/12/2016</b>					
		Co. Wide MSA: <b>9 Bay Area Counties</b>	# Employees-Co. Wide: <b>98</b> Bay Area: <b>98</b>					
S	EMM:H - SBE	Company Wide	2	22	6	0	30	83.3%
R & W Concrete Contractors, Inc. Brian Rodrigues 360 Beach Road Burlingame, CA 94010  650-348-1450		Manager/Prof	0	2	1	0	3	75.0%
		Technical/Sales	0	0	0	0	0	0.0%
		Clerical/Skilled	2	20	5	0	27	84.4%
		Semi/Unskilled	0	0	0	0	0	0.0%
		Bay Area	-	22	6	0	28	77.8%
		Co. Wide MSA: <b>9 Bay Area Counties</b>	# Employees-Co. Wide: <b>36</b> Bay Area: <b>36</b>					
S	WM: SBE	Company Wide	4	22	1	2	29	43.3%
Jeffco Painting & Coating, Inc. Matt Eggle 1260 Railroad Ave. Vallejo, CA 94592  707-562-1900		Manager/Prof	0	1	0	0	1	11.1%
		Technical/Sales	0	0	0	0	0	0.0%
		Clerical/Skilled	3	19	1	1	24	50.0%
		Semi/Unskilled	1	2	0	1	4	40.0%
		Bay Area	4	22	1	2	29	43.3%
		Co. Wide MSA: <b>9 Bay Area Counties</b>	# Employees-Co. Wide: <b>67</b> Bay Area: <b>67</b>					
S	WM: LBE	Company Wide	0	3	0	0	3	10.3%
Stroer & Graff, Inc. Dave Graff 1830 Phillips Lane Antioch, CA 94509  925-778-0200		Manager/Prof	0	0	0	0	0	0.0%
		Technical/Sales	0	0	0	0	0	0.0%
		Clerical/Skilled	0	3	0	0	3	12.5%
		Semi/Unskilled	0	0	0	0	-	NA
		Bay Area	0	3	0	0	3	10.3%
		Co. Wide MSA: <b>9 Bay Area Counties</b>	# Employees-Co. Wide: <b>29</b> Bay Area: <b>29</b>					
S	WM: LBE	Company Wide	3	43	0	0	46	80.7%
Ransome Company Geoff Raaka 1933 Williams Street San Leandro, CA 94577  510-686-9900		Manager/Prof	1	3	0	0	4	44.4%
		Technical/Sales	0	0	0	0	0	0.0%
		Clerical/Skilled	2	40	0	0	42	87.5%
		Semi/Unskilled	0	0	0	0	0	0.0%
		Bay Area	3	43	0	0	46	80.7%
		Co. Wide MSA: <b>9 Bay Area Counties</b>	# Employees-Co. Wide: <b>57</b> Bay Area: <b>57</b>					
S	WM: L/SBE	Company Wide	1	11	1	0	13	43.3%
H.G.H. Electric, Inc. Douglas Hicks 3032 Market Street Oakland, CA 94608  510-923-1859		Manager/Prof	0	0	0	0	0	0.0%
		Technical/Sales	0	0	0	0	0	0.0%
		Clerical/Skilled	1	11	1	0	13	76.5%
		Semi/Unskilled	0	0	0	0	0	0.0%
		Bay Area	1	9	1	0	11	44.0%
		Co. Wide MSA: <b>California</b>	# Employees-Co. Wide: <b>30</b> Bay Area: <b>25</b>					

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.

November 8, 2016

**TITLE** **BUILDING MANAGEMENT CONTROL SYSTEM UPGRADE AND SUPPORT SERVICES CONTRACT**

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

### RECOMMENDED ACTION

Authorize an agreement beginning on or after November 8, 2016 with Honeywell International LLC in an amount not to exceed \$133,000 total for five years for the Building Management Control System (BMCS) upgrade and support services.

### SUMMARY



The Administration Building (AB) BMCS is a computer-based system that controls and monitors the building's mechanical and electrical equipment. This system supports the operation of the AB for general District administration staff, the data center, water operations, and the emergency operations center. This contract will provide software and hardware upgrades as well as technical support for this system.

### DISCUSSION

The current AB BMCS software was purchased in 2011 and uses an operating system that is no longer supported. In addition, Honeywell has informed the District that the current BMCS software used by the District will no longer be supported in the very near future. Upgrading the BMCS computers, operating system, and software is necessary to support the AB system operations.

This contract will also provide the District with ongoing technical support, future software upgrades, future hardware upgrades, and the necessary technical labor to implement software and hardware upgrades over the next five years.

This contract supports the District's Strategic Plan's Long Term Infrastructure Investment goal to meet operational needs and reliability goals by effectively maintaining the infrastructure.

Funds Available: FY17		Budget Code: WSO/783/8545/5312
DEPARTMENT SUBMITTING Operations and Maintenance	DEPARTMENT MANAGER or DIRECTOR  Michael J. Wallis	APPROVED  General Manager

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

## **VENDOR SELECTION**

This is a sole source contract as the software package is proprietary to Honeywell. No other manufacturer or vendor can supply the required upgrades or technical support.

## **SUSTAINABILITY**

### **Economic**

Funding for this item is included in the FY17 operating budget. By executing this contract, the District will ensure the BMCS hardware and software will be up to date for the next five years based on a fixed and predictable price.

### **Social**

This contract includes defined response times by the vendor in the case of an emergency outage and will ensure the availability of the AB to District staff and the public.

The completed Contract Equity Program P-035 and P-061 forms are attached.

### **Environmental**

Executing this contract will allow the District to maximize the benefits of its BMCS in order to operate the AB in the most energy-efficient manner possible.

## **ALTERNATIVES**

**Do not perform the work.** This alternative is not recommended because not upgrading the AB BMCS hardware and software would make the system vulnerable to failures or cyber-attacks.

**District forces complete installation and configuration without Honeywell's support.** This alternative is not recommended because of the proprietary nature of the software, which if setup incorrectly, could lead to the system not functioning properly.

## **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> <b>BMCS Upgrade &amp; Support Services Contract - Five-Year Contract</b>						<b>DATE:</b> <b>October 16, 2016</b>					
<b>CONTRACTOR:</b> Honeywell International, LLC San Bruno, CA 94066						<b>PERCENTAGE OF CONTRACT DOLLARS</b>					
<b>Sole Source</b>						<b>Availability Group</b>		<b>Contracting Objectives</b>		<b>Participation</b>	
<b>BID/PROPOSER'S PRICE:</b>		<b>FIRM'S OWNERSHIP</b>				<b>White Men</b>		<b>25%</b>		<b>0.0%</b>	
		<b>Ethnicity</b>		<b>Gender</b>		<b>White Women</b>		<b>6%</b>		<b>0.0%</b>	
<b>\$29,000 /yr*</b>		<b>Publicly Held</b>		<b>Men</b>		<b>Ethnic Minorities</b>		<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>			
						<b>M    W</b>		<b>White-Men</b>		<b>White-Women</b>	
<b>White Men</b>		<b>Ethnic Minorities</b>		<b>Unclassified</b>		<b>Publicly Held Corp.</b>		<b>Gov't/Non Profit</b>		<b>Foreign</b>	
<b>PRIME:</b> Honeywell International, LLC		<b>\$29,000</b>		<b>Publicly Held</b>						<b>100.0%</b>	
<b>SUBS:</b> None											
<b>TOTAL</b>		<b>\$29,000</b>				<b>0.0%</b>		<b>0.0%</b>		<b>0.0%</b>	
						<b>0.0%</b>		<b>0.0%</b>		<b>100.0%</b>	
						<b>0.0%</b>		<b>0.0%</b>		<b>0.0%</b>	
<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>		<b>33</b>		<b>6</b>		<b>18</b>		<b>57</b>			
<b>Percent of Total Employees:</b>		<b>57.9%</b>		<b>10.5%</b>		<b>31.6%</b>					
<b>MSA Labor Market %:</b>		<b>32.3%</b>		<b>27.8%</b>		<b>39.9%</b>					
<b>MSA Labor Market Location:</b>		<b>9 Bay Area Counties</b>									
<b>COMMENTS</b>											
<b>Contract Equity Participation</b> - Zero Contract Equity participation since firm is a publicly held corporation and no subcontract opportunities exist.											
*Total Not to Exceed \$133,000.00											
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>						<b>Good Faith Outreach Efforts Requirement Satisfied</b>			<b>Award Approval Recommended</b>		
<b>NA</b>						<b>NA</b>					

## AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

[illegible]

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.

6.

MEETING DATE

November 8, 2016

**TITLE** **AUTHORIZE CONTINUED EMPLOYMENT OF DOWNEY BRAND, 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 Downey Brand, LLP, for specialized legal services related to natural resources and environmental regulatory and litigation matters in an additional amount not to exceed \$50,000.

### DISCUSSION

The firm of Downey Brand has been retained to assist the Office of General Counsel in environmental regulatory and permitting matters and litigation, including CEQA matters. The Office of General Counsel is now requesting authorization for additional funds for services described in a separate attorney-client confidential memorandum to the Board of Directors.

### SUSTAINABILITY

#### Economic

Funding for this item is included in the FY17 budget.

#### Social


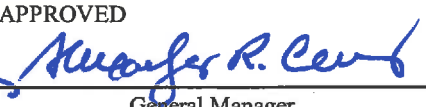
The completed P-035 and P-061 forms for the Contract Equity Program are attached.

#### Attachments

P-035 – Contract Equity Program Summary

P-061 – Affirmative Action Summary

{00010819;1}

Funds Available: FY2017		Budget Code: WSO 130 8511 5231
DEPARTMENT SUBMITTING  Office of General Counsel	DEPARTMENT MANAGER or DIRECTOR   Craig S. Spencer, General Counsel	APPROVED   General Manager

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





# CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

<b>TITLE</b> <b>Professional Services Agreement</b> Authorize Continued Employment of Downey Brand, LLP for Specialized Legal Services						<b>DATE:</b> October 20, 2016					
<b>CONTRACTOR:</b> Downey Brand, LLP Sacramento, CA					<b>PERCENTAGE OF CONTRACT DOLLARS</b> Direct Award					<b>Availability Group</b> Contracting Objectives Participation	
<b>BID/PROPOSER'S PRICE:</b> \$50,000		<b>FIRM'S OWNERSHIP</b> Ethnicity: White Gender: Men		White Men: 25% White Women: 6% Ethnic Minorities: 25%		100.0% 0.0% 0.0%					
<b>CONTRACT EQUITY PARTICIPATION</b>											
<b>COMPANY NAME</b>		<b>ESTIMATED AMOUNT</b>	<b>ETHNICITY</b>	<b>GENDER</b> M W		<b>CONTRACTING PARTICIPATION</b> White-Men White-Women Ethnic Minorities Unclassified Publicly Held Corp. Gov't/Non Profit Foreign					
<b>PRIME:</b> Downey Brand, LLP		\$50,000	White	X		100.0%					
<b>SUBS:</b> None											
<b>TOTAL</b>		\$50,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CONTRACTOR'S WORKFORCES 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>		72		75		39		186			
<b>Percent of Total Employees:</b>		38.7%		40.3%		21.0%					
<b>MSA Labor Market %:</b>		39.0%		33.7%		27.2%					
<b>MSA Labor Market Location:</b>		Total USA									
<b>COMMENTS</b>											
Contract Equity Participation - 100% White Men participation.											
<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.

<b>Title: Authorize Continued Employment of Downey Brand, LLP for Specialized Legal Services</b>		<b>Ethnic Minority Percentages From U.S. Census Data</b>						
			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>	
		<b>National</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> R=Recmmd P=Prime S=Sub	<b>DATE:</b> 10/20/2016	<b>Number of Ethnic Minority Employees</b>						
<b>Composition of Ownership</b> Company Name, Owner/Contact Person, Address, and Phone Number		<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> Downey Brand, LLP 621 Capitol Mall, 18th Floor Sacramento, CA 95814 415-848-4830	<b>WM</b> Company Wide Manager/Prof Technical/Sales Clerical/Skilled Semi/Unskilled Bay Area AA Plan on File: NA Co. Wide MSA: Total USA Date of last contract with District: 6/12/2014 # Employees-Co. Wide: 186 Bay Area: NA	5	11	19	0	35	18.8%	27.2%
	Company Wide	0	0	3	0	3	2.9%	
	Manager/Prof	0	0	2	0	2	66.7%	
	Technical/Sales	5	11	14	0	30	38.0%	
	Clerical/Skilled	0	0	0	0	0	0.0%	
	Semi/Unskilled	0	0	0	0	0	NA	39.9%
	Bay Area							
	Co. Wide MSA:	# Employees-Co. Wide:						Bay Area:
	Company Wide							
	Manager/Prof							
	Technical/Sales							
	Clerical/Skilled							
	Semi/Unskilled							
	Bay Area							39.9%
	Co. Wide MSA:	# Employees-Co. Wide:						Bay Area:
	Company Wide							
	Manager/Prof							
	Technical/Sales							
	Clerical/Skilled							
	Semi/Unskilled							
	Bay Area							39.9%
	Co. Wide MSA:	# Employees-Co. Wide:						Bay Area:
	Company Wide							
	Manager/Prof							
	Technical/Sales							
	Clerical/Skilled							
	Semi/Unskilled							
	Bay Area							39.9%
	Co. Wide MSA:	# Employees-Co. Wide:						Bay Area:
	Company Wide							
	Manager/Prof							
	Technical/Sales							
	Clerical/Skilled							
	Semi/Unskilled							
	Bay Area							39.9%
	Co. Wide MSA:	# Employees-Co. Wide:						Bay Area:

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



AGENDA NO.  
MEETING DATE

7.

November 8, 2016

**TITLE** APPROVAL OF CITY OF SAN LEANDRO RECYCLED WATER FILL STATION

☒ **MOTION** \_\_\_\_\_ ☒ **RESOLUTION** \_\_\_\_\_ ☐ **ORDINANCE** \_\_\_\_\_

### RECOMMENDED ACTION

Approve the City of San Leandro's request to provide recycled water within the City of San Leandro (City) via the City's Recycled Water Fill Station (Fill Station) at the City's Water Pollution Control Plant (WPCP).

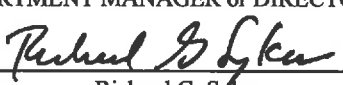

1. Approve a Resolution allowing the City of San Leandro to provide recycled water from the Fill Station to San Leandro residents and commercial trucks.
2. Authorize the District to sign an agreement with the City of San Leandro for the construction, operation, and maintenance of the Fill Station.

### SUMMARY

In accordance with California Public Utilities Code Section 12818 and California Water Code Section 13580.5, the City requests the District's approval to provide recycled water to its residents via a fill station at its WPCP. The Fill Station will not impact the District's ability to continue serving recycled water to existing customers from the District's San Leandro Reclamation Facility, located at the City's WPCP. The Fill Station will reduce the City's potable water demand, thereby promoting the conservation of potable water resources. The Fill Station will increase recycled water deliveries within the District's service area. Also, discharge to the San Francisco Bay will be decreased. This item was discussed during the Recycled Water Master Plan update to the Planning Committee on September 13, 2016.

### DISCUSSION

The City is proposing to develop, construct, operate and maintain a 100-gallon-per-minute fill station with 12,000 gallons of tertiary treated recycled water storage at the City's WPCP located at 3000 Davis Street in San Leandro. The Fill Station would only serve permitted customers within the city limit. Permitted customers include city residents who will have completed a recycled water permit application and required training, and commercial trucks approved for recycled water use and operated by truck owners who have completed a recycled water permit application and provided liability insurance and worker's compensation certificates. The District would provide information regarding the Fill Station to San Leandro residents who contact the District to learn about recycled water for authorized tertiary treated

Funds Available: FY17		Budget Code: WSC/455/000889
DEPARTMENT SUBMITTING  Water and Natural Resources	DEPARTMENT MANAGER or DIRECTOR   Richard G. Sykes	APPROVED   General Manager

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

## San Leandro Residential Recycled Water Fill Station

November 8, 2016

Page 2

recycled water uses. This information would also be posted on the District's website. In accordance with California Public Utilities Code Section 12818 and California Water Code Section 13580.5, the City must obtain approval from the District to distribute recycled water within the District's water service area. The purpose of this law is to allow both agencies to efficiently serve their customers and avoid duplication of service.

The primary benefits to the City from implementing the Fill Station are to reduce the amount of treated wastewater discharged into the San Francisco Bay and decrease the amount of potable water used within the City. The Fill Station would essentially expand recycled water availability within the District's service area. The Fill Station will provide an option to city residents that wish to pick up recycled water to water their yards and for construction uses within the City's limit. Approval of the City's request is consistent with the District's Strategic Plan goal for Long-Term Water Supply.

## SUSTAINABILITY

### Economic

Approving the City's request has no significant financial impacts to the District. Although there will be a modest reduction in potable water revenues, EBMUD will not be responsible for project costs.

### Social

The Fill Station will positively impact the community by providing District customers in San Leandro an option to use a sustainable and reliable local recycled water source. Also, this fill station will increase public awareness of recycled water and can help build more support for recycled water.

### Environmental

The Fill Station will expand the use of recycled water to offset the use of potable water and benefit the environment by reducing reliance on water supply diverted from the Mokelumne River. Also, the fill station will reduce discharge into the San Francisco Bay. A Notice of Exemption for this fill station was completed by the City in compliance with CEQA.

## ALTERNATIVE

**Deny the City's request for approval.** This alternative is not recommended because the fill station decreases the demand on the District's limited potable drinking water supplies and contributes, through construction of additional recycled water facilities by the City, toward meeting the District's recycling goals.

Attachment

RGS:MTT:LHH:ANB:acr

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

APPROVING THE CITY OF SAN LEANDRO'S PROVISION OF RECYCLED WATER  
THROUGH ITS RECYCLED WATER FILL STATION PROJECT AND DETERMINING  
THAT THE PROJECT IS EXEMPT FROM THE REQUIREMENTS OF CEQA

Introduced by Director

; Seconded by Director

WHEREAS, the East Bay Municipal Utility District (District) has adopted a goal of recycling 20 million gallons of water per day by the year 2040; and

WHEREAS, in April 1998, the District and City of San Leandro (City) entered into an agreement for the City to make secondary effluent available for the District to serve recycled water to customers in the San Leandro/Alameda/Oakland area; and

WHEREAS, in April 2005, in accordance with Public Utilities Code Section 12818 and Water Code Section 13580.5, the District approved the City's request to provide recycled water to City-owned properties and public lands including Monarch Bay Golf Complex, Marina Park, the Marina Park/Par Course, road medians near and around the Monarch Bay Golf Complex and Marina Park, and Oyster Bay Regional Park; and

WHEREAS, on May 31, 2016, in accordance with Public Utilities Code Section 12818 and Water Code Section 13580.5, the City requested District approval to provide recycled water to customers within the District's service area via a Recycled Water Fill Station (Fill Station) at the City of San Leandro Water Pollution Control Plant (WPCP); and

WHEREAS, to implement the Fill Station, the City is completing minor alterations to its WPCP, including installation of filters, a coagulant system, and storage tanks within the confines of the WPCP property; and

WHEREAS, the Fill Station would only serve City residents who have received a Recycled Water Permit, and commercial trucks approved for recycled water use and operated by truck owners who have completed a Recycled Water Permit application and provided Liability Insurance and Worker's Compensation Certificates (Permitted Customers); and

WHEREAS, residential Permitted Customers would bring and fill their own containers and would be allowed to take up to 275 gallons of tertiary treated recycled water per visit at no charge, and commercial truck Permitted Customers would be permitted to take up to 2,000 gallons of tertiary treated recycled water per visit, initially at no charge; and

WHEREAS, on August 16, 2016, the City filed a California Environmental Quality Act (CEQA) Notice of Exemption regarding the Fill Station project, determining the Fill Station to be exempt from the requirements of CEQA under the existing facilities categorical exemption (CEQA Guidelines Section 15301); and

WHEREAS, the City has provided assurances that the Fill Station project will not impact the City's ability to provide recycled water to the District's existing customers through its existing recycled water programs; and

WHEREAS, the Fill Station project will contribute towards meeting the District's recycled water goals;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District does hereby find, determine and certify that:

1. The above recitals are incorporated as if set forth herein.
2. The Board of Directors hereby approves the City of San Leandro's request to provide recycled water via the Fill Station, as described above, within the District's service area.
3. The Fill Station project is exempt from the requirements of CEQA as a project that consists of minor alterations to an existing facility pursuant to CEQA Guidelines Section 15301.

BE IT FURTHER RESOLVED that the Secretary of the District is hereby directed to file a Notice of Exemption in accordance with law, with the clerks of Alameda and Contra Costa Counties.

ADOPTED this 8th day of November, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

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

{00009748;2}



AGENDA NO.

8.

MEETING DATE

November 8, 2016

TITLE SALE OF LAGUNA NO. 2 PUMPING PLANT PROPERTY☐ MOTION ☒ RESOLUTION ☐ ORDINANCE**RECOMMENDED ACTION**

- A. Approve the sale of the surplus Laguna No. 2 Pumping Plant property in Orinda, as shown on Exhibit "A" to Mr. and Mrs. Stenzel for the purchase price of \$150,000, and
- B. Authorize District staff to execute the Property Purchase Agreement and Joint Escrow Instructions ("Agreement") for the sale of the property to Mr. and Mrs. Stenzel.

**SUMMARY**



The Laguna No. 2 Pumping Plant property is approximately 0.13 acres and is located off of Crestview Drive in the City of Orinda. Throughout the years, the District has made several improvements within the local area and the property is no longer required and identified as surplus. Selling the property eliminates the costs associated with maintaining the site, including the liability associated with ownership.

**DISCUSSION**

The District has owned the property since January 1984. The property has never been built upon and no improvements have been made since it was purchased.

In March 2013, pursuant to California Government Code Section 65402, the District notified the City of Orinda of the District's intent to sell the property and requested a determination that the proposed sale conformed to the City's General Plan. The City responded in May 2013, stating that the property was zoned PS: Public, Semi-Public & Utility.

In October 2015, pursuant to California Government Code Section 54222, the District notified the California Natural Resources Agency, City of Orinda Parks & Recreation, Contra Costa County Public Works, East Bay Regional Park District, Housing Authority of Contra Costa County and the Orinda Unified School District of the property's availability. No agency expressed an interest in the property.

Funds Available: FY17		Budget Code: 115-8712-5316
DEPARTMENT SUBMITTING <u>Customer and Community Svcs.</u>	DEPARTMENT MANAGER or DIRECTOR  Sherri A. Hong	APPROVED  General Manager

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

Thereafter, in accordance with District Policy 4.21, the District notified 10 neighbors in February 2016 of its intent to dispose of the property. Three adjacent neighbors contacted the District with questions and expressed varying levels of interest.

Since the property was somewhat unique in size and shape to the neighborhood, District staff contracted with a third-party appraiser to determine the fair market value of the property. The appraiser determined as of August 2, 2016, the value for the property was \$150,000. Once the fair market value was determined, the District offered the property to the three adjacent neighbors that had expressed interest in the property at the appraised value. This was done because of the unique characteristics of the property. Mr. and Mrs. Stenzel was the only party interested and submitted an offer at the fair market value.

Mr. and Mrs. Stenzel have deposited a non-refundable \$10,000 deposit with the District. Upon Board approval of the sale and execution of the Property Purchase Agreement and Joint Escrow Instructions by the District, the buyer will have thirty days to complete the transaction.

## **SUSTAINABILITY**

### **Economic**

The offer selected by the District is at fair market value and will result in a one-time revenue benefit to the District of \$150,000. In addition, the District will save on annual property maintenance costs and eliminate the liability inherent in owning the land.

### **Social**

The sale of the property will bolster neighborhood sentiment by selling to an adjacent neighbor.

### **Environmental**

The sale of the surplus property is exempt from the California Environmental Quality Act (CEQA) under Section 15312 of the State CEQA Guidelines.

## **ALTERNATIVES**

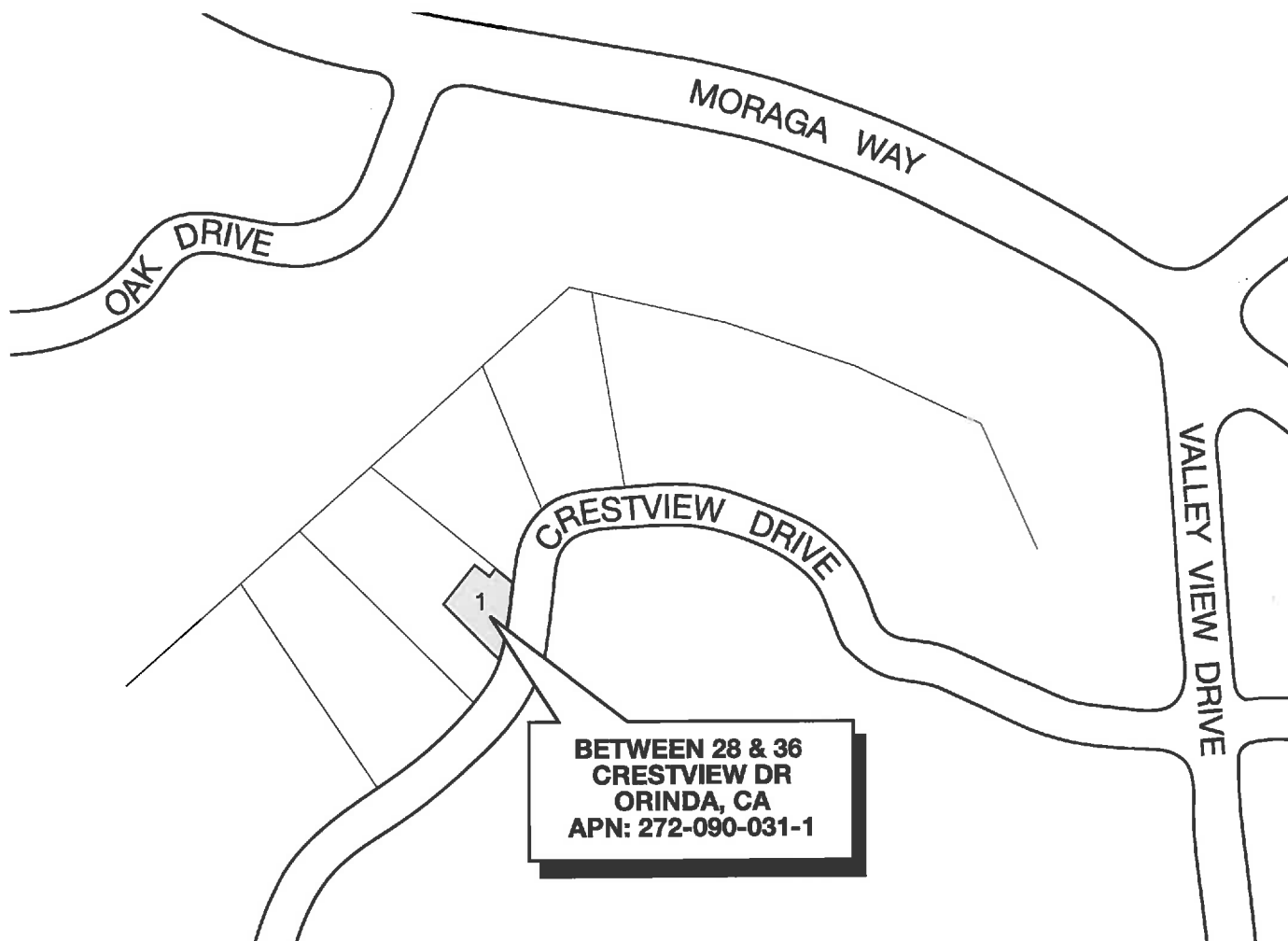
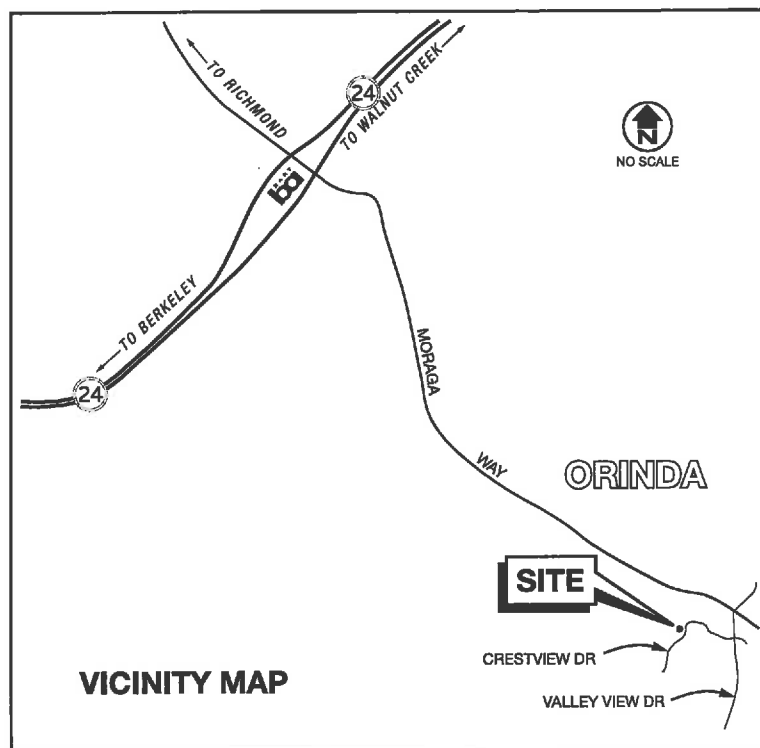
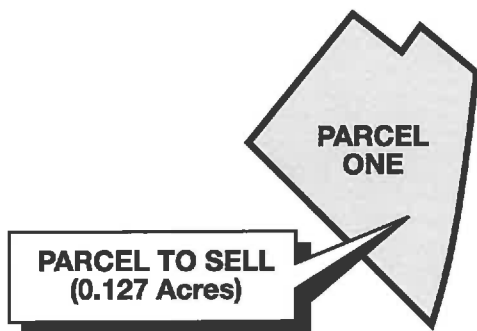
**Reject the offer and market the property to the general public.** This alternative is not recommended as it may not result in a higher or additional offer and would delay disposal of the property.

**Reject the offer and keep the property.** This alternative is not recommended as the property has been deemed surplus and is no longer required for any present or future District purpose. The District would also forego the one-time revenue associated with the sale and continue to incur property maintenance and insurance costs.

## **Attachment**

I:\Sec\2016 Board Related Items\11082016 Board Agenda Items\CCS - BD-1 Sale of Laguna #2 PP Property

# SALE OF LAGUNA #2 PUMPING PLANT PROPERTY





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

AUTHORIZING THE SALE OF THE LAGUNA NO. 2 PUMPING PLANT  
PROPERTY IN ORINDA, CALIFORNIA, TO THE  
SHEPARD STENZEL LIVING TRUST DATED JANUARY 28, 1999

Introduced by Director

; Seconded by Director

WHEREAS, East Bay Municipal Utility District ("the District") has determined that property known as the Laguna No. 2 Pumping Plant Property, consisting of approximately 0.13 acres of land located off Crestview Drive in the City of Orinda, Contra Costa County, California, as more particularly shown on Exhibit A, attached hereto and incorporated herein, is surplus to the District's needs; and

WHEREAS, in accordance with the provisions of Government Code Section 54222, the District offered the property to the California Natural Resources Agency, City of Orinda Parks and Recreation, Contra Costa County Public Works, East Bay Regional Park District, Housing Authority of Contra Costa County and the Orinda Unified School District and did not receive an expression of interest in purchasing the property from any of these agencies; and

WHEREAS, pursuant to District Policy 4.21, the District notified 10 property owners adjacent to the Crossroads Reservoir Property of its intent to offer the property for sale, and three neighbors expressed interest in purchasing the property; and

WHEREAS, due to the unique size and shape of the property, the District had the property appraised by an independent appraiser at its "highest and best use" market value and the appraiser valued it at \$150,000 as of August 2, 2016; and

WHEREAS, the District offered the property for sale at the appraised market value to the three neighbors expressing interest in purchasing the property, and Christopher and Julia Stenzel were the only neighbors who submitted an offer for the property, at the appraised value; and

WHEREAS, Mr. and Mrs. Stenzel will purchase the property on behalf of the Shepard Stenzel Living Trust dated January 28, 1999; and

WHEREAS, the proposed sale is in conformance with the General Plan of Contra Costa County, and is categorically exempt from the California Environmental Quality Act under Section 15312 of the State CEQA Guidelines; and

WHEREAS, it is in the best interest of the District to sell the surplus property;

NOW, THEREFORE, BE IT RESOLVED that the Manager of Real Estate Services and the Secretary of the District are authorized and directed to execute a grant deed, in a form approved by the General Counsel, conveying said real property to the Shepard Stenzel Living Trust dated

January 28, 1999, and any and all other documents necessary to close escrow, and the proper officers of the District are hereby authorized and directed to deliver said deed to Christopher and Julia Stenzel upon receipt of \$150,000, less a non-refundable deposit into escrow of \$10,000.

BE IT FURTHER RESOLVED that the Secretary of the District is hereby directed to file a notice of exemption in accordance with the law, with the County Clerk of Contra Costa County.

ADOPTED this 8<sup>th</sup> day of November, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

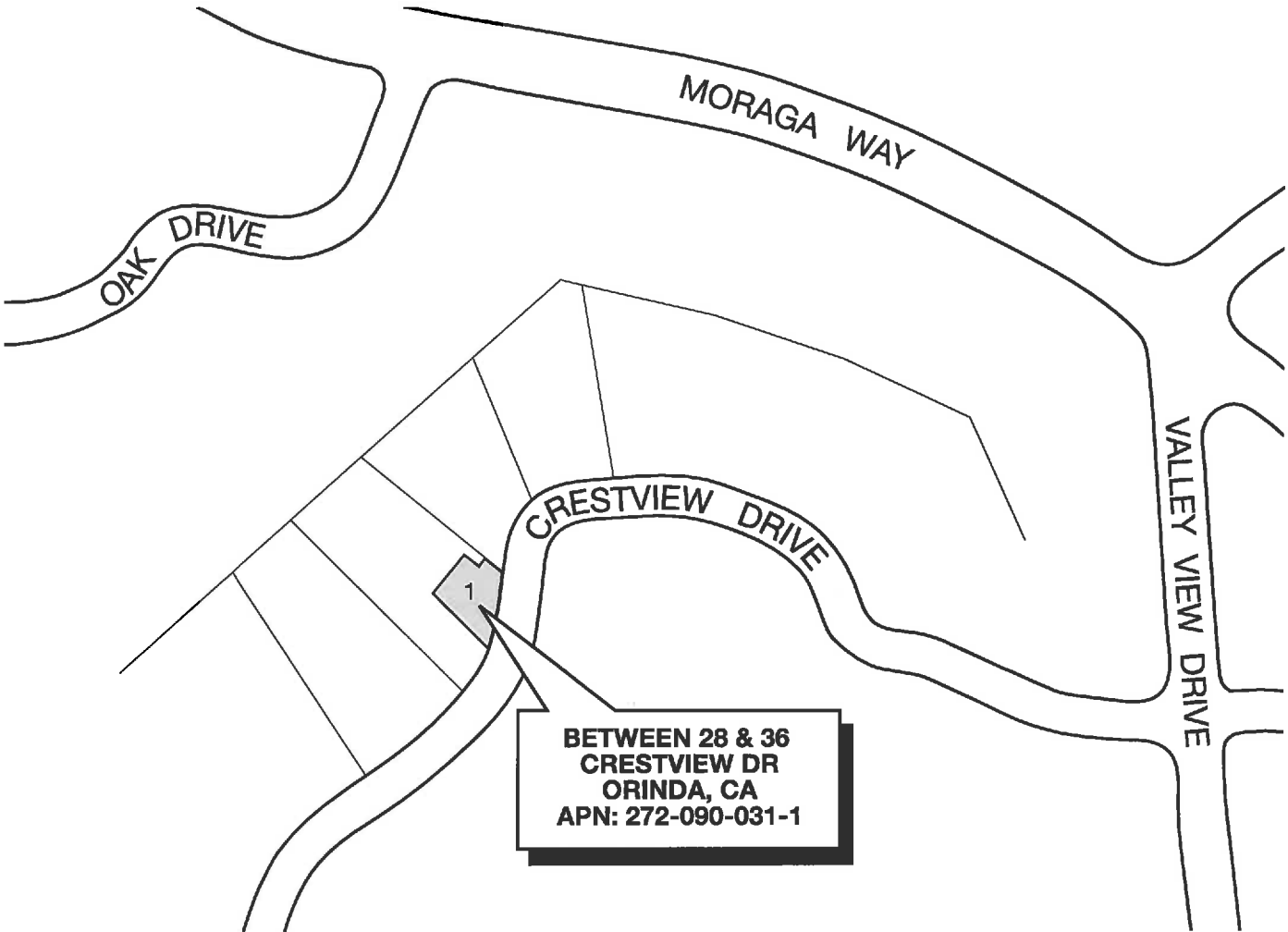
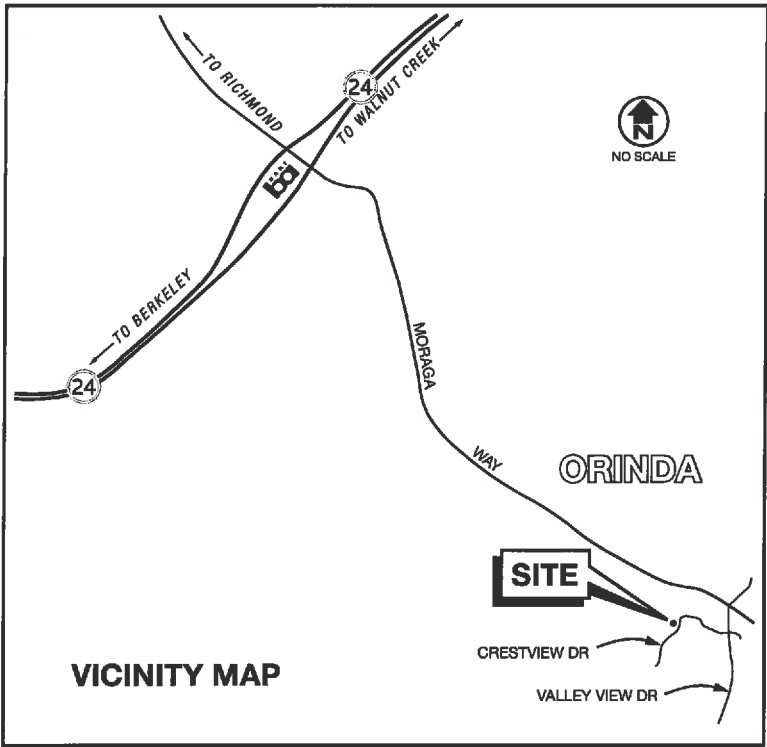
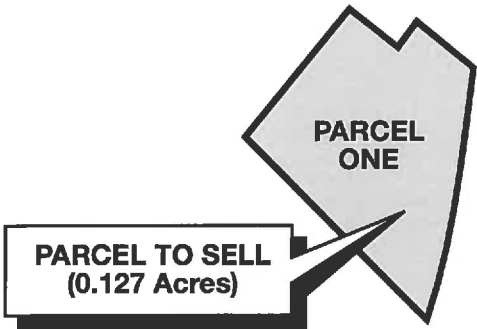
ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

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

**SALE OF LAGUNA #2  
PUMPING PLANT  
PROPERTY**







AGENDA NO. 9.  
MEETING DATE November 8, 2016

**TITLE OURSAN RIDGE CONSERVATION BANK ENABLING INSTRUMENT**

☐ MOTION ☒ RESOLUTION ☐ ORDINANCE

**RECOMMENDED ACTION**

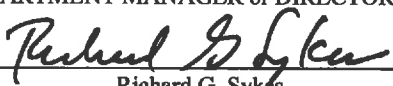

- A. Consider and approve the addendum to the Programmatic Environmental Impact Report for the East Bay Watershed Master Plan.
- B. Determine that no further environmental review is required under the California Environmental Quality Act (CEQA) and find that the Oursan Ridge Conservation Bank (ORCB) is within the scope of the East Bay Watershed Master Plan.
- C. Authorize the District to enter into a conservation bank enabling instrument (CBEI) beginning on or after November 8, 2016, with the California Department of Fish and Wildlife (CDFW) and the United States Fish and Wildlife Service (USFWS) establishing the ORCB on EBMUD-owned watershed lands in the Pinole Valley with EBMUD as Bank Sponsor and Owner and;
- D. Authorize the District to enter an endowment agreement on or after November 8, 2016, with the Wildlife Heritage Foundation (WHF) establishing the WHF as the ORCB Endowment Fund holder and the funds required for ORCB administration, operations, and maintenance activities; and
- E. Authorize the recording of a permanent conservation easement in Contra Costa County on the 429.9 acre ORCB project site and establishment of the WHF as the conservation easement holder.

**SUMMARY**

Oursan Ridge Conservation Bank (ORCB) is a 429.9 acre area of EBMUD-owned watershed lands that, when established, will make available compensatory preservation credits for use by EBMUD and/or for purchase by non-EBMUD project sponsors requiring off-site mitigation for California red-legged frog and/or Alameda whipsnake (Alameda striped racer) and their habitats, as determined by the ORCB Conservation Bank Review Team (consisting of the CDFW and USFWS) for proposed projects within the ORCB Service Areas established in the CBEI. This item was discussed at the May 24, 2016 Planning Committee meeting.

**DISCUSSION**

EBMUD currently owns approximately 3,700 acres of property in the Pinole Valley located in Contra Costa County. This property was originally intended for development of a water supply reservoir; however, the land is not needed for any current or planned water supply use. At present, the land is leased for grazing and agriculture. The ORCB will preserve 429.9 acres of EBMUD's Pinole Valley property

Funds Available: <u>FY17</u>		Budget Code: <u>480/5241/2006738</u>
DEPARTMENT SUBMITTING <u>Water and Natural Resources</u>	DEPARTMENT MANAGER or DIRECTOR  Richard G. Sykes	APPROVED  General Manager

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

under a permanent conservation easement and will make preservation credits for California red-legged frog (CRLF) and/or Alameda whipsnake (AWS) available for 1) use by EBMUD for any offsite mitigation for these species that may be required for proposed EBMUD projects and 2) purchase by non-EBMUD project sponsors requiring offsite compensatory mitigation for these species as determined by state and/or federal resource agencies for the purpose of issuing project-required permits. The CRLF is listed as "Threatened" (federal) and a "Species of Special Concern" (state). The AWS is listed as "Threatened" (federal and state). The CDFW and USFWS made the determination in the CBEI that the ORCB will consist of a total of 429.9 preservation credits (1 credit = 1 acre).

A permanent conservation easement is placed on the ORCB property and an endowment fund is established to fund the maintenance of the bank property in perpetuity consistent with the ORCB Long Term Management Plan. EBMUD will fund the ORCB Endowment Fund through the initial sale of ORCB preservation credits until the Endowment Fund becomes fully-funded at \$1.3M. The WHF, an accredited public, non-profit 501(c)(3) land trust, will hold the conservation easement and serve as holder of and investment administrator for the ORCB Endowment Fund. EBMUD will remain the legal landowner of the ORCB property.

The ORCB supports the District's Strategic Plan goal for Water Quality and Environmental Protection. Implementation of the ORCB, through the guidance of the East Bay Watershed Master Plan's (EBWMP) priorities for protecting biodiversity, the use of both State and Federal standards and protocols for monitoring and assessing data, and working with State and Federal resource agencies in adaptively managing the bank property, protects listed-species and their habitat.

## **INDEMNIFICATION**

The Conservation Easement includes indemnity language under which EBMUD will indemnify WHF, CDFW and USFWS against any claims or liabilities arising from injury to or the death of any person, or physical damage to any property on the Bank Property or the existence or administration of the conservation easement, except that WHF will not be indemnified to the extent any injury is caused by the negligence of WHF.

## **CONSERVATION EASEMENT AND ENDOWMENT HOLDER SELECTION**

EBMUD contacted three qualified organizations per California Gov. Code, § 65965- 65968 to serve as the third-party conservation easement and endowment fund holder for ORCB. EBMUD selected the Wildlife Heritage Foundation (WHF) based upon experience and cost.

## **SUSTAINABILITY**

### **Economic**

Direct EBMUD expenses are labor, equipment, and material costs for implementing the ORCB Long Term Management Plan in perpetuity. Labor costs are associated with already existing permanent EBMUD staff positions. The ORCB Endowment Fund will be funded through the sale of ORCB

preservation credits until the Endowment Fund becomes fully-funded (\$1.3 million) for 3 years. Following this, annual EBMUD ORCB expenses will be reimbursed from the ORCB Endowment Fund.

The ORCB will provide financial savings to EBMUD, in comparison to the cost of purchasing preservation credits from a privately-owned conservation bank, when future EBMUD projects within the ORCB service areas require offsite mitigation for either of these species. The ORCB also will provide revenue from preservation credit transactions with outside parties requiring offsite mitigation for these species. After the Endowment Fund is fully-funded, project revenue to EBMUD resulting from ORCB credit sales is projected to be between \$5-9 million based on the current preservation credit market. The price for preservation credits is market-based and set by the Bank Owner/Sponsor (EBMUD). EBMUD staff will continually monitor the preservation credit market over time and will adjust preservation credit prices based on market conditions.

### **Environmental/CEQA Compliance**

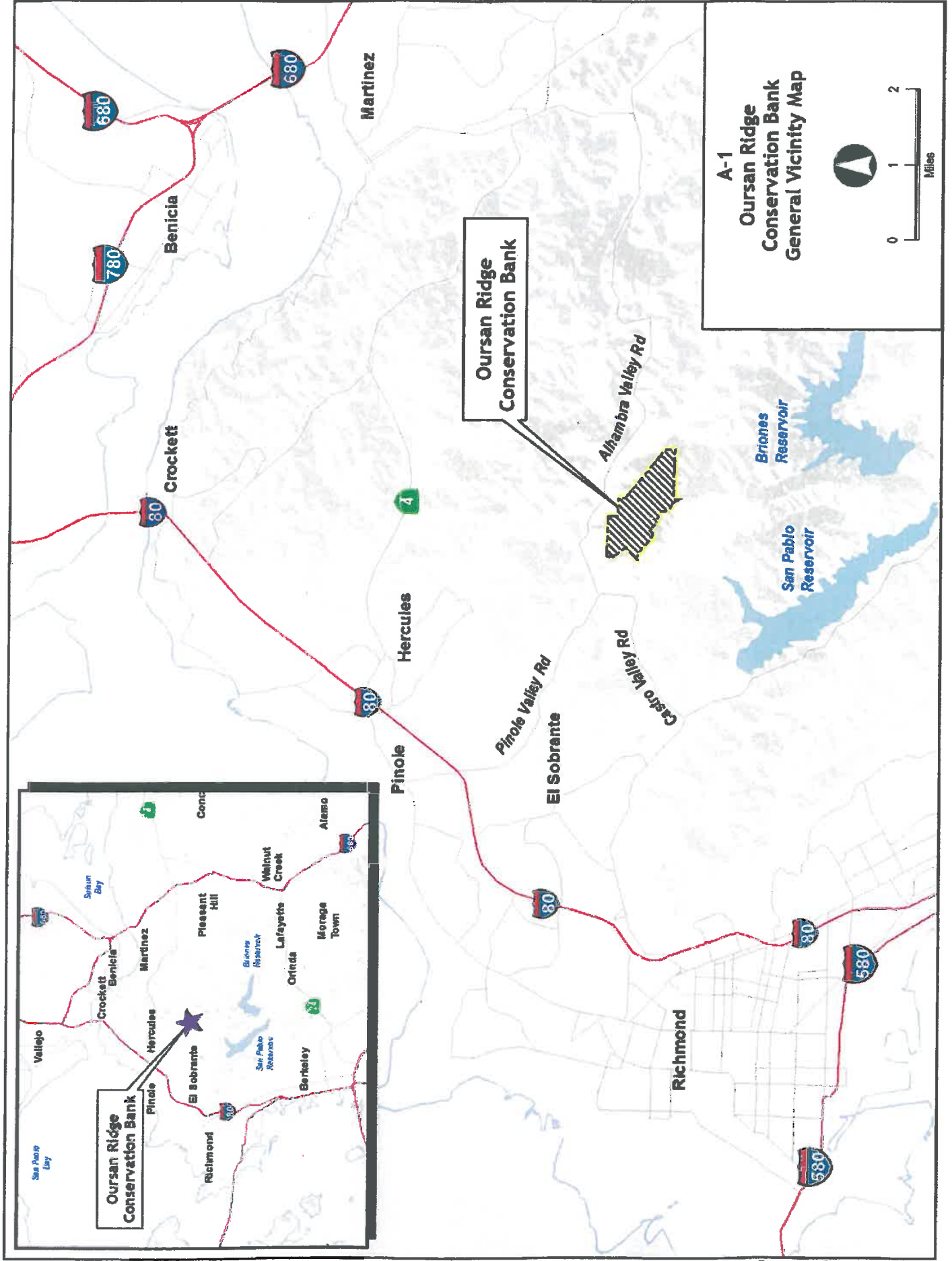
As documented in the Addendum to the EBMUD East Bay Watershed Master Plan's (EBWMP) Programmatic Environmental Impact Report (Addendum), the ORCB does not meet any of the triggers for supplemental CEQA analysis set forth in Public Resources Code Section 21166 and CEQA Guidelines Section 15162. The ORCB is consistent with and will further the EBWMP's Biodiversity Management Direction, requires no changes in the types of management activities already being implemented pursuant to the EBWMP on the land that would comprise the ORCB, and falls within the scope of the EBWMP. The ORCB will also provide a benefit to the environment by protecting state and/or federally-listed species and their high-quality habitat present on the bank property. The Addendum was completed on October 7, 2016 and provided to the Board on October 27, 2016.

### **ALTERNATIVE**

**Do not approve the project.** This alternative is not recommended because EBMUD would not realize the environmental and financial benefits from the establishment of the ORCB while continuing to expend operating funds to maintain the property.

MTT:RL:acr

Attachment



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

CONSIDERING AND APPROVING THE ADDENDUM TO THE PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT FOR THE EAST BAY WATERSHED MASTER PLAN (MASTER PLAN), DETERMINING THAT NO FURTHER ENVIRONMENTAL REVIEW IS REQUIRED, FINDING THE OURSAN RIDGE CONSERVATION BANK (ORCB) WITHIN THE SCOPE OF MASTER PLAN, AND APPROVING THE ORCB

Introduced by Director

; Seconded by Director

WHEREAS, in 1996, the East Bay Municipal Utility District (EBMUD) Board of Directors certified the Programmatic Environmental Impact Report for the Master Plan, determined that all necessary mitigation measures had been incorporated into the Master Plan, and approved the Master Plan; and

WHEREAS, since that time, EBMUD has adopted several plans, rules, and regulations, and entered into various agreements that aid in implementation of the Master Plan, including but not limited to the East Bay Fire Management Plan, East Bay Range Resource Management Plan, East Bay Low-Effect Habitat Conservation Plan, and annual allotment-specific grazing plans; and

WHEREAS, the Master Plan prioritizes managing watershed lands for biodiversity and states that “[t]he biodiversity management program involves activities that the District will undertake to protect and enhance habitats and species. The District’s commitment to maintain and enhance biodiversity will be achieved by actively maintaining natural ecosystem processes, especially those that also protect or enhance water quality;” and

WHEREAS, consistent with and in furtherance of the Master Plan’s biodiversity management program, EBMUD developed the proposed ORCB, an approximately 430-acre conservation bank located on EBMUD-owned watershed lands in Pinole Valley that would provide for compensation, conservation, and protection for the California Red-Legged Frog, Alameda Whipsnake, and their habitat; and

WHEREAS, as detailed in the Addendum to the Programmatic Environmental Impact Report for the Master Plan (Addendum) prepared by EBMUD, the types of management activities that would be implemented under the ORCB are already being implemented on EBMUD-owned watershed lands managed pursuant to the Master Plan, including the land that would comprise the ORCB; and

WHEREAS, the ORCB would make available for purchase conservation credits for California Red-Legged Frog and Alameda Whipsnake to meet offsite mitigation requirements within the California Department of Fish and Wildlife (CDFW) and U.S. Fish and Wildlife Service (USFWS) approved Service Areas of the Bank; and

WHEREAS, the ORCB would be established, operated, and maintained by EBMUD consistent with the ORCB Conservation Bank Enabling Instrument that would be executed by EBMUD, CDFW and the USFWS; and

WHEREAS, creation of the ORCB also requires recording of a Permanent Conservation Easement on the bank property that would place land use restrictions on the property and establish Wildlife Heritage Foundation as the easement holder, and entry by the District into an Endowment Agreement under which funds for administration, operation, and maintenance of the bank would be set aside and managed by Wildlife Heritage Foundation; and

WHEREAS, in compliance with the California Environmental Quality Act (CEQA), EBMUD prepared the Addendum, which concludes that the ORCB does not meet any of the triggers for subsequent environmental review set forth in Public Resources Code Section 21166 and CEQA Guidelines Section 15162; and

WHEREAS, the proposed ORCB was presented to the public as part of EBMUD's East Bay Watershed Master Plan Update process, and no comments regarding the ORCB were received by EBMUD;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby find, determine and certify that:

1. In deciding whether to approve the ORCB, EBMUD is acting as a lead agency under CEQA.
2. The Board of Directors has reviewed and considered the Addendum, finds it to be accurate and complete, and therefore approves the Addendum.
3. The Board of Directors finds and determines that the ORCB will advance the Master Plan's biodiversity management program, requires no changes in the types of management activities already being implemented pursuant to the EBWMP on the land that would comprise the ORCB, and falls within the scope of the Master Plan.
4. The Board of Directors finds and determines that the ORCB does not trigger the need for subsequent environmental review under Public Resources Code Section 21166 and CEQA Guidelines Section 15162.
5. The Board of Directors finds that EBMUD will continue to be responsible for implementing the Master Plan, including those mitigation measures incorporated into the Master Plan when it was approved in 1996 and that no additional mitigation measures are required to address potential impacts associated with the ORCB.

BE IT FURTHER RESOLVED that the Board of Directors approves the ORCB and authorizes and directs the General Manager to execute the Conservation Bank Enabling Instrument and Endowment Agreement, and to record the Permanent Conservation Easement required for ORCB implementation.

BE IT FURTHER RESOLVED that the Secretary of the District is hereby directed to file a Notice of Determination, in accordance with the law, with the County Clerk of Alameda and Contra Costa Counties.

ADOPTED this 8th day of November, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

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

{00010202;4}





AGENDA NO.  
MEETING DATE

10.

November 8, 2016

TITLE **REVISED EBMUD PRINCIPLES REGARDING MAJOR DELTA INITIATIVES**

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

### RECOMMENDED ACTION

Adopt the EBMUD Principles Regarding Major Delta Initiatives (Delta Principles) to guide EBMUD efforts in this area and to supplement guidance established in EBMUD Policy 9.06 – Bay-Delta Protection.

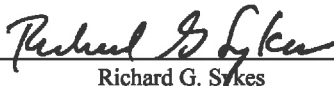

### SUMMARY

This item is an update of Delta Principles first adopted on January 23, 2007, and later updated on April 12, 2011. This revision to the Delta Principles was reviewed by the Planning Committee on October 11, 2016 and then modified based on committee input to ensure that an improvement to the Delta would be required of any new action in the Delta.

### DISCUSSION

The EBMUD Board of Directors is committed to providing reliable, high quality water service to its 1.4 million customers at a fair price while preserving and protecting the environment for future generations. The Board has also adopted Policy 9.06 – Bay-Delta Protection, which supports the protection and enhancement of the Bay-Delta.

Since the 2011 revision to the Delta Principles, several developments have taken place that prompted the newly proposed changes. The Delta Stewardship Council adopted a Delta Plan in 2013 that was immediately challenged in court and invalidated earlier this year. The judicial decision is now under appeal. The California Department of Water Resources (DWR) proposed a new alternative to the BDCP called the "WaterFix," which segregated the twin tunnels conveyance from a reduced scale ecosystem restoration component, now known as "EcoRestore." Finally, the State Water Resources Control Board (SWRCB) has initiated hearings on a petition by DWR and the U.S. Bureau of Reclamation for a change in the point of diversions for the state and federal projects, which is a critical step in the permitting process for the WaterFix. EBMUD has submitted a protest on this petition, on the grounds of potential

Funds Available: FY		Budget Code:
DEPARTMENT SUBMITTING	DEPARTMENT MANAGER or DIRECTOR	APPROVED
Water and Natural Resources	 Richard G. Sykes	 General Manager

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

unmitigated impacts to Freeport operations, the Mokelumne Aqueducts, and the salmonid fishery in the Mokelumne River.

The proposed revisions clarify and update the Delta Principles in response to evolving state proposals and processes, and EBMUD's own strategy for sustainable water supplies.

## **SUSTAINABILITY**

### **Economic**

There is no financial impact to the District from adoption of the revised Delta Principles; however, protecting EBMUD's interests in the Delta could yield significant long-term cost savings to the ratepayers.

### **Social**

Adoption of the revised Delta Principles supports the continued viability of the "Delta as Place," for people, homes and businesses, filled with human history, cultural richness and diversity.

### **Environmental**

The Delta Principles advocate that new actions in the Delta must provide enhancements or restoration benefits to improve the Delta environment.

## **ALTERNATIVES**

**Do not adopt the revised EBMUD Delta Principles regarding major delta initiatives.** This alternative is not recommended as the previously adopted principles are out of date and may leave staff without clear Board guidance when participating in public forums and meetings on Delta issues.

## **Attachments**

## **EBMUD Principles Regarding Major Delta Initiatives**

~~April 12, 2011~~ November 8, 2016

## EBMUD PRINCIPLES REGARDING MAJOR DELTA INITIATIVES

The following principles are adopted to assure a healthy Delta ecosystem and to protect EBMUD's infrastructure, water supply reliability, and ecosystem investments in the Sacramento-San Joaquin Delta watershed. These principles address future proposed actions that may include major infrastructure improvements, operational changes, and ecosystem restoration initiatives. These principles do not commit the EBMUD Board to supporting new conveyance in the Delta. They do clarify that if any new conveyance is proposed for the Delta, it should meet certain criteria that will be better satisfied by reducing a range of adverse impacts on the Delta, other stakeholders, and EBMUD's customers.

1. New actions that may be proposed in the Delta must avoid and minimize adverse impacts, and provide enhancements or restoration actions/benefits where needed to ensure that an net improvement to the Delta environment is achieved. Existing infrastructure should also be improved, and operated, and maintained in such a way as to meet this standard.
2. If ~~For any~~ new state conveyance is proposed for the Delta, the analysis should include a full range of facility sizes, components, and operations, as well as provision and financing for robust adaptive management. Any new infrastructure or operational changes in the Delta must not result in unmitigated, redirected impacts to third parties, including EBMUD and its customers. ~~A small isolated facility of 3,000 cfs should be analyzed as it would provide comparable water supply benefits to the export community while better protecting EBMUD's interests in the Delta, as well as many other Delta resources.~~
3. ~~The Delta Stewardship Council's Delta Plan and the Bay Delta Conservation Plan will include an evaluation of various potential improvements to water supply reliability for the State and federal pumping projects in the southern Delta. Prior to any major Delta infrastructure investment, both Plans should demonstrate compliance with the Delta Reform Act's requirement to reduce reliance on the Delta, including the promotion of water conservation, water recycling, conjunctive use and desalination.~~
3. Implementation of new projects or other actions must assure that no unmitigated adverse water supply reliability or water quality impact is imposed upon EBMUD customers, including no new or increased level of health risk.
4. Emergency response plans should be developed for the Delta. The restoration of public water service, which is vital for public health and safety, should be prioritized in such plans. The Sstate should encourage all water purveyors reliant on the Delta to develop contingency plans for continued water service in the event of catastrophic failure of the Delta levee system.

5. Housing developments proposed within a flood inundation zone should be subject to review and approval by the appropriate state and/or local flood management agency(ies) to verify that such developments are located on land that meets a 200- year flood protection standard.
6. Existing legal and regulatory agreements and decisions concerning releases to the Mokelumne River and Delta must be acknowledged and respected. This includes the Joint Settlement Agreement ~~of 1998~~ between EBMUD, the California Department of Fish & Game Wildlife, and the U.S. Fish and Wildlife Service, approved by the Federal Energy Regulatory Commission in 1998 to addressing Mokelumne River flows, which has led to significant fishery improvements; and State Water Resources Control Board Decision D-1641 regarding flow obligations from the Mokelumne River into the Delta.
7. Proposed actions must not diminish the entitlements or increase the financial obligations of EBMUD customers under the existing EBMUD Central Valley Project water service contract and successive renewals, unless consistent with these principles.
8. If the ~~S~~state imposes assessments on owners of land or infrastructure in the Delta for the protection or improvement of the Delta system, EBMUD's annual contributions to local reclamation districts should be formally recognized and fully credited.
9. Long term protection of EBMUD infrastructure in the Delta must be part of any long term plan for reconfiguring Delta islands or constructing a major new water conveyance around or beneath the Delta that would decrease the reliance on existing Delta islands and channels. Recognizing that the Mokelumne Aqueducts are vulnerable to seismic events and flooding in the Delta, EBMUD's long-term, conceptual strategy for protecting its raw water supply is to construct a tunnel across the Delta. Proposed actions must not interfere with EBMUD's future ability to build a Delta tunnel to convey raw water.

~~Implementation of new projects or other actions must assure that no unmitigated adverse water supply reliability or water quality impact is imposed upon EBMUD customers, including no new or increased level of health risk.~~

- ~~8-10.~~ EBMUD customers will only be requested to finance project(s), if any, in proportion to the benefit received and will not be requested to bear costs that benefit others. Assurances and safeguards must be provided in financing mechanisms to avoid any unfair ~~S~~state water tax or fee on EBMUD customers. Parties that propose new facilities in the Delta must be responsible for financing such projects, including mitigation of existing or future environmental impacts.
- 9.11. Use of EBMUD facilities for the benefit of others must not diminish EBMUD water quality, environmental, water supply reliability, operational needs, or recreational benefits unless such impacts are consented to by EBMUD; and its customers are compensated for their substantial investments. Use by other parties of unassigned EBMUD capacity in

Freeport Regional Water Project Facilities shall be in accordance with the Board adopted principles of February 8, 2005, including any future modifications or amendments.

~~Long term protection of EBMUD infrastructure in the Delta must be part of any long term plan for reconfiguring Delta islands or constructing a major new water conveyance around or beneath the Delta that would decrease the reliance on existing Delta islands and channels.~~



**EAST BAY MUNICIPAL UTILITY DISTRICT**

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DATE: November 3, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Richard G. Sykes, Director of Water and Natural Resources *Richard*

SUBJECT: Chevron Recycled Water Contract Negotiations Update

**INTRODUCTION**

EBMUD's current agreement with Chevron for recycled water from North Richmond expires on January 17, 2017. EBMUD and Chevron have met seven times in 2016 to negotiate a new agreement. The goal is to finalize the new agreement before January 2017. Staff will discuss progress of these negotiations at the November 8 Board meeting.

**DISCUSSION**

EBMUD and Chevron jointly developed the North Richmond Recycled Water Project in 1990 to provide a new source of water for Chevron's cooling towers. The original 1990 contract set the recycled water rate as the potable water rate minus Chevron's additional capital and operations and maintenance costs. Originally, the additional operations and maintenance costs were estimated at approximately 18 percent. EBMUD later paid Chevron a lump sum to compensate for their additional capital costs. A 2005 amendment to the agreement set Chevron's current recycled water rate at approximately 50 percent of potable rate, reflecting past operating issues that have since been resolved. Potable water delivered through the North Richmond facility is charged the standard potable water rate.

EBMUD's goal for the new agreement is to update the rate charged for recycled water to reflect the District's standard non-potable water rate of 78 percent of potable, as confirmed in the recent Cost of Service Study (COSS). Additionally EBMUD desires to update the indemnification language and revise water quality parameters to reflect Chevron's current needs.

EBMUD's costs for serving Chevron from the North Richmond facility have averaged approximately 140 percent of the price of potable water between FY06 and FY13. Recycled water subsidies are reasonable because per the COSS, potable water rate payers are receiving the benefit of additional water supply.

As part of the current negotiations, EBMUD has proposed a gradual increase to the standard recycled water rate identified in the COSS. This offer proposes an increase to 65 percent of potable during calendar year 2017, and another increase to the standard rate of 78 percent of

potable in calendar year 2018. The offer also proposes that backup potable water provided from North Richmond will be priced at the current recycled water rate without drought surcharges, effective January 2018, if the District is unable to produce recycled water at North Richmond through no fault by Chevron. Chevron's total demand for recycled water currently exceeds the supply available from West County. During routine operations, potable water backup addition at North Richmond could be significant at up to 1.5 million gallons per day (MGD).

Chevron countered with an offer to pay a recycled water rate of 55 percent of the potable water rate for up to 4 MGD from North Richmond, and 78 percent of the potable water rate for water deliveries above 4 MGD, with backup potable water at the recycled water rate. Chevron is a significant water customer and EBMUD provides Chevron an annual average of 7.5 MGD of recycled water/potable water blend from the North Richmond and Richmond Advanced Recycled Expansion facilities. Chevron and EBMUD have together created the largest industrial reuse project in Northern California, and the District values this partnership and is trying to ease the transition to the standard non-potable rate. The recycled water program is an important part of EBMUD's long-term supply, and ensuring reasonable rates and adequate revenue from non-potable water customers will greatly assist in supporting and expanding this program. A 22 percent discount for a drought resistant supply, treated to specific standards, would be consistent with other recycled water customer rates. Even at the standard non-potable rate, the District will be expending approximately \$0.5 million more per year to operate the North Richmond facility than it receives from Chevron. Other provisions in the agreement are less contentious than the rate and are expected to be resolved in the next few weeks once cost provisions are finalized.

## **NEXT STEPS**

Chevron would like to make a brief presentation to the Board regarding the agreement renewal at the December 13 Board meeting. If a new agreement is not reached and the current agreement expires, EBMUD would continue providing recycled water absent an agreement and the rate for this water would be the standard non-potable water rate in the COSS.

MTT:LHH:acr

## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: November 3, 2016

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager *ARC*

SUBJECT: Monthly Report – October 2016

### HIGHLIGHTS

**On October 5, EBMUD hosted a day-long Green Jobs Summit.** The event was organized by Interfaith Power and Light, a faith-based consortium that is seeking to build a sustainable regional economy. Speakers included Oakland Mayor Libby Schaaf, Assemblymember Tony Thurmond, and representatives from the Sierra Club and City Slicker Farms. The attendees participated in working sessions to discuss barriers and opportunities, policy solutions, and plans for a Green Jobs Fair in early 2017. Approximately 80 people attended.

**Taste and smell update.** San Pablo Water Treatment Plant went into service on Thursday, October 13, operating at its minimum rate of 10 MGD. The plant rate was increased to 15 MGD on October 21 and to 20 MGD on October 26. The water in the San Pablo reservoir is a blend of Mokelumne water and local runoff, and with the cooler temperatures and recent rains, the number of customer calls regarding taste and smell significantly decreased. Since October 13, staff has received twenty-four calls from throughout the service area regarding taste and smell. The District receives about this number of calls in a typical month.

### WATER SUPPLY

**On October 10, the Dublin San Ramon Services District advertised the Request for Proposals for the DERWA Recycled Water Treatment Facilities - Phase 2 Project.** The project includes the construction of a new ballasted flocculation process, expansion of two pump stations, with bid alternates including expansion of the ultraviolet disinfection system. Bids are due on November 15 and the award date is anticipated in early December. The project is jointly funded by DERWA and the City of Pleasanton.

**On October 20 staff participated in part 1B of the CA WaterFix hearings in Sacramento.** Part 1A of the hearings (petitioner's case-in-chief) concluded on September 27. On the same day, the State Water Resources Control Board cancelled their plans to question the petitioners' panels on September 29 and 30. On September 30, staff submitted a response to a motion to exclude portions of the District's testimony from Part 1 of the hearing by San Luis & Delta Mendota Water Authority. On October 7, SWRCB issued their ruling on testimony admissibility for Part 1B (other parties' case-in-chief). As part of this ruling, EBMUD's request to follow the Sacramento Valley Water Users group and to put on a joint panel with SCWA for the reverse flows at Freeport topic was granted. Staff provided testimony during the latter half of October and will continue to do so into early November.

**Precipitation.** The East Bay precipitation for October was 4.49 inches (305% of average) and the season total is 4.49 inches (243% of average). The Mokelumne precipitation for October was 10.51 inches (398% of average) and the season total is 10.79 inches (275% of average).

### ***Water Releases***

**Camanche Reservoir.** The average rate of Camanche release for October was 406 cfs (187 cfs generation, 201 cfs sluice, and 18 cfs through the hatchery), and the average flow below Woodbridge Dam was 291 cfs, both in accordance with the Joint Settlement Agreement (JSA) "Normal & Above" criteria. Declaration of JSA "Normal and Above" year-type for the period through March 2017 was made on October 18, following intense precipitation in the upper Mokelumne watershed from Friday, October 14, through Sunday, October 16, that delivered approximately 18 TAF of true natural flow. Weekly pulse flow fisheries releases are ongoing, and are planned to continue through November 10.

**East Bay Reservoirs.** There were no East Bay reservoir releases in October.

### ***Water Storage***

**Mokelumne reservoirs storage is 109% of average.** As of October 31, 2016, Pardee was at 560.8 feet or 111% of average, and the Camanche was at 215.9 feet or 108% of average. Combined Pardee and Camanche reservoir storage was 472,000 acre-feet compared to 225,000 acre-feet last year.

**East Bay reservoirs storage is 124% of average.** As of October 31, 2016, USL was at 455.8 feet or 139% of average, San Pablo was at 311.0 feet or 138% of average, and Briones was at 574.0 feet or 116% of average. Total terminal reservoir storage was 141,000 acre-feet compared to 113,000 acre-feet last year.

**Mokelumne Aqueducts and raw water pumping plants.** The average rate of Mokelumne Aqueduct draft for October 2016 was 197 MGD. Walnut Creek Raw Water Pumping Plant (RWPP) No. 3 pumped a total of 1,105 MG for the month and was shut down on October 21. Briones RWPP pumped a total of 1,004 MG for the month and was shut down on October 25. Moraga RWPP was started on October 7, shut down on October 21, and pumped a total of 961 MG for the month.

**Water Production.** Average rate of gross water production for October:

	October 2016	October 2015	October 2013	Average of FY 2005-2007
East of Hills	41 MGD	46 MGD	63 MGD	64 MGD
West of Hills	110 MGD	111 MGD	136 MGD	155 MGD
Total	151 MGD	157 MGD	199 MGD	219 MGD
Max Day Productic	183 MGD (10/6/2016)	179 MGD (10/12/2015)	220 MGD (10/7/2013)	

*Note: Data are all from preliminary daily operational reports and are subject to revision*

## **WATER QUALITY AND ENVIRONMENTAL PROTECTION**

**Fall pulse flows were released on October 3, 11, 18, and 25.** As of October 31, the initial return numbers from the series of pulses are approximately 3,000 salmon, compared to 2,300 during the same period in 2015. Overall the earlier series of pulses has achieved the short-term goal of trying to attract early returning salmon into the Mokelumne River. Pulses will continue into the month of November, which is when the vast majority of salmon return. The schedule of pulse flows was agreed upon by the Partnership Coordinating Committee to attract adult salmon into the Mokelumne River.

**On October 3, the Orinda Water Treatment Plant discharged approximately 13.5 million gallons of chlorinated aqueduct water into the San Pablo Creek.** The discharge was the result of a loss of chemical feed from the sodium bisulfite dechlorination system at the plant. The chlorine residual level was very low at 0.1 mg/l to 0.3 mg/l. A root-cause investigation of the feed failure is ongoing. This event was immediately reported to the San Francisco Regional Water Quality Control Board (SF RWQCB), California Department of Fish and Wildlife, and the City of Orinda in accordance with permit requirements. Three creek walk surveys by staff found no impacts to wildlife from the discharge. The SF RWQCB directed the District to include this incident in our annual self-monitoring report to the State Water Resources Control Board (SWRCB), which is due in March 2017 instead of completing a five-day report for the incident. This incident may result in a future enforcement action by the SWRCB.

**Restoration activities at Glen Echo Creek were completed on October 13.** Under the direction of a restoration specialist, approximately nine cubic yards of river rock was strategically placed, to stabilize the creek and prevent bank erosion. Monitoring in the area will continue for a minimum of three years. Revegetation of the slopes is pending due to the natural rebound in the area. The District's restoration biologist will determine if seeding needs to take place by early next year.

**Sandbar removed from San Ramon Creek.** On May 3, 2016, a main break in the Town of Danville near the intersection of Danville Boulevard and El Portal resulted in the formation of a sandbar in the San Ramon Creek. Staff worked with contractors to develop a work plan to hand-remove the sediment. Permits to perform the work were obtained from the San Francisco Regional Water Quality Control Board, Army Corps of Engineers, and California Department of Fish and Wildlife. The sandbar removal work was completed on October 13.

**State Water Resources Control Board (SWRCB) Water Quality Enforcement Policy update.** This policy is the guiding document that prescribes how fines/penalties are calculated by a Regional Water Quality Control Board when discharge violations occur. The proposed changes are likely to result in significantly higher penalties for future enforcement actions. There was very little outreach to stakeholders and many organizations were unaware that updates were in progress. On August 25, 2016, staff sent a letter on behalf of the District requesting that the SWRCB extend the formal comment period and initiate a robust stakeholder process so that staff can actively participate in developing a fair policy that works for all parties. The comment period was extended to October 18. Staff worked with our Region 2 partner agencies (including water, wastewater and stormwater representatives), the Association of California Water Agencies, and the California Water Association to prepare comments on the draft policy which were submitted by the deadline.

**On October 24, staff attended a ribbon-cutting ceremony at the Interstate I-80 Pinole Creek Fish Passage Project.** The project modified the culvert to improve fish passage during most flows. Staff assisted with monitoring and fish relocations during project construction and will assist with monitoring to determine the effectiveness of the project. Completion of this project will help EBMUD meet goals of its Low-Effect East Bay Habitat Conservation Plan for sustainable steelhead populations in the Pinole Creek watershed.

**All authorized discharges from the Main Wastewater Treatment Plant (MWWTP) were in compliance with the permit limits for the month of October.** This is the 206<sup>th</sup> consecutive month that the MWWTP experienced no exceedances.

**During the storms on October 14-16, wet weather inflows peaked at 170 million gallons per day.** Staff effectively managed the peak flows using only the wet weather storage basin at the MWWTP. The Oakport, Point Isabel, and San Antonio Creek wet weather facilities were not activated during the storm and no blending was done at the MWWTP.

**The MWWTP received two odor reports in October.** Staff investigations confirmed that the plant was the likely source for both reports. The first report was related to failure to return sodium hypochlorite dosing to pre-storm concentration levels after the storms ended on October 16. The odor issue was resolved when dosing was increased. The second report was related to preparations for a plant shutdown. Preparation activities caused an increase in hydrogen sulfide levels at the influent pump station (IPS) which exceeded the capacity of the existing odor scrubber at the facility. Construction of the new IPS odor scrubber should alleviate future incidents like this; in the interim, staff will make changes to equipment operation during similar plant shut down preparations to help mitigate potential odor problems.

**The District received two Notices of Violations from the Bay Area Air Quality Management District (BAAQMD) regarding two separate instances of exceeding the hydrogen sulfide (H<sub>2</sub>S) limit specified in the District's Title V Air Permit with the Environmental Protection Agency.** The exceedances occurred on Wednesday, August 18 and Thursday, August 25, 2016. Staff investigated the occurrences and believes they were related to ferric chloride dosing but was unable to confirm the cause. More aggressive ferric chloride dosing to reduce H<sub>2</sub>S formation in the digesters has been instituted to reduce future exceedances. These incidents may result in fines.

**The North Richmond Water Reclamation Facility (NRWRF) continues to provide potable water to the Chevron refinery for use in Chevron's cooling towers.** Because the West County Wastewater District (WCWD) is operating with a single aeration basin until around the end of November, its effluent does not meet the water quality required by the NRWRF to reliably produce recycled water. Staff met with WCWD staff on October 19 to continue drafting new terms for an agreement between WCWD and the District for WCWD to provide a reliable, consistent effluent water quality that will allow the District to maximize its production of recycled water from the NRWRF.

**The District and the Bay Area Clean Water Agencies submitted comments in response to the California Environmental Laboratory Accreditation Program (ELAP) plans to replace the current ELAP regulations with the National Environmental Laboratory Accreditation Council (NELAC) Institute's 2016 standards for laboratories.** The comments were submitted on October 19 to the State Water Resources Control Board (SWRCB) and requested a partial adoption of the NELAC Institute standards. The comments expressed support for the adoption of those elements that are expected to improve data quality while excluding elements that would place unnecessary administrative burdens and increased costs on laboratories but would not result in any demonstrable data quality improvements. Once finalized, the plan will take effect in 2018.

## **INFRASTRUCTURE INVESTMENT**

**On October 4, staff worked 10pm – 5am to complete the installation of two hydrants for the Ygnacio Valley Road project in Walnut Creek.** Multiple crews worked in front of the Walnut Creek BART Station afterhours to mitigate noise and traffic impacts to the neighborhood.

**On October 10, staff completed the installation and startup testing of a pilot ultraviolet (UV) disinfection system at Rolph Reservoir.** UV treatment is a chemical-free process that could improve water quality in distribution reservoirs such as Rolph, where water age and nitrification is an issue. If the six-month pilot UV treatment improves the reservoir's water quality, the data collected from this pilot will help determine a long-term plan to improve water quality in the future in portions of our distribution system.

**On October 11, staff responded to a power failure at Oak Knoll Pumping Plant.** The plant lost electrical power due to the failure of a transformer fuse. Staff closely coordinated with PG&E to quickly locate and install new fuses. A high level of interagency collaboration with PG&E solved this problem and prevented the equipment failure from impacting District customers.

**On October 12 and 13, staff and the District's consultant completed the pilot investigation of voids within the aqueduct levee crossing at Woodward Island.** The investigation confirmed the presence of voids that had previously been detected by non-invasive geophysical surveys at all the levee crossings. The voids could lead to piping and material erosion at these crossings. Based on this information, the District will develop plans to safely grout the levees.

**On October 13, staff completed the cost sharing paving restoration program with the City of Oakland on Wakefield Avenue.** The City provided four hundred tons of asphalt and District staff completed the curb-to-curb paving restoration of approximately 1,000 feet of roadway.

**On October 18, staff with technical assistance from the United States Geological Survey (USGS) staff completed the installation of five seismographs on top of and within the gallery of Pardee Dam.** The seismographs record earthquake ground motions and provide valuable scientific information to assist in understanding earthquake forces and are used in evaluating structures. The data is collected directly by USGS and made available to the District and the scientific community. Similar installations have been completed at San Pablo and Upper San Leandro dams and as part of the current Chabot Dam Seismic Upgrade work.

**The MWWTP Primary Sedimentation Tanks/Influent Channels Rehabilitation (Phase 3) and Aerated Grit Tank Modifications Project requires an increase to the construction change order contingency.** The original contract was awarded to Manito Construction, Inc. in April 2015 for \$4,796,400. A change order for \$141,000 is required and represents a 2.9 percent increase to the contract amount with change orders to date totaling \$427,000 (8.8%). The projected final contract amount is \$5,270,000. During construction, additional piping in the aerated grit tank influent and effluent channels was found to be corroded and in need of repair. These areas were not accessible for inspection during the project design phase. To avoid further deterioration, cleaning and recoating the pipe was necessary prior to returning the tanks to service.

**Summit Reservoir and Shasta/Woods Pumping Plant Replacement project update.** The new pumping plant concrete roof has been constructed and the walls of the new 3.5 million-gallon concrete tank are under construction. Construction of the new inlet/outlet pipeline in the easement between residences on Vassar Avenue is underway. The temporary inlet/outlet pipeline tie-in will be complete in early November.

**Chabot Dam Seismic Upgrade project update.** A number of issues delayed the start of the cement deep soil mixing (CDSM) work but were resolved and the CDSM production work started in mid-October. This work is expected to be completed in mid-November followed by grading and site restoration of the dam face. The seepage collector trench was also completed in early October. The seepage carrier trench work and outlet works replacement will start in November.

**Orinda Water Treatment Plant Reliability and Maintenance project update.** The contractor completed cutover of the communication lines around effluent vault No. 1; completed stair demolition at the bifurcation vault in the filter gallery; and constructed the retaining wall around the new power building. Work continues on the excavation and shoring for the new flow meter vault adjacent to effluent vault No. 1. Filter No. 15 underdrains have been installed and the contractor is working on the stainless steel air piping. Outage work is scheduled to begin in November. Staff continued stakeholder outreach via Nextdoor regarding source water changes potentially affecting the taste and smell of tap water. Notifications were also prepared for Claremont Center area residents who will see increased creek flows during Claremont Tunnel dewatering.

**Main breaks in October totaled 104.** The attached table lists the main breaks that were repaired by staff in October, sorted by city and street. The associated map shows the location of the breaks.

## **CUSTOMER AND COMMUNITY SERVICES**

**More customers are transitioning to the District's new online bill pay service provider.** Staff attributes the increase to the reduced fee offered by Kubra for one-time payments. Customers have expressed their appreciation and thanks for the lower fees and the upgrade to the new vendor. At this time, the transition to Kubra is nearly complete with more than 20,000 transactions in September.

**On October 7, staff presented information on EBMUD recycled water systems and proper recycled water use to 60 ResScape CA trainees.** Trainees were civic and commercial landscaping professionals undergoing certification for the Bay Friendly program.

**On October 9, seventeen Cal Berkeley students and three California Native Plant Society team leaders pulled invasive scattergrass at Syline Gardens.** The students are members of the campus Rotaract (Rotary in Action) club. The gardens are an area of botanically sensitive native plants on District property located above Cal Shakes. The District became aware of the scattergrass during the East Bay Watershed Master Plan update process.

**On October 12, District staff attended a meeting of the Association of Bay Area Governments (ABAG) Regional Planning Committee (RPC), Infrastructure Subcommittee to provide input on the development of a Regional Lifelines Council.** In 2014, ABAG's Executive Board and the RPC supported the formation of a Regional Lifelines Council to address vulnerabilities in the region's infrastructure systems. A "lifelines council" is an organization that assists stakeholders in strengthening collaboration among local governments and public and private infrastructure utilities. ABAG proposed two issues as the most appropriate for consideration by a Regional Lifelines Council: water demand in relation to regional growth projections over the next thirty years, and water service continuity after earthquakes and other disruptions. As a part of these efforts, on November 10, District staff will also participate on a symposium panel to discuss the challenge of providing water after an earthquake.

**Bishop Ranch recycled water pipeline update.** By October 16, staff completed installation of 18 recycled water service laterals and meters. The next installations are scheduled to take place along Bollinger Canyon Road to serve mainly San Ramon's street landscaping and Coyote Creek Park.

**On October 19, staff participated in a functional exercise on 7<sup>th</sup> Street in Berkeley to practice emergency response and communications.** The scenario involved multi-agency coordination and simulated heavy media and public presence. Staff alerted local residents, Berkeley staff, appropriate elected officials and civic leaders in advance of the exercise activity.

**On October 21, staff responded to a 16" main break on Montana Street in Oakland.**

The break interrupted traffic on the I-580 westbound freeway onramp during commute hour, flooded 10 properties and prompted significant media coverage. The break was isolated within 2 hours of the first call to the District, and water service was restored by midnight, but clean-up of affected properties continues. Staff provided media updates for every Bay Area media outlet throughout the day and weekend.

**Leland Reservoir Replacement Project.** The comment period for the Notice of Preparation of the Environmental Impact Report (EIR) ended on September 30. The District received six comment letters. The comments related to street repaving; pipeline construction impacts to parking, access to driveways, haul routes, traffic delays, pedestrian safety, street trees, private landscaping, and sewer laterals; tree removal and replacement at Leland Reservoir; reservoir construction-related impacts (i.e. noise, dust, traffic and haul routes) near the school and on Highway 24; and potential hazardous materials on the site. All comments will be addressed in the Draft EIR. Staff will present on the project to the Lafayette City Council at 7:00 p.m. on Monday, November 14.

**Moraga landslide outreach.** Staff updated community members about the planned installation of tarps at the landslide site, and is developing updated talking points for use with the media and correspondence with residents.

**November/December Customer Pipeline.** The *Pipeline* will mail in November and includes information regarding the Orinda Water Treatment Plant Improvements Project, reminders that flushable wipes are not flushable, a last call for toilet and clothes washer rebates, and an invitation to participate in Main Wastewater Treatment Plant tours.

**A new interactive map is available on ebud.com for customers to locate District construction in their neighborhoods.** The map contains planned, active and completed water system improvements and a layer that shows ward boundaries. It does not include water system emergencies. The ward boundary layer will also be added to the map located on the “Your Board members” section of the website.

**Media.** Staff responded to 23 media calls, including multiple inquiries about the main break at Grant St. and University Ave. in Berkeley, an in-depth story about water quality and chromium 6, and questions about changes in taste and smell.

**Social Media.** The Twitter post that received the highest impressions (3,235) in October involved the emergency main break on Grant St. and University Ave. in Berkeley. Staff also commemorated the 27<sup>th</sup> anniversary of the Loma Prieta earthquake with a week of tweets on emergency water storage and earthquake preparedness.

On October 13, staff posted the District’s initial introduction to Nextdoor and a second post targeted to specific neighborhoods in the Richmond, Albany, El Cerrito, Berkeley, Emeryville, and Oakland areas focused on operational adjustments related to the Orinda WTP upgrade and source water changes. The introductory post has received over 500 “Thanks” from neighbors. On October 20, a second post regarding the Orinda WTP upgrade was issued to additional areas impacted by the operational changes.

### **Contract Equity Outreach**

**Contract Equity staff participated in the following outreach activities:**

- **On October 4, the California Public Utilities Commission and Frontier Communications hosted the CPIC/Frontier Fresno Small Business Expo, Fresno.** The expo connected women, minority and disabled veteran-owned small businesses with corporations and government agencies. Staff informed participants of upcoming contracting opportunities, the Contract Equity Program and the small business incentives program during one-on-one matchmaking sessions. Approximately 250 participants attended.
- **On October 8, 15, and 22, EBMUD partnered with Alameda County Public Works Agency to host its first Construction Contractors Academy Series 1, Oakland.** The three sessions provided information on general public works’ administration and estimating and bidding strategies. Practical tools and methods were discussed to enhance small construction firms’ business expertise to effectively compete for public works contracts. Twenty-six people attended.

- **On October 14, the San Francisco Public Utilities Commission held its 3<sup>rd</sup> Annual Women in Construction Expo, San Francisco.** The expo connected women, minority and disabled veteran-owned small businesses with corporations and government agencies. Staff participated on a panel to discuss opportunities for women-owned construction and professional services firms. Participants received information on upcoming contracting opportunities and on how to do business with the District. Approximately 300 participants attended.
- **On October 18, Turner Construction Company hosted its Turner School of Construction Management Series' Resources Night , Oakland.** Staff gave a presentation on the Contract Equity Program, upcoming contract opportunities, and how to do business with EBMUD. Fifteen local small business owners attended.

**Staff participated in the following business community events:**

- October 7 - Oakland African American Chamber of Commerce 13th Annual Business and Scholarship Awards Luncheon, Oakland (350 attendees)
- October 13 - Women Construction Owners & Executives, California Chapter Leadership Conference, San Francisco (30 attendees)
- October 21 - Asian, Inc. and Minority Business Development Agency 45th Annual Gala "Own Your Future" San Francisco (300 attendees)

**Diversity and Inclusion**

**On October 29, staff attended Civic Pride Inc.'s 2016 Youth Leadership Conference in Oakland.** This event included workshops and leadership development for students to explore a roadmap to become college and career ready. Staff discussed District career pathways, possible internship opportunities through our summer internship with local partner organizations and the Civil Service Exam process. Participation in this event supports the District's long-term efforts to represent the District in the community, develop a diverse pipeline of candidates for future workforce needs, develop collaborative relationships with local partner organizations, and to provide positive role models within the local community.

**Water Conservation Outreach**

**Water Conservation staff participated in the following customer events:**

**In October, the Danville Creekside Apartments signed on as the first participant in the EBMUD WaterSmart on-bill financing pilot program.** Water-efficient toilets, showerheads, and kitchen and bath faucet aerators were installed within the 32-unit apartment complex. The projected additional water savings as a result of this first installation is 97,210 gallons annually.

**On October 20, staff participated in the State Water Resources Control Board and California Department of Water Resources Urban Advisory Group (UAG) meeting in Sacramento.** The District is a member of the statewide UAG that met between August and October 2016 to formulate specific input to the state agencies on establishing long-term water use efficiency standards and targets as directed by the Governor's Executive Order B-37-16.

The first draft will be presented to the UAG on November 14. A formal public draft on future long-term water efficiency regulations is scheduled for January 10, 2017.

**On October 22, in partnership with the California Department of Water Resources, Green Gardens Group, Association of Professional Landscape Designers, and the Contra Costa Water District, the District hosted a full-day workshop in Oakland on the watershed approach to landscaping.** The workshop included hands-on exercises for designing landscapes to capture and retain rainwater, improving soil health, and conceptualizing the garden as a mini-watershed. One hundred people were in attendance.

**On October 23, staff participated in the Friends of Sausal Creek 11<sup>th</sup> Annual Native Plant Sale and Open House in Oakland.** In addition to hosting a table and providing water-efficient gardening information, the District's sponsorship contributed to the installation of 36 permanent aluminum plant signs in the nursery's native plant demonstration garden. The garden was originally created through funding from a 2008 EBMUD WaterSmart Garden Grant. Approximately 300 people attended this event.

**Staff participated in the following outreach activities:**

- October 8 - Rodeo Chamber of Commerce Chili Cook-Off & Car Show in Rodeo, CA (1,000 attendees)
- October 15 - Partnered with Alameda County Master Gardeners, Oakland Public Library, Oakland (30 attendees)
- October 17 - Boy Scout Troup 225, Walnut Creek (25 scouts attended)
- October 28 - ACERA Alameda County Employees' Retirement Association, Alameda (500 attendees)

**WORKFORCE PLANNING AND DEVELOPMENT**

**On October 13, staff participated in a one-day tour of the coatings test laboratory at the Metropolitan Water District of Southern California.** The staff is part of the District's Coating Committee which is working to expand the list of approved coating materials used by the District.

**Tuition Reimbursement**

	<b>October 2016</b>	<b>FY17 Total</b>
# of Employees	8	59
# of Classes	8	84
Total Reimbursed	\$2,584	\$54,916

### Employment Information

	October 2016	FY17 Total
Retirements – Regular	4	29
Retirements – Vested	0	4
Hires	15	79
Other Separations	7	30

### FINANCIAL STABILITY

**There was one material, supply or construction contract over \$70,000 and less than \$100,000 approved by the General Manager in October 2016.**

VENDOR NAME	DATE AWARDED	CEP STATUS	PROJECT	CONTRACT TERM	VALUE
Security Engineers	10/24/16	SBE	Construction of electrical improvements at Fleet Maintenance East Facility	9/7/16-11/28/16	\$93,000

**The net Mokelumne power revenue for October was \$209,212.** Inflows into Pardee Reservoir for October were 125 percent of plan and generation was 80 percent of plan. The District sold renewable power and related Renewable Energy Credits to Marin Clean Energy (MCE) under the Power Purchase Agreement. MCE will continue to purchase all of the District's hydro-generation in calendar year 2016. Sales of resource adequacy capacity to Shell Energy North America generated \$11,000 in revenue. The average electricity price was \$32/MWh. Total net revenue for FY17 is an estimated \$590,328 which is 16.9 percent of budgeted \$3,500,000.

FY17	Net Revenue		Inflow (Acre Feet)	
	Plan	Actual	Plan	Actual
August-16	\$302,020	\$199,461	29,600	28,572
September -16	\$256,720	\$90,160	28,900	25,946
<b>October-16</b>	\$271,620	<b>\$209,212</b>	30,100	<b>37,704</b>
<b>FY17 YTD Total</b>	\$1,082,700	<b>\$590,328</b>	118,700	<b>119,707</b>

***Bold items are estimated***

### Water Sales

The following consumption information is the average water consumption in million gallons per day (MGD) based on the first three months of the year for FY17. The budgeted average daily water consumption for the fiscal year is 151 MGD.

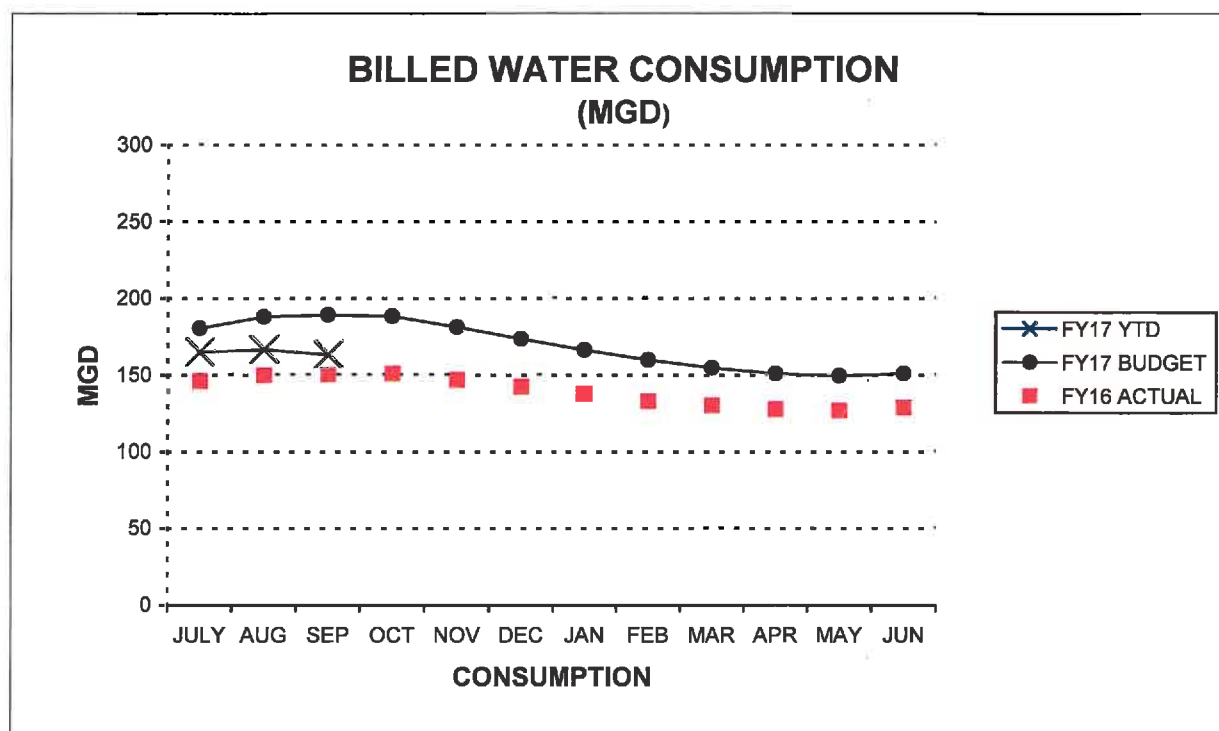
The table below details the billed water consumption information by customer class with a comparison to FY16 data from the same period of time. Overall actual billed water consumption for FY17 through September 2016 was 163.4 MGD.

Year To Date Billed Water Consumption		
Usage Type (FY17 vs. FY16)	FY17 (MGD)	FY16 (MGD)
Residential (16.0% higher than FY16)	84.0	72.4
Commercial (7.1% higher than FY16)	55.7	52.0
Industrial (13.5% lower than FY16)	16.0	18.5
Public Authority (11.6% higher than FY16)	7.7	6.9
<b>Total Billed Water Consumption (9.1% higher than FY16)</b>	<b>163.4</b>	<b>149.8</b>

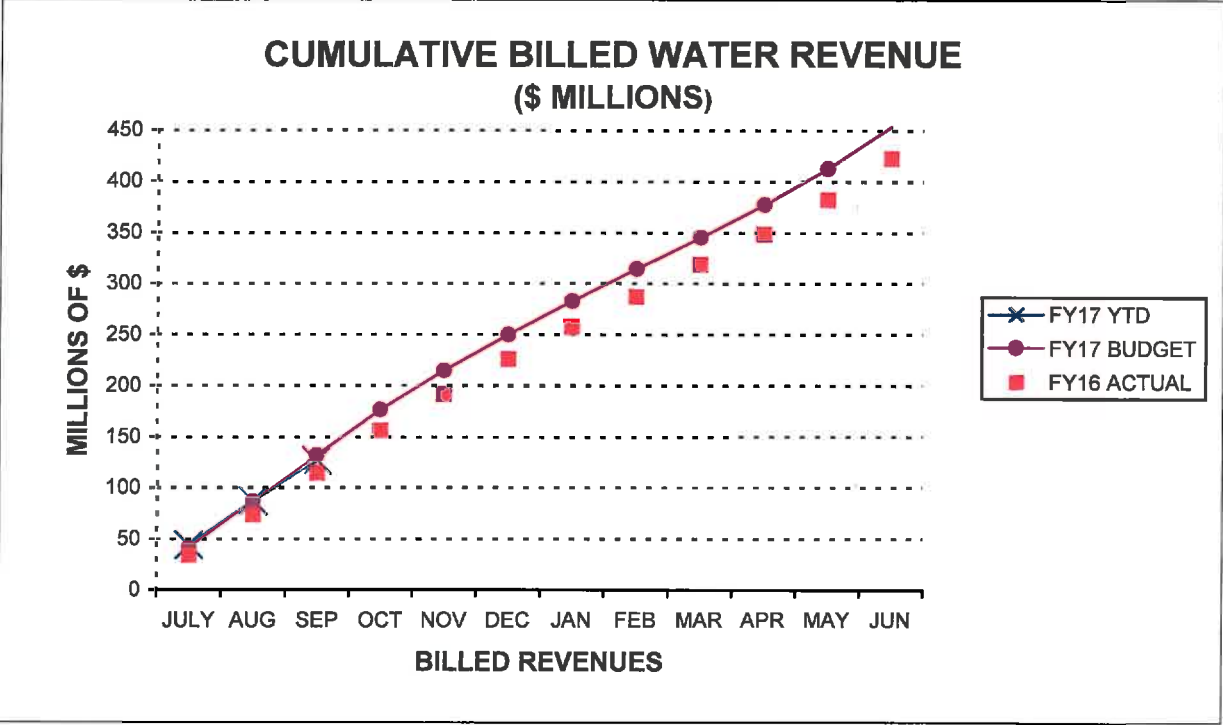
Water revenues billed for the fiscal year through September were \$126.5 million or 10.8% more than the FY16 revenue for September of \$114.2 million. This increase reflects the net impact of higher consumption and the 7% FY17 rate increase. Total water revenues through September are down \$5.4 million or 4.1% year-to-date compared to the budgeted water revenue. Note that total water revenues include the prorated drought surcharge revenue from the July and August billing cycles for consumption from May and June 2016.

Year to Date Billed Water Revenue		
Usage Type	FY17 Actual Revenue (\$ M)	FY17 Budgeted* Revenue Seasonally Adjusted (\$ M)
Normal Water Revenue	\$120.9	\$131.9
Drought Surcharge Revenue	\$5.6	-
Drought Excessive Use Penalty Revenue	\$0.0	-
<b>Total Billed Water Revenue</b>	<b>\$126.5</b>	<b>\$131.9</b>

\*Based on the estimated water sales for 151 MGD annual water use under normal seasonal water use patterns.



Source: Customer Information System



Source: Customer Information System

October 2016 Main Breaks											
	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gals)	Identified Cause	Completed On	KPI Met?
1	ALAMEDA		BARBERS POINT	RD	ASBESTOS CEMENT	3.00	Unknown	43,200	10/21/2016	10/26/2016	Yes
2	ALAMEDA		BARBERS POINT	RD	ASBESTOS CEMENT	6.00	Unknown	9,000	10/21/2016	10/22/2016	Yes
3	ALAMEDA		CLEMENT	AVE	CAST IRON	8.00	1886	1,800	10/19/2016	10/19/2016	Yes
4	ALAMO		ALAMO GLEN	DR	NON METALLIC / PLASTIC	6.00	1989	7,200	10/19/2016	10/19/2016	Yes
5	ALAMO		BOLLA	AVE	ASBESTOS CEMENT	6.00	1959	900	10/7/2016	10/7/2016	Yes
6	ALAMO		FALLBROOK	DR	ASBESTOS CEMENT	6.00	1978	2,880	10/5/2016	10/5/2016	Yes
7	ALAMO		FINLEY	LN	ASBESTOS CEMENT	6.00	1961	900	10/18/2016	10/18/2016	Yes
8	ALBANY		ADAMS	ST	CAST IRON	4.00	1933	10,080	10/12/2016	10/18/2016	Yes
9	BERKELEY		10TH	ST	ASBESTOS CEMENT	6.00	1950	4,500	10/3/2016	10/3/2016	Yes
10	BERKELEY		CHANNING	WAY	CAST IRON	8.00	1940	17,280	10/25/2016	10/26/2016	Yes
11	BERKELEY		CLAREMONT	BL	ASBESTOS CEMENT	6.00	1955	4,320	10/12/2016	10/14/2016	Yes
12	BERKELEY		CRAGMONT	AVE	CAST IRON	6.00	1931	180	10/18/2016	10/18/2016	Yes
13	BERKELEY		DELAWARE	ST	CAST IRON	6.00	1927	18,000	10/26/2016	10/27/2016	Yes
14	BERKELEY		DWIGHT	WAY	CAST IRON	8.00	1931	5,400	10/15/2016	10/16/2016	Yes
15	BERKELEY		LE CONTE	AVE	CAST IRON	4.00	1926	36,000	10/21/2016	10/25/2016	Yes
16	BERKELEY		SOUTHAMPTON	AVE	STEEL	2.00	1924	11,520	10/10/2016	10/17/2016	Yes
17	BERKELEY		UNIVERSITY	AVE	CAST IRON	12.00	1933	18,000	10/4/2016	10/5/2016	Yes
18	CASTRO VALLEY		SOMERSET	AVE	STEEL	12.00	1950	81,000	10/10/2016	10/11/2016	Yes
19	DANVILLE		DOLPHIN	DR	ASBESTOS CEMENT	8.00	1974	900	10/18/2016	10/18/2016	Yes
20	DANVILLE		DONNA	LN	ASBESTOS CEMENT	6.00	1951	5,760	10/2/2016	10/3/2016	Yes
21	DANVILLE		LAS BARRANCAS	DR	ASBESTOS CEMENT	6.00	1969	99,000	10/30/2016	10/30/2016	Yes
22	DANVILLE	W	LINDA MESA	AVE	ASBESTOS CEMENT	6.00	1960	5,400	10/4/2016	10/5/2016	Yes
23	DANVILLE	W	LINDA MESA	AVE	ASBESTOS CEMENT	6.00	1961	900	10/12/2016	10/12/2016	Yes
24	DANVILLE		MISSION	PL	ASBESTOS CEMENT	6.00	1981	1,170	10/12/2016	10/12/2016	Yes
25	DANVILLE		POWHATTAN	CT	ASBESTOS CEMENT	6.00					Yes
*KPI = turn around time to repair the leak											

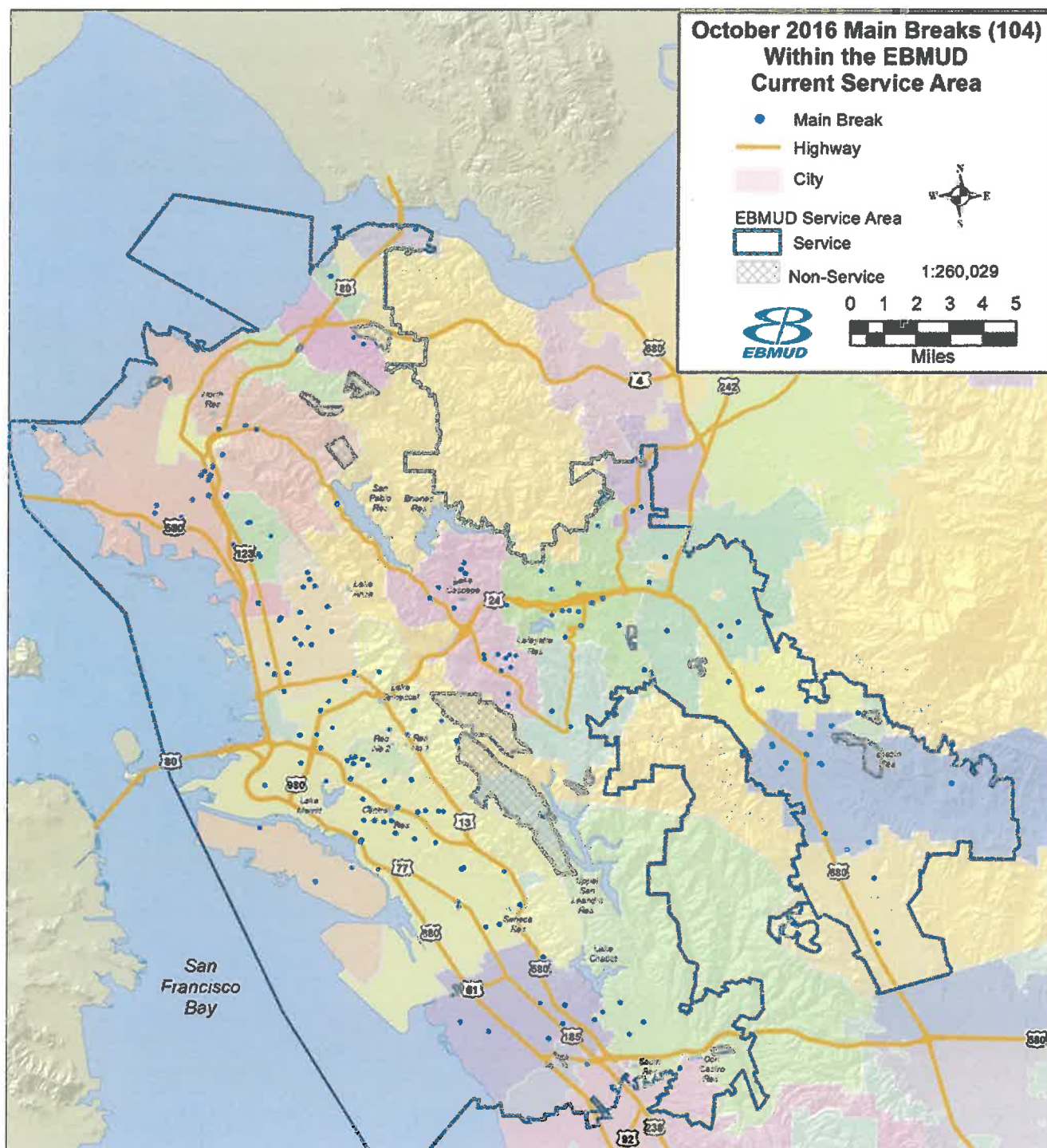
\*KPI = turn around time to repair the leak

October 2016 Main Breaks											
	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gals)	Identified Cause	Completed On	KPI Met?
26	EL CERRITO		NORVELL	ST	CAST IRON	4.00	1938	17,280	10/6/2016	10/8/2016	Yes
27	EL CERRITO		NORVELL	ST	CAST IRON	6.00	1946	18,000	10/16/2016	10/16/2016	Yes
28	EL CERRITO		PLANK	CT	CAST IRON	4.00	1954	12,960	10/2/2016	10/10/2016	No
29	EL CERRITO		ROGER	CT	ASBESTOS CEMENT	6.00	1955	45,000	10/2/2016	10/2/2016	Yes
30	EL CERRITO		SHEVLIN	DR	STEEL	4.00	1954	1,440	10/10/2016	10/10/2016	Yes
31	HAYWARD		BAYVIEW	AVE	CAST IRON	10.00	1945		10/7/2016	10/13/2016	Yes
32	HAYWARD	E	LEWELLING	BL	CAST IRON	16.00	1945	7,200	10/21/2016	10/25/2016	Yes
33	HERCULES		SUNFLOWER	CT	ASBESTOS CEMENT	6.00	1978	8,640	10/4/2016	10/6/2016	Yes
34	HERCULES		VIOLET	RD	ASBESTOS CEMENT	6.00	1976	5,760	10/18/2016	10/21/2016	Yes
35	LAFAYETTE		BELL	ST	CAST IRON	2.00	1946	1,800	10/18/2016	10/18/2016	Yes
36	LAFAYETTE		GLORIA	TER	ASBESTOS CEMENT	6.00	1958	14,400	10/2/2016	10/3/2016	Yes
37	LAFAYETTE		MIDDLE	RD	ASBESTOS CEMENT	6.00	1975	13,500	10/5/2016	10/6/2016	Yes
38	LAFAYETTE		MOSSWOOD	DR	CAST IRON	4.00	1947	5,760	10/4/2016	10/7/2016	Yes
39	LAFAYETTE		PANORAMA	DR	CAST IRON	6.00	1948	23,040	10/12/2016	10/19/2016	Yes
40	LAFAYETTE		ROHRER	DR	STEEL	16.00	1965	33,120	9/11/2016	10/3/2016	No
41	LAFAYETTE		ROHRER	DR	STEEL	16.00	1965	21,600	10/3/2016	10/5/2016	Yes
42	LAFAYETTE		SILVER SPRINGS	RD	ASBESTOS CEMENT	8.00	1955	1,800	10/15/2016	10/15/2016	Yes
43	OAKLAND		13TH	AVE	CAST IRON	6.00	1908	180	10/11/2016	10/11/2016	Yes
44	OAKLAND	E	25TH	ST	CAST IRON	4.00	1933	4,500	10/7/2016	10/7/2016	Yes
45	OAKLAND		79TH	AVE	CAST IRON	12.00	1924	1,800	10/8/2016	10/8/2016	Yes
46	OAKLAND		41ST	ST	ASBESTOS CEMENT	6.00	1968	2,700	10/29/2016	10/30/2016	Yes
47	OAKLAND		AMY	DR	CAST IRON	6.00	1924	10,080	10/6/2016	10/12/2016	Yes
48	OAKLAND		BONA	ST	CAST IRON	4.00	1941	0	9/21/2016	10/4/2016	Yes
49	OAKLAND		CANNING	ST	CAST IRON	6.00	1936	450	10/30/2016	10/31/2016	Yes
50	OAKLAND		COVINGTON	ST	CAST IRON	4.00	1940	34,560	10/19/2016	10/24/2016	Yes

October 2016 Main Breaks											
	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified Cause	Completed On	KPI Met?
	51 OAKLAND		GRAND	AVE	CAST IRON	6.00	1938	18,000	9/30/2016	10/1/2016	Yes
	52 OAKLAND		GRAND	AVE	CAST IRON	8.00	1931	20,160	10/12/2016	10/25/2016	No
	53 OAKLAND		GRAND VIEW	DR	CAST IRON	6.00	1953	1,350	10/24/2016	10/24/2016	Yes
	54 OAKLAND		INTERNATIONAL	BL	ASBESTOS CEMENT	8.00	1960	5,400	10/6/2016	10/6/2016	Yes
	55 OAKLAND		INTERNATIONAL	BL	ASBESTOS CEMENT	8.00	1956	5,400	10/30/2016	10/30/2016	Yes
	56 OAKLAND		LANCASTER	ST	CAST IRON	6.00	1910	1,350	10/19/2016	10/20/2016	Yes
	57 OAKLAND		LAWTON	AVE	CAST IRON	6.00	1937	2,250	10/3/2016	10/3/2016	Yes
	58 OAKLAND	W	MACARTHUR	BL	CAST IRON	4.00	1935	28,800	10/28/2016	10/31/2016	Yes
	59 OAKLAND		MAPLE	AVE	CAST IRON	6.00	1923	5,400	10/9/2016	10/9/2016	Yes
	60 OAKLAND		MCKINLEY	AVE	CAST IRON	6.00	1924	1,440	10/19/2016	10/19/2016	Yes
	61 OAKLAND		MONTANA	ST	CAST IRON	6.00	1932	27,000	10/21/2016	10/22/2016	Yes
	62 OAKLAND		NEVIL	ST	CAST IRON	6.00	1952	2,700	10/19/2016	10/20/2016	Yes
	63 OAKLAND		NORTON	AVE	CAST IRON	4.00	1940	0	9/26/2016	10/4/2016	Yes
	64 OAKLAND		PLYMOUTH	ST	CAST IRON	6.00	1938	5,400	10/8/2016	10/8/2016	Yes
	65 OAKLAND		SHIRLEY	DR	CAST IRON	6.00	1940	50,400	9/28/2016	10/4/2016	Yes
	66 OAKLAND		SPRINGFIELD	ST	CAST IRON	2.00	1941		10/26/2016	10/27/2016	Yes
	67 OAKLAND		VERNON	ST	ASBESTOS CEMENT	6.00	1956	630	10/5/2016	10/5/2016	Yes
	68 OAKLAND		WICKSON	AVE	CAST IRON	6.00	1941	5,760	10/17/2016	10/20/2016	Yes
	69 ORINDA		BROOKBANK	RD	CAST IRON	2.00	1936	1,080	10/5/2016	10/5/2016	Yes
	70 ORINDA		CAMINO PABLO		STEEL	12.00	1968	0	10/20/2016	10/21/2016	Yes
	71 ORINDA		CAMINO SOBRANTE		CAST IRON	6.00	1934	3,600	10/27/2016	10/27/2016	Yes
	72 ORINDA		CHARLES HILL	CIR	CAST IRON	4.00	1939	2,880	10/13/2016	10/14/2016	Yes
	73 ORINDA		CHARLES HILL	CIR	CAST IRON	4.00	1939	3,600	10/18/2016	10/19/2016	Yes
	74 ORINDA		IRVING	LN	CAST IRON	6.00	1946	2,250	10/1/2016	10/1/2016	Yes
	75 ORINDA		VALLEY	DR	ASBESTOS CEMENT	6.00	1965	2,250	10/23/2016	10/23/2016	Yes

October 2016 Main Breaks											
	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified Cause	Completed Or	KPI Met?
76	ORINDA		VALLEY VIEW	DR	CAST IRON	8.00	1948	7,200	9/29/2016	10/3/2016	Yes
77	ORINDA		VISTA DEL MAR		ASBESTOS CEMENT	6.00	1958	11,520	10/13/2016	10/20/2016	Yes
78	PIEDMONT		GRAND	AVE	CAST IRON	6.00	1938	17,280	9/29/2016	10/10/2016	No
79	PIEDMONT		MACKINNON	PL	CAST IRON	2.00	1941	2,700	10/29/2016	10/29/2016	Yes
80	PIEDMONT		RANLEIGH	WAY	CAST IRON	6.00	1930	10,080	9/30/2016	10/6/2016	Yes
81	PIEDMONT		SUNNYSIDE	AVE	CAST IRON	12.00	1933	90,000	10/22/2016	10/23/2016	Yes
82	RICHMOND	S	12TH	ST	CAST IRON	6.00	1934	4,500	10/27/2016	10/27/2016	Yes
83	RICHMOND		13TH	ST	CAST IRON	4.00	1945	450	10/5/2016	10/5/2016	Yes
84	RICHMOND		42ND	ST	CAST IRON	4.00	1952	10,080	10/20/2016	10/26/2016	Yes
85	RICHMOND		42ND	ST	CAST IRON	4.00	1952		10/31/2016	10/31/2016	Yes
86	RICHMOND	S	58TH	ST	CAST IRON	6.00	1938	2,880	10/17/2016	10/18/2016	Yes
87	RICHMOND	S	27TH	ST	ASBESTOS CEMENT	6.00	1958	4,500	10/2/2016	10/2/2016	Yes
88	RICHMOND		ESMOND	AVE	CAST IRON	6.00	1929	2,700	10/16/2016	10/16/2016	Yes
89	RICHMOND		GARVIN	AVE	CAST IRON	4.00	1933	4,500	10/14/2016	10/15/2016	Yes
90	RICHMOND		MACDONALD	AVE	CAST IRON	6.00	1934	45,000	10/26/2016	10/27/2016	Yes
91	RICHMOND		MCBRYDE	AVE	CAST IRON	6.00	1936	9,000	10/16/2016	10/16/2016	Yes
92	RICHMOND		WESLEY	WAY	CAST IRON	6.00	1951	5,400	10/24/2016	10/24/2016	Yes
93	RICHMOND		WESTERN	DR	CAST IRON	8.00	1939	2,250	10/19/2016	10/19/2016	Yes
94	SAN LEANDRO		141ST	AVE	CAST IRON	6.00	1942	9,000	10/11/2016	10/11/2016	Yes
95	SAN LEANDRO		153RD	AVE	CAST IRON	4.00	1939		10/4/2016	10/4/2016	Yes
96	SAN LEANDRO		BARROW	ST	CAST IRON	6.00	1951	15,750	10/31/2016	10/31/2016	Yes
97	SAN LEANDRO		EASY	ST	CAST IRON	6.00	1949	5,400	10/11/2016	10/11/2016	Yes
98	SAN LEANDRO		MERCED	ST	ASBESTOS CEMENT	12.00	1954	36,000	10/21/2016	10/21/2016	Yes
99	SAN LEANDRO		PLACER	DR	CAST IRON	6.00	1945	8,640	9/28/2016	10/3/2016	Yes
100	SAN PABLO		GLENN	AVE	CAST IRON	6.00	1949	900	10/4/2016	10/4/2016	Yes

October 2016 Main Breaks											
	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified C	Completed On	KPI Met?
101	SAN RAMON		WOODLAND	DR	ASBESTOS CEMENT	6.00	1982	43,200	10/8/2016	10/10/2016	Yes
102	WALNUT CREEK		BUENA VISTA	PL	ASBESTOS CEMENT	6.00	1985	1,080	10/12/2016	10/12/2016	Yes
103	WALNUT CREEK		OLD OAK	DR	ASBESTOS CEMENT	8.00	1981	4,500	10/12/2016	10/12/2016	Yes
104	WALNUT CREEK		PALMER	RD	ASBESTOS CEMENT	8.00	1959	3,150	10/12/2016	10/13/2016	Yes
							TOTAL	1,227,420			





## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: November 3, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Lynelle M. Lewis, Secretary of the District *Lynelle*

SUBJECT: Sustainability/Energy Committee Minutes – October 25, 2016

Chair Marguerite Young called to order the Sustainability/Energy Committee meeting in the Training Resource Center at 9:16 a.m. Director Doug Linney was present at roll call and Director Andy Katz arrived at 9:50 a.m. Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Water and Natural Resources Richard G. Sykes, Director of Operations and Maintenance Michael J. Wallis, Director of Engineering and Construction Xavier J. Irias, Director of Wastewater Bennett K. Horenstein, Environmental Affairs Officer Douglas I. Wallace, Manager of Regulatory Compliance Michael R. Ambrose, Associate Civil Engineer Aaron L. Hope, Senior Civil Engineer Alicia R. Chakrabarti, Special Assistant to the General Manager Alison A. Kastama, and Secretary of the District Lynelle M. Lewis.

**Public Comment.** None.

**Fiscal Year 2016 Sustainability Report.** Environmental Affairs Officer Douglas I. Wallace presented an overview of the District's sustainability efforts. Mr. Wallace said the District has committed to reducing its greenhouse gas (GHG) emissions to zero for indirect emissions by 2040 (mainly from electricity use) and by 50 percent in the same year for direct emissions (mainly from fuel combustion) against a year 2000 baseline. The District met its 2015 goal for indirect emissions despite additional use of electricity for pumping at the Freeport Regional Water Project for drought operations. Direct emissions slightly exceeded the 2015 goal. The District plans to mitigate this direct emissions exceedance by purchasing carbon offsets. Sustainability efforts in FY16 included: continued leadership in biogas production at the Main Wastewater Treatment Plant, progress on recycled water projects, water demand management during the drought, piloting sustainable technologies for infrastructure projects, participating in regional pollution prevention efforts, incorporating the triple bottom line in BD-1 documents, promoting sustainable goods and practices with vendors, and energy management projects District facilities.

Sustainability efforts for FY17 will include: expanding beneficial reuse of biosolids and trench soils, updating master plans, expanding renewable energy facilities, expanded water conservation efforts, continued energy management at District facilities, implementing an Envision Sustainable Infrastructure Rating System, and expanding local agency collaboration to maximize regional water supply resilience. He highlighted the challenges and options for taking District sustainability efforts to the next level such as advancing a culture of sustainability, monitoring evolving standards for issuing green bonds to address District needs, and keeping pace with emerging technologies and practices. There was discussion and the Committee asked staff to provide the following information at its next update: employee commute miles in relationship to GHG emissions and efforts to consider environmental, social and governance issues in management of the pension fund.

**Purchasing Carbon Offsets.** Manager of Regulatory Compliance Michael R. Ambrose reported on staff's investigation into purchasing carbon credits to offset part of the District's 2015 direct emissions exceedance. Staff recommended joining the Climate Action Reserve so that the District can procure 896 metric tons of carbon dioxide equivalent carbon credits from a California forestry project. In 2015 staff engaged a broker to locate carbon offsets from projects that were near the service area and verified in accordance with a recognized protocol. Carbon offsets are available through the Climate Action Reserve which met these criteria. The cost is \$10 per offset plus brokerage fees, and fees to establish and maintain an account at the Climate Action Reserve. The total cost will be approximately \$11,000. There was discussion about the offset project types. It was moved (Linney), seconded (Young) and carried unanimously (3-0) to accept the staff recommendation.

**Envision and Environmental Certifications for Infrastructure.** Associate Civil Engineer Aaron L. Hope presented background information on the pilot of the Envision Sustainable Infrastructure Rating System (Envision) for infrastructure projects. Envision is a comprehensive framework for evaluating and rating the community, environmental, and economic benefits of infrastructure projects. He said unlike the Leadership in Energy & Environmental Design (LEED) rating system that was designed to evaluate buildings intended exclusively for human occupation, Envision was designed as a holistic rating system to apply to all types and sizes of civil infrastructure. Several District staff have been trained and certified in implementing the Envision process and will pilot the system on the Leland and Central Reservoir Replacement projects and Pipeline Rebuild efforts. The pilot includes completing the Envision self-assessment, reviewing the criteria and performance objectives, determining the workflow and resource requirements for implementing the Envision rating system, and identifying the effectiveness of any new approaches beyond what is already required as part of the California Environmental Quality Act or other regulations. Following questions about the benefits of Envision, the Committee asked staff to provide comparative information at its next update on lessons learned from the Envision system versus LEED.

**Biosolids Handling Contract Update.** Senior Civil Engineer Alicia R. Chakrabarti presented an update on efforts to renew biosolids contracts. Currently, the District utilizes approximately half of its biosolids for land application and half for landfill alternative daily cover (ADC). Based on current regulatory considerations, landfill ADC is not a long-term beneficial use option. The current biosolids handling contracts expire on December 31, 2016. Staff recently issued a request for proposals (RFP) for new contracts that would allow the District to better understand the costs associated with available non-landfill ADC alternatives. However, based on the proposals received and the near-term continued viability of landfill ADC, staff is recommending awarding a contract that maintains current end uses. Staff anticipates submitting the biosolids handling contract for consideration at the November 22, 2016 Board meeting. During the next year, staff will conduct biosolids master planning activities to help understand viable long-term non-landfill ADC beneficial use options. There was considerable discussion about transporting biosolids and alternative regional solutions. The Committee requested more information on alternatives to ADC. It was moved (Young), seconded (Katz) and carried unanimously (3-0) to accept the staff recommendation.

**Adjournment.** Chair Young adjourned the Sustainability/Energy Committee meeting at 10:20 a.m.

## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: November 3, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Lynelle M. Lewis, Secretary of the District *Lynelle*

SUBJECT: Finance/Administration Committee Minutes – October 25, 2016

Chair John A. Coleman called to order the Finance/Administration Committee meeting in the Training Resource Center at 10:25 a.m. Directors Andy Katz and William B. Patterson were present at roll call. Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Finance Sophia D. Skoda, Director of Operations and Maintenance Michael J. Wallis, Operations and Maintenance Department Manager Eileen M. White, Internal Auditor Supervisor Barry N. Gardin, Special Assistant to the General Manager Alison A. Kastama, and Secretary of the District Lynelle M. Lewis.

**Public Comment.** None.

**FY16 Annual Power Sales Report.** Assistant Engineer Charmin R. Baaqee presented an update on power sales activity for the period July 1, 2015 through June 30, 2016. In June 2016, the District completed its 16<sup>th</sup> year of operation as an independent power producer following termination of its long-term power sales contract with the Pacific Gas and Electric Company. The District also completed its first year of delivering power to Marin Clean Energy (MCE) under a ten-year Power Purchase Agreement (PPA). This agreement included the sale of hydroelectric power and Renewable Energy Credits (RECs). The District also completed its first six months of delivering Resource Adequacy (RA) to Shell Energy under a five-year PPA for sale of energy and RECs, and a one year agreement to sell RA. The FY16 net power revenue of \$4.3 million was greater than the budgeted revenue of \$3.5 million due to higher than expected runoff. The actual runoff was approximately 213 percent of the plan resulting in the significant increase in revenue.

The planned FY17 Mokelumne power revenue is projected at \$3.5 million. The Board authorization to provide scheduling services for both the hydroelectric facilities and the wastewater power generation system will expire on June 30, 2017. Staff will review the list of scheduling coordinators and select a firm that will meet our needs for power scheduling, settlements and reporting functions. Staff will solicit RA pricing for calendar year 2018 from MCE, Shell Energy and others to ensure a market value for the District's RA assets. Staff will also upgrade the existing 56K digital revenue meter data lines at Pardee and Camanche power houses. There was discussion about maximizing REC values and the potential to provide unused standby generation capacity to Alameda County. It was moved (Patterson), seconded (Katz) and unanimously carried (3-0) to accept the report.

**Review of Revisions to District Policies.** Internal Auditor Supervisor Barry N. Gardin reported that six policies warrant modification to clarify their purpose and accurately reflect current procedures and/or operating practices. These include: Policy 2.19 – Tuition Refund for Employee Education; Policy 4.02 – Cash Reserves and Debt Management; Policy 4.10 – Public Service Enterprises; Policy 6.04 – Ethics Policy of the EBMUD Board of Directors; Policy 7.13 – Security; and Policy 8.02 – Biosolids Management. There was discussion about Policy 6.04 and the fact that the revision did not incorporate the recent amendment in Resolution No. 35000-16 regarding late arrival to board meetings. Following discussion, General Manager Coate said staff would amend the policy and bring the revised Policy 6.04 to the full Board for consideration. It was moved (Katz), seconded (Patterson), and unanimously carried (3-0) to forward the revised policies to the full Board with the exception of Policy 6.04.

**Quarterly Financial Reports.** Director of Finance Sophia D. Skoda reported that the quarterly reports were filed in compliance with government statutes. The reports cover investment transactions along with quarterly payroll, disbursements and real estate summary reports for the Water and Wastewater Systems covering the quarter July 1 through September 30, 2016. It was moved (Patterson), seconded (Katz), and unanimously carried (3-0) to accept the reports.

**Adjournment.** Chair Coleman adjourned the meeting at 11:00 a.m.

ARC/LML

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