



**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  
REGULAR CLOSED SESSION**

**Tuesday, May 24, 2022**

**11:00 a.m.**

**Boardroom**

**375 11<sup>th</sup> Street**

**Oakland, CA 94607**

**\*\*\*Please see appendix for public participation instructions\*\*\***

**ROLL CALL:**

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

**ANNOUNCEMENT OF CLOSED SESSION AGENDA:**

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

*(The Board will discuss Closed Session agenda items in the Training Resource Center)*

**REGULAR BUSINESS MEETING**

**1:15 p.m., Boardroom**

**\*\*\*Please see appendix for public participation instructions\*\*\***

**ROLL CALL:**

**BOARD OF DIRECTORS:**

- Pledge of Allegiance

**PRESENTATION**

- Employer Support of Guard and Reserve Award – Above and Beyond

**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 13 recommendations, including 1 resolution.)

1. Approve the Regular Meeting Minutes of May 10, 2022.
2. File correspondence with the Board.
3. Award a contract to the lowest responsive/responsible bidder, Sunflower Lab LLC, for supplying network switch replacement equipment and a five-year subscription for hardware and software technical support, beginning on or after May 25, 2022 for a total cost, after the addition of taxes, not to exceed \$217,307 under Request for Quotation No. 2208.
4. Award a contract to the lowest responsive/responsible bidder, Cratus, Inc., in an amount not to exceed \$25,100,000 for construction of the Oakland Inner Harbor Pipeline Crossing under Specification 2155.
5. Award a sole source contract to Amaya Solutions Inc. dba American Water Chemicals for supplying threshold inhibitor anti-scalant for the Richmond Advanced Recycled Expansion facility for one year, beginning on or after May 24, 2022, with two options to renew for additional one-year periods for a total cost, after the addition of taxes, including option years, not to exceed \$380,744.
6. Authorize an agreement beginning on or after May 24, 2022 with Pall Corporation in an amount not to exceed \$1,003,464 for the procurement and installation oversight of replacement microfiltration membrane modules at the East Bayshore Recycled Water Project and programming work at the Richmond Advanced Recycled Expansion facility.
7. Authorize agreements for installation of pressure reducing valves (PRVs) to rezone customers in Hayward from the Bayview Pressure Zone to the higher Quarry Pressure Zone.
  - 7.1. Authorize an agreement beginning on or after May 24, 2022 with Guaranteed Plumbing in an amount not to exceed \$111,360 for installation of 36 PRVs to rezone customers located on Fernwood Court, Center Street and B Street in Hayward from the Bayview Pressure Zone to the higher Quarry Pressure Zone.
  - 7.2. Authorize an agreement beginning on or after May 24, 2022 with Jackson & Son Plumbing in an amount not to exceed \$130,800 for installation of 46 PRVs to rezone customers located on Kelly Street and Wildwood Street in Hayward from the Bayview Pressure Zone to the higher Quarry Pressure Zone.
8. Authorize the Microsoft Unified Support agreement, which supersedes the Microsoft Premier Support agreement authorized under Board Motion No. 189-20 and extend the agreement term to January 23, 2023.
9. Authorize an amendment to the contract previously awarded under Board Motion No. 069-21 with Cambridge Brass Inc., to increase the contract amount by \$485,820 to a total amount not to exceed \$821,765 for supplying 6-inch and 8-inch service clamps.

**CONSENT CALENDAR:** (Continued)

10. Authorize the General Manager to negotiate and execute a one-year water purchase and sale agreement (PSA) with Placer County Water Agency (PCWA) for the following:
  - 10a. Purchase of up to 20,000 acre-feet (AF) of transfer water made available through reservoir reoperation;
  - 10b. Costs to include a purchase price of \$720 per AF for up to 20,000 AF, for a total maximum water purchase cost of up to \$14.4 million; and
  - 10c. Reimbursement to PCWA for permitting and administrative expenses at a maximum of \$50,000.
  - 10d. Negotiate and execute a companion Warren Act Contract with the U.S. Bureau of Reclamation (Reclamation) to set forth the terms and conditions of water moving through Folsom Reservoir and of the District's use of the Folsom South Canal to deliver the transfer water to the East Bay and reimburse Reclamation's fees and costs arising from the conveyance in an amount not to exceed \$900,000.
  - 10e. Negotiate and execute a companion Power Letter of Agreement with Reclamation, if needed, and to pay for the power bypass costs to Reclamation up to an estimated amount of \$200,000.
11. Take actions related to the Proposition 1 Round One Integrated Regional Water Management Implementation Grant from the Department of Water Resources to implement the Bay Area Regional Water Conservation Project (Regional Project).
  - 11.1. Accept a Proposition 1 Round One Integrated Regional Water Management Implementation Grant from the Department of Water Resources, made available through the Association of Bay Area Governments (ABAG), in the amount of \$4,177,875 to implement the Regional Project which will fund the water conservation projects of the East Bay Municipal Utility District (EBMUD) and 10 other Bay Area water agencies including customer rebates and outreach, training programs, device installation, and water loss analysis.
  - 11.2. Authorize a Local Project Sponsor Agreement with ABAG which provides for disbursement of the Proposition 1 grant funding by ABAG to EBMUD for the implementation of the Regional Project.
  - 11.3. Authorize a Memorandum of Understanding with Alameda County Water District, Bay Area Water Supply and Conservation Agency, City of Napa, Contra Costa Water District, Marin Municipal Water District, Santa Clara Valley Water District, San Francisco Public Utilities Commission, Solano County Water Agency, Sonoma County Water Agency, and Zone 7 Water Agency which provides for disbursement of the Proposition 1 grant funding by EBMUD to those agencies for the implementation of each of their respective individual projects within the Regional Project.
12. Approve the April 2022 Monthly Investment Transactions Report.

**CONSENT CALENDAR:** (Continued)

13. Approve revisions to Policy 4.07 – Investment Policy, which was last revised on April 27, 2021, and renew existing delegation of authority for the management of investments on behalf of the District and Joint Powers Authorities to the Director of Finance, as the Treasurer of the District. (Resolution)

**DETERMINATION AND DISCUSSION:**

14. Make requisite findings and adopt a Resolution to hold meetings of the Board of Directors via teleconference under Government Code section 54953(e) until the State of Emergency resulting from the COVID-19 pandemic no longer impacts the ability of Board members to meet safely in person. (Resolution)
15. Legislative Update:
- Receive Legislative Report No. 03-22 and consider a position on AB 2639 (Quirk) San Francisco Bay/Sacramento-San Joaquin Delta Estuary: Water Quality Control Plan: Water Right Permits
  - Update on Legislative Issues of Interest to EBMUD
16. Appoint Manager of Distribution Maintenance and Construction. (Resolution)
17. General Manager's Report:
- Emergency Declaration Update – South Interceptor

**REPORTS AND DIRECTOR COMMENTS:**

18. Committee Reports:
- Planning
  - Legislative/Human Resources
  - Finance/Administration
19. Other Items for Future Consideration.
20. Director Comments.

**ADJOURNMENT:**

***The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, June 14, 2022.***

**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

*Meeting dates, times, and locations are subject to change*

Date	Meeting	Time/Location	Topics
Tuesday, May 24	Finance/Administration Committee	9:00 a.m. Boardroom	<ul style="list-style-type: none"> <li>Monthly Investment Transactions Report</li> <li>Annual Investment Policy Review</li> </ul>
	Long-Term Financial Stability, Key Performance Indicators Update, and Mid-Cycle Budget Workshop	9:30 a.m. Boardroom	
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	<ul style="list-style-type: none"> <li>Closed Session</li> <li>Regular Meeting</li> </ul>
Monday, May 30	Memorial Day		<i>District Offices Closed</i>
Tuesday, June 14	Planning Committee	TBD Boardroom	
	Legislative/Human Resources Committee	TBD Boardroom	
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	<ul style="list-style-type: none"> <li>Closed Session</li> <li>Regular Meeting</li> </ul>
Tuesday, June 28	Finance/Administration Committee	TBD Boardroom	
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	<ul style="list-style-type: none"> <li>Closed Session</li> <li>Regular Meeting</li> </ul>
<b><u>2022 Board Committee Members</u></b>			
Finance/Administration		Patterson {Chair}, Coleman, Katz	
Legislative/Human Resources		McIntosh {Chair}, Coleman, Patterson	
Planning		Young {Chair}, McIntosh, Mellon	
Sustainability/Energy		Young {Chair}, Katz, Mellon	

## Closed Session and Regular Business Meetings

**Tuesday, May 24, 2022**

**11:00 a.m. and 1:15 p.m.**

*EBMUD public Board meetings will be conducted in person in the Boardroom and via Zoom.  
These meetings are recorded, live-streamed, and posted on the District's website.*

### In Person

- In accordance with county health guidance and Cal/OSHA requirements, a completed COVID-19 symptoms checklist will be required before entering the building.
- In accordance with District safety protocols, masks are required while in the building and Boardroom regardless of vaccination status.

### Online\*

<https://ebmud.zoom.us/j/97065086667?pwd=eUdZSGh5SG82akZiRDF2UDg2b0lyUT09>

Webinar ID: 970 6508 6667

Passcode: 238500

### By Phone\*

Telephone: 1 669 900 6833

Webinar ID: 970 6508 6667

Passcode: 238500

International numbers available: <https://ebmud.zoom.us/u/adMXn1VnPp>

\*To familiarize yourself with Zoom, please visit <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

**Providing public comment** - *The EBMUD 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.*

- Each speaker is allotted 3 minutes to speak; the Board President has the discretion to amend this time based on the number of speakers
- The Secretary will track time and inform each speaker when the allotted time has concluded
- Comments on **non-agenda items** will be heard at the beginning of the meeting
- Comments on **agenda items** will be heard when the item is up for consideration
- The Secretary will call each speaker in the order received

### In person

- Fill out and submit a blue speaker card which is available in the foyer of the Boardroom

### Via Zoom

- Use the raise hand feature in Zoom to indicate you wish to make a public comment  
<https://support.zoom.us/hc/en-us/articles/205566129-Raising-your-hand-in-a-webinar>
- If you participate by phone, press \*9 to raise your hand
- When prompted by the Secretary, please state your name, affiliation if applicable, and topic

### Submitting written comments or materials

- Email written comments or other materials for the Board of Directors to [SecOffice@ebmud.com](mailto:SecOffice@ebmud.com)
- Please indicate the meeting date and agenda item number or non-agenda item in the subject of the email. Contact information is optional.
- **Please email by 4 p.m. the day prior to the scheduled regular meeting;** written comments and other materials submitted to the Board of Directors will be filed in the record.

**MINUTES**

**Tuesday, May 10, 2022  
East Bay Municipal Utility District  
Board of Directors  
375 Eleventh Street  
Oakland, California**

**Regular Closed Session Meeting**

President Doug A. Linney called to order the Regular Closed Session Meeting of the Board of Directors at 11:05 a.m. in the Administration Building Boardroom.

**ROLL CALL**

Directors John A. Coleman, Lesa R. McIntosh, Frank Mellon, William B. Patterson, Marguerite Young, and President Doug A. Linney were present at roll call. Director Andy Katz arrived in the Administration Building Training Resource Center at 11:10 a.m.

Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Attorney III Felicity Grisham (Item 1a); Assistant General Counsel Jon Salmon (Item 1b); Director of Wastewater Eileen M. White (Item 1b); Assistant General Counsel Fred Etheridge (Item 2, first matter); Director of Water and Natural Resources Michael T. Tognolini (Item 2, first matter); Environmental Affairs Officer Jose D. Setka (Item 2, first matter); Assistant General Counsel Lourdes Matthew (Item 2, second matter); Director of Operations and Maintenance David A. Briggs (Item 2, second matter); and Interim Director of Human Resources Winnie W. Anderson (Item 2, second matter).

General Counsel Derek T. McDonald was not present for Item 1a.

**PUBLIC COMMENT**

There was no public comment.

**ANNOUNCEMENT OF CLOSED SESSION AGENDA**

President Linney announced the closed session agenda and the Board convened to the Administration Building Training Resource Center for discussion.

**Regular Business Meeting**

President Doug A. Linney called to order the Regular Business Meeting of the Board of Directors at 1:31 p.m. in the Administration Building Boardroom.

**ROLL CALL**

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

Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, and Assistant to the General Manager Janetta M. Johnson.

## **BOARD OF DIRECTORS**

President Linney led the Pledge of Allegiance.

## **PRESENTATION**

General Manager Clifford C. Chan announced the District received the National Association of Clean Water Agencies' National Environmental Achievement Award in the Operations and Environmental Performance category for the District's Odor Management Program, which combines new technology with a back-to-basics approach. The District replaced and upgraded its odor control system at the Main Wastewater Treatment Plant. This, coupled with other low-cost operational changes helped reduce the number of odor reports for the plant. Mr. Chan thanked and congratulated staff for their contributions and President Linney presented the award to the following team members: former Manager of Wastewater Treatment Maura Bonnarens; Treatment Plant Superintendent Kevin Dickison; Senior Environmental Health and Safety Specialist Paula Hansen; Manager of Wastewater Engineering Doug Higashi; Associate Civil Engineer Kevin Jim; Laboratory Supervisor Jason Mitchel; Assistant Engineer Raul Ruiz; Wastewater Shift Supervisor Mark Schmitz; Wastewater Operations Coordinator Carol Weir; and Administrative Assistant Bonnie Yee. The Board commended staff for their work.

## **ANNOUNCEMENTS FROM CLOSED SESSION**

There were no announcements required from closed session.

## **PUBLIC COMMENT**

- Addressing the Board were the following: 1) Nick Lawrence commented on a dangerous condition on public property on Tappan Terrace in Orinda; 2) Kelly A. commented on the District's drought surcharge; and 3) Ivette Rivera, EBMUD ratepayer, commented on the state auditor's report regarding harassment in governmental workplaces.

## **CONSENT CALENDAR**

- Motion by Director McIntosh, seconded by Director Young to approve the recommended actions for Items 1-6 on the Consent Calendar carried (7-0) by the following voice vote: AYES (Coleman, Katz, McIntosh, Mellon, Patterson, Young, and Linney); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 082-22** – Approved the Regular Meeting minutes of April 26, 2022.
  2. The following correspondence was filed with the Board: **1)** Presentation entitled, "Fiscal Year 2023 Proposed Non-Prop 218 Rates, Charges, and Regulations," dated May 10, 2022; **2)** Presentation entitled, "Implement Stage 2 Drought Surcharge," dated May 10, 2022; **3)** Presentation entitled, "Water Shortage Emergency Action Plan," dated May 10, 2022; **4)** Presentation entitled, "Coronavirus Update," dated May 10, 2022; **5)** Speakers Bureau and Outreach Record for CY22 dated May 6, 2022; **6)** Contra Costa Times Proof of Publication of East Bay Municipal Utility District Notice of Summary of Drought Resolution No. 35287-22 published April 29, 2022;



7) Oakland Tribune Proof of Publication of East Bay Municipal Utility District Notice of Summary of Drought Resolution No. 35287-22 published April 29, 2022; 8) West County Times Proof of Publication of East Bay Municipal Utility District Notice of Summary of Drought Resolution No. 35287-22 published April 29, 2022; 9) Email dated May 10, 2022 from Ivette Rivera to the Board of Directors regarding “Los Angeles Times Article re: Metropolitan Water racial discrimination;” and 10) Email dated May 10, 2022 from Ivette Rivera to the Board of Directors regarding EBMUD Placement Goals.

3. **Motion No. 083-22** - Authorized an agreement beginning on or after May 10, 2022, with the Peralta Colleges Foundation in an amount not to exceed \$418,000 to cover the administrative costs and stipends to EBMUD interns participating in a variety of internship programs through June 30, 2023.
4. **Motion No. 084-22** - Authorized an agreement beginning on or after July 1, 2022, with Rural Pig Management, Inc. for five years for a total amount not to exceed \$266,990 for controlling feral pigs on East Bay watershed lands.
5. **Motion No. 085-22** - Authorized an amendment to the agreement previously authorized under Board Motion No. 135-20 with Langan Engineering and Environmental Services, Inc. to increase the agreement amount by \$428,551 to a total amount not to exceed \$1,399,576 for additional engineering services during construction of the Moraga Creek Flood and Erosion Control Project.
6. **Resolution No. 35288-22** - Delegating Authority to the General Manager to Lease District Property for Fifteen Years for Telecommunication Purposes.

### **DETERMINATION AND DISCUSSION**

#### **7. Appointment to Manager of Distribution Maintenance and Construction.**

General Manager Clifford C. Chan announced this item was being pulled from the agenda and would be presented for Board consideration at its meeting on May 24, 2022.

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

Manager of Legislative Affairs Marlaigne K. Dumaine reviewed Legislative Report No. 02-22 which included the following eight bills for Board consideration: AB 2026 (Friedman) Recycling: Plastic: Packaging and Carryout Bags; AB 2419 (Bryan) Environmental Justice: Federal Infrastructure Investment and Jobs Act: Justice40 Oversight Committee; AB 2895 (Arambula) Water: Permits and Licenses: Temporary Changes: Water or Water Rights Transfers; SB 1392 (McGuire) Fish and Wildlife: Steelhead Trout: Fishing Report-Restoration Card; SB 1490, SB 1491, and SB 1492 (Committee on Governance and Finance) Validations; and S. 3956 (Merkley) Wastewater Infrastructure Pollution Prevention and Environmental Safety Act. Ms. Dumaine highlighted each measure and bill co-sponsors as applicable; potential impacts from each bill, costs and benefits to the District, whether the Board has taken a position on similar or prior legislation; and whether each bill had an official support/opposition list available. Legislative/Human Resources Committee Chair Lesa R. McIntosh announced the Committee met earlier in the day and supported staff's recommendations. Ms. Dumaine responded to questions regarding envelope padding, source of Association of Clean Water Agencies opposition on AB 2419, and AB 2639 options on position. The

Board asked staff to continue working with the bill author to seek amendments on AB 2639 and return with a recommended position. Director Young asked the Board to consider taking a separate roll call vote on AB 2369.

- Director Coleman left the meeting at 2:08 p.m. and returned at 2:09 p.m.

- Motion by Director Young, seconded by Director Coleman to approve positions on the bills in Legislative Report No. 02-22 excluding AB 2639 carried (7-0) by the following voice vote: AYES (Coleman, Katz, McIntosh, Mellon, Patterson, Young, and Linney); NOES (None); ABSTAIN (None); ABSENT (None).

**Motion No. 086-22** - Received Legislative Report No. 02-22 and approved positions on the following bills: SUPPORT AB 2026 (Friedman) Recycling: plastic packaging and carryout bags; SUPPORT IN CONCEPT AB 2419 (Bryan) Environmental justice: federal Infrastructure Investment and Jobs Act: Justice40 Oversight Committee; OPPOSE UNLESS AMENDED AB 2895 (Arambula) Water: permits and licenses: temporary changes: water or water rights transfers; SUPPORT SB 1392 (McGuire) Fish and wildlife: steelhead trout: fishing report-restoration card; SUPPORT SB 1490, SB 1491, SB 1492 (Committee on Governance and Finance) Validations; and SUPPORT S. 3956 (Merkley) Wastewater Infrastructure Pollution Prevention and Environmental Safety Act.

The Board expressed concern about taking a position of Oppose Unless Amended on AB 2639. There was considerable discussion on the Board's ability to postpone taking a position; whether there is time for staff to meet with the bill author regarding the District's proposed amendments; and clarification on a position of Oppose Unless Amended versus a position of Support If Amended. Ms. Dumaine commented that the bill as written, would effect the District's operations and water rights. She also noted taking a position of Oppose Unless Amended signals the District's concern with the bill as written and allows staff to continue discussions regarding the District's requested bill amendments. Directors Coleman and Linney indicated they are willing to speak with the bill author about the District's requested bill amendments. The Board asked staff to continue working with the author on amending the bill and to return with a recommended position for Board consideration on May 24, 2022.

- Motion by Director Coleman, seconded by Director Mellon to approve a position of Oppose Unless Amended on AB 2639. There was additional discussion about the staff recommendation for the Board to take a position of Oppose Unless Amended. Director Coleman withdrew his motion and Director Mellon concurred.
- Substitute Motion by Director Katz, seconded by Director Coleman to direct staff to continue working with the bill author to seek amendments on AB 2639 (Quirk) San Francisco Bay/Sacramento-San Joaquin Delta Estuary: Water Quality Control Plan: Water Right Permits and to return with a recommended position on AB 2639 for Board consideration on May 24, 2022 carried (7-0) by the following voice vote: AYES (Coleman, Katz, McIntosh, Mellon, Patterson, Young, and Linney); NOES (None); ABSTAIN (None); ABSENT (None).

**Motion No. 087-22** – Directed staff to continue working with the bill author to seek amendments on AB 2639 (Quirk) San Francisco Bay/Sacramento-San Joaquin Delta Estuary: Water Quality Control Plan: Water Right Permits and to return with a recommended position on AB 2639 for Board consideration on May 24, 2022.

- 9.1.- **File the Report and Recommendation of the General Manager for Revisions to the Water**  
9.2. **and Wastewater System Schedule of Rates and Charges, Capacity Charges, and Other Fees Not Subject to Proposition 218, and Regulations for FY23; and set a Public Hearing for Tuesday, June 14, 2022, during the Board's regular meeting to consider the Report and Recommendation.**

Director of Finance Sophia D. Skoda provided the presentation. She reviewed the prior Board actions related to the FY22/23 budget and rates. The FY23 Water System rates of 4.0 percent and Wastewater System rates of 4.0 percent were adopted by the Board June 8, 2021 and will go in effect July 1, 2022. Staff is proposing revisions to Water System schedules, fees, and regulations as follows: Schedule B – Account Establishment Charge; Schedule C – Charges for Special Services; Schedule D – Water Service Installation Charges; Schedule E – Private Fire Service Installation Charges; Schedule F – Public Fire Hydrant Installation Charges; Schedule G – Water Main Extension Charges; Schedule H – Standard Participation Charge; Schedule J – System Capacity Charge; Schedule N – Water Mitigation Fees; Public Records Act Fee Schedule; Real Property Use Application Fees; Recreation Use Fees; Section 3 – Standard Service; Section 4 – Main Extensions; and Section 15 – Discontinuation of Service. Staff is also proposing revisions to Wastewater System schedules as follows: Schedule G – Wastewater Department Capacity Fees; and Schedule H – Wastewater Department Wastewater Interceptor Connection Review, Coordination, and Inspection Fee. The Board will review these changes at its May 24, 2022 Mid-Cycle Budget Workshop. The public hearing and adoption are scheduled for June 14, 2022. If affirmed, the water and wastewater rates will go into effect July 1, 2022.

- Motion by Director Mellon, seconded by Director McIntosh to approve the recommended actions for Items 9.1-9.2 carried (7-0) by the following voice vote: AYES (Coleman, Katz, McIntosh, Mellon, Patterson, Young, and Linney); NOES (None); ABSTAIN (None); ABSENT (None).

**Motion No. 088-22** - Filed the Report and Recommendation of the General Manager for Revisions to the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges, and Other Fees Not Subject to Proposition 218, and Regulations for Fiscal Year 2023; and set a Public Hearing for Tuesday, June 14, 2022, during the Board's regular meeting to consider the Report and Recommendation.

- 10.1.- **Receive and affirm the updated drought budget prepared by District staff which**  
10.2. **summarizes the projected impact of the current water shortage emergency on the District's cost to provide water service; and authorize implementation of the Stage 2 Drought Surcharge, which was previously fixed by Board Resolution Nos. 35046-17 and 35224-21, at the rate of eight percent of the Water Flow Charge, which shall be charged on each unit of potable water used on or after July 1, 2022, consistent with Schedule L – Drought Surcharge Rate Schedule for Water Service of the District's Water System Schedule of Rates, Charges, and Fees for Customers of the District and the updated cost-of-service analysis summarized in the drought budget.**

Director of Finance Sophia D. Skoda provided the presentation. The Drought Surcharge allows the District to recover additional incurred costs to provide water service during a drought and may be imposed during a Stage 2 or greater drought. The Board declared a Stage 2 Drought on April 26, 2022. During a Stage 2 drought the maximum approved surcharge is 8 percent of the Water Flow Charge imposed on each unit of potable water. Next, Ms. Skoda discussed the

drought's expected fiscal impacts. Staff prepared a drought budget which has the projected costs of \$64.5 million. Because the projected drought budget amount exceeds the projected \$30.8 million expected revenue from an 8 percent surcharge staff recommends implementing the 8 percent surcharge. The remaining drought costs will be funded through reserves. The Drought Surcharge if implemented, would remain in place until modified or suspended by the Board. Ms. Skoda responded to a question on how the surcharge funds will be used.

- Motion by Director Patterson, seconded by Director Young to approve the recommended actions for Item 10 carried (6-1-0) by the following voice vote: AYES (Katz, McIntosh, Mellon, Patterson, Young, and Linney); NOES (Coleman); ABSTAIN (None); ABSENT (None).

**Resolution No. 35289-22 - Implementing Stage 2 Drought Surcharge.**

11. **Approve the Water Shortage Emergency Action Plan in accordance with the Water Shortage Contingency Plan, District Policy 9.03 - Water Supply Availability and Deficiency, and Board Resolution No. 35287-22 which describes outreach, education, and water conservation measures which would be implemented to help achieve the 10 percent mandatory District-wide water use reduction goal.**

Manager of Water Conservation Alice E. Towey provided the presentation. She reviewed the Water Shortage Emergency Action Plan's background and goals, drought communication plan, key messages to each customer class, communication tools being used by the District, and the proposed advertising plan. She highlighted revisions to some water conservation programs, District actions to enforce water restriction regulations, and additional resources needed to implement the plan. Lastly, she discussed the plan's implementation schedule. Ms. Towey and General Manager Clifford C. Chan responded to questions regarding staff messaging around main breaks during the drought and whether the District is able to divert water used to flush pipes after main breaks to nearby parks. The Board asked staff to advertise how to report a leak on social media platforms and to ensure the emergency number to report a leak is visible on the District's website homepage.

- Motion by Director McIntosh, seconded by Director Patterson to approve recommended actions for Item 11 carried (7-0) by the following voice vote: AYES (Coleman, Katz, McIntosh, Mellon, Patterson, Young, and Linney); NOES (None); ABSTAIN (None); ABSENT (None).

**Motion No. 089-22 - Approved the Water Shortage Emergency Action Plan in accordance with the Water Shortage Contingency Plan, District Policy 9.03 - Water Supply Availability and Deficiency, and Board Resolution No. 35287-22 which describes outreach, education, and water conservation measures which would be implemented to help achieve the 10 percent mandatory District-wide water use reduction goal.**

12. **General Manager's Report.**

#### Coronavirus Update

Director of Operations and Maintenance David A. Briggs presented the update. He reviewed COVID-19 positive cases in Alameda and Contra Costa counties and the number of employee positive COVID-19 cases (497) to date. There continues to be an increase in positive cases in Bay Area counties, however hospitalization and death rates remain low. The California Department of

Public Health and Cal/OSHA no longer recommend quarantine if asymptomatic, regardless of vaccination status although testing is still recommended 3-5 days from exposure. Alameda County continues to recommend quarantine if asymptomatic and unvaccinated. The District is still requiring face coverings indoors. Weekly testing for employees with a vaccination exemption was suspended on May 1. Mr. Briggs noted if positivity rates at the District continue to increase, weekly testing will be re-instated. Beginning May 16, employees who need to test to return to work or avoid quarantine may access off-site, as-needed medical facilities (Concentra Medical) on District time. Staff will continue monitoring and updating District safety protocols as needed.

- Director McIntosh left the meeting at 3:13 p.m. and returned at 3:16 p.m.

#### General Manager's Monthly Report – April 2022

General Manager Clifford C. Chan said he is available to answer questions regarding the report.

### **REPORTS AND DIRECTOR COMMENTS**

#### **13. Committee Reports.**

- Filed with the Board were the Minutes for the April 26, 2022 Sustainability/Energy and Finance/Administration committee meetings.
- Planning Committee Chair Marguerite Young reported the Committee met earlier and received updates on the Willow Service Center Project, Long-Term Infrastructure Plan and Resources Needs, and the 2021 Recreation Report.
- Legislative/Human Resources Committee Chair Lesa R. McIntosh reported the Committee met earlier and received information on Legislative Report No. 02-22, Diversity, Equity, and Inclusion Strategic Plan, and Peralta Colleges Foundation Internship Stipend Administration.

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

None.

#### **15. Director Comments.**

- Director Coleman reported attending the following events: Los Vaqueros JPA Finance Committee meeting on April 28 (remote); ACWA Spring Conference from May 3 to May 5 in Sacramento; meetings with CCWD Board members, San Joaquin County Board members, and Placer County Water Agency staff on May 4 in Sacramento; Los Vaqueros JPA Board meeting on May 11 (remote); and DERWA Board meeting on May 16 (remote). He reported on plans to attend the following: Los Vaqueros JPA Finance Committee meeting on May 25 (remote); Real Estate Marketing Association meeting on June 2 in Danville; Alamo Rotary meeting on June 8 in Alamo; Ward 2 Briefing on June 9 in Lafayette; and San Ramon City Council meeting on June 13 in San Ramon.
- Director Mellon reported on the passing of three Castro Valley military veterans: Mickey Ganitch, Peter Schantz, and Glen Barth.

- Director Patterson reported plans to attend the “Justice on Trial” screening event at the Oakland Grand Lake Theatre on May 22.
- President Linney and Directors Katz, McIntosh, and Young had no reports.

**ADJOURNMENT**

President Linney adjourned the meeting at 3:23 p.m.

SUBMITTED BY:

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Janetta M. Johnson, Acting Secretary of the District

APPROVED: May 24, 2022

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Doug A. Linney, President of the Board



AGENDA NO. 3.  
MEETING DATE May 24, 2022

**TITLE** NETWORK SWITCH REPLACEMENT

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input checked="" type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input type="checkbox"/> OTHER

<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE
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**RECOMMENDED ACTION**

Award a contract to the lowest responsive/responsible bidder, Sunflower Lab LLC, for supplying network switch replacement equipment and a five-year subscription for hardware and software technical support, beginning on or after May 25, 2022 for a total cost, after the addition of taxes, not to exceed \$217,307 under Request for Quotation (RFQ) No. 2208.

**SUMMARY**

This contract is for the purchase and delivery of Juniper Networks hardware equipment and support.

**DISCUSSION**

The District is replacing end of life network switches with Juniper EX Series network switches. This contract will provide the Juniper EX Series switches and a five-year subscription for hardware and software technical support. This purchase supports the District's Long-Term Infrastructure Investment and Long-Term Financial Stability Strategic Plan goals.


**VENDOR SELECTION**

An RFQ was posted on the District's website, sent to three resource organizations and to 14 potential proposers, and advertised in the Oakland Tribune. Three bids were received. Sunflower Lab LLC was the lowest responsive/responsible bidder.

**SUSTAINABILITY**

**Economic**

Funding for this purchase is available in the FY22/23 adopted capital budget for ERF Current DSS/Server/Network.

Funds Available: FY22/23, CIP #2014182, Page 41	Budget Coding: 252.0000.2014197.55230	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Finance	Sophia D. Skoda	 General Manager
Attachment(s): P-035; P-061		

## **ALTERNATIVES**

**Do not purchase this network switch equipment.** This alternative is not recommended because the existing network switches have reached the end of their product lifecycle and may potentially create cybersecurity risks to the District.

**Rebid the RFQ.** This alternative is not recommended because the District engaged in a fair and competitive bid process.





## CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

TITLE						DATE:					
Materials and Supplies Agreement - RFQ No. 2208 Network Switch Replacement						May 8, 2022					
CONTRACTOR:  Sunflower Lab LLC Hilliard, OH 43026					PERCENTAGE OF CONTRACT DOLLARS						
					Availability Group		Contracting Objectives		Participation		
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP		White Men		25%		0.0%			
		Ethnicity	Gender	White Women		6%		0.0%			
		Asian	Men	Ethnic Minorities		25%		100.0%			
CONTRACT EQUITY PARTICIPATION											
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: Sunflower Lab LLC		\$217,307	Asian	X			100.0%				
SUBS: None											
TOTAL		\$217,307			0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)											
		White Men	White Women	Ethnic Minorities	Total Employees						
No. of Employees:		INFORMATION NOT PROVIDED									
Percent of Total Employees:											
MSA Labor Market %:											
MSA Labor Market Location:											
COMMENTS											
Contract Equity Participation: 100% Ethnic Minority participation. Contract Duration : NA  *Total not to exceed: \$217,307											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							



# AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

<b>Title:</b> <b>Network Switch Replacement</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>Materials and Supplies Agreement - RFQ No. 2208</b>		<b>DATE:</b> <b>5/8/2022</b>	<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>R=Recmmd</b> <b>P=Prime S=Sub</b>	<b>Composition of Ownership</b>	<b>Number of Ethnic Minority Employees</b>							
<b>Company Name, Owner/Contact Person, Address, and Phone Number</b>			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>	<b>PERCENT</b>	<b>MSA %</b>
<b>RP</b>	<b>EMM: A/PI</b>	<b>Company Wide</b>	INFORMATION NOT PROVIDED						
Sunflower Lab LLC Ronak Patel 3974 Brown Park Drive, Suite G Hilliard, OH 43026 614-664-7674		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		<b>Bay Area</b>							
		AA Plan on File:							
		Co. Wide MSA:							
<b>P</b>	<b>WM</b>	<b>Company Wide</b>	135	210	155	9	509	16.8%	27.3%
Converge One, Inc dba Integration Partners Corporation Danielle Tolentino 10900 Nesbitt Avenue S. Bloomingotn, MN 55437 651-796-6442		Manager/Prof	74	98	101	3	276	14.9%	
		Technical/Sales	15	35	25	3	78	13.3%	
		Clerical/Skilled	46	68	25	3	142	25.2%	
		Semi/Unskilled	0	9	4	0	13	43.3%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	<b>Total USA</b>		# Employees-Co. Wide:		<b>3,027</b>	Bay Area:	
<b>P</b>	<b>PHC: LBE</b>	<b>Company Wide</b>	50	69	165	2	286	64.0%	39.9%
AT&T Corp. Lori Kingshott 5001 Executive Parkway San Ramon, CA 94583 (Local office) 925-323-3853		Manager/Prof	10	16	43	1	70	49.3%	
		Technical/Sales	22	34	59	0	115	65.3%	
		Clerical/Skilled	18	19	62	1	100	78.1%	
		Semi/Unskilled	0	0	1	0	1	100.0%	
		<b>Bay Area</b>	50	69	165	2	286	64.0%	39.9%
		Co. Wide MSA:	<b>9 Bay Area Counties</b>		# Employees-Co. Wide:		<b>447</b>	Bay Area:	



AGENDA NO. 4.  
MEETING DATE May 24, 2022

**TITLE OAKLAND INNER HARBOR PIPELINE CROSSING**

<b>TYPE</b>	<input checked="" type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input type="checkbox"/> OTHER
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**

Award a contract to the lowest responsive/responsible bidder, Cratus, Inc., in an amount not to exceed \$25,100,000 for construction of the Oakland Inner Harbor Pipeline Crossing under Specification 2155.

**SUMMARY**

This contract is for the installation of 3,000 feet of 32-inch high-density polyethylene (HDPE) pipe under the Oakland Inner Harbor and 10,400 feet of 24-inch welded steel pipe within streets in the cities of Oakland and Alameda. This item was discussed at the December 14, 2021 Planning Committee meeting.


**DISCUSSION**

The Alameda North Bay Farm Island Crossing Master Plan (Master Plan) identified the need to replace the underwater pipelines serving Alameda to ensure long-term reliability and redundancy of the water distribution system, meet existing and future demands, and replace aging infrastructure. The Master Plan recommended three new underwater pipeline crossings and associated in-street pipelines connecting the crossings to the existing transmission pipelines. The Oakland Inner Harbor Pipeline Crossing (Project) is the first crossing project identified in the Master Plan. The Project will replace the existing 24-inch diameter underwater pipeline crossing south of the Posey Tube with HDPE pipeline installed by horizontal directional drilling and replace the existing 24-inch welded steel pipe in the cities of Oakland and Alameda installed by open trench method. This project supports the District's Long-Term Infrastructure Investment Strategic Plan goal.

**BID RESULTS**

Bid documents were posted on the District's website and issued to 21 resource organizations and 24 prospective bidders. Seven bids were received, ranging from \$25,100,000 to \$33,557,799. The bid summary is attached. The engineer's estimate for this work is \$30,552,721.

The lowest responsive/responsible bidder, Cratus, Inc., is licensed to perform work in California, and is not on the State Department of Industrial Relations (DIR) debarment list. Cratus, Inc. and its listed

Funds Available: FY22/23; CIP#1006298; Page 14	Budget Coding: 570/2011526/2011560:39/7000254	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department Engineering and Construction	Department Director or Manager Olujimi O. Yoloye	Approved  General Manager
Attachment(s): Location Map, Bid Summary; P-035; P-061		

subcontractors are properly registered with the State DIR. In the past five years, Cratus, Inc. has filed one Government Code Claim against the District, and has not initiated any litigation against the District.

## **SUSTAINABILITY**

### **Economic**

Funding for this work is available in the FY22/23 adopted capital budget for the Large Diameter Pipelines Project.

### **Social**

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

Local 444 was notified of this contract on May 17, 2019 and did not raise any specific issues related to this contract.

### **Environmental**

A California Environmental Quality Act Environmental Impact Report (EIR) was certified by the Board on December 13, 2016 under Resolution No. 35020-16. An addendum to the EIR was completed to record and analyze alignment changes due to unforeseen geotechnical issues and to reduce community traffic impacts. The addendum was filed with the State Clearinghouse and the County of Alameda as part of a Notice of Determination on November 16, 2020.

## **ALTERNATIVES**

**Do not complete the project.** This alternative is not recommended because the new crossing and associated in-street transmission pipelines are necessary to meet existing and future water needs, improve reliability and redundancy of the water system, and facilitate repair and replacement of aging infrastructure.

**Reject all bids and immediately rebid the work.** This alternative is not recommended because the District engaged in a fair bid process, the bids are reasonable for the scope of work involved, and rebidding the work would create a significant delay and increase project costs. Additionally, the horizontal directional drilling (HDD) subcontractor met all the requirements in the Request for Prequalification of HDD Contractors and Conductor Casing Installation Contractors.



**EAST BAY MUNICIPAL UTILITY DISTRICT****SPECIFICATION 2155****Oakland Inner Harbor Pipeline Crossing****Bids Opened Wednesday, April 27, 2022**

	<b>BIDDER</b>	<b>TOTAL AMOUNT BID</b>
1.	Cratus, Inc. (SBE/DVBE) 945 Taraval St., #302 San Francisco, CA 94116 (415) 939-2840	\$25,100,000 / \$24,950,000*
2.	JMB Construction, Inc. 132 S. Maple Ave. So. San Francisco, CA 94080 (650) 267-5300	\$26,125,000
3.	Ranger Pipelines Incorporated 1790 Yosemite Ave. San Francisco, CA 94124 (415) 822-3700	\$26,770,000
4.	Mountain Cascade, Inc. 555 Exchange Ct. Livermore, CA 94550 (925) 373-8370	\$27,937,560
5.	Mitchell Engineering 1395 Evans Ave. San Francisco, CA 94124 (415) 227-1040	\$28,777,777 / \$28,627,777*
6.	Steve P. Rados, Inc. 2002 E. McFadden Ave., Ste. 200 Santa Ana, CA 92735 (916) 475-1654	\$29,907,000
7.	Garney Pacific, Inc. 324 E. 11 <sup>th</sup> St., Ste. E2 Tracy, CA 95376 (925) 800-1848	\$33,557,799

SBE/DVBE – Small Business Enterprise or Disabled Veteran Business Enterprise

\*Effective Bid Amount due to SBE/DVBE discount (7% of the low bid amount, not to exceed \$150,000)

Engineer's Estimate: \$30,552,721



# 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> 2155 Oakland Inner Harbor Pipeline Crossing						<b>DATE:</b> May 8, 2022							
<b>CONTRACTOR:</b> Cratus, Inc. San Francisco, CA 94116					<b>Small Business</b>					<b>PERCENTAGE OF CONTRACT DOLLARS</b>			
<b>BID/PROPOSER'S PRICE:</b>		<b>FIRM'S OWNERSHIP</b>			<b>White Men</b>		<b>25%</b>		<b>99.2%</b>		<b>Participation</b>		
		<b>Ethnicity</b>		<b>Gender</b>		<b>White Women</b>		<b>9%</b>		<b>0.6%</b>			
\$25,100,000 *		White		Men		<b>Ethnic Minorities</b>		<b>25%</b>		<b>0.2%</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> Cratus, Inc.		\$20,442,000	White	X		81.4%							
<b>SUBS:</b> MCK Services, Inc		\$700,000	White	X		2.8%							
Michels Trenchless, a division of Michels Corporation		\$3,600,000	White	X		14.3%							
Thomas J's Welding		\$150,000	White	X		0.6%							
S & S Trucking		\$50,000	Hispanic	X				0.2%					
Blocka Construction, Inc.		\$158,000	White		X	0.6%							
<b>TOTAL</b>		\$25,100,000				99.2%	0.6%	0.2%	0.0%	0.0%	0.0%	0.0%	
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>													
		<b>White Men</b>		<b>White Women</b>		<b>Ethnic Minorities</b>		<b>Total Employees</b>					
<b>No. of Employees:</b>		7		5		57		69					
<b>Percent of Total Employees:</b>		10.1%		7.2%		82.6%							
<b>MSA Labor Market %:</b>		28.0%		23.6%		48.4%							
<b>MSA Labor Market Location:</b>		California											
<b>COMMENTS</b>													
<b>Contract Equity Participation:</b> 99.2% White Men, 0.6% White Women, and 0.2% Ethnic Minority participation. <b>Contract Duration:</b> NA  *Total not to exceed: \$25,100,000													
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>					
NA				NA									



## AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title:  <b>Oakland Inner Harbor Pipeline Crossing</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>		
		National	10.5	10.7	3.7	0.7	27.3		
Spec. No.: <b>2155</b>	DATE: <b>5/8/2022</b>	<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	
R=Recmmd P=Prime S=Sub	Composition of Ownership	<b>Number of Ethnic Minority Employees</b>							
Company Name, Owner/Contact Person, Address, and Phone Number			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>	<b>PERCENT</b>	<b>MSA %</b>
<b>RP</b>	<b>WM: SBE</b>	<b>Company Wide</b>	2	54	1	0	57	82.6%	48.4%
Cratus, Inc. Michael Kirwan 2178 Palou Avenue San Francisco, CA 94124  415-939-2840		Manager/Prof	0	2	0	0	2	16.7%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	1	11	0	0	12	85.7%	
		Semi/Unskilled	1	41	1	0	43	100.0%	
		<b>Bay Area</b>	1	36	1	0	38	77.6%	39.9%
		AA Plan on File:	<b>NA</b>		Date of last contract with District:		<b>10/5/2021</b>		
		Co. Wide MSA:	<b>California</b>		# Employees-Co. Wide:		<b>69</b>	Bay Area: <b>49</b>	
<b>S</b>	<b>WM: LBE</b>	<b>Company Wide</b>	2	28	0	0	30	69.8%	39.9%
MCK Services, Inc. Jennifer McLaughlin 865 Howe Road Martinez, CA 94553  925-957-9200		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	1	16	0	0	17	89.5%	
		Semi/Unskilled	1	12	0	0	13	54.2%	
		<b>Bay Area</b>	2	28	0	0	30	69.8%	39.9%
		Co. Wide MSA:	<b>9 Bay Area Counties</b>		# Employees-Co. Wide:		<b>43</b>	Bay Area: <b>43</b>	
<b>S</b>	<b>WM</b>	<b>Company Wide</b>	5	11	2	1	19	13.8%	9.6%
Michels Trenchless, a division of Michels Corporation Karen West 817 Main Street Brownsville, WI 53006  920-924-4373		Manager/Prof	1	4	2	1	8	11.8%	
		Technical/Sales	0	1	0	0	1	12.5%	
		Clerical/Skilled	0	3	0	0	3	9.1%	
		Semi/Unskilled	4	3	0	0	7	24.1%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	<b>Wisconsin</b>		# Employees-Co. Wide:		<b>138</b>	Bay Area: <b>0</b>	
<b>S</b>	<b>WM: SBE</b>	<b>Company Wide</b>	0	0	0	0	0	0.0%	54.0%
Thomas J's Welding Thomas DeCoste 19625 S. Creek Road Los Banos, CA 93635  209-495-9945		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	<b>Merced</b>		# Employees-Co. Wide:		<b>1</b>	Bay Area: <b>0</b>	
<b>S</b>	<b>EMM: H - L/SBE</b>	<b>Company Wide</b>	INFORMATION NOT PROVIDED						
S & S Trucking Giovanni De Michino 477 Roland Way Oakland, CA 94621  510-383-3556 ext. 227		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		<b>Bay Area</b>							
		Co. Wide MSA:							
<b>S</b>	<b>WW: LBE</b>	<b>Company Wide</b>	3	13	3	0	19	31.7%	48.4%
Blocka Construction, Inc. Patricia Jean Blocka 445 Boulder Court Pleasanton, CA 94566  510-657-3686		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	2	1	0	3	30.0%	
		Clerical/Skilled	3	10	2	0	15	34.9%	
		Semi/Unskilled	0	1	0	0	1	33.3%	
		<b>Bay Area</b>	3	9	3	0	15	33.3%	39.9%
		Co. Wide MSA:	<b>California</b>		# Employees-Co. Wide:		<b>60</b>	Bay Area: <b>45</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)





## AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: <b>Oakland Inner Harbor Pipeline Crossing</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>			
		National	10.5	10.7	3.7	0.7	27.3			
Spec. No.: <b>2155</b>		DATE: 5/8/2022		9 Bay Area Counties		5.5	16.2	14.2	0.4	39.9
				Alameda/CC Counties		10.7	15.6	15.4	0.5	46.2
R=Recmmd P=Prime S=Sub	Composition of Ownership	<b>Number of Ethnic Minority Employees</b>								
Company Name, Owner/Contact Person, Address, and Phone Number			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>	<b>PERCENT</b>	<b>MSA %</b>	
<b>P</b>	<b>WW</b>	<b>Company Wide</b>	2	37	1	0	40	54.1%	47.9%	
JMB Construction Margaret Burke 132 South Maple Avenue South San Francisco, CA 94080  650-267-5300		Manager/Prof	0	1	0	0	1	6.3%		
		Technical/Sales	0	0	0	0	0	0.0%		
		Clerical/Skilled	0	6	0	0	6	27.3%		
		Semi/Unskilled	2	30	1	0	33	91.7%		
		<b>Bay Area</b>	2	37	1	0	40	54.1%	39.9%	
		Co. Wide MSA:	<b>San Mateo</b>		# Employees-Co. Wide: <b>74</b>		Bay Area: <b>74</b>			
<b>P</b>	<b>WM</b>	<b>Company Wide</b>	7	66	5	0	78	60.9%	39.9%	
Ranger Pipelines Incorporated Mary Shea-Hunt 1790 Yosemite Avenue San Francisco, CA 94124  415-822-3700		Manager/Prof	0	1	0	0	1	7.1%		
		Technical/Sales	0	0	2	0	2	18.2%		
		Clerical/Skilled	4	17	1	0	22	57.9%		
		Semi/Unskilled	3	48	2	0	53	81.5%		
		<b>Bay Area</b>	7	66	5	0	78	60.9%	39.9%	
		Co. Wide MSA:	<b>9 Bay Area Counties</b>		# Employees-Co. Wide: <b>128</b>		Bay Area: <b>128</b>			
<b>P</b>	<b>WM: LBE</b>	<b>Company Wide</b>	3	112	2	0	117	51.3%	39.9%	
Mountain Cascade, Inc. Desiree Arslanian 555 Exchange Court Livermore, CA 94550  925-373-8370		Manager/Prof	0	7	0	0	7	18.4%		
		Technical/Sales	0	0	1	0	1	50.0%		
		Clerical/Skilled	0	5	1	0	6	30.0%		
		Semi/Unskilled	3	100	0	0	103	61.3%		
		<b>Bay Area</b>	3	112	2	0	117	51.3%	39.9%	
		Co. Wide MSA:	<b>9 Bay Area Counties</b>		# Employees-Co. Wide: <b>228</b>		Bay Area: <b>228</b>			
<b>P</b>	<b>WM: SBE</b>	<b>Company Wide</b>	6	52	2	0	60	80.0%	39.9%	
Mitchell Engineering Thelma Welch 1395 Evans Avenue San Francisco, CA 94124  415-227-1040		Manager/Prof	1	2	0	0	3	25.0%		
		Technical/Sales	0	0	0	0	0	0.0%		
		Clerical/Skilled	3	12	2	0	17	77.3%		
		Semi/Unskilled	2	38	0	0	40	97.6%		
		<b>Bay Area</b>	6	52	2	0	60	80.0%	39.9%	
		Co. Wide MSA:	<b>9 Bay Area Counties</b>		# Employees-Co. Wide: <b>75</b>		Bay Area: <b>75</b>			
<b>P</b>	<b>WM</b>	<b>Company Wide</b>	99	102	2	0	203	94.9%	48.4%	
Steve P. Rados, Inc Christopher Seamans 2002 E. McFadden Avenue, Suite 200 Santa Ana, CA 92705  714-835-4612 ext. 256		Manager/Prof	4	0	0	0	4	100.0%		
		Technical/Sales	21	16	0	0	37	90.2%		
		Clerical/Skilled	49	54	2	0	105	96.3%		
		Semi/Unskilled	25	32	0	0	57	95.0%		
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%	
		Co. Wide MSA:	<b>California</b>		# Employees-Co. Wide: <b>214</b>		Bay Area: <b>0</b>			
<b>P</b>	<b>WM: LBE</b>	<b>Company Wide</b>	1	56	3	1	61	56.5%	48.4%	
Garney Pacific, Inc. Bill E. Williams 324 E. 11th Street, Suite E2 Tracy, CA 95376  925-800-1848		Manager/Prof	0	2	2	0	4	16.7%		
		Technical/Sales	0	0	0	0	0	0.0%		
		Clerical/Skilled	1	5	1	0	7	58.3%		
		Semi/Unskilled	0	49	0	1	50	69.4%		
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%	
		Co. Wide MSA:	<b>California</b>		# Employees-Co. Wide: <b>108</b>		Bay Area: <b>0</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)

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AGENDA NO. 5.  
MEETING DATE May 24, 2022

**TITLE** THRESHOLD INHIBITOR ANTI-SCALANT PURCHASE

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input checked="" type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input type="checkbox"/> OTHER
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**

Award a sole source contract to Amaya Solutions Inc. dba American Water Chemicals for supplying threshold inhibitor anti-scalant for the Richmond Advanced Recycled Expansion (RARE) facility for one year, beginning on or after May 24, 2022, with two options to renew for additional one-year periods for a total cost, after the addition of taxes, including option years, not to exceed \$380,744.

**SUMMARY**


This contract is for the purchase of threshold inhibitor anti-scalant used to minimize and prevent inorganic scaling on membrane surfaces within the reverse osmosis treatment system at the RARE facility.

**DISCUSSION**

Threshold inhibitor anti-scalant prevents the precipitation of salt crystals. This maximizes the useful life of membranes and minimizes cleaning cycles for the membranes. The anti-scalant allows the membranes to operate at peak efficiency, thereby saving energy costs and providing the ability to produce more recycled water. This contract supports the District's Long-Term Water Supply Strategic Plan goal to reduce potable water demand through water recycling.

**VENDOR SELECTION**

As permitted by California Public Contract Code, Section 3400, a sole source authorization for this purchase was approved by the Manager of Purchasing. The chemical supplied by American Water Chemicals is proprietary and specifically formulated for RARE application and cannot be obtained through another vendor.

Funds Available: FY22/23	Budget Coding: 818/8660100/1011336/53610	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department  Wastewater	Department Director or Manager  Eileen M. White	Approved  General Manager
Attachment(s): P-035, P-061		

## **SUSTAINABILITY**

### **Economic**

The FY22/23 adopted operating budget includes funding for the first two years of this multi-year contract. Funding for the additional years will be considered as part of the associated budget development process.

### **Environmental**

The threshold inhibitor anti-scalant allows for a higher recovery of treated water through the reverse osmosis process at RARE. This provides for a greater flow rate and volume of recycled water to be processed through the system. This reduces the need to use potable water to meet customer demands.

## **ALTERNATIVES**

**Do not use threshold inhibitor anti-scalant at the RARE facility.** This alternative is not recommended because scale would build up on the membrane surfaces and plug the filters, resulting in the inability to produce recycled water.

**Purchase a different chemical.** This alternative is not recommended because other blends were tested but did not provide satisfactory results.



## 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 and Supplies Agreement</b> Threshold Inhibitor Anti-Scalant Purchase						<b>DATE:</b> May 2, 2022					
<b>CONTRACTOR:</b> Amaya Solutions Inc. dba American Water Chemicals Plant City, FL 33563					<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>100.0%</b>			
		<b>Ethnicity</b>	<b>Gender</b>	<b>White Women</b>		<b>6%</b>		<b>0.0%</b>			
		White	Men	<b>Ethnic Minorities</b>		<b>25%</b>		<b>0.0%</b>			
\$380,744 *											
<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> Amaya Solutions Inc. dba American Water Chemicals		\$380,744	White	X		100.0%					
<b>SUBS:</b> None											
<b>TOTAL</b>		\$380,744				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>											
		<b>White Men</b>	<b>White Women</b>	<b>Ethnic Minorities</b>	<b>Total Employees</b>						
<b>No. of Employees:</b>		17	4	11	32						
<b>Percent of Total Employees:</b>		53.1%	12.5%	34.4%							
<b>MSA Labor Market %:</b>		35.7%	30.9%	33.4%							
<b>MSA Labor Market Location:</b>		Florida									
<b>COMMENTS</b>											
<b>Contract Equity Participation</b> - 100% White Men participation. <b>Contract Duration</b> : One-year with 2 One-year renewal options.  *Total not to exceed: \$380,744											
<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.**

[illegible]

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



AGENDA NO. 6.  
MEETING DATE May 24, 2022

**TITLE     MICROFILTRATION MEMBRANE MODULE REPLACEMENT AND  
PROGRAMMING WORK**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input checked="" type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input type="checkbox"/> OTHER
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**


Authorize an agreement beginning on or after May 24, 2022 with Pall Corporation in an amount not to exceed \$1,003,464 for the procurement and installation oversight of replacement microfiltration membrane modules at the East Bayshore Recycled Water Project (East Bayshore) and programming work at the Richmond Advanced Recycled Expansion (RARE) facility.

**SUMMARY**

This project will replace older microfiltration membrane modules at East Bayshore. Replacement of the membrane modules is necessary to maintain treatment process reliability and recycled water production. The project will also involve programming modifications to the RARE microfiltration system which are required to fix programming deficiencies and ensure continued reliable operations.

**DISCUSSION**

Microfiltration membranes provide the filtration needed to meet recycled water quality standards. The existing microfiltration membrane modules at East Bayshore are almost 15 years old and have been in service for longer than their expected life. Operational risks increase as the microfiltration membranes age. To ensure the filtration reliability at East Bayshore, this agreement includes replacement of all the membrane modules. District forces will install the new membrane modules, with a field service representative from Pall Corporation providing support. Deficiencies in the microfiltration programming at RARE must be corrected to prevent incorrect chemical dosing. Pall Corporation will make the programming modifications as their microfiltration system programming is proprietary and password protected. This work supports the District's Long-Term Infrastructure Investment Strategic Plan goal for meeting operational needs and reliability goals by effectively maintaining infrastructure.

Funds Available: FY22/23, CIP# 1005395; Page 90	Budget Coding: 455/2015108/2015122:00/52310 819/8660100/1011336/52310	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department  Wastewater	Department Director or Manager  Eileen M. White	Approved  General Manager
Attachment(s): P-035, P-061		

## **SERVICE PROVIDER**

As permitted by California Public Contract Code, Section 3400, a sole source authorization was approved by the Manager of Purchasing. Staff recommends the direct award purchase to Pall Corporation, the original equipment manufacturer, to ensure absolute compatibility with the existing microfiltration equipment and programming.

## **SUSTAINABILITY**

### **Economic**

Funding for the microfiltration replacement work is available in the FY22/23 adopted capital budget for the East Bayshore Project.

Funding for the RARE programming work is available in the FY22/23 adopted operating budget. The District will be reimbursed for the cost of this agreement by Chevron. Chevron provides monthly reimbursement for operating costs associated with RARE, which includes funding for services such as those provided by this agreement.

### **Social**

This type of work is not performed by District forces and consequently union notification was not required.

### **Environmental**

East Bayshore and RARE treatment equipment upgrades are essential to maintaining reliable recycled water production, which helps conserve drinking water.

## **ALTERNATIVES**

**Do not authorize this agreement.** This alternative is not recommended because the District needs to maintain operational and reliable infrastructure. The microfiltration modules at East Bayshore have been in service past their expected life span and the programming deficiencies at RARE must be corrected.

**Do not authorize an agreement with Pall Corporation.** This alternative is not recommended because Pall Corporation, as the original equipment manufacturer, can ensure absolute compatibility with the existing microfiltration equipment and programming.





## 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>General Services Agreement</b> Microfiltration Membrane Module Replacement and Programming Work					<b>DATE:</b> April 20, 2022								
<b>CONTRACTOR:</b> Pall Corporation Cortland, NY 13045 Sole Source					<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>6%</b>		<b>0.0%</b>				
\$1,003,464 *		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>PRIMES:</b> Pall Corporation		\$1,003,464	Publicly Held							100.0%			
<b>SUBS:</b> None													
<b>TOTAL</b>		\$1,003,464					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>		1,497		737		2,221		4,455					
<b>Percent of Total Employees:</b>		33.6%		16.5%		49.9%							
<b>MSA Labor Market %:</b>		39.0%		33.7%		27.3%							
<b>MSA Labor Market Location:</b>		Total USA											
<b>COMMENTS</b>													
<b>Contract Equity Participation:</b> Zero percent Contract equity participation since firm is a Publicly Held Corporation. <b>Contract Duration:</b> One-year  *Total not to exceed: \$1,003,464													
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>					
NA				NA									

## AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: <b>Microfiltration Membrane Module Replacement and Programming Work</b>			Ethnic Minority Percentages From U.S. Census Data						
					B	H	A/PI	AI/AN	TOTAL
			National	10.5	10.7	3.7	0.7	27.3	
<b>General Services Agreement</b>		DATE:	9 Bay Area Counties		5.5	16.2	14.2	0.4	39.9
		4/20/2022	Alameda/CC Counties		10.7	15.6	15.4	0.5	46.2
R=Recmmnd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	PHC	Company Wide	606	1,255	308	11	2,180	48.9%	27.3%
Pall Corporation Erin Schettini 839 NYS Route 13 Cortland, NY 13045  516-801-9509		Manager/Prof	87	231	187	3	508	33.5%	
		Technical/Sales	29	105	41	1	176	25.1%	
		Clerical/Skilled	413	805	66	7	1,291	65.8%	
		Semi/Unskilled	77	114	14	0	205	74.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		NA		
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		4,455	Bay Area:	0

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



AGENDA NO. 7.1.-7.2.  
MEETING DATE May 24, 2022

**TITLE FERNWOOD COURT, CENTER STREET, B STREET, KELLY STREET AND  
WILDWOOD STREET REZONING**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input checked="" type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input type="checkbox"/> OTHER
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**


1. Authorize an agreement beginning on or after May 24, 2022 with Guaranteed Plumbing in an amount not to exceed \$111,360 for installation of 36 pressure reducing valves (PRVs) to rezone customers located on Fernwood Court, Center Street and B Street in Hayward from the Bayview Pressure Zone to the higher Quarry Pressure Zone.
2. Authorize an agreement beginning on or after May 24, 2022 with Jackson & Son Plumbing in an amount not to exceed \$130,800 for installation of 46 PRVs to rezone customers located on Kelly Street and Wildwood Street in Hayward from the Bayview Pressure Zone to the higher Quarry Pressure Zone.

**SUMMARY**

Installing PRVs on existing private plumbing is required when increasing water pressure by rezoning customers to a higher pressure zone. The agreements are for labor and materials on private property that includes plumbing, excavating, trenching, surface repair, and water pressure testing.

**DISCUSSION**

Rezoning the customers on Fernwood Court, Center Street, B Street, Kelly Street and Wildwood Street to a higher pressure zone will allow the District to abandon approximately 175 feet of eight-inch steel pipeline located under a bridge crossing the San Lorenzo Creek in Castro Valley. The pipeline recently leaked and is in poor condition and difficult to maintain. Due to its location under the bridge, it is more cost effective to abandon the pipeline and rezone customers than to repair/replace and continue to maintain the pipeline. The plumbing work includes installing a PRV at each residence. Customers were notified and agreed to the installation of the PRV and understand they will be responsible for maintenance of the new PRV following a one-year warranty period to be provided by the plumbing contractor. This agreement supports the District's Long-Term Infrastructure Investment Strategic Plan goal.

Funds Available: FY22/23, CIP#000130; Page 10	Budget Coding: 521/2014470/2014506:01/ 7000215	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department  Engineering and Construction	Department Director or Manager  Olujimi O. Yoloye	Approved   General Manager
Attachment(s): P-035; P-061		

## **SERVICE PROVIDER SELECTION**

Staff solicited bids from three plumbing contractors. A mandatory pre-bid walk through was conducted and only two contractors attended. Bids were received from both contractors. Due to the large size of the rezoning, the work was split and both Guaranteed Plumbing and Jackson & Son Plumbing were selected based on their qualifications and expertise.

Work under the agreements is subject to the payment of current prevailing wages according to determinations for each craft as established by the Director of the Department of Industrial Relations (DIR) of the State of California. The service providers, Guaranteed Plumbing and Jackson & Son Plumbing, are licensed to perform work in California, and are not on the State DIR debarment list. Guaranteed Plumbing and Jackson & Son Plumbing and their listed subcontractors are properly registered with the State DIR.

## **SUSTAINABILITY**

### **Economic**

Funding for this work is included in the FY22/23 adopted capital budget for the Distribution Systems Upgrade Program.

### **Social**

This type of work is not performed by District forces and consequently, union notification was not required.

## **ALTERNATIVES**

**Do not perform the work.** This alternative is not recommended because the eight-inch pipeline serving these locations is in poor condition and will be abandoned.

**Select another contractor to perform the work.** This alternative is not recommended because both plumbing contractors have the qualifications and expertise to complete the work.



## 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>General Services Agreement</b> Fernwood Court, Center Street and B Street Rezoning						<b>DATE:</b> March 21, 2022					
<b>CONTRACTOR:</b> Guaranteed Plumbing Danville, CA 94526				Local / Small Business		<b>PERCENTAGE OF CONTRACT DOLLARS</b>					
<b>BID/PROPOSER'S PRICE:</b> \$111,360 *		<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>			
		Hispanic	Men	<b>Ethnic Minorities</b>		<b>25%</b>		<b>100.0%</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>PRIMES:</b> Guaranteed Plumbing		\$111,360	Hispanic	X			100.0%				
<b>SUBS:</b> None											
<b>TOTAL</b>		\$111,360			0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>											
		<b>White Men</b>		<b>White Women</b>		<b>Ethnic Minorities</b>		<b>Total Employees</b>			
<b>No. of Employees:</b>		6		2		10		18			
<b>Percent of Total Employees:</b>		33.3%		11.1%		55.6%					
<b>MSA Labor Market %:</b>		33.3%		28.2%		38.5%					
<b>MSA Labor Market Location:</b>		Contra Costa									
<b>COMMENTS</b>											
<b>Contract Equity Participation:</b> 100% Ethnic Minority participation. <b>Contract Duration:</b> NA *Total not to exceed: \$111,360											
<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:</b> <b>Fernwood Court, Center Street and B Street Rezoning</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>General Services Agreement</b>		<b>DATE:</b> <b>3/21/2022</b>	<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>R=Recmmd</b> <b>P=Prime S=Sub</b>	<b>Composition of Ownership</b>	<b>Number of Ethnic Minority Employees</b>							
<b>Company Name, Owner/Contact Person, Address, and Phone Number</b>			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>	<b>PERCENT</b>	<b>MSA %</b>
<b>RP</b>	<b>EMM: H - L/SBE</b>	<b>Company Wide</b>	0	10	0	0	10	55.6%	38.5%
Guaranteed Plumbing Marcus Madrid 85 Front Street Danville, CA 94526 925-820-2090		Manager/Prof	0	2	0	0	2	50.0%	0
		Technical/Sales	0	0	0	0	0	1.0%	
		Clerical/Skilled	0	6	0	0	6	54.5%	
		Semi/Unskilled	0	2	0	0	2	66.7%	
		<b>Bay Area</b>	0	10	0	0	10	55.6%	39.9%
		AA Plan on File:	<b>NA</b>		Date of last contract with District:		<b>10/12/2021</b>		
		Co. Wide MSA:	<b>Contra Costa</b>		# Employees-Co. Wide:		<b>18</b>	Bay Area:	<b>18</b>
<b>P</b>	<b>WM: L/SBE</b>	<b>Company Wide</b>	0	3	0	0	3	75.0%	34.1%
Jackson & Son Plumbing Robert Jackson 211 Montego Drive Hercules, CA 94547 925-820-2090		Manager/Prof	0	1	0	0	1	50.0%	0
		Technical/Sales	0	2	0	0	2	100.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	3	0	0	3	75.0%	39.9%
		Co. Wide MSA:	<b>Contra Costa</b>		# Employees-Co. Wide:		<b>4</b>	Bay Area:	<b>4</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)



## 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>General Services Agreement</b> Kelly Street and Wildwood Street Rezoning					<b>DATE:</b> March 21, 2022						
<b>CONTRACTOR:</b> Jackson & Son Plumbing Hercules, CA 94547 Local / Small Business					<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>100.0%</b>		
		<b>Ethnicity</b>	<b>Gender</b>		<b>White Women</b>		<b>6%</b>		<b>0.0%</b>		
\$130,800 *		White		Men		<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>PRIMES:</b> Jackson & Son Plumbing		\$130,800	White	X		100.0%					
<b>SUBS:</b> None											
<b>TOTAL</b>		\$130,800					100.0%	0.0%	0.0%	0.0%	0.0%
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>											
		<b>White Men</b>		<b>White Women</b>		<b>Ethnic Minorities</b>		<b>Total Employees</b>			
<b>No. of Employees:</b>		1		0		3		4			
<b>Percent of Total Employees:</b>		25.0%		0.0%		75.0%					
<b>MSA Labor Market %:</b>		32.3%		27.8%		39.9%					
<b>MSA Labor Market Location:</b>		9 Bay Area Counties									
<b>COMMENTS</b>											
<b>Contract Equity Participation:</b> 100% White Men participation. <b>Contract Duration:</b> NA  *Total not to exceed: \$130,800											
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>			
NA				NA							

## AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: <b>Kelly Street and Wildwood Street Rezoning</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		
General Services Agreement		DATE: 3/21/2022	9 Bay Area Counties		5.5	16.2	14.2	0.4	39.9	
			Alameda/CC Counties		10.7	15.6	15.4	0.5	46.2	
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees								
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
RP	WM: L/SBE	Company Wide	0	3	0	0	3	75.0%	34.1%	
Jackson & Son Plumbing Robert Jackson 211 Montego Drive Hercules, CA 94547 510-815-0302		Manager/Prof	0	1	0	0	1	50.0%	0	
		Technical/Sales	0	2	0	0	2	100.0%		
		Clerical/Skilled	0	0	0	0	0	0.0%		
		Semi/Unskilled	0	0	0	0	0	0.0%		
		Bay Area	0	3	0	0	3	75.0%	39.9%	
		AA Plan on File:	NA		Date of last contract with District:		10/12/2021			
		Co. Wide MSA:	New York		# Employees-Co. Wide:		4		Bay Area:	4
P	EMM: H - L/SBE	Company Wide	0	10	0	0	10	55.6%	38.5%	
Guaranteed Plumbing Marcus Madrid 85 Front Street Danville, CA 94526 925-820-2090		Manager/Prof	0	2	0	0	2	50.0%	0	
		Technical/Sales	0	0	0	0	0	0.0%		
		Clerical/Skilled	0	6	0	0	6	54.5%		
		Semi/Unskilled	0	2	0	0	2	66.7%		
		Bay Area	0	10	0	0	10	55.6%	39.9%	
		Co. Wide MSA:	Contra Costa		# Employees-Co. Wide:		18		Bay Area:	18

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





AGENDA NO. 8.  
MEETING DATE May 24, 2022

**TITLE REPLACE MICROSOFT PREMIER SUPPORT WITH MICROSOFT UNIFIED SUPPORT**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input checked="" type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input type="checkbox"/> OTHER
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**

Authorize the Microsoft Unified Support agreement, which supersedes the Microsoft Premier Support agreement authorized under Board Motion No. 189-20 and extend the agreement term to January 23, 2023.

**SUMMARY**


The District is currently subscribed to Microsoft Premier Support. Microsoft is ending the Premier Support and is presenting Unified Support as the replacement. No additional funds are required to transition to the replacement agreement.

**DISCUSSION**

The District has used Microsoft products for three decades. In March 2020, the District deployed Office 365 and Microsoft's cloud services. Since then, the District has relied on Microsoft Premier Support to quickly resolve issues, train staff, plan new offerings, and implement new technologies. Microsoft Unified Support will allow staff to continue with these benefits and help ensure the District's investment in Microsoft products is fully utilized.

On October 13, 2020, the Board authorized an agreement with Microsoft Corporation (Microsoft) to provide Microsoft Premier Support until January 15, 2023. In February 2022, staff was informed that Microsoft Corporation would be replacing Microsoft Premier Support with Microsoft Unified Support. The new agreement would cover the period May 1, 2022 through January 23, 2023.

The Unified Support Services Description (USSD) and the Data Protection Addendum (DPA) contain provisions that would require the District to indemnify Microsoft. The existing Master Services Agreement (MSA) between the District and Microsoft has an amendment that removes this indemnity language. Per Microsoft, the MSA's amendment takes precedence over the indemnity language in the USSD and the DPA.

Funds Available: FY22/23	Budget Coding: 252/8876500/52430	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Information Systems	Patrick D. Cho	 General Manager
Attachment(s): P-035; P-061		

## **SERVICE PROVIDER SELECTION**

In September 2020, a request for quotations was sent to four potential proposers. Three bids were received. Microsoft was the lowest responsive/responsible bidder.

## **SUSTAINABILITY**

### **Economic**

Funding for this work is available in the FY22/23 adopted operating budget.

## **ALTERNATIVES**

**Do not authorize the Microsoft Unified Support agreement.** This alternative is not recommended because staff would lose the ability to quickly resolve issues, train staff, plan new offerings, and implement new technologies. This would make it more difficult to fully utilize the District's investment in Microsoft products.

**Purchase support from a third-party support provider.** This alternative is not recommended because a third-party provider does not have access to all of Microsoft's internal resources, including incident response, training, and systems engineers to help the District deploy necessary products.



## 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>General Services Agreement</b> Replace Microsoft Premier Support with Unified Support Services						<b>DATE:</b> May 11, 2022						
<b>CONTRACTOR:</b>  Microsoft Corporation Redmond, WA 98052					<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>100.0%</b>				
		<b>Ethnicity</b>	<b>Gender</b>	<b>White Women</b>		<b>6%</b>		<b>0.0%</b>				
\$176,860 *		White Men		<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> Microsoft Corporation		\$176,860	White	X		100.0%						
<b>SUBS:</b> None												
<b>TOTAL</b>		\$176,860				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)</b>												
		<b>White Men</b>		<b>White Women</b>		<b>Ethnic Minorities</b>		<b>Total Employees</b>				
<b>No. of Employees:</b>		32,091		11,891		38,025		82,007				
<b>Percent of Total Employees:</b>		39.1%		14.5%		46.4%						
<b>MSA Labor Market %:</b>		43.6%		37.6%		18.8%						
<b>MSA Labor Market Location:</b>		Washington										
<b>COMMENTS</b>												
<b>Contract Equity Participation:</b> 100% White Men participation. <b>Contract Duration:</b> Three years  *Total not to exceed: \$176,860 = 6 mo. Contract - \$38,040, 10 mo. Contract - \$61,240, and 12 mo. Contract - \$77,580												
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>				
NA				NA								



# AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: <b>Replace Microsoft Premier Support with Unified Support Services</b>			Ethnic Minority Percentages From U.S. Census Data						
				<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>General Services Agreement</b>		DATE: 5/11/2022	<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>R=Recmmd P=Prime S=Sub</b>	<b>Composition of Ownership</b>		<b>Number of Ethnic Minority Employees</b>						
<b>Company Name, Owner/Contact Person, Address, and Phone Number</b>			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>	<b>PERCENT</b>	<b>MSA %</b>
<b>RP</b>	<b>WM</b>	<b>Company Wide</b>	3,494	5,014	27,194	386	36,088	44.0%	18.8%
Microsoft Corporation Sheri Viggiano One Microsoft Way Redmond, WA 98052  425-882-8080		Manager/Prof	2,812	4,237	26,719	352	34,120	45.6%	
		Technical/Sales	640	725	381	26	1,772	27.6%	
		Clerical/Skilled	42	52	94	8	196	23.9%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		AA Plan on File: <b>NA</b>	Date of last contract with District: <b>NA</b>						
		Co. Wide MSA: <b>Washington</b>	# Employees-Co. Wide: <b>82,007</b>				Bay Area: <b>0</b>		
<b>P</b>	<b>WM</b>	<b>Company Wide</b>	INFORMATION NOT PROVIDED						
SoftwareONE Norma Castillo 20875 Crossroads Circle, Suite 1 Waukesha, WI 53186  800-400-9852		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		<b>Bay Area</b>							
		Co. Wide MSA:							
<b>P</b>	<b>PHC</b>	<b>Company Wide</b>	INFORMATION NOT PROVIDED						
Zones, LLC Asad Ijaz 1102 15th Street SW, Suite 102 Auburn, WA 98001  253-288-6318		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		<b>Bay Area</b>							
		Co. Wide MSA:							

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



AGENDA NO. 9.  
MEETING DATE May 24, 2022

**TITLE** AMEND CONTRACT FOR 6" AND 8" SERVICE CLAMPS

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input checked="" type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input type="checkbox"/> OTHER
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**

Authorize an amendment to the contract previously awarded under Board Motion No. 069-21 with Cambridge Brass Inc., to increase the contract amount by \$485,820 to a total amount not to exceed \$821,765 for supplying 6-inch and 8-inch service clamps.

**SUMMARY**

The existing contract has been in effect 11 months and the actual order quantities have already exceeded the estimated annual order quantity by 224 percent. The District has used more PVC pipe materials requiring clamps than originally estimated for the Pipeline Rebuild Program and pipeline construction projects, both of which supports new service installs and service transfers.

**DISCUSSION**

The District installs service clamps in its water distribution system, specifically to complete new PVC water service connections or in making repairs to existing systems which utilize PVC pipe. This purchase supports the District's Long-Term Infrastructure Investment Strategic Plan goal.


**VENDOR SELECTION**

In February 2021, a request for quotations was posted on the District's website, sent to three resource organizations and 22 potential bidders, and advertised in the Oakland Tribune. Three bids were received. Cambridge Brass Inc. was the lowest responsive/responsible bidder.

**SUSTAINABILITY**

**Economic**

The FY22/23 adopted operating budget includes partial funding for this unplanned expense. The fiscal impact associated with this action will be absorbed within the existing budget appropriation.

Funds Available: FY22/23	Budget Coding: 363/8862100/4008621/17750	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department  Finance	Department Director or Manager  Sophia D. Skoda	Approved  General Manager
Attachment(s): P-035; P-061		

Amend Contract for 6” and 8” Service Clamps

May 24, 2022

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## **ALTERNATIVES**

**Purchase material on the open market as needed.** This alternative is not recommended because the District would not be taking advantage of the economies of scale which are realized in long-term bulk contractual procurements such as this.

**Conduct a competitive bid process annually.** This alternative is not recommended because of the cost of competition for both the District and vendors, and improved pricing is not likely at this time.

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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>Materials and Supplies - RFQ No.: 2107 - Amendment</b> Amendment to Agreement for 6" and 8" Service Clamps						<b>DATE:</b> May 1, 2022						
<b>CONTRACTOR:</b> Cambridge Brass Inc. Cambridge, Ontario N1T1R9					<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>			
\$485,820 *		Foreign		-	<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> Cambridge Brass Inc.		\$485,820	Foreign									100.0%
<b>SUBS:</b> None												
<b>TOTAL</b>		\$485,820			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
<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>		85		16		10		111				
<b>Percent of Total Employees:</b>		76.6%		14.4%		9.0%						
<b>MSA Labor Market %:</b>		39.0%		33.7%		27.3%						
<b>MSA Labor Market Location:</b>		Total USA										
<b>COMMENTS</b>												
<b>Contract Equity Participation</b> - Zero Contract equity participation since firm is Foreign-Owned. <b>Contract Duration:</b> Three-Year Contract with 2 One-Year Renewal Options  *Total not to exceed: \$821,765 = \$335,945 (Original) + \$485,820 (Amendment)												
<b>Workforce Profile &amp; Statement of Nondiscrimination Submitted</b>				<b>Good Faith Outreach Efforts Requirement Satisfied</b>				<b>Award Approval Recommended</b>				
NA				NA								



# AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: <b>Amendment to Agreement for 6" and 8" Service Clamps</b>		Ethnic Minority Percentages From U.S. Census Data							
			<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>Materials and Supplies - RFQ No.: 2107 Amendment</b>		<b>DATE:</b> 5/1/2022	<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>R=Recmmd P=Prime S=Sub</b>	<b>Composition of Ownership</b>	<b>Number of Ethnic Minority Employees</b>							
<b>Company Name, Owner/Contact Person, Address, and Phone Number</b>			<b>B</b>	<b>H</b>	<b>A/PI</b>	<b>AI/AN</b>	<b>TOTAL</b>	<b>PERCENT</b>	<b>MSA %</b>
<b>RP</b>	<b>Foreign</b>	<b>Company Wide</b>	1	0	7	0	8	5.8%	27.3%
Cambridge Brass Inc. Sarah Friess 140 Orion Place Cambridge, Ontario N1T1R9  724-772-1462		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	2	0	2	13.3%	
		Semi/Unskilled	1	0	5	0	6	6.8%	
		<b>Bay Area</b>	0	0	0	0	0	0.0%	39.9%
		AA Plan on File:	<b>NA</b>		Date of last contract with District:		<b>NA</b>		
		Co. Wide MSA:	<b>Total USA</b>		# Employees-Co. Wide:		<b>139</b>		Bay Area: <b>0</b>
<b>P</b>	<b>WM: LBE</b>	<b>Company Wide</b>	212	476	39	17	744	20.3%	27.3%
Core & Main LP dba R&B Co. Laura Schneider 3486 Investment Blvd., Suite A Hayward, CA 94545  510-244-5858		Manager/Prof	14	76	10	8	108	9.9%	
		Technical/Sales	29	113	12	4	158	12.9%	
		Clerical/Skilled	50	102	7	1	160	36.2%	
		Semi/Unskilled	119	185	10	4	318	34.7%	
		<b>Bay Area</b>	3	71	8	1	83	58.5%	39.9%
		Co. Wide MSA:	<b>Total USA</b>		# Employees-Co. Wide:		<b>3,674</b>		Bay Area: <b>142</b>
<b>P</b>	<b>WM</b>	<b>Company Wide</b>	2,684	2,466	1,028	142	6,320	24.4%	27.3%
Ferguson Enterprises LLC dba Ferguson Waterworks Charlotte Murch 12500 Jefferson Avenue Newport News, VA 23602  757-989-2870		Manager/Prof	1,810	355	324	63	2,552	22.3%	
		Technical/Sales	203	1,014	203	53	1,473	16.8%	
		Clerical/Skilled	503	734	427	18	1,682	39.8%	
		Semi/Unskilled	168	363	74	8	613	44.3%	
		<b>Bay Area</b>	58	136	52	6	252	68.5%	39.9%
		Co. Wide MSA:	<b>Total USA</b>		# Employees-Co. Wide:		<b>25,861</b>		Bay Area: <b>368</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. 10a.-10e.  
MEETING DATE May 24, 2022

**TITLE AUTHORIZE ONE-YEAR WATER PURCHASE AND WARREN ACT CONTRACT  
WITH PLACER COUNTY WATER AGENCY**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input checked="" type="checkbox"/> OTHER
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**


1. Authorize the General Manager to negotiate and execute a one-year water purchase and sale agreement (PSA) with Placer County Water Agency (PCWA) for the following:
  - a. Purchase of up to 20,000 acre-feet (AF) of transfer water made available through reservoir reoperation ("Transfer");
  - b. Costs to include a purchase price of \$720 per AF for up to 20,000 AF, for a total maximum water purchase cost of up to \$14.4 million; and
  - c. Reimbursement to PCWA for permitting and administrative expenses at a maximum of \$50,000.
  - d. Negotiate and execute a companion Warren Act Contract with the U.S. Bureau of Reclamation (Reclamation) to set forth the terms and conditions of water moving through Folsom Reservoir and of the District's use of the Folsom South Canal to deliver the transfer water to the East Bay and reimburse Reclamation's fees and costs arising from the conveyance in an amount not to exceed \$900,000.
  - e. Negotiate and execute a companion Power Letter of Agreement (PLOA) with Reclamation, if needed, and to pay for the power bypass costs to Reclamation up to an estimated amount of \$200,000.

**SUMMARY**

Due to continued dry conditions, the District is pursuing water transfers this year. The District is negotiating a PSA with PCWA that could provide up to 20,000 AF of supplemental dry year water in 2022. Water would be made available through reservoir reoperation of the Middle Fork Project on the American River in coordination with Reclamation.

**DISCUSSION**

On April 27, 2021, the District declared a Stage 1 critical drought, adopted a voluntary District-wide water use reduction goal of 10 percent, and declared the need to use the Freeport Project to deliver supplemental supplies to the District's service area. January through March 2022 was the driest January through March on record in the Mokelumne River watershed, prompting the need to secure supplemental

Funds Available: FY22, CIP #000460; Page #93	Budget Coding: 11.875.1420.8471900.52420.0000	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Water and Natural Resources	Michael T. Tognolini	 General Manager
Attachment(s): A – Key Terms of 2022 Water Purchase, B – Key Terms of 2022 Warren Act Contract		

supplies. On April 26, 2022, the District declared a Water Shortage Emergency and a Stage 2 critical drought with a 10 percent mandatory water use reduction goal.

PCWA owns and operates several reservoirs on the Middle Fork of the American River and its tributaries, collectively known as the Middle Fork Project. PCWA is a signatory to the 2000 Sacramento Water Forum Agreement (WFA), which establishes goals of preserving the lower American River and providing a reliable water supply for the region. As a part of the WFA, PCWA has agreed to release additional water from its reservoirs in dry years to benefit the lower American River. These environmental releases are conditioned upon PCWA's ability to find a willing buyer to purchase the water downstream of the confluence of the Sacramento and American Rivers.

Since 2013, the District and PCWA have been developing a long-term partnership under which the District would purchase dry year water that PCWA releases as their WFA commitment. Once the long-term transfer agreement between the District and PCWA is fully developed, the District would become the buyer of PCWA's releases, thereby providing certainty that PCWA's environmental releases will continue in the future.

Per the 2013 Memorandum of Understanding (MOU) between the District and PCWA to develop the long-term transfer agreement, the District has the right of first refusal to purchase water available on a short-term, one-year basis in the interim period prior to execution of the long-term transfer agreement. During the last drought, the District exercised its right of first refusal and purchased 5,000 AF in 2014 and 12,000 AF in 2015 from PCWA. Although PCWA is not required to make WFA releases this year, they are willing and able to transfer up to 20,000 AF of water to the District, given that both agencies are working toward a long-term partnership. This year, the District and PCWA are negotiating a one-year agreement for the District to purchase up to 20,000 AF at a price of \$720 per AF, for a total maximum water purchase cost of up to \$14.4 million. The District would also pay PCWA a \$50,000 non-refundable processing fee to cover PCWA's costs to complete the administrative work necessary for environmental reviews and approvals. A summary of the terms of the PSA with PCWA is presented in Attachment A.

In order to deliver water from PCWA to the District's service area, the District and Reclamation would enter into a Warren Act Contract that would allow the transfer water to be moved through the Folsom South Canal at an estimated cost of \$45 per AF. Additionally, the District may be required to pay power bypass costs to Reclamation that are associated with a Power Letter of Agreement (PLOA) with Reclamation at an estimated cost of \$10 per AF. Reclamation requires reimbursement of lost power generation revenue if implementing the proposed transfer results in Reclamation bypassing power generation to manage downstream water temperatures in the Lower American River. A summary of the terms of the Warren Act Contract is presented in Attachment B.

## **SUSTAINABILITY**

### **Economic**

The total cost of transferring 20,000 AF of water from PCWA will not exceed \$15.55 million. This cost includes:

1. Payment of up to \$14,400,000 to PCWA for up to 20,000 AF of transfer water at \$720 per AF;
2. Payment of up to \$900,000 to Reclamation for the fees and costs associated with the Warren Act Contract to convey Transfer water diverted at the Freeport Project;
3. Payment of up to \$200,000 to Reclamation to pay power bypass costs to Reclamation associated with this Transfer; and
4. Payment of up to \$50,000 to PCWA for administrative costs and permitting fees.

Funds for the transfer purchase will be available from the Stage 2 drought surcharge implemented on May 10, 2022 under Board Resolution No. 35289-22.

### **Social**

This transfer is consistent with the District's Water Shortage Contingency Plan to manage limited supplies for District customers during drought.

### **Environmental**

The District reviewed the Transfer and determined that it is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the following:

1. Water Code Section 1729 exemption for short-term water transfers: The Transfer is exempt from the requirements of CEQA pursuant to Water Code Section 1729, as it is an action involving a short-term water transfer of less than one year.
2. Public Resources Code section 21080(b)(4) and CEQA Guidelines Section 15269(c) statutory exemption for emergencies: The Transfer involves specific actions necessary to prevent or mitigate the drought emergency.
3. CEQA Guidelines Section 15301 categorical exemption for Existing Facilities: Conveyance of the transfer water would occur entirely through existing facilities and would involve only ongoing operation of these existing facilities and would not exceed the normal capacity of those facilities. The exceptions set forth in Section 15300.2 do not apply.
4. CEQA Guidelines Section 15304 categorical exemption for Minor Alterations to the Condition of Land or Water: The Transfer involves a minor alteration to the condition of water, and the exceptions set forth in Section 15300.2 do not apply.

The Transfer will require a Warren Act Contract from Reclamation to deliver the transfer water through Folsom Reservoir and the Folsom South Canal. As its National Environmental Policy Act (NEPA) documentation for the Transfer's Warren Act Contract, it is expected that Reclamation will rely upon the 2019 Long-Term Water Transfers (LTWT) Environmental Impact Statement/Environmental Impact Report (EIS/EIR) prepared by the San Luis-Delta Mendota Water Authority and Reclamation. The LTWT EIS/EIR was certified on November 8, 2019. The Transfer is within the project reviewed and considered in the LTWT EIS/EIR and all environmental impacts of the Transfer are disclosed, analyzed, and

mitigated in the LTWT EIS/EIR, and no subsequent or supplemental review is required under CEQA Guidelines sections 15162 or 15163. Based on initial discussions between District staff and Reclamation, Reclamation may develop an Environmental Assessment (EA) and accompanying Finding of No Significant Impact if needed to otherwise comply with NEPA before entering into a Warren Act Contract.

The Transfer will use existing facilities and will not involve any construction or major alterations within the boundaries of the Delta or the Suisun Marsh, and therefore will not have a significant impact on the achievement of one or both coequal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem or the implementation of government-sponsored flood control programs to reduce risks to people, property, and state interests in the Delta, and is therefore not a “covered action” under the Delta Plan.

The Transfer will benefit the Mokelumne fisheries and wildlife since 20 percent of supplemental water supplies purchased by the District will be allocated to in-stream flows in the Mokelumne River pursuant to the gainsharing provision in the 1998 Joint Settlement Agreement between the District, U.S. Fish and Wildlife Service, and California Department of Fish and Wildlife.

## **ALTERNATIVE**

**Do not purchase water or purchase less water from PCWA.** This alternative is not recommended because the District has identified the need to procure supplemental supplies through water purchases as drought conditions continue in 2022. Since the District’s 2022 CVP allocation is at public health and safety level, it is unlikely the District would be eligible for CVP supply.

## ATTACHMENT A

### KEY TERMS OF 2022 WATER PURCHASE AND SALE AGREEMENT WITH PLACER COUNTY WATER AGENCY (PCWA)

Key terms and conditions of the 2022 water purchase and sale agreement with PCWA include:

- Term: The water purchase agreement is for a temporary water transfer of one year or less and would terminate no later than December 31, 2022.
- Approvals and Environmental Compliance: The District would enter into a separate Warren Act Contract with PCWA and Reclamation. Under the Warren Act Contract, Reclamation would serve as federal lead for the transfer, responsible for NEPA and ESA compliance. The District would be responsible for obtaining all approvals to convey the transfer water to the District's service area and for CEQA compliance.
- Transfer Water Quantities: The District would agree to purchase up to 20,000 AF from PCWA.
- Schedule of Water Delivery: The schedule of water delivery will be determined by PCWA and the District in consultation with Reclamation as a part of the Warren Act Contract. Transfer water is expected to be available for diversion to the District between July and November of 2022.
- Payments: The purchase price for transfer water would be \$720 per AF for up to 20,000 AF.
- Call Date: The District must call for the PCWA water by July 1, 2022.
- Permitting and Administrative Costs: The District would be responsible for PCWA's permitting and administrative costs estimated to be up to \$50,000.
- Additional Terms and Conditions: If the District terminates the agreement, it may have a continuing obligation to pay for the water requested on the call date unless an exception is applicable.

## ATTACHMENT B

### KEY TERMS OF 2022 WARREN ACT CONTRACT WITH UNITED STATES BUREAU OF RECLAMATION (RECLAMATION) AND PLACER COUNTY WATER AGENCY (PCWA)

Key terms and conditions of the 2022 Warren Act Contract include:

- Term: The Warren Act Contract is for a temporary water transfer of one year or less and would terminate no later than December 31, 2022.
- Warren Act Requirements: The Warren Act Contract is required to deliver PCWA (non-CVP) water through Folsom Reservoir and the Folsom South Canal. PCWA and the District successfully secured Warren Act contracts during the previous droughts in 2014 and 2015.
- NEPA: Reclamation would rely on the Long-Term Water Transfer EIS/EIR (LTWT EIS/EIR), as it provides NEPA coverage for the short-term transfer water PCWA would make available through reservoir reoperations and comply with applicable guidelines under Reclamation's transfers program. PCWA is included in the LTWT EIS/EIR as a potential seller. The District is included in the LTWT EIS/EIR as a potential buyer.
- Deliveries to EBMUD: PCWA would deliver the transfer water to the District on a schedule and at a rate acceptable to Reclamation and EBMUD given the planned Freeport operations and maximum diversion capacity.
- Costs: EBMUD will reimburse Reclamation \$900,000 for administrative and incremental costs related to the Warren Act contract and may be required to pay \$200,000 for power bypass costs.



AGENDA NO. 11.1.-11.3.  
MEETING DATE May 24, 2022

**TITLE BAY AREA REGIONAL WATER CONSERVATION PROJECT GRANT  
AGREEMENT AND MEMORANDUM OF UNDERSTANDING**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input checked="" type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input type="checkbox"/> OTHER

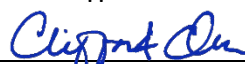
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE
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**RECOMMENDED ACTION**

1. Accept a Proposition 1 Round One Integrated Regional Water Management Implementation Grant from the Department of Water Resources, made available through the Association of Bay Area Governments (ABAG), in the amount of \$4,177,875 to implement the Bay Area Regional Water Conservation Project (Regional Project) which will fund the water conservation projects of the East Bay Municipal Utility District (EBMUD) and 10 other Bay Area water agencies including customer rebates and outreach, training programs, device installation, and water loss analysis.
2. Authorize a Local Project Sponsor (LPS) Agreement with ABAG which provides for disbursement of the Proposition 1 grant funding by ABAG to EBMUD for the implementation of the Regional Project.
3. Authorize a Memorandum of Understanding (MOU) with Alameda County Water District, Bay Area Water Supply and Conservation Agency, City of Napa, Contra Costa Water District, Marin Municipal Water District, Santa Clara Valley Water District, San Francisco Public Utilities Commission, Solano County Water Agency, Sonoma County Water Agency, and Zone 7 Water Agency which provides for disbursement of the Proposition 1 grant funding by EBMUD to those agencies for the implementation of each of their respective individual projects within the Regional Project.

**SUMMARY**

The Integrated Regional Water Management (IRWM) Program was created in 2002 to foster regional collaboration and implement effective water management solutions. California has 48 IRWM regions which are divided into 12 funding areas. Under Proposition 1, each area receives an allocation of grant funding. To be eligible for this funding, each region must draft and adopt an IRWM Plan that meets state guidelines. The IRWM Plan was adopted on May 12, 2020 under Board Resolution No. 35177-20. The IRWM Plan identified several projects to improve regional water supply management. ABAG, acting on behalf of numerous Bay Area public agencies, applied for and received Proposition 1 IRWM grant funding for a suite of projects identified in the IRWM Plan. The Regional Project, which EBMUD is administering on behalf of a coalition of 11 Bay Area water agencies including EBMUD, would provide

Funds Available: FY22/23	Budget Coding: N/A	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Customer and Community Services	Andrew L. Lee	 General Manager
Attachment(s): N/A		

grant funding for water conservation activities. EBMUD would receive the funding from ABAG and in turn disburse it to the 10 other local agencies, while retaining a share to implement EBMUD's portion of the Regional Project. EBMUD must execute the LPS Agreement with ABAG and an MOU with the 10 partner agencies to receive this grant funding and administer and manage the grant.

## **DISCUSSION**

The Bay Area IRWM Plan is a nine-county effort to coordinate and improve water supply reliability. The IRWM Plan identified several projects that could be eligible for grant funding. One of those projects, the Regional Project, would provide funding to 11 partner water agencies (Alameda County Water District, Bay Area Water Supply and Conservation Agency, City of Napa, Contra Costa Water District, EBMUD, Marin Municipal Water District, Santa Clara Valley Water District, San Francisco Public Utilities Commission, Solano County Water Agency, Sonoma County Water Agency, and Zone 7 Water Agency) for the implementation of water conservation activities.

ABAG is administering all the IRWM grants for the San Francisco Bay Area with LPSs designated for each project. EBMUD has negotiated the LPS Agreement with ABAG to administer the grant for the Regional Project on behalf of 10 project partners. As the LPS for the Regional Project, the District is responsible for managing and administering the grant, tracking compliance with grant requirements, maintaining project accounting, and receiving and disbursing grant funds to the other partner agencies.

The total grant amount for the Regional Project is \$4,177,875, of which \$1,029,494 is allocated for EBMUD and includes reimbursement for EBMUD's administration of the grant. As the LPS for the grant, EBMUD has negotiated the MOU to administer the funds on behalf of the ten partner agencies. Partner agencies will be required to share information with EBMUD on grant-funded activities. EBMUD will compile this information to prepare regular reports to ABAG, submit invoices, and distribute grant funds to the partner agencies. There is a 50 percent cost match that each partner agency must meet. Grant funding will cover EBMUD's conservation activities such as Qualified Water Efficient Landscaper (QWEL) trainings, installation of smart metering devices, delivery of customer water reports, and rebates for weather-based irrigation controllers and water efficient landscapes.

The Department of Water Resources requires ABAG (and the Metropolitan Transportation Commission (MTC) which performs administrative duties for ABAG) to indemnify the State of California as a condition of receiving grant funds. The LPS Agreement passes that obligation to EBMUD in part. EBMUD will pass indemnity obligations to each participating agency in the MOU. The intent of these indemnification provisions is that each party will be responsible for liability resulting from its own acts or omissions without regard to negligence. As part of the LPS Agreement, MTC and ABAG will also indemnify EBMUD against liability arising from any Project-related acts or omissions by MTC or ABAG. These provisions have been reviewed by the Office of General Counsel, and it has been determined they are necessary and appropriate to ensure that the party whose conduct creates a liability will bear the financial responsibility for it.



## **SUSTAINABILITY**

### **Social**

Participating in this grant-funded project supports water conservation. The Regional Project provides grant funding for water conservation activities that will help customers throughout EBMUD's service area to save water. The intent of several of the funded activities is to defray customer costs in implementing beneficial conservation measures.

### **Environmental**

Execution of both the LPS Agreement and the MOU are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061 because there is no possibility that these activities may have a significant effect on the environment. The activities that will be funded through these agreements are also covered by the following CEQA exemptions: (1) CEQA Guidelines section 15301-Existing Facilities, which includes minor alterations or repairs of existing public and private structures, including alterations to plumbing; (2) CEQA Guidelines section 15304-Minor Alterations To Land, which includes replacement of existing conventional landscaping with water efficient or fire resistant landscaping; and (3) CEQA Guidelines section 15322-Educational or Training Programs.

## **ALTERNATIVES**

**Do not authorize the District to accept the grant funding.** This alternative is not recommended because these grant funds will support water conservation activities that will help the District meet its long-term water conservation goals.

**Do not authorize the District to enter into the MOU.** This alternative is not recommended because regional partnerships may lead to better water supply reliability for the District and the entire Bay Area.

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AGENDA NO. 12.  
MEETING DATE May 24, 2022

**TITLE MONTHLY INVESTMENT TRANSACTIONS REPORT**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input checked="" type="checkbox"/> OTHER
<b>ACTION</b>	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**

Approve the April 2022 Monthly Investment Transactions Report.

**SUMMARY**


In accordance with Policy 4.07 – Investment Policy, staff prepares a monthly transactions report for the Finance/Administration Committee to review and for the Board to consider each month. The April 2022 report is being brought to the Board for consideration. This report was reviewed at the May 24, 2022 Finance/Administration Committee meeting.

**DISCUSSION**

Pursuant to Policy 4.07, staff generates a monthly report of investment transactions (buys, sales, deposits, withdrawals) as well as transactions that occur as a feature of the securities held (interest, calls, maturities). Information on portfolio performance, balances, and other factors is presented in the quarterly investment report.

In April 2022, the portfolio increased from \$779.2 million to \$788.7 million. Net transactions increased the total by \$9.3 million. Interest received added approximately \$112,000 to the portfolio. Deposits into short-term liquidity funds totaled \$35.4 million, and \$11.8 million was withdrawn. The District did not purchase any securities, and \$500,000 in securities matured. No securities were called or sold. Net transactions at the District's commercial bank resulted in a decrease of \$13.8 million.

I:\Sec\2022 Board Related Items\052422 Board Agenda Items\ FIN - Monthly Investment Transactions Report April 2022.docx

Funds Available: N/A	Budget Coding: N/A	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Finance	Sophia D. Skoda	 General Manager
Attachment(s): April 2022 Monthly Investment Transactions Report		

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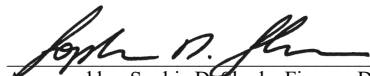
## **Monthly Investment Transactions Report**

### **April 2022**

This report is presented to the Board pursuant to Government Code Section 53607 and in accordance with the District's Investment Policy 4.07.

The attached report details transactions in the District's portfolio as follows:

- **Monthly Investment Transactions Summary** **Page 1**
- **Monthly Investment Activity** **Page 2**
  - Buys **Page 3**
  - Deposits **Page 4**
  - Matured **Page 5**
  - Calls **Page 6**
  - Sales **Page 7**
  - Withdrawals **Page 8**
- **Monthly Interest Activity** **Page 9**
  - Interest Received (Transferred to Wells Fargo) **Page 10**
  - Interest Received (Reinvested) **Page 11**

  
Approved by: Sophia D. Skoda, Finance Director

5/09/2022  
Date

SDS:AMM:mr



**EAST BAY MUNICIPAL UTILITY DISTRICT**  
**Monthly Investment Transactions Summary**  
**April 2022**

Portfolio	Beginning Balance*	Monthly Net Transaction Activity	Monthly Interest Activity	Ending Balance
001 - Water System Consolidated	606,721,800.96	14,400,000.00	28,180.01	621,149,980.97
007 - Wastewater Consolidated	120,298,905.97	3,100,000.00	7,197.77	123,406,103.74
049 - Ferc Partnership	2,000,000.00	-	-	2,000,000.00
009 - BACWA	2,262,600.00	-	-	2,262,600.00
015 - DERWA	1,000,000.00	-	-	1,000,000.00
002 - FRWA	1,000,000.00	-	-	1,000,000.00
014 - IICP	150,500.00	-	-	150,500.00
010 - UMRWA	64,000.00	-	-	64,000.00
003 - Employees Retirement	5,204,080.43	5,630,000.00	12,232.62	10,846,313.05
099 - Wells Fargo**	40,542,887.65	(13,816,412.78)	64,108.75	26,790,583.62
<b>Total</b>	<b>779,244,775.01</b>	<b>9,313,587.22</b>	<b>111,719.15</b>	<b>788,670,081.38</b>

\* Portfolio balance presented at face value.

\*\*Wells Fargo's month-end available balance per bank statement. Gross amount; not allocated by fund and not included in balances above.

*Matthew Raimondi*

Prepared by: Matt Raimondi, Accounting Technician

*Kevin Ma*

Reviewed by: Kevin Ma, Accounting Supervisor

*Andrea Miller*

Approved by: Andrea M. Miller, Controller

5/4/2022

Date

5/5/2022

Date

5/5/2022

Date



**EAST BAY MUNICIPAL UTILITY DISTRICT**  
**Monthly Investment Activity**  
**April 2022**

Portfolio	Buys	Deposits	Matured	Calls	Sales	Withdrawals	Non-Investment Transactions*	Net Transaction Activity
001 - Water System Consolidated	-	14,400,000.00	-	-	-	-	-	14,400,000.00
007 - Wastewater Consolidated	-	3,600,000.00	(500,000.00)	-	-	-	-	3,100,000.00
049 - Ferc Partnership	-	-	-	-	-	-	-	-
009 - BACWA	-	-	-	-	-	-	-	-
015 - DERWA	-	-	-	-	-	-	-	-
002 - FRWA	-	-	-	-	-	-	-	-
014 - IICP	-	-	-	-	-	-	-	-
010 - UMRWA	-	-	-	-	-	-	-	-
003 - Employees Retirement	-	17,396,000.00	-	-	-	(11,766,000.00)	-	5,630,000.00
065 - Water S2008A DSRF	-	-	-	-	-	-	-	-
068 - Water 2010A DSRF	-	-	-	-	-	-	-	-
<b>Investment Activity Total</b>	-	<b>35,396,000.00</b>	<b>(500,000.00)</b>	-	-	<b>(11,766,000.00)</b>	-	<b>23,130,000.00</b>
099 - Wells Fargo	-	(35,396,000.00)	500,000.00	-	-	11,766,000.00	9,313,587.22	(13,816,412.78)
<b>Total</b>	-	-	-	-	-	-	<b>9,313,587.22</b>	<b>9,313,587.22</b>

\*Non-investment transactions are net receipts and expenditures in Wells Fargo resulting from activities other than investment and interest transactions detailed in this report.

Steven Goodman-Leibof  
Reviewed by: Steven Goodman-Leibof, Principal Mgmt Analyst

Robert L. Hannay  
Approved by: Robert L. Hannay, Treasury Manager

5/6/2022

Date

5/9/2022

Date



EAST BAY MUNICIPAL UTILITY DISTRICT  
Monthly Investment Activity  
April 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Buys										

\*No Transactions this Period\*

0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT  
Monthly Investment Activity  
April 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Deposits</b>										
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/1/2022	4/1/2022	N/A	4,463,000.00	4,463,000.00	0.00	4,463,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/15/2022	4/15/2022	N/A	4,477,000.00	4,477,000.00	0.00	4,477,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/29/2022	4/29/2022	N/A	8,456,000.00	8,456,000.00	0.00	8,456,000.00
<b>Total</b>							<b>17,396,000.00</b>			
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	4/12/2022	4/12/2022	N/A	6,400,000.00	6,400,000.00	0.00	6,400,000.00
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	4/20/2022	4/20/2022	N/A	8,000,000.00	8,000,000.00	0.00	8,000,000.00
<b>Total</b>							<b>14,400,000.00</b>			
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	4/12/2022	4/12/2022	N/A	1,600,000.00	1,600,000.00	0.00	1,600,000.00
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	4/20/2022	4/20/2022	N/A	2,000,000.00	2,000,000.00	0.00	2,000,000.00
<b>Total</b>							<b>3,600,000.00</b>			
							<b>35,396,000.00</b>	<b>35,396,000.00</b>	<b>0.00</b>	<b>35,396,000.00</b>



EAST BAY MUNICIPAL UTILITY DISTRICT  
Monthly Investment Activity  
April 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Matured</b>										
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FFCB 2 4/4/2022	3133ECKQ6	4/4/2022	4/4/2022	4/4/2022	500,000.00	500,000.00	0.00	500,000.00
<b>Total</b>							<b>500,000.00</b>			

500,000.00	500,000.00	0.00	500,000.00
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EAST BAY MUNICIPAL UTILITY DISTRICT  
Monthly Investment Activity  
April 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Calls										

\*No Transactions this Period\*

0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT  
Monthly Investment Activity  
April 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Sales										

\*No Transactions this Period\*

0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT  
Monthly Investment Activity  
April 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Withdrawals</b>										
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/28/2022	4/28/2022	N/A	11,766,000.00	11,766,000.00	0.00	11,766,000.00
<b>Total</b>							<b>11,766,000.00</b>			

11,766,000.00	11,766,000.00	0.00	11,766,000.00
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**EAST BAY MUNICIPAL UTILITY DISTRICT**  
**Monthly Interest Activity**  
**April 2022**

Portfolio	Total Interest Received	Interest Transferred to Wells Fargo*	Net Interest Activity (Reinvested)**
001 - Water System Consolidated	72,261.54	(44,081.53)	28,180.01
007 - Wastewater Consolidated	22,120.36	(14,922.59)	7,197.77
049 - Ferc Partnership	1,576.43	(1,576.43)	-
009 - BACWA	1,783.31	(1,783.31)	-
015 - DERWA	787.92	(787.92)	-
002 - FRWA	787.92	(787.92)	-
014 - IICP	118.81	(118.81)	-
010 - UMRWA	50.24	(50.24)	-
003 - Employees Retirement	12,232.62	-	12,232.62
065 - Water S2008A DSRF	-	-	-
068 - Water 2010A DSRF	-	-	-
<b>Interest Transactions Total</b>	<b>111,719.15</b>	<b>(64,108.75)</b>	<b>47,610.40</b>
<b>099 - Wells Fargo</b>	<b>-</b>	<b>64,108.75</b>	<b>64,108.75</b>
<b>Total</b>	<b>111,719.15</b>	<b>-</b>	<b>111,719.15</b>

\*Coupon and other interest received; reinvestment unavailable.

\*\*Coupon and other interest payments reinvested in specific portfolio.

*Matthew Raimondi*  
 Prepared by: Matt Raimondi, Accounting Technician  
*Kevin Ma*  
 Reviewed by: Kevin Ma, Accounting Supervisor  
*Andrea Miller*  
 Approved by: Andrea M. Miller, Controller

5/4/2022  
 Date  
5/5/2022  
 Date  
5/5/2022  
 Date



EAST BAY MUNICIPAL UTILITY DISTRICT  
Monthly Interest Activity  
April 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Interest Received (Transferred to Wells Fargo)</b>										
001 - Water System Consolidated	LAIF	LAIF LGIP	LGIP1001	4/19/2022	4/19/2022	N/A	0.00	0.00	44,081.53	44,081.53
								<b>Total</b>		<b>44,081.53</b>
007 - Wastewater Consolidated	LAIF	LAIF LGIP	LGIP1001	4/19/2022	4/19/2022	N/A	0.00	0.00	9,922.59	9,922.59
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FFCB 2 4/4/2022	3133ECKQ6	4/4/2022	4/4/2022	4/4/2022	0.00	0.00	5,000.00	5,000.00
								<b>Total</b>		<b>14,922.59</b>
002 - FRWA	LAIF	LAIF LGIP	LGIP1001	4/19/2022	4/19/2022	N/A	0.00	0.00	787.92	787.92
								<b>Total</b>		<b>787.92</b>
009 - BACWA	LAIF	LAIF LGIP	LGIP1001	4/19/2022	4/19/2022	N/A	0.00	0.00	1,783.31	1,783.31
								<b>Total</b>		<b>1,783.31</b>
010 - UMRWA	LAIF	LAIF LGIP	LGIP1001	4/19/2022	4/19/2022	N/A	0.00	0.00	50.24	50.24
								<b>Total</b>		<b>50.24</b>
014 - IICP	LAIF	LAIF LGIP	LGIP1001	4/19/2022	4/19/2022	N/A	0.00	0.00	118.81	118.81
								<b>Total</b>		<b>118.81</b>
015 - DERWA	LAIF	LAIF LGIP	LGIP1001	4/19/2022	4/19/2022	N/A	0.00	0.00	787.92	787.92
								<b>Total</b>		<b>787.92</b>
049 - Ferc Partnership	LAIF	LAIF LGIP	LGIP1001	4/19/2022	4/19/2022	N/A	0.00	0.00	1,576.43	1,576.43
								<b>Total</b>		<b>1,576.43</b>
							<b>0.00</b>	<b>0.00</b>	<b>64,108.75</b>	<b>64,108.75</b>



**EAST BAY MUNICIPAL UTILITY DISTRICT**  
**Monthly Interest Activity**  
**April 2022**

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Interest Received (Reinvested)</b>										
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	4/1/2022	4/1/2022	N/A	0.00	0.00	1,481.90	1,481.90
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley IMVRXX		4/1/2022	4/1/2022	N/A	0.00	0.00	2,521.72	2,521.72
001 - Water System Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	4/29/2022	4/29/2022	N/A	0.00	0.00	24,176.39	24,176.39
								<b>Total</b>		<b>28,180.01</b>
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	4/1/2022	4/1/2022	N/A	0.00	0.00	382.08	382.08
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley IMVRXX		4/1/2022	4/1/2022	N/A	0.00	0.00	772.10	772.10
007 - Wastewater Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	4/29/2022	4/29/2022	N/A	0.00	0.00	6,043.59	6,043.59
								<b>Total</b>		<b>7,197.77</b>
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/15/2022	4/15/2022	N/A	0.00	0.00	12,232.62	12,232.62
								<b>Total</b>		<b>12,232.62</b>
							<b>0.00</b>	<b>0.00</b>	<b>47,610.40</b>	<b>47,610.40</b>





AGENDA NO. 13.  
MEETING DATE May 24, 2022

**TITLE INVESTMENT POLICY REVIEW**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input checked="" type="checkbox"/> OTHER
<b>ACTION</b>	<input type="checkbox"/> MOTION	<input checked="" type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**

Approve revisions to Policy 4.07 – Investment Policy, which was last revised on April 27, 2021, and renew existing delegation of authority for the management of investments on behalf of the District and Joint Powers Authorities to the Director of Finance, as the Treasurer of the District.


**SUMMARY**

District Policy 4.07 – Investment Policy has been reviewed and amended for clarity, and to ensure continued compliance with the California Municipal Utility District Act, California Government Code (Code), and District mission, policy and values. This policy was reviewed at the May 24, 2022 Finance/Administration Committee meeting.

**DISCUSSION**

Section 53646 of the Code encourages the Treasurer to present annually a statement of investment policy to the Board for their consideration at a public meeting. The District's policy has been reviewed to ensure continued compliance with the Code. The following changes have been made as part of the review:

- Clarifications within the policy
  - Naming the Board as the delegator of investment authority
  - Removing contact information for the previous Investment Administrator and adding contact information for the current Investment Administrator
- Additions to the policy
  - Including a clause ensuring that investments align with District policies, mission and values
  - Including language addressing the potential need for action following a change in rating outlook on a District-owned security

Funds Available: N/A	Budget Coding: N/A	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Finance	Sophia D. Skoda	 General Manager
Attachment(s): Policy 4.07 draft and final		

## **SUSTAINABILITY**

### **Economic**

Approval of the revised policy will continue to provide sound practices for the management of District funds. The interest earned on invested funds directly offsets the need for additional funds from ratepayers or other sources.

### **Social**

Approval of the revised policy will ensure that investments are consistent with the District's mission and values, including the District's diversity, equity and inclusion efforts.

### **Environmental**

Approval of the revised policy will ensure that investments are consistent with the District's mission and values related to environmental issues.

## **ALTERNATIVE**

**Do not approve the policy update.** This alternative is not recommended because the delegation of authority to the Treasurer would lapse and prevent investment of idle monies of the District until a future Board action. Also, the policy would not reflect recent changes in the Code and would leave the potential for investment decisions made in accordance with the Investment Policy to be inconsistent with the Code.



# Policy 4.07R

EFFECTIVE [24 MAY 22](#)  
~~[27 APR 21](#)~~

SUPERSEDES [27 APR 21](#)  
~~[28 APR 20](#)~~

## INVESTMENT POLICY

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

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield, and diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due while providing a risk-adjusted market rate of return on investments that takes into consideration the cash flow needs of the District and its JPAs.

<b>Authority</b>	Section 53600 et. seq. of the California Government Code (Government Code) and Chapter 6, Article 7 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Government Code defines how investments are to be handled for Joint Powers Authorities.
<b>Delegation of Authority</b>	The authority and responsibility to invest idle monies of the District <del>is</del> <a href="#">are</a> delegated <a href="#">by the Board</a> to the Director of Finance as the Treasurer. The Director of Finance may designate individual staff to carry out his/her responsibilities under this policy.
<b>No Bond Proceeds</b>	The investment of bond proceeds is specifically defined in individual bond indenture documents and is not included in this policy. This exemption also applies to funds held at the Trustee in Principal, Interest, Debt Service Reserve, or other accounts for the purpose of servicing the bonds.
<b>Ethics and Conflicts of Interest</b>	<p>Officers and employees involved in the investment process shall:</p> <ul style="list-style-type: none"><li>- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District,</li><li>- disclose any material financial interest in financial institutions that conduct business with the District,</li><li>- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments,</li><li>- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and</li><li>- comply with the District's Conflict of Interest Code, Procedure 418 - Gifts, Personal Loans and Personal Benefit Interests, Procedure 601 - Conflict of Interest Disqualification Procedure, and District Procedure 447 - Vendor Interactions and Procurement Integrity</li></ul>
<b>Investment Criteria and Objectives</b>	<p>Criteria for selecting investments shall:</p> <ul style="list-style-type: none"><li>- adhere to the prudent investor standard, described in Section 53600.3 of the Government Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of</li></ul>

a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," **and**

- conform with the Government Code and the M.U.D. Act, **and**
- [align with District policies, mission and values, \*\*and\*\*](#)
- have the following objectives, in order of priority:

1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and to minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
  2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
  3. *Yield* – The District's ability to provide a risk-adjusted market rate of return on the District's investments while conforming to the safety and liquidity criteria above.
  4. *Diversification* – The District's ability to maintain an investment portfolio that includes a range of security types. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings; and maturity, rating and other restrictions where applicable.
- 

#### **Maturity**

The weighted average maturity of the portfolio shall not exceed 900 days.

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#### **Rating Agencies and Rating Requirements**

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
  - apply at the time of purchase only, with subsequent downgrades below requirement levels [or the assignment of negative watch our outlook](#) prompting a case-by-case evaluation of the investment, and
  - only apply to the Rating Agencies rating the security.
- 

#### **Investment Options**

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

1. United States Treasury Obligations

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

2. United States Government Agencies Obligations

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

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

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

- Maximum Share of Portfolio: as determined by the State Treasurer and in accordance with Section 16429.1 of the Government Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

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

- o California Asset Management Program (CAMP)
- o Investment Trust of California (CalTRUST)
- Maximum Share of Portfolio: 40% of the Portfolio
- Maximum Issuer Limit: 20% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AAAM by at least one Rating Agency
- Other Restrictions: none

## 5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating NAV (Net Asset Value, the value of assets divided by number of shares) are permitted:

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAM by at least two Rating Agencies
- Other Restrictions: none

The District will request from each Money Market Mutual Fund, prior to investing and on an annual basis after investing, documents which provide details on the operations of the fund. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

## 6. Certificates of Time Deposit

Under this subsection, only investments in selected depositories, using one or more private sector entity, in compliance with and as authorized under Government Code Section 53601.8 are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
  - o Investment in local branches within the District, whenever possible.

## 7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions:
  - o Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

## 8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions:
  - o Issued by an entity that is, at the time of purchase:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1+ by at least one Rating Agency.

## 9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions:
  - o Issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

## 10. Repurchase Agreements

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

Funds on deposit at the District's commercial bank may be invested in overnight repurchase agreements through a sweep program.

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## 11. Municipal Obligations

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

- The State of California
- Any local agency within the State of California
- Municipal Bonds:
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with Municipal Notes
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue Limit: 10% of original issue amount
  - Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
  - Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
  - Other Restrictions: none
- Municipal Notes:
  - Maximum Share of Portfolio: 20% of the Portfolio together with Municipal Bonds
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue limit: 10% of original issue amount
  - Maximum Maturity: n/a
  - Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
  - Other Restrictions: none

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### Zero or Negative Market Rates

As authorized under Section 53601.6 and at the discretion of the Director of Finance or its designees, investments can be made “in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.” Those investment may also then be held until their maturity dates.

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### Investment Placement

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or to obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

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### Selling Securities Prior To Maturity

When selling securities prior to maturity, principal losses are only allowable either:

- if the sale of securities is necessary to meet payment obligations,
  - to comply with this policy, while considering the impact of the sale(s), or
  - if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.
-



**Collateral**

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

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**Portfolio  
Performance**

The Portfolio will seek to attain a risk-adjusted market rate of return that takes into consideration the cash flow needs of the District. As a result, portfolio performance will be measured using common market indicators. Those may include, but are not limited to: the Federal funds rate, short-term government obligations rates, and other market rates that reflect the mix of securities in the Portfolio.

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**Purchasing  
Entities**

Investments will be purchased from either:

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

In addition, these institutions must:

- be registered by the Securities and Exchange Commission (SEC),
- be members in good standing of the Financial Industry Regulatory Authority (FINRA), **and**
- provide audited financial statements to the District annually.

The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

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**Trade  
Confirmations and  
Settlements**

The District shall comply with the following:

1. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
2. To ensure a high degree of internal control, all trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.

**Review And  
Reporting  
Requirements**

On a monthly basis, in accordance with Section 53607 of the Government Code, the Treasurer shall prepare and submit a report listing investment transactions to the General Manager and the Board of Directors.

On a quarterly basis, in accordance with Section 53646 of the Government Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors. If rendered, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

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

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

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

Finance Department

The Treasurer has established and maintains an internal control structure designed to ensure that funds covered under this policy are protected from loss, theft, fraud, or misuse.

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

**Authority**

Resolution No. 33019-96 on December 10, 1996  
Amended by Resolution No. 33134-99 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
Amended by Resolution 33464-05 on February 22, 2005  
Amended by Resolution 33516-06 on January 24, 2006  
Amended by Resolution 33585-07 on March 13, 2007  
Approved by Resolution 33658-08, February 26, 2008  
Approved by Resolution 33702-09, February 24, 2009  
Approved by Resolution 33752-10, January 26, 2010  
Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013  
Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
Approved by Resolution 34079-16, April 26, 2016  
Approved by Resolution 35033-17, April 25, 2017  
Approved by Resolution 35083-18, April 24, 2018  
Approved by Resolution 35137-19, April 23, 2019  
Approved by Resolution 35174-20, April 28, 2020  
Approved by Resolution 35220-21, April 27, 2021  
[Approved by Resolution XXXXX-22, May 24, 2022](#)

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**References**

EBMUD Conflict of Interest Code  
Procedure 418 – Gifts, Personal Loans and Personal Benefit Interests  
Procedure 447 – Vendor Interactions and Procurement Integrity  
Procedure 601 – Conflict of Interest Disqualification Procedure

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## EXHIBIT 1 RATING AGENCIES' SCALES

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

### EXAMPLE

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

### INVESTMENT-GRADE RATING SCALES

LONG-TERM DEBT			
S&P	MOODY'S	FITCH	
AAA	Aaa	AAA	
AA+	Aa1	AA+	
AA	Aa2	AA	
AA-	Aa3	AA-	← Minimum rating required for district investments
A+	A1	A+	
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	

SHORT-TERM DEBT			
S&P	MOODY'S	FITCH	
A-1+	P-1	F1+	← Minimum rating required for district investments
A-1	-	F1	
A-2	P-2	F2	
A-3	P-3	F3	

FUNDS			
S&P	MOODY'S	FITCH	
AAAm	Aaa-mf	AAAf	← Minimum rating required for district investments
AAm	Aa-mf	AAf	
Am	A-mf	Af	
BBBm	Baa-mf	BBBf	

**EXHIBIT 2**  
**East Bay Municipal Utility District**  
**Certification of Compliance with Investment Policy**

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District.  
Please send completed form:

<u>via mail, to:</u> <u><a href="mailto:Steven Goodmann-Leibof">Steven Goodman-Leibof</a></u> <u><a href="mailto:Damien-Charl��ty">Damien Charl��ty</a></u> East Bay Municipal Utility District 375 11 <sup>th</sup> Street, MS809 Oakland, CA 94607	<b>and</b>	<u>electronically, to:</u> <u><a href="mailto:steven.goodman-leibof@ebmud.com">steven.goodman-leibof@ebmud.com</a></u> <u><a href="mailto:damien.charl��ty@ebmud.com">damien.charl��ty@ebmud.com</a></u>
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**A.** Entity Name \_\_\_\_\_

**B.** My entity is a: (choose all that apply, **at least one must be checked for eligibility**)

- ☐ Primary Dealer as designated by the Federal Reserve Bank of New York
- ☐ National or California State Chartered Bank
- ☐ Federal or California Chartered Savings Institution
- ☐ Broker-Dealer registered with the State of California

**AND**

I certify that my entity is: (**both must be checked for eligibility**)

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

**C.** My entity is an:

- ☐ issuer of securities eligible for purchase by the District

**D.** My entity:

- ☐ participates in the District's Contract Equity Program

**E.** I have provided:

- ☐ Audited Financial Statements

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT 3**  
**East Bay Municipal Utility District**  
**Investment Policy Quick Reference Table**

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

<b>Investment Option</b>	<b>Maximum Share of Portfolio</b>	<b>Minimum Rating at purchase</b>	<b>Maximum Maturity at settlement</b>	<b>Additional Limitations</b>
United States Treasury Obligations	100%	n/a	5 years	see page 2, Item 1
United States Government Agencies Obligations	100%	n/a	5 years	see page 3, Item 2
State of California, Local Agency Investment Fund	per Government Code	n/a	n/a	see page 3, Item 3
Local Government Investment Pools	40%	AAAm	n/a	see page 3, Item 4
Money Market Mutual Funds	20%	AAAm	n/a	see page 3, Item 5
Certificates of Time Deposit	20%	AA-	1 year	see page 3-4, Item 6
Negotiable Certificates of Deposit		AA-	5 years	see page 4, Item 7
Commercial Paper	20%	A-1+	270 days	see page 4, Item 9
Medium Term Corporate Notes	20%	AA-	5 years	see page 4, Item 9
Repurchase Agreements	20%	n/a	270 days	see page 5, Item 10
Municipal Obligations	20%	AA-	5 years	see page 5, Item 11

**EXHIBIT 4**  
**Glossary of Investment Terms Used in the Policy**

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Government Code, or the M.U.D. Act.

AVERAGE MATURITY	A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.
BROKER	A broker brings buyers and sellers together and is compensated for his/her service.
CERTIFICATE OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.
COLLATERAL	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
COMMERCIAL PAPER (CP)	Short-term unsecured promissory notes.
CUSTODIAN	A bank or other financial institution that keeps custody of stock certificates and other assets.
DEALER	A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
DELIVERY VS. PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of money for the securities.
DIVERSIFICATION	An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.
GOVERNMENT SECURITIES	Obligations of the U.S. Government and its agencies and instrumentalities.
INTEREST	The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.
LIQUIDITY	The speed and ease with which an investment can be converted to cash.
MATURITY	The date upon which the principal or stated value of an investment becomes due and payable.
MEDIUM TERM NOTES (MTN)	Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.
MONEY MARKET MUTUAL FUNDS	An investment company that pools money from investors and invest in a variety of short-term money market instruments.
NET ASSET VALUE (NAV)	A per-share valuation of a mutual fund based on total assets minus total liabilities.
PRIMARY DEALER	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.
PRINCIPAL	The face value or par value of an investment.
RATE OF RETURN	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.
RISK (INVESTMENT RISK)	The probability that an actual investment return outcome will differ from an expected return outcome.
RISK-ADJUSTED RETURN	The return on investment relative to the amount of risk taken over a given period of time (e.g. if two or more investments have the same return over a given time period, the one that has the lowest risk will have the better risk-adjusted return).

REPURCHASE AGREEMENT	The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.
SAFEKEEPING	Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.
SECONDARY MARKET	A market made for the purchase and sale of outstanding issues following the initial distribution.
SETTLEMENT DATE	The date when the security is delivery in exchange for the corresponding payment.
TREASURY BILLS	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
TREASURY BONDS	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.
TREASURY NOTES	Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.
U. S. GOVERNMENT AGENCY SECURITIES	Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.
U.S. TREASURY SECURITIES	Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.
YIELD	The annual rate of return on a debt investment expressed as a percentage.





# Policy 4.07

EFFECTIVE 24 MAY 22

SUPERSEDES 27 APR 21

## INVESTMENT POLICY

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

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield, and diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due while providing a risk-adjusted market rate of return on investments that takes into consideration the cash flow needs of the District and its JPAs.

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<b>Authority</b>	Section 53600 et. seq. of the California Government Code (Government Code) and Chapter 6, Article 7 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Government Code defines how investments are to be handled for Joint Powers Authorities.
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<b>Delegation of Authority</b>	The authority and responsibility to invest idle monies of the District are delegated by the Board to the Director of Finance as the Treasurer. The Director of Finance may designate individual staff to carry out his/her responsibilities under this policy.
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<b>No Bond Proceeds</b>	The investment of bond proceeds is specifically defined in individual bond indenture documents and is not included in this policy. This exemption also applies to funds held at the Trustee in Principal, Interest, Debt Service Reserve, or other accounts for the purpose of servicing the bonds.
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<b>Ethics and Conflicts of Interest</b>	<p>Officers and employees involved in the investment process shall:</p> <ul style="list-style-type: none"><li>- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District,</li><li>- disclose any material financial interest in financial institutions that conduct business with the District,</li><li>- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments,</li><li>- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and</li><li>- comply with the District's Conflict of Interest Code, Procedure 418 - Gifts, Personal Loans and Personal Benefit Interests, Procedure 601 - Conflict of Interest Disqualification Procedure, and District Procedure 447 - Vendor Interactions and Procurement Integrity</li></ul>
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<b>Investment Criteria and Objectives</b>	<p>Criteria for selecting investments shall:</p> <ul style="list-style-type: none"><li>- adhere to the prudent investor standard, described in Section 53600.3 of the Government Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of</li></ul>
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a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," **and**

- conform with the Government Code and the M.U.D. Act, **and**
  - align with District policies, mission and values, **and**
  - have the following objectives, in order of priority:
1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and to minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
  2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
  3. *Yield* – The District's ability to provide a risk-adjusted market rate of return on the District's investments while conforming to the safety and liquidity criteria above.
  4. *Diversification* – The District's ability to maintain an investment portfolio that includes a range of security types. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings; and maturity, rating and other restrictions where applicable.
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**Maturity**

The weighted average maturity of the portfolio shall not exceed 900 days.

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**Rating Agencies and Rating Requirements**

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
  - apply at the time of purchase only, with subsequent downgrades below requirement levels or the assignment of negative watch or outlook prompting a case-by-case evaluation of the investment, and
  - only apply to the Rating Agencies rating the security.
- 

**Investment Options**

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

1. United States Treasury Obligations

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

2. United States Government Agencies Obligations

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

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

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

- Maximum Share of Portfolio: as determined by the State Treasurer and in accordance with Section 16429.1 of the Government Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

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

- California Asset Management Program (CAMP)
- Investment Trust of California (CalTRUST)
- Maximum Share of Portfolio: 40% of the Portfolio
- Maximum Issuer Limit: 20% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AA+ by at least one Rating Agency
- Other Restrictions: none

#### 5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating NAV (Net Asset Value, the value of assets divided by number of shares) are permitted:

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAM by at least two Rating Agencies
- Other Restrictions: none

The District will request from each Money Market Mutual Fund, prior to investing and on an annual basis after investing, documents which provide details on the operations of the fund. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

#### 6. Certificates of Time Deposit

Under this subsection, only investments in selected depositories, using one or more private sector entity, in compliance with and as authorized under Government Code Section 53601.8 are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
  - o Investment in local branches within the District, whenever possible.

#### 7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions:
  - o Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

#### 8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions:
  - o Issued by an entity that is, at the time of purchase:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1+ by at least one Rating Agency.

#### 9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions:
  - o Issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

#### 10. Repurchase Agreements

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

Funds on deposit at the District's commercial bank may be invested in overnight repurchase agreements through a sweep program.

### 11. Municipal Obligations

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

- The State of California
- Any local agency within the State of California
- Municipal Bonds:
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with Municipal Notes
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue Limit: 10% of original issue amount
  - Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
  - Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
  - Other Restrictions: none
- Municipal Notes:
  - Maximum Share of Portfolio: 20% of the Portfolio together with Municipal Bonds
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue limit: 10% of original issue amount
  - Maximum Maturity: n/a
  - Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
  - Other Restrictions: none

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#### **Zero or Negative Market Rates**

As authorized under Section 53601.6 and at the discretion of the Director of Finance or its designees, investments can be made “in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.” Those investment may also then be held until their maturity dates.

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#### **Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or to obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

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#### **Selling Securities Prior To Maturity**

When selling securities prior to maturity, principal losses are only allowable either:

- if the sale of securities is necessary to meet payment obligations,
  - to comply with this policy, while considering the impact of the sale(s), or
  - if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.
-

**Collateral**

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

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**Portfolio  
Performance**

The Portfolio will seek to attain a risk-adjusted market rate of return that takes into consideration the cash flow needs of the District. As a result, portfolio performance will be measured using common market indicators. Those may include, but are not limited to: the Federal funds rate, short-term government obligations rates, and other market rates that reflect the mix of securities in the Portfolio.

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**Purchasing  
Entities**

Investments will be purchased from either:

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

In addition, these institutions must:

- be registered by the Securities and Exchange Commission (SEC),
- be members in good standing of the Financial Industry Regulatory Authority (FINRA), **and**
- provide audited financial statements to the District annually.

The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

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**Trade  
Confirmations and  
Settlements**

The District shall comply with the following:

1. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
  2. To ensure a high degree of internal control, all trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.
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**Review And  
Reporting  
Requirements**

On a monthly basis, in accordance with Section 53607 of the Government Code, the Treasurer shall prepare and submit a report listing investment transactions to the General Manager and the Board of Directors.

On a quarterly basis, in accordance with Section 53646 of the Government Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors. If rendered, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

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

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

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

Finance Department

The Treasurer has established and maintains an internal control structure designed to ensure that funds covered under this policy are protected from loss, theft, fraud, or misuse.

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

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**Authority**

Resolution No. 33019-96 on December 10, 1996  
Amended by Resolution No. 33134-99 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
Amended by Resolution 33464-05 on February 22, 2005  
Amended by Resolution 33516-06 on January 24, 2006  
Amended by Resolution 33585-07 on March 13, 2007  
Approved by Resolution 33658-08, February 26, 2008  
Approved by Resolution 33702-09, February 24, 2009  
Approved by Resolution 33752-10, January 26, 2010  
Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013  
Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
Approved by Resolution 34079-16, April 26, 2016  
Approved by Resolution 35033-17, April 25, 2017  
Approved by Resolution 35083-18, April 24, 2018  
Approved by Resolution 35137-19, April 23, 2019  
Approved by Resolution 35174-20, April 28, 2020  
Approved by Resolution 35220-21, April 27, 2021  
Approved by Resolution XXXXX-22, May 24, 2022

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**References**

EBMUD Conflict of Interest Code  
Procedure 418 – Gifts, Personal Loans and Personal Benefit Interests  
Procedure 447 – Vendor Interactions and Procurement Integrity  
Procedure 601 – Conflict of Interest Disqualification Procedure

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## EXHIBIT 1 RATING AGENCIES' SCALES

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

### EXAMPLE

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

### INVESTMENT-GRADE RATING SCALES

LONG-TERM DEBT			
S&P	MOODY'S	FITCH	
AAA	Aaa	AAA	
AA+	Aa1	AA+	
AA	Aa2	AA	
AA-	Aa3	AA-	← Minimum rating required for district investments
A+	A1	A+	
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	

SHORT-TERM DEBT			
S&P	MOODY'S	FITCH	
A-1+	P-1	F1+	← Minimum rating required for district investments
A-1	-	F1	
A-2	P-2	F2	
A-3	P-3	F3	

FUNDS			
S&P	MOODY'S	FITCH	
AAAm	Aaa-mf	AAAf	← Minimum rating required for district investments
AAm	Aa-mf	AAf	
Am	A-mf	Af	
BBBm	Baa-mf	BBBf	

**EXHIBIT 2**  
**East Bay Municipal Utility District**  
**Certification of Compliance with Investment Policy**

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District.

Please send completed form:

<u>via mail, to:</u> Steven Goodman-Leibof East Bay Municipal Utility District 375 11 <sup>th</sup> Street, MS809 Oakland, CA 94607	<b><u>and</u></b>	<u>electronically, to:</u> steven.goodman-leibof@ebmud.com
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**A.** Entity Name \_\_\_\_\_

**B.** My entity is a: (choose all that apply, **at least one must be checked for eligibility**)

- ☐ Primary Dealer as designated by the Federal Reserve Bank of New York
- ☐ National or California State Chartered Bank
- ☐ Federal or California Chartered Savings Institution
- ☐ Broker-Dealer registered with the State of California

**AND**

I certify that my entity is: (**both must be checked for eligibility**)

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

**C.** My entity is an:

- ☐ issuer of securities eligible for purchase by the District

**D.** My entity:

- ☐ participates in the District's Contract Equity Program

**E.** I have provided:

- ☐ Audited Financial Statements

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT 3**  
**East Bay Municipal Utility District**  
**Investment Policy Quick Reference Table**

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

<b>Investment Option</b>	<b>Maximum Share of Portfolio</b>	<b>Minimum Rating at purchase</b>	<b>Maximum Maturity at settlement</b>	<b>Additional Limitations</b>
United States Treasury Obligations	100%	n/a	5 years	see page 2, Item 1
United States Government Agencies Obligations	100%	n/a	5 years	see page 3, Item 2
State of California, Local Agency Investment Fund	per Government Code	n/a	n/a	see page 3, Item 3
Local Government Investment Pools	40%	AAAm	n/a	see page 3, Item 4
Money Market Mutual Funds	20%	AAAm	n/a	see page 3, Item 5
Certificates of Time Deposit	20%	AA-	1 year	see page 3-4, Item 6
Negotiable Certificates of Deposit		AA-	5 years	see page 4, Item 7
Commercial Paper	20%	A-1+	270 days	see page 4, Item 9
Medium Term Corporate Notes	20%	AA-	5 years	see page 4, Item 9
Repurchase Agreements	20%	n/a	270 days	see page 5, Item 10
Municipal Obligations	20%	AA-	5 years	see page 5, Item 11

**EXHIBIT 4**  
**Glossary of Investment Terms Used in the Policy**

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Government Code, or the M.U.D. Act.

AVERAGE MATURITY	A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.
BROKER	A broker brings buyers and sellers together and is compensated for his/her service.
CERTIFICATE OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.
COLLATERAL	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
COMMERCIAL PAPER (CP)	Short-term unsecured promissory notes.
CUSTODIAN	A bank or other financial institution that keeps custody of stock certificates and other assets.
DEALER	A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
DELIVERY VS. PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of money for the securities.
DIVERSIFICATION	An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.
GOVERNMENT SECURITIES	Obligations of the U.S. Government and its agencies and instrumentalities.
INTEREST	The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.
LIQUIDITY	The speed and ease with which an investment can be converted to cash.
MATURITY	The date upon which the principal or stated value of an investment becomes due and payable.
MEDIUM TERM NOTES (MTN)	Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.
MONEY MARKET MUTUAL FUNDS	An investment company that pools money from investors and invest in a variety of short-term money market instruments.
NET ASSET VALUE (NAV)	A per-share valuation of a mutual fund based on total assets minus total liabilities.
PRIMARY DEALER	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.
PRINCIPAL	The face value or par value of an investment.
RATE OF RETURN	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.
RISK (INVESTMENT RISK)	The probability that an actual investment return outcome will differ from an expected return outcome.
RISK-ADJUSTED RETURN	The return on investment relative to the amount of risk taken over a given period of time (e.g. if two or more investments have the same return over a given time period, the one that has the lowest risk will have the better risk-adjusted return).

REPURCHASE AGREEMENT	The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.
SAFEKEEPING	Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.
SECONDARY MARKET	A market made for the purchase and sale of outstanding issues following the initial distribution.
SETTLEMENT DATE	The date when the security is delivery in exchange for the corresponding payment.
TREASURY BILLS	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
TREASURY BONDS	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.
TREASURY NOTES	Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.
U. S. GOVERNMENT AGENCY SECURITIES	Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.
U.S. TREASURY SECURITIES	Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.
YIELD	The annual rate of return on a debt investment expressed as a percentage.

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

ADOPTING REVISED POLICY 4.07; INVESTMENT POLICY, AND RENEWING  
EXISTING DELEGATION OF AUTHORITY FOR THE MANAGEMENT OF  
INVESTMENTS ON BEHALF OF EAST BAY MUNICIPAL UTILITY DISTRICT  
AND ITS JOINT POWERS AUTHORITIES TO THE DIRECTOR OF FINANCE,  
AS THE TREASURER OF THE DISTRICT

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

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

WHEREAS, Policy 4.07; "Investment Policy" has so been updated and revised; and

WHEREAS, the revisions to Policy 4.07 are reflected in Exhibit A, attached hereto; and

WHEREAS, it is the desire and intention of the Board of Directors to affirm its existing delegation of authority for the management of investments on behalf of the East Bay Municipal Utility District to the Director of Finance, who is also acting as the Treasurer of the East Bay Municipal Utility District;

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

BE IT FURTHER RESOLVED that the Board of Directors' existing delegation of authority for the management of investments on behalf of the East Bay Municipal Utility District to the

Director of Finance, who is also acting as the Treasurer of the East Bay Municipal Utility District, is hereby affirmed.

ADOPTED this 24th day of May, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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President

ATTEST:

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Secretary

APPROVED AS TO FORM AND PROCEDURE:

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General Counsel





# Policy 4.07R

EFFECTIVE [24 MAY 22](#)  
[27 APR 21](#)

SUPERSEDES [27 APR 21](#)  
[28 APR 20](#)

## INVESTMENT POLICY

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

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield, and diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due while providing a risk-adjusted market rate of return on investments that takes into consideration the cash flow needs of the District and its JPAs.

<b>Authority</b>	Section 53600 et. seq. of the California Government Code (Government Code) and Chapter 6, Article 7 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Government Code defines how investments are to be handled for Joint Powers Authorities.
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<b>Delegation of Authority</b>	The authority and responsibility to invest idle monies of the District <del>is</del> <a href="#">are</a> delegated <a href="#">by the Board</a> to the Director of Finance as the Treasurer. The Director of Finance may designate individual staff to carry out his/her responsibilities under this policy.
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<b>No Bond Proceeds</b>	The investment of bond proceeds is specifically defined in individual bond indenture documents and is not included in this policy. This exemption also applies to funds held at the Trustee in Principal, Interest, Debt Service Reserve, or other accounts for the purpose of servicing the bonds.
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<b>Ethics and Conflicts of Interest</b>	<p>Officers and employees involved in the investment process shall:</p> <ul style="list-style-type: none"><li>- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District,</li><li>- disclose any material financial interest in financial institutions that conduct business with the District,</li><li>- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments,</li><li>- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and</li><li>- comply with the District's Conflict of Interest Code, Procedure 418 - Gifts, Personal Loans and Personal Benefit Interests, Procedure 601 - Conflict of Interest Disqualification Procedure, and District Procedure 447 - Vendor Interactions and Procurement Integrity</li></ul>
---	--

<b>Investment Criteria and Objectives</b>	<p>Criteria for selecting investments shall:</p> <ul style="list-style-type: none"><li>- adhere to the prudent investor standard, described in Section 53600.3 of the Government Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of</li></ul>
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a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," **and**

- conform with the Government Code and the M.U.D. Act, **and**
- [align with District policies, mission and values, \*\*and\*\*](#)
- have the following objectives, in order of priority:

1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and to minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
  2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
  3. *Yield* – The District's ability to provide a risk-adjusted market rate of return on the District's investments while conforming to the safety and liquidity criteria above.
  4. *Diversification* – The District's ability to maintain an investment portfolio that includes a range of security types. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings; and maturity, rating and other restrictions where applicable.
- 

**Maturity**

The weighted average maturity of the portfolio shall not exceed 900 days.

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**Rating Agencies and Rating Requirements**

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
  - apply at the time of purchase only, with subsequent downgrades below requirement levels [or the assignment of negative watch our outlook](#) prompting a case-by-case evaluation of the investment, and
  - only apply to the Rating Agencies rating the security.
- 

**Investment Options**

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

1. United States Treasury Obligations

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

2. United States Government Agencies Obligations

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

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

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

- Maximum Share of Portfolio: as determined by the State Treasurer and in accordance with Section 16429.1 of the Government Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

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

- o California Asset Management Program (CAMP)
- o Investment Trust of California (CalTRUST)
- Maximum Share of Portfolio: 40% of the Portfolio
- Maximum Issuer Limit: 20% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AAAM by at least one Rating Agency
- Other Restrictions: none

## 5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating NAV (Net Asset Value, the value of assets divided by number of shares) are permitted:

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAM by at least two Rating Agencies
- Other Restrictions: none

The District will request from each Money Market Mutual Fund, prior to investing and on an annual basis after investing, documents which provide details on the operations of the fund. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

## 6. Certificates of Time Deposit

Under this subsection, only investments in selected depositories, using one or more private sector entity, in compliance with and as authorized under Government Code Section 53601.8 are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
  - o Investment in local branches within the District, whenever possible.

## 7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions:
  - o Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

## 8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions:
  - o Issued by an entity that is, at the time of purchase:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1+ by at least one Rating Agency.

## 9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions:
  - o Issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

## 10. Repurchase Agreements

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

Funds on deposit at the District's commercial bank may be invested in overnight repurchase agreements through a sweep program.

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### 11. Municipal Obligations

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

- The State of California
- Any local agency within the State of California
- Municipal Bonds:
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with Municipal Notes
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue Limit: 10% of original issue amount
  - Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
  - Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
  - Other Restrictions: none
- Municipal Notes:
  - Maximum Share of Portfolio: 20% of the Portfolio together with Municipal Bonds
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue limit: 10% of original issue amount
  - Maximum Maturity: n/a
  - Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
  - Other Restrictions: none

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#### **Zero or Negative Market Rates**

As authorized under Section 53601.6 and at the discretion of the Director of Finance or its designees, investments can be made “in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.” Those investment may also then be held until their maturity dates.

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#### **Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or to obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

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#### **Selling Securities Prior To Maturity**

When selling securities prior to maturity, principal losses are only allowable either:

- if the sale of securities is necessary to meet payment obligations,
  - to comply with this policy, while considering the impact of the sale(s), or
  - if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.
-

**Collateral**

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

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**Portfolio  
Performance**

The Portfolio will seek to attain a risk-adjusted market rate of return that takes into consideration the cash flow needs of the District. As a result, portfolio performance will be measured using common market indicators. Those may include, but are not limited to: the Federal funds rate, short-term government obligations rates, and other market rates that reflect the mix of securities in the Portfolio.

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**Purchasing  
Entities**

Investments will be purchased from either:

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

In addition, these institutions must:

- be registered by the Securities and Exchange Commission (SEC),
- be members in good standing of the Financial Industry Regulatory Authority (FINRA), **and**
- provide audited financial statements to the District annually.

The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

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**Trade  
Confirmations and  
Settlements**

The District shall comply with the following:

1. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
2. To ensure a high degree of internal control, all trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.

**Review And  
Reporting  
Requirements**

On a monthly basis, in accordance with Section 53607 of the Government Code, the Treasurer shall prepare and submit a report listing investment transactions to the General Manager and the Board of Directors.

On a quarterly basis, in accordance with Section 53646 of the Government Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors. If rendered, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

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

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

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

Finance Department

The Treasurer has established and maintains an internal control structure designed to ensure that funds covered under this policy are protected from loss, theft, fraud, or misuse.

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



**Authority**

Resolution No. 33019-96 on December 10, 1996  
Amended by Resolution No. 33134-99 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
Amended by Resolution 33464-05 on February 22, 2005  
Amended by Resolution 33516-06 on January 24, 2006  
Amended by Resolution 33585-07 on March 13, 2007  
Approved by Resolution 33658-08, February 26, 2008  
Approved by Resolution 33702-09, February 24, 2009  
Approved by Resolution 33752-10, January 26, 2010  
Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013  
Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
Approved by Resolution 34079-16, April 26, 2016  
Approved by Resolution 35033-17, April 25, 2017  
Approved by Resolution 35083-18, April 24, 2018  
Approved by Resolution 35137-19, April 23, 2019  
Approved by Resolution 35174-20, April 28, 2020  
Approved by Resolution 35220-21, April 27, 2021  
[Approved by Resolution XXXXX-22, May 24, 2022](#)

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**References**

EBMUD Conflict of Interest Code  
Procedure 418 – Gifts, Personal Loans and Personal Benefit Interests  
Procedure 447 – Vendor Interactions and Procurement Integrity  
Procedure 601 – Conflict of Interest Disqualification Procedure

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## EXHIBIT 1 RATING AGENCIES' SCALES

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

### EXAMPLE

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

### INVESTMENT-GRADE RATING SCALES

LONG-TERM DEBT			
S&P	MOODY'S	FITCH	
AAA	Aaa	AAA	
AA+	Aa1	AA+	
AA	Aa2	AA	
AA-	Aa3	AA-	← Minimum rating required for district investments
A+	A1	A+	
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	

SHORT-TERM DEBT			
S&P	MOODY'S	FITCH	
A-1+	P-1	F1+	← Minimum rating required for district investments
A-1	-	F1	
A-2	P-2	F2	
A-3	P-3	F3	

FUNDS			
S&P	MOODY'S	FITCH	
AAAm	Aaa-mf	AAAf	← Minimum rating required for district investments
AAm	Aa-mf	AAf	
Am	A-mf	Af	
BBBm	Baa-mf	BBBf	

**EXHIBIT 2**  
**East Bay Municipal Utility District**  
**Certification of Compliance with Investment Policy**

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District.  
Please send completed form:

<u>via mail, to:</u> <u><a href="mailto:Steven.Goodman-Leibof@ebmud.com">Steven Goodman-Leibof</a></u> <del><a href="mailto:Damien.Charlety@ebmud.com">Damien Charl��ty</a></del> East Bay Municipal Utility District 375 11 <sup>th</sup> Street, MS809 Oakland, CA 94607	<b>and</b>	<u>electronically, to:</u> <u><a href="mailto:steven.goodman-leibof@ebmud.com">steven.goodman-leibof@ebmud.com</a></u> <del><a href="mailto:damien.charlety@ebmud.com">damien.charlety@ebmud.com</a></del>
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**A.** Entity Name \_\_\_\_\_

**B.** My entity is a: (choose all that apply, **at least one must be checked for eligibility**)

- ☐ Primary Dealer as designated by the Federal Reserve Bank of New York
- ☐ National or California State Chartered Bank
- ☐ Federal or California Chartered Savings Institution
- ☐ Broker-Dealer registered with the State of California

**AND**

I certify that my entity is: (**both must be checked for eligibility**)

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

**C.** My entity is an:

- ☐ issuer of securities eligible for purchase by the District

**D.** My entity:

- ☐ participates in the District's Contract Equity Program

**E.** I have provided:

- ☐ Audited Financial Statements

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT 3**  
**East Bay Municipal Utility District**  
**Investment Policy Quick Reference Table**

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

<b>Investment Option</b>	<b>Maximum Share of Portfolio</b>	<b>Minimum Rating at purchase</b>	<b>Maximum Maturity at settlement</b>	<b>Additional Limitations</b>
United States Treasury Obligations	100%	n/a	5 years	see page 2, Item 1
United States Government Agencies Obligations	100%	n/a	5 years	see page 3, Item 2
State of California, Local Agency Investment Fund	per Government Code	n/a	n/a	see page 3, Item 3
Local Government Investment Pools	40%	AAAm	n/a	see page 3, Item 4
Money Market Mutual Funds	20%	AAAm	n/a	see page 3, Item 5
Certificates of Time Deposit	20%	AA-	1 year	see page 3-4, Item 6
Negotiable Certificates of Deposit		AA-	5 years	see page 4, Item 7
Commercial Paper	20%	A-1+	270 days	see page 4, Item 9
Medium Term Corporate Notes	20%	AA-	5 years	see page 4, Item 9
Repurchase Agreements	20%	n/a	270 days	see page 5, Item 10
Municipal Obligations	20%	AA-	5 years	see page 5, Item 11

**EXHIBIT 4**  
**Glossary of Investment Terms Used in the Policy**

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Government Code, or the M.U.D. Act.

AVERAGE MATURITY	A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.
BROKER	A broker brings buyers and sellers together and is compensated for his/her service.
CERTIFICATE OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.
COLLATERAL	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
COMMERCIAL PAPER (CP)	Short-term unsecured promissory notes.
CUSTODIAN	A bank or other financial institution that keeps custody of stock certificates and other assets.
DEALER	A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
DELIVERY VS. PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of money for the securities.
DIVERSIFICATION	An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.
GOVERNMENT SECURITIES	Obligations of the U.S. Government and its agencies and instrumentalities.
INTEREST	The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.
LIQUIDITY	The speed and ease with which an investment can be converted to cash.
MATURITY	The date upon which the principal or stated value of an investment becomes due and payable.
MEDIUM TERM NOTES (MTN)	Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.
MONEY MARKET MUTUAL FUNDS	An investment company that pools money from investors and invest in a variety of short-term money market instruments.
NET ASSET VALUE (NAV)	A per-share valuation of a mutual fund based on total assets minus total liabilities.
PRIMARY DEALER	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.
PRINCIPAL	The face value or par value of an investment.
RATE OF RETURN	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.
RISK (INVESTMENT RISK)	The probability that an actual investment return outcome will differ from an expected return outcome.
RISK-ADJUSTED RETURN	The return on investment relative to the amount of risk taken over a given period of time (e.g. if two or more investments have the same return over a given time period, the one that has the lowest risk will have the better risk-adjusted return).

REPURCHASE AGREEMENT	The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.
SAFEKEEPING	Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.
SECONDARY MARKET	A market made for the purchase and sale of outstanding issues following the initial distribution.
SETTLEMENT DATE	The date when the security is delivery in exchange for the corresponding payment.
TREASURY BILLS	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
TREASURY BONDS	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.
TREASURY NOTES	Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.
U. S. GOVERNMENT AGENCY SECURITIES	Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.
U.S. TREASURY SECURITIES	Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.
YIELD	The annual rate of return on a debt investment expressed as a percentage.



# Policy 4.07

EFFECTIVE 24 MAY 22

SUPERSEDES 27 APR 21

## INVESTMENT POLICY

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

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield, and diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due while providing a risk-adjusted market rate of return on investments that takes into consideration the cash flow needs of the District and its JPAs.

<b>Authority</b>	Section 53600 et. seq. of the California Government Code (Government Code) and Chapter 6, Article 7 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Government Code defines how investments are to be handled for Joint Powers Authorities.
<b>Delegation of Authority</b>	The authority and responsibility to invest idle monies of the District are delegated by the Board to the Director of Finance as the Treasurer. The Director of Finance may designate individual staff to carry out his/her responsibilities under this policy.
<b>No Bond Proceeds</b>	The investment of bond proceeds is specifically defined in individual bond indenture documents and is not included in this policy. This exemption also applies to funds held at the Trustee in Principal, Interest, Debt Service Reserve, or other accounts for the purpose of servicing the bonds.
<b>Ethics and Conflicts of Interest</b>	<p>Officers and employees involved in the investment process shall:</p> <ul style="list-style-type: none"><li>- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District,</li><li>- disclose any material financial interest in financial institutions that conduct business with the District,</li><li>- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments,</li><li>- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and</li><li>- comply with the District's Conflict of Interest Code, Procedure 418 - Gifts, Personal Loans and Personal Benefit Interests, Procedure 601 - Conflict of Interest Disqualification Procedure, and District Procedure 447 - Vendor Interactions and Procurement Integrity</li></ul>
<b>Investment Criteria and Objectives</b>	<p>Criteria for selecting investments shall:</p> <ul style="list-style-type: none"><li>- adhere to the prudent investor standard, described in Section 53600.3 of the Government Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of</li></ul>

a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," **and**

- conform with the Government Code and the M.U.D. Act, **and**
  - align with District policies, mission and values, **and**
  - have the following objectives, in order of priority:
1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and to minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
  2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
  3. *Yield* – The District's ability to provide a risk-adjusted market rate of return on the District's investments while conforming to the safety and liquidity criteria above.
  4. *Diversification* – The District's ability to maintain an investment portfolio that includes a range of security types. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings; and maturity, rating and other restrictions where applicable.
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**Maturity**

The weighted average maturity of the portfolio shall not exceed 900 days.

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**Rating Agencies and Rating Requirements**

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
  - apply at the time of purchase only, with subsequent downgrades below requirement levels or the assignment of negative watch or outlook prompting a case-by-case evaluation of the investment, and
  - only apply to the Rating Agencies rating the security.
- 

**Investment Options**

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



1. United States Treasury Obligations

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

2. United States Government Agencies Obligations

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

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

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

- Maximum Share of Portfolio: as determined by the State Treasurer and in accordance with Section 16429.1 of the Government Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

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

- California Asset Management Program (CAMP)
- Investment Trust of California (CalTRUST)
- Maximum Share of Portfolio: 40% of the Portfolio
- Maximum Issuer Limit: 20% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AAAm by at least one Rating Agency
- Other Restrictions: none

#### 5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating NAV (Net Asset Value, the value of assets divided by number of shares) are permitted:

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAm by at least two Rating Agencies
- Other Restrictions: none

The District will request from each Money Market Mutual Fund, prior to investing and on an annual basis after investing, documents which provide details on the operations of the fund. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

#### 6. Certificates of Time Deposit

Under this subsection, only investments in selected depositories, using one or more private sector entity, in compliance with and as authorized under Government Code Section 53601.8 are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
  - o Investment in local branches within the District, whenever possible.

#### 7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions:
  - o Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

#### 8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions:
  - o Issued by an entity that is, at the time of purchase:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1+ by at least one Rating Agency.

#### 9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions:
  - o Issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

#### 10. Repurchase Agreements

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

Funds on deposit at the District's commercial bank may be invested in overnight repurchase agreements through a sweep program.

## 11. Municipal Obligations

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

- The State of California
- Any local agency within the State of California
- Municipal Bonds:
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with Municipal Notes
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue Limit: 10% of original issue amount
  - Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
  - Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
  - Other Restrictions: none
- Municipal Notes:
  - Maximum Share of Portfolio: 20% of the Portfolio together with Municipal Bonds
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue limit: 10% of original issue amount
  - Maximum Maturity: n/a
  - Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
  - Other Restrictions: none

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### **Zero or Negative Market Rates**

As authorized under Section 53601.6 and at the discretion of the Director of Finance or its designees, investments can be made “in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.” Those investment may also then be held until their maturity dates.

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### **Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or to obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

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### **Selling Securities Prior To Maturity**

When selling securities prior to maturity, principal losses are only allowable either:

- if the sale of securities is necessary to meet payment obligations,
  - to comply with this policy, while considering the impact of the sale(s), or
  - if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.
-

**Collateral**

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

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**Portfolio  
Performance**

The Portfolio will seek to attain a risk-adjusted market rate of return that takes into consideration the cash flow needs of the District. As a result, portfolio performance will be measured using common market indicators. Those may include, but are not limited to: the Federal funds rate, short-term government obligations rates, and other market rates that reflect the mix of securities in the Portfolio.

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**Purchasing  
Entities**

Investments will be purchased from either:

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

In addition, these institutions must:

- be registered by the Securities and Exchange Commission (SEC),
- be members in good standing of the Financial Industry Regulatory Authority (FINRA), **and**
- provide audited financial statements to the District annually.

The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

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**Trade  
Confirmations and  
Settlements**

The District shall comply with the following:

1. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
  2. To ensure a high degree of internal control, all trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.
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**Review And  
Reporting  
Requirements**

On a monthly basis, in accordance with Section 53607 of the Government Code, the Treasurer shall prepare and submit a report listing investment transactions to the General Manager and the Board of Directors.

On a quarterly basis, in accordance with Section 53646 of the Government Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors. If rendered, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

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

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

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

Finance Department

The Treasurer has established and maintains an internal control structure designed to ensure that funds covered under this policy are protected from loss, theft, fraud, or misuse.

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

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**Authority**

Resolution No. 33019-96 on December 10, 1996  
Amended by Resolution No. 33134-99 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
Amended by Resolution 33464-05 on February 22, 2005  
Amended by Resolution 33516-06 on January 24, 2006  
Amended by Resolution 33585-07 on March 13, 2007  
Approved by Resolution 33658-08, February 26, 2008  
Approved by Resolution 33702-09, February 24, 2009  
Approved by Resolution 33752-10, January 26, 2010  
Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013  
Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
Approved by Resolution 34079-16, April 26, 2016  
Approved by Resolution 35033-17, April 25, 2017  
Approved by Resolution 35083-18, April 24, 2018  
Approved by Resolution 35137-19, April 23, 2019  
Approved by Resolution 35174-20, April 28, 2020  
Approved by Resolution 35220-21, April 27, 2021  
Approved by Resolution XXXXX-22, May 24, 2022

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**References**

EBMUD Conflict of Interest Code  
Procedure 418 – Gifts, Personal Loans and Personal Benefit Interests  
Procedure 447 – Vendor Interactions and Procurement Integrity  
Procedure 601 – Conflict of Interest Disqualification Procedure

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## EXHIBIT 1 RATING AGENCIES' SCALES

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

### EXAMPLE

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

### INVESTMENT-GRADE RATING SCALES

LONG-TERM DEBT			
S&P	MOODY'S	FITCH	
AAA	Aaa	AAA	
AA+	Aa1	AA+	
AA	Aa2	AA	
AA-	Aa3	AA-	← Minimum rating required for district investments
A+	A1	A+	
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	

SHORT-TERM DEBT			
S&P	MOODY'S	FITCH	
A-1+	P-1	F1+	← Minimum rating required for district investments
A-1	-	F1	
A-2	P-2	F2	
A-3	P-3	F3	

FUNDS			
S&P	MOODY'S	FITCH	
AAAm	Aaa-mf	AAAf	← Minimum rating required for district investments
AAm	Aa-mf	AAf	
Am	A-mf	Af	
BBBm	Baa-mf	BBBf	



**EXHIBIT 2**  
**East Bay Municipal Utility District**  
**Certification of Compliance with Investment Policy**

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District.

Please send completed form:

<u>via mail, to:</u> Steven Goodman-Leibof East Bay Municipal Utility District 375 11 <sup>th</sup> Street, MS809 Oakland, CA 94607	<b><u>and</u></b>	<u>electronically, to:</u> steven.goodman-leibof@ebmud.com
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**A.** Entity Name \_\_\_\_\_

**B.** My entity is a: (choose all that apply, **at least one must be checked for eligibility**)

- ☐ Primary Dealer as designated by the Federal Reserve Bank of New York
- ☐ National or California State Chartered Bank
- ☐ Federal or California Chartered Savings Institution
- ☐ Broker-Dealer registered with the State of California

**AND**

I certify that my entity is: (**both must be checked for eligibility**)

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

**C.** My entity is an:

- ☐ issuer of securities eligible for purchase by the District

**D.** My entity:

- ☐ participates in the District's Contract Equity Program

**E.** I have provided:

- ☐ Audited Financial Statements

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT 3**  
**East Bay Municipal Utility District**  
**Investment Policy Quick Reference Table**

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

<b>Investment Option</b>	<b>Maximum Share of Portfolio</b>	<b>Minimum Rating at purchase</b>	<b>Maximum Maturity at settlement</b>	<b>Additional Limitations</b>
United States Treasury Obligations	100%	n/a	5 years	see page 2, Item 1
United States Government Agencies Obligations	100%	n/a	5 years	see page 3, Item 2
State of California, Local Agency Investment Fund	per Government Code	n/a	n/a	see page 3, Item 3
Local Government Investment Pools	40%	AAAm	n/a	see page 3, Item 4
Money Market Mutual Funds	20%	AAAm	n/a	see page 3, Item 5
Certificates of Time Deposit	20%	AA-	1 year	see page 3-4, Item 6
Negotiable Certificates of Deposit		AA-	5 years	see page 4, Item 7
Commercial Paper	20%	A-1+	270 days	see page 4, Item 9
Medium Term Corporate Notes	20%	AA-	5 years	see page 4, Item 9
Repurchase Agreements	20%	n/a	270 days	see page 5, Item 10
Municipal Obligations	20%	AA-	5 years	see page 5, Item 11

**EXHIBIT 4**  
**Glossary of Investment Terms Used in the Policy**

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Government Code, or the M.U.D. Act.

AVERAGE MATURITY	A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.
BROKER	A broker brings buyers and sellers together and is compensated for his/her service.
CERTIFICATE OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.
COLLATERAL	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
COMMERCIAL PAPER (CP)	Short-term unsecured promissory notes.
CUSTODIAN	A bank or other financial institution that keeps custody of stock certificates and other assets.
DEALER	A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
DELIVERY VS. PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of money for the securities.
DIVERSIFICATION	An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.
GOVERNMENT SECURITIES	Obligations of the U.S. Government and its agencies and instrumentalities.
INTEREST	The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.
LIQUIDITY	The speed and ease with which an investment can be converted to cash.
MATURITY	The date upon which the principal or stated value of an investment becomes due and payable.
MEDIUM TERM NOTES (MTN)	Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.
MONEY MARKET MUTUAL FUNDS	An investment company that pools money from investors and invest in a variety of short-term money market instruments.
NET ASSET VALUE (NAV)	A per-share valuation of a mutual fund based on total assets minus total liabilities.
PRIMARY DEALER	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.
PRINCIPAL	The face value or par value of an investment.
RATE OF RETURN	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.
RISK (INVESTMENT RISK)	The probability that an actual investment return outcome will differ from an expected return outcome.
RISK-ADJUSTED RETURN	The return on investment relative to the amount of risk taken over a given period of time (e.g. if two or more investments have the same return over a given time period, the one that has the lowest risk will have the better risk-adjusted return).

REPURCHASE AGREEMENT	The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.
SAFEKEEPING	Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.
SECONDARY MARKET	A market made for the purchase and sale of outstanding issues following the initial distribution.
SETTLEMENT DATE	The date when the security is delivery in exchange for the corresponding payment.
TREASURY BILLS	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
TREASURY BONDS	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.
TREASURY NOTES	Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.
U. S. GOVERNMENT AGENCY SECURITIES	Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.
U.S. TREASURY SECURITIES	Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.
YIELD	The annual rate of return on a debt investment expressed as a percentage.



AGENDA NO. 14.  
MEETING DATE May 24, 2022

**TITLE ADOPT A RESOLUTION AUTHORIZING VIRTUAL MEETINGS OF THE BOARD**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input checked="" type="checkbox"/> OTHER

<b>ACTION</b>	<input type="checkbox"/> MOTION	<input checked="" type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE
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**RECOMMENDED ACTION**

Make requisite findings and adopt a Resolution to hold meetings of the Board of Directors (Board) via teleconference under Government Code section 54953(e) until the State of Emergency resulting from the COVID-19 pandemic no longer impacts the ability of Board members to meet safely in person.

**SUMMARY**

Section 54953(e) of the Ralph M. Brown Act allows a local public agency to use teleconferencing for meetings of its governing body as long as a State of Emergency is in effect and either state or local officials have imposed or recommended measures to promote social distancing or the governing body has determined that because of the emergency, meeting in person presents imminent risks to the health or safety of attendees. Based on a recent surge in COVID cases in the District's service area, staff recommends that the Board make findings to allow for meetings via teleconference during the COVID-19 pandemic State of Emergency.

**DISCUSSION**

On September 16, 2021, the Governor signed AB 361 into law, which amended Section 54953 of the Brown Act to allow governing bodies to hold meetings solely via teleconference so long as:

- 1) A State of Emergency under the California Emergency Services Act has been declared and is in effect; and
- 2) State or local officials have imposed or recommended measures to promote social distancing; or
- 3) The governing body has determined that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of meeting attendees.

Government Code section 54953(e)(1)(B) allows the governing body of a public agency to meet initially to determine, by majority vote, whether as a result of a State of Emergency, meeting in person would

Funds Available: N/A	Budget Coding: N/A	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Office of General Counsel	Derek McDonald	General Manager
Attachment(s): Resolution		

present imminent risks to the health or safety of attendees. Thereafter, a governing body may hold meetings via teleconference, subject to the requirement that the governing body renews the emergency findings every 30 days or less.

The District's Board meetings, closed session meetings, committee meetings, special meetings, workshops, and ad hoc committee meetings are attended by District staff and the general public. Currently, the COVID-19 pandemic State of Emergency remains in effect, and state and local health authorities still recommend social distancing. There is still no statewide mandate requiring persons to be vaccinated to enter public facilities and the Brown Act precludes the Board from requiring meeting attendees to be vaccinated as a condition of attendance.

There has been a recent increase in COVID-19 infections of a highly contagious variant at the District and in the service area. Since it is not possible to predict how many persons will attend a Board meeting, the ability to socially distance may be limited. Accordingly, staff recommends that the Board utilize its authority under the Brown Act to provide for teleconferencing for all Board meetings, closed session meetings, committee meetings, special meetings, workshops, and ad hoc committee meetings.

## **ALTERNATIVE**

**Do not make findings and adopt a resolution to allow meetings via teleconference.** This alternative is not recommended because the District cannot require members of the public who wish to attend the Board meetings to be vaccinated, and the number of COVID-19 cases are increasing within in the District's service area.

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

AUTHORIZING THE UTILIZATION OF TELECONFERENCING FOR MEETINGS OF THE  
EAST BAY MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS

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

WHEREAS, Government Code section 54953(e) provides that a governing body of a local public agency may conduct public meetings via teleconferencing in any of the following circumstances: (A) the governing body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; or (B) the governing body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or (C) the governing body holds a meeting during a proclaimed state of emergency and has previously determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency under the California Emergency Service Act in response to the threat of the COVID-19 pandemic; and

WHEREAS, Governor Newsom's March 4, 2020, proclamation of a State of Emergency is still in effect; and

WHEREAS, both the California Department of Industrial Relations, Division of Occupational Safety and Health, and the Alameda County Public Health Department are currently recommending measures to promote social distancing at worksites; and

WHEREAS, East Bay Municipal Utility District (District) Board meetings, committee meetings, closed session meetings, special meetings, ad hoc committee meetings, and workshops are attended by District Board members, District employees and members of the public; and

WHEREAS, on May 24, 2022, the District Board of Directors (Board) has met under California Government Code section 54953(e)(1)(B) to determine whether, as a result of the State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, at the Board meeting on May 24, 2022, staff has presented the Board with current information on the COVID-19 pandemic and its impacts within the District's service area and has recommended that the Board utilize its authority under the Brown Act to provide for teleconferencing for all Board meetings, committee meetings, closed session meetings, special meetings, ad hoc committee meetings and workshops;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District hereby finds and determines as follows:

1. The Board has considered the circumstances of the State of Emergency declared by

Governor Newsom; and

2. As a result of the State of Emergency, meeting in person would present imminent risks to the health or safety of meeting attendees.

BE IT FURTHER RESOLVED that, based on the findings above, all District Board meetings, committee meetings, closed session meetings, special meetings, ad hoc committee meetings and workshops will be held via teleconference in accordance with the provisions of California Government Code section 54953(e).

BE IT FURTHER RESOLVED that the Board shall, not later than 30 days after May 24, 2022, and every 30 days thereafter, consider the findings above and, if they hold true, adopt them by majority vote, until such time as the State of Emergency is rescinded or the Board determines the State of Emergency does not directly impact the ability of Board members and meeting attendees to meet safely in person and state or local officials no longer impose or recommend measures to promote social distancing.

ADOPTED this 24th day of May, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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President

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Secretary

APPROVED AS TO FORM AND PROCEDURE:

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General Counsel





## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: May 24, 2022

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Marlaigne Dumaine, Manager of Legislative Affairs 

SUBJECT: Legislative Report No. 03-22

At the May 10 Board meeting, staff was asked to continue to work with the author of AB 2639 to seek amendments and bring the measure back for reconsideration. Accordingly, the following issue is being referred to the Board of Directors for action, as appropriate, on May 24, 2022.

### **RECOMMENDED ACTION**

Approve a position on the following bill: Oppose unless Amended AB 2639 (Quirk) San Francisco Bay/Sacramento-San Joaquin Delta Estuary: water quality control plan: water right permits.

### **STATE LEGISLATION**

### **RECOMMENDED POSITION**

<b>AB 2639 (Quirk)</b>	<b>SAN FRANCISCO BAY/SACRAMENTO- SAN JOAQUIN DELTA ESTUARY: WATER QUALITY CONTROL PLAN: WATER RIGHT PERMITS</b>	<b>OPPOSE UNLESS AMENDED</b>
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Existing law establishes the State Water Resources Control Board (SWRCB) and the nine California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. Existing law requires the SWRCB to formulate and adopt state policy for water quality control and adopt water quality control plans for waters that require water quality standards pursuant to the Federal Water Pollution Control Act. Those plans supersede any regional water quality control plans for the same waters to the extent of any conflict.

AB 2639, as amended on April 19, 2022, would implement several of the recommendations from the February 2022 Planning and Conservation League report titled "Updating California Water Laws to Address Drought and Climate Change." This measure would:

- require the SWRCB, on or before December 31, 2023, to adopt a final update of the 1995 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary;
- require the SWRCB to implement, “through regulation or other appropriate implementation methods,” the amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary adopted by the SWRCB pursuant to Resolution No. 2018-0059 on December 12, 2018; and
- prohibit the SWRCB from approving a new water right permit that would result in new or increased diversions to surface water storage from the Sacramento/San Joaquin River watershed until and unless the SWRCB has taken the above actions on the Water Quality Control Plan.

AB 2639 has been amended several times since it was introduced, although amendments have been mainly minor, clarifying changes. When staff brought this bill as an information item for the March 8, 2022, Board meeting, concerns were identified with the introduced version of the bill that are still relevant to the current version. These issues fall into three main areas: 1) concerns about implementation of the Water Quality Control Plan through regulation and the potential loss of due process for EBMUD’s water rights; 2) whether the December 31, 2023 deadline is adequate time for adoption and implementation of the Water Quality Control Plan and the potential impact on public process and stakeholder involvement with such ambitious deadlines; and 3) the legislative precedent of holding up water right permits if a state board or agency is unable to meet legislative deadlines.

The first major issue of concern is the potential removal of due process that could impact EBMUD’s water rights by allowing the SWRCB to implement the Water Quality Control Plan “*through regulation or other appropriate implementation methods.*” Amending water rights by regulation would skip key evidentiary and other due process steps included in an adjudicatory process and would upend the system of water rights that has been in place for over 100 years.

The second issue involves the bill’s mandated deadlines for action by the SWRCB. Should those actions be rushed, it could circumvent the open and public process needed to adequately adopt and implement the Water Quality Control Plan, and by doing so, could potentially open the process up to litigation challenges.

On the third issue, the author recently took an amendment to narrow the scope of the prohibition language for new water right permits for new or increased diversions by deleting language included in the original bill related to “extensions of time for existing permits,” which could have impacted EBMUD’s long term transfer with Placer County Water Agency. While this change is helpful, the language tying new water right permit approvals to whether a state board or agency completes an action by a certain deadline could set a troubling precedent for future legislation.

An “oppose unless amended” position is recommended to:

- delete the hard deadline by which the SWRCB must adopt a final update to the Sacramento River portion of the Bay-Delta Plan and instead require it as soon as practicable, and also require the SWRCB to submit a report to the legislature by December 31, 2023 that details the progress on completion of the final update;
- delete the requirement that the SWRCB must implement the San Joaquin River/Southern Delta Plan through regulation or other appropriate implementation methods and instead require the SWRCB to release for public review any draft environmental review it has prepared in compliance with CEQA by December 31, 2023; and
- delete provisions that prohibit new water right permits from being approved if the SWRCB fails to meet the deadlines in the bill.

With regard to anticipated costs and benefits to EBMUD and its ratepayers, AB 2639 could be harmful to EBMUD ratepayers because of the potential detrimental impact to EBMUD’s water rights, access to Mokelumne water supplies, and the Mokelumne River fishery.

There is no previous relevant legislation.

The support and opposition list to AB 2639 is shown below. This is the official list as provided by the legislature.

#### Support

American Rivers  
American Whitewater  
California Outdoors  
California Sportfishing Protection Alliance  
California Water Impact Network  
California Water Research  
Center for Biological Diversity  
Coast Action Group  
Community Water Center  
Defenders of Wildlife  
Early Childhood Matters  
Environmental Justice Coalition for Water  
Environmental Water Caucus  
Foothill Conservancy  
Friends of The River  
Golden State Salmon Association  
Natural Resources Defense Council  
Nontoxic Neighborhoods  
O.A.R.S.  
Pacific Coast Federation of Fishermen's Associations

Planning and Conservation League  
Protect American River Canyons  
Restore the Delta  
Save California Salmon  
Save the American River Association  
Sierra Club California  
South Yuba River Citizens League  
Southern California Watershed Alliance  
Tuolumne River Trust  
Water Climate Trust  
Winnemem Wintu Tribe

Opposition

Amador Water Agency  
American Council of Engineering Companies of California  
Anderson-Cottonwood Irrigation District  
Association of California Water Agencies (ACWA)  
Bella Vista Water District  
California Chamber of Commerce  
California Farm Bureau  
California Municipal Utilities Association (CMUA)  
Calleguas Municipal Water District  
Coachella Valley Water District  
Coastside County Water District  
Cucamonga Valley Water District  
El Dorado Irrigation District  
Elsinore Valley Municipal Water District  
Foothill Municipal Water District  
Fresno Irrigation District  
Glenn-Colusa Irrigation District  
Kinneloa Irrigation District  
Lake Arrowhead Community Services District  
Las Virgenes Municipal Water District  
Mercy Springs Water District  
Modesto Irrigation District  
Mojave Water Agency  
Northern California Water Association  
Oakdale Irrigation District  
Panoche Water District  
Regional Water Authority  
Rowland Water District  
San Gabriel Valley Municipal Water District  
Three Valleys Municipal Water District

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Board of Directors Meeting  
May 24, 2022  
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Turlock Irrigation District  
Upper San Gabriel Valley Municipal Water District  
Valley Center Municipal Water District  
Western Canal Water District  
Western Growers Association  
Western Municipal Water District

CCC:MD:DM

Attachment

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AMENDED IN ASSEMBLY APRIL 19, 2022

AMENDED IN ASSEMBLY MARCH 22, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## ASSEMBLY BILL

No. 2639

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**Introduced by Assembly Member Quirk**

February 18, 2022

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An act to add Section 13170.6 to the Water Code, relating to water.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2639, as amended, Quirk. ~~Water—San Francisco Bay/Sacramento-San Joaquin Delta Estuary: water quality control plans and plan: water rights right permits.~~

Existing law establishes the State Water Resources Control Board and the 9 California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. Existing law requires the state board to formulate and adopt state policy for water quality control. Existing law authorizes the state board to adopt water quality control plans for waters that require water quality standards pursuant to the Federal Water Pollution Control Act, and provides that those plans supersede any regional water quality control plans for the same waters to the extent of any conflict.

This bill would require the state board, on or before December 31, 2023, to adopt a final update of the 1995 Water Quality Control Plan for the ~~Bay-Delta~~, *San Francisco Bay/Sacramento-San Joaquin Delta Estuary*, as specified, and to implement the amendments to the ~~Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary plan~~ adopted by the state board pursuant to Resolution No. 2018-0059 on December 12, 2018. The bill would prohibit the state

~~board~~ board, on or after January 1, 2024, from approving ~~any~~ a new water right ~~permits or extensions of time for any existing permits~~ resulting permit that would result in new or increased diversions to surface water storage from the Sacramento River/San Joaquin River watershed until *and unless* the state board has taken those actions.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

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

1 SECTION 1. Section 13170.6 is added to the Water Code, to  
2 read:

3 13170.6. (a) The board shall, on or before December 31, 2023,  
4 adopt a final update of the 1995 Water Quality Control Plan for  
5 the ~~Bay-Delta~~ San Francisco Bay/Sacramento-San Joaquin Delta  
6 Estuary adopted by the board in Resolution No. 95-24 on May 22,  
7 1995, as amended by the 2006 amendment adopted by the board  
8 in Resolution No. 2006-0098 on December 13, 2006.

9 (b) The board shall, on or before December 31, 2023, through  
10 regulation or other appropriate implementation methods, implement  
11 the amendments to the Water Quality Control Plan for the San  
12 Francisco Bay/Sacramento-San Joaquin Delta Estuary adopted by  
13 the board pursuant to Resolution No. 2018-0059 on December 12,  
14 2018.

15 (c) ~~The~~ On or after January 1, 2024, the board shall not approve  
16 ~~any~~ a new water right ~~permits or extensions of time for any existing~~  
17 ~~permits resulting~~ permit that would result in new or increased  
18 diversions to surface water storage from the Sacramento River/San  
19 Joaquin River watershed until *and unless* the board has taken the  
20 actions described in subdivisions (a) and (b).





AGENDA NO. 16.  
MEETING DATE May 24, 2022

**TITLE APPOINTMENT TO MANAGER OF DISTRIBUTION MAINTENANCE AND CONSTRUCTION**

<b>TYPE</b>	<input type="checkbox"/> Construction	<input type="checkbox"/> General Services	<input type="checkbox"/> Materials & Supplies	<input type="checkbox"/> Professional Services
	<input type="checkbox"/> CEQA	<input type="checkbox"/> Grants	<input type="checkbox"/> Water Supply Assessment	<input checked="" type="checkbox"/> OTHER
<b>ACTION</b>	<input type="checkbox"/> MOTION	<input checked="" type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

**RECOMMENDED ACTION**


Appoint Marisa R. Boyce to the position of Manager of Distribution Maintenance and Construction effective July 4, 2022.

**DISCUSSION**

Marisa R. Boyce is recommended for appointment to Manager of Distribution Maintenance and Construction. The Manager of Distribution Maintenance and Construction position is exempt from civil service provisions of the Municipal Utility District Act in accordance with Section 12055, which excludes officers, assistant officers, and other persons and employees appointed by the Board of Directors.

Ms. Boyce is a graduate of the University of California, Riverside, with a bachelor's degree in Environmental Engineering. Ms. Boyce has twenty-two years of experience working for the District. During this time, she has held a variety of positions performing water distribution planning, project management, pipeline design, and pipeline inspection and construction management. She has developed and managed several large capital projects; developed pipeline engineering standards to facilitate long-term maintenance and repair; supported emergency response with engineering direction for pipeline repair; investigated, piloted, and implemented new technologies and materials for pipeline design and installation; investigated and procured tools and fittings for pipeline installation, maintenance and repair; trained and qualified plumbing maintenance and construction staff to install new distribution pipeline materials; and has excellent communication skills. For the last four years, she has managed a section responsible for design of new pipelines, fire hydrants, and large water services associated with applicant work. Prior to employment at the District, she worked as a consultant supporting environmental compliance and workplace health and safety.

This position was advertised in the following locations: LinkedIn, American Water Works Association Career Center, California Water Jobs managed by the California Water Environment Association, and BC Water Jobs. All candidates were screened for minimum qualifications based on

Funds Available: N/A	Budget Coding: N/A	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Human Resources	Winnie W. Anderson	 General Manager
Attachment(s): Resolution		

## Appointment to Manager of Distribution Maintenance and Construction

May 24, 2022

Page 2

the job classification description requirements. Two qualified subject matter experts were asked to independently score the candidates' responses to the supplemental questions included in the application. The supplemental questions are linked to, and derived from, the required knowledge, skills, and abilities required to perform the job. Applications had names redacted and were given numbers to minimize possible bias based on name recognition. The top six candidates based on overall scores were invited to an interview using Microsoft Teams. Four diverse raters (both gender and ethnicity) with extensive experience relevant to the management duties of this position participated in the interviews. The materials consisted of nine job-related questions, with behavioral scoring anchors as well as a written project which was scored as part of the interview. The writing sample as well as the nine questions were reviewed by Human Resources prior to the interviews.

Ms. Boyce was selected because she had the highest rating of all the candidates.

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

APPOINTING MARISA R. BOYCE AS MANAGER OF  
DISTRIBUTION MAINTENANCE AND CONSTRUCTION

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

WHEREAS, the Board has established the position of Manager of Distribution Maintenance and Construction and said position has been assigned a salary range under the Management Salary Plan heretofore established for District officers, assistant officers, civil service exempt and certain civil service classes; and

WHEREAS, the Manager of Distribution Maintenance and Construction position is exempt from the District civil service pursuant to State of California Public Utilities Code section 12055; and

WHEREAS, the General Manager has recommended that Marisa R. Boyce be appointed to serve as Manager of Distribution Maintenance and Construction;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that it hereby appoints Marisa R. Boyce to serve as Manager of Distribution Maintenance and Construction, effective July 4, 2022.

ADOPTED this 24<sup>th</sup> day of May, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE

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

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ITEM 17

EMERGENCY  
DECLARATION UPDATE –  
SOUTH INTERCEPTOR


WILL BE PROVIDED  
AS AN ORAL REPORT


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## EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 19, 2022

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Janetta M. Johnson, Assistant to the General Manager 

SUBJECT: Planning Committee Minutes – May 10, 2022

Chair Marguerite Young called to order the Planning Committee meeting at 8:30 a.m. in the Boardroom. Directors Lesa R. McIntosh and Frank Mellon were present at roll call. Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Director of Engineering and Construction Olujimi O. Yolo, Director of Water and Natural Resources Michael T. Tognolini, Engineering Manager Elizabeth Z. Bialek, Managers of Watershed and Recreation Charles C. Beckman and Scott D. Hill, Executive Assistant II Robyn S. Johnson, and Assistant to the General Manager Janetta M. Johnson.

**Public Comment.** None.

**Presentations/Documentation.** 1) Presentation entitled “Willow Service Center Project Update,” dated May 10, 2022; 2) Presentation entitled “Long Term Infrastructure Plan and Resources Needs,” dated May 10, 2022; and 3) Presentation entitled “Annual Recreation Report,” dated May 10, 2022.

**Annual Recreation Report - 2021.** Managers of Watershed and Recreation Charles C. Beckman and Scott D. Hill presented the update. The report summarizes recreation activities in the District’s Mokelumne and East Bay watersheds during 2021 and key performance indicators (KPIs) for recreation. The District sent complimentary trail use permits to Customer Assistance Program (CAP) customers in November 2021 as a part of a pilot program intended to improve trail access to low-income customers. The District’s watershed and recreation facilities received approximately two million visitors last year with approximately one million visitors to Lafayette Recreation Area and 480,000 visitors to Camanche Recreation areas. In 2021, visitation in the East Bay increased 24 percent over the prior year and returned to pre-pandemic levels in the Mokelumne. Mr. Beckman and Mr. Hill reported on recreation projects and initiatives completed in 2021 and said in 2022, staff will focus on upgrades to the Camanche South Riverview Campground, installing new Park Model rental cabins at Camanche North Shore, and continuing to address challenges related to increased visitation to Mokelumne watershed trails and the Mokelumne River Day Use Area. Staff will also install new campfire regulation signs and fire-safe campfire rings near campsites adjacent to the Camanche South Shore Mobile Home Park. In the East Bay, staff will upgrade signs at Lafayette Reservoir; complete sewer force main projects at San Pablo and Lafayette recreation areas; continue the permit-less access pilot on the De Laveaga trail; and continue monitoring and addressing illegal mountain biking trails that have been constructed near Canyon. Mr. Beckman and Mr. Hill responded to questions on how many new Park Model rental cabins are being installed, the number of permits issued to CAP customers and data on trail use by these customers to date. The Committee asked staff to reach out to the mountain biking community and the East Bay Trails Council for support in addressing the illegal mountain biking trails; provide a photo of the new Park Model rental cabins; consider translating information at recreation area kiosks into Spanish; promote the De Laveaga trail to residents including CAP participants; and conduct a Miller

Road community hike as a pilot this year. It was moved by Director Mellon, seconded by Director McIntosh and carried (3-0) by voice vote to accept the report.

**Long-Term Infrastructure Plan and Resource Needs.** Director of Engineering and Construction Olujimi O. Yoloye presented the update. To better plan for the Water System's long-term Capital Improvement Program (CIP) staffing and contracting out needs, staff prepared a 20-year schedule of potential projects based on the current five-year CIP projects and potential future projects outlined in various master plans and initiatives. The costs and expected cash flow were prepared and a resource model was developed to estimate the number of full-time equivalent (FTE) positions that would be needed to complete the work and evaluate the financial impact. This information will be used during planning for the FY24/25 budget. He reviewed CIP drivers and scheduling assumptions and noted pumping plant and reservoir rehabilitation projects are assumed to continue at a rate of two each annually and applications for new service were assumed to remain at the average rate over the past five years. Projects that were not clearly defined or that have unpredictable schedules were not included such as the Los Vaqueros Reservoir Expansion, and advanced metering infrastructure. The resource model includes assumptions based on the historical level of effort required to implement projects of similar type and scope, and has estimates that convert cash flow to FTEs. The model allows for staffing alternatives to be analyzed between in-house staffing and contracting out. For the construction phase of projects, the model assumes only in-house staffing for construction management and inspection of capital contract construction and only in-house construction for pipeline rebuild projects. Any long-term decisions regarding contracting out for the construction phase of projects would need to be incorporated into the model. The resource model results indicate increased staffing needs in Engineering and Construction beginning in FY23 with staffing levels returning to approximately FY22 levels by FY35. For pipeline replacement construction, the model indicates a steady increase in staffing needs until FY31, with a long-term need for an additional 150 positions. Mr. Yoyoye discussed potential fiscal impacts. If the District were to hire all the positions required to support the planned CIP needs, water rates would need to double for at least a four-year period over the prior annual rate increase goals of four percent. The model does not consider staffing increases that may be needed for support functions such as regulatory compliance, public information, or human resources; costs for additional equipment purchases; or maintenance or office and yard space needs for any added staff. As part of the FY24/25 budget, staff will consider converting eight existing long-term/temporary construction positions in the Engineering and Construction Department to regular positions; Hiring a limited number of additional staff consistent with fiscal constraints and a strategy to address anticipated retirements in the next 10 years; balance prioritization and resources; and review Pipeline Rebuild efforts. There was considerable discussion by the Committee and Mr. Yoyoye and General Manager Clifford C. Chan responded to questions regarding rules related to applicant work and pipeline projects over 1,000 feet. The Committee asked staff to provide information on the 1983 decision regarding core work for pipeline replacement criteria and an update on the resource model once the District reaches 25 miles pipeline replacement per year.

- Addressing the Committee was Eric Larsen, President, AFSCME Local 444, who stated Local 444 objects to contracting out any core work of Local 444 members.

**Willow Service Center (WSC) Project Update.** Engineering Manager Elizabeth Z. Bialek presented the update. The project will provide a new service yard facility in West Oakland to accommodate the growth of the District's pipeline construction and maintenance activities. The WSC has frontage on two



public streets, convenient access to the freeway, and is zoned for commercial/industrial use consistent with the District's operational needs. In addition, the WSC is located close to where much of the District's pipeline construction and maintenance is occurring. The District recently completed conceptual design of the WSC which will include a 6,000 square-foot office building for office staff, locker room facilities for field staff, and a 730 square-foot warehouse for storing materials and equipment. Additionally, the site will provide secure storage for construction equipment and materials, and parking for District and employee vehicles. Staff is working to secure a Major Conditional Use Permit and building permit from the City of Oakland and an encroachment permit to construct the new driveway. Ms. Bialek discussed public outreach to date noting staff met with the Environmental Indicators Project leads in January 2020; informed the West Oakland Liaison Committee of the project in March 2021; and provided a brief project update to the West Oakland Neighbors group on April 21, 2022. Community meetings to discuss the project will be scheduled in May and June 2022. It was moved by Director Mellon, seconded by Director McIntosh and carried (3-0) by voice vote to accept the report.

**Adjournment.** Chair Young adjourned the meeting at 9:59 a.m.

CCC:JMJ


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
## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: May 19, 2022

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Janetta M. Johnson, Assistant to the General Manager 

SUBJECT: Legislative/Human Resources Committee Minutes – May 10, 2022

Director Lesa R. McIntosh called to order the Legislative/Human Resources Committee meeting at 10:04 a.m. in the Boardroom. Director John A. Coleman was present at roll call. Director William B. Patterson arrived at 10:23 a.m. Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Manager of Legislative Affairs Marlaigne K. Dumaine, Special Assistant to the General Manager Derry L. Moten, Executive Assistant II Robyn S. Johnson, and Assistant to the General Manager Janetta M. Johnson.

**Public Comment.** 1) Kelly A. commented on agencies being aware of discriminatory practices; and 2) Ross Spinner, EBMUD employee, commented on harassment experienced by probationary employees and recommended the District consider implementing an advocate program for new employees.

**Presentations/Documentation.** 1) Presentation entitled “Diversity, Equity, and Inclusion Strategic Plan Update,” dated May 10, 2022; and 2) Presentation entitled “EBMUD and Peralta Internship Stipend Administration,” dated May 10, 2022; 3) Emailed dated May 10, 2022 from Kelly A. to the Board of Directors regarding State Auditor finding of harassment and discrimination at state water agency.

**Legislative Update.** Manager of Legislative Affairs Marlaigne K. Dumaine provided an overview of eight bills in Legislative Report No. 02-22. Ms. Dumaine reported on *AB 2026 (Friedman)* Recycling: Plastic Packaging and Carryout Bags is intended to reduce single-use plastic pollution by doing the following: 1) phase out the use of plastic film, including shipping envelopes, void filler, and cushioning, used to transport products consumers purchase online; and 2) generally prohibit manufacturers, retailers, producers, or other distributors that sell and deliver purchased products in or into the state from using expanded polystyrene (including loose fill or molded foam) to package or transport products. *AB 2419 (Bryan)* Environmental Justice: Federal Infrastructure Investment and Jobs Act: Justice40 Oversight Committee would establish the California Justice40 Act, intended to facilitate implementation of the federal Justice40 Initiative in California. *AB 2639 (Quirk)* San Francisco Bay/Sacramento-San Joaquin Delta Estuary: Water Quality Control Plan: Water Right Permits would implement several of the recommendations from the February 2022 Planning and Conservation League report titled “Updating California Water Laws to Address Drought and Climate Change.” This measure would require the SWRCB, on or before December 31, 2023, to adopt a final update of the 1995 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary; require the SWRCB to implement, “through regulation or other appropriate implementation methods,” the amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary adopted by the SWRCB on December 12, 2018; and prohibit the SWRCB from approving a new water right permit that would result in new or increased diversions to surface water storage from the Sacramento/San Joaquin River watershed until and unless the SWRCB has taken the above actions on the Water Quality Control Plan. *AB 2895 (Arambula)* Water: Permits and Licenses: Temporary Changes: Water or Water Rights Transfers is intended to facilitate the SWRCB’s processing of temporary change petitions for water transfers of one year or less. *SB 1392 (McGuire)* Fish and Wildlife: Steelhead Trout:

Fishing Report-Restoration Card would extend the sunset of the steelhead trout fishing report-restoration card program and allow the program to continue operating until January 1, 2028. It would also require DFW to provide a report on the program to the legislature on or before July 1, 2026. *SB 1490, SB 1491, SB 1492 (Committee on Governance and Finance)* Validations would enact the Validating Acts of 2022. The legislature usually enacts three bills known as the Validating Acts each year to retroactively correct procedural errors or omissions that public officials of state agencies, cities, counties, and special districts may make inadvertently. *S. 3956 (Merkley)* Wastewater Infrastructure Pollution Prevention and Environmental Safety Act is a companion measure and substantially similar to H.R. 4602 (Lowenthal), which EBMUD supports, and is intended to address the problem of non-flushable wipes being flushed into, and creating obstructions in, sewer and wastewater systems. The Committee discussed AB 2639 and Ms. Dumaine responded to questions regarding the Board taking a position of Oppose Unless Amended. It was moved by Director Coleman, seconded by Director McIntosh, and carried (2-0) to support staff's recommendations on AB 2026 and AB 2419. Director Patterson was absent (excused). It was moved by Director Coleman, seconded by Director Patterson, and carried (3-0) to support staff's recommendations on AB 2639, AB 2895, SB 1393, SB 1490, SB 1491, SB1492, and S. 3956.

**Diversity, Equity, and Inclusion Strategic Plan (DEISP) Update.** Special Assistant to the General Manager Derry L. Moten presented the update. The DEISP is divided into five strategic pillars and the update provided information on efforts within the Leadership Commitment, Workforce Diversity, and Inclusive Culture pillars. Under Leadership Commitment progress has been made on DEI town hall sessions and cultural competency assessments. Staff participated in a workshop on Leading Inclusively, conducted a forum on Inclusive Leadership, and is evaluating options for applying equity-based budgeting practices to the District's budgeting processes. Under Workforce Diversity progress has been made on developing and enhancing recruiting partnerships with the Peralta Community Foundation the Cypress Mandela Pre-Apprentice Training Center, community employment trainees, and workforce development interns. Staff has modified the District's online assessment/testing processes to provide more information and better assist candidates seeking reasonable accommodations in the testing process. Under Inclusive Culture staff is piloting an Alternative Dispute Resolution process and an Equal Employment Opportunity aftercare plan. Mr. Moten responded to a question regarding reasonable accommodations. The Committee asked staff to consider implementing an advocate program for new employees to provide guidance and support, a summary of the number of harassment/retaliation complaints filed by employees during their probationary period, and to provide sufficient time for this topic at future meetings.

**Peralta Colleges Foundation Internship Stipend Administration.** General Manager Clifford C. Chan announced the Board will consider an agreement for the internship stipend at its meeting in the afternoon. The Committee agreed to defer the item to the afternoon Board meeting.

**Adjournment.** Director McIntosh adjourned the meeting at 11:00 a.m.

CCC/JMJ