



BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

Notice of Time and Location Change

**REGULAR CLOSED SESSION
11:30 AM
and
REGULAR BUSINESS MEETINGS
1:15 PM
Tuesday, February 22, 2022
Virtual**

Notice is hereby given that the Tuesday, February 22, 2022 Regular Closed Session Meeting of the Board of Directors has been rescheduled from 11:00 a.m. to 11:30 a.m.

In accordance with Government Code section 54953(e), the Regular Closed Session Meeting scheduled for 11:30 a.m., and the Regular Business Meeting scheduled for 1:15 p.m., **will be conducted via webinar and teleconference only**. A physical location will not be provided for these meetings.

Dated: February 17, 2022

A handwritten signature in blue ink that reads 'Rischa S. Cole'.

Rischa S. Cole
Secretary of the District

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

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

AGENDA
REGULAR CLOSED SESSION
Tuesday, February 22, 2022
11:30 a.m.
*****Virtual*****

Location

In accordance with Government Code section 54953(e), **this meeting will be conducted by webinar and teleconference only.** A physical location will not be provided for this meeting.

*****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. Conference with Labor Negotiators Clifford C. Chan, General Manager; David A. Briggs, Director of Operations & Maintenance, and Winnie W. Anderson, Interim Director of Human Resources, pursuant to Government Code section 54957.6 regarding COVID-19 response—leave directive: American Federation of State, County and Municipal Employees, Locals 444 and 2019; International Union of Operating Engineers, Local 39; and International Federation of Professional and Technical Engineers, Local 21.
2. Conference with Labor Negotiators Gregory Ramirez and Jeff Bailey from the Industrial Employers Distributors Association; Clifford C. Chan, General Manager; Sophia D. Skoda, Director of Finance; and Winnie W. Anderson, Interim Director of Human Resources, pursuant to Government Code section 54957.6: American Federation of State, County and Municipal Employees, Locals 444 and 2019.

(The Board will discuss Closed Session agenda items via webinar or teleconference.)

REGULAR BUSINESS MEETING

1:15 p.m.
*****Virtual*****

Location

In accordance with Government Code section 54953(e), **this meeting will be conducted by webinar and teleconference only**. A physical location will not be provided for this meeting.

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

ROLL CALL:

BOARD OF DIRECTORS:

- Pledge of Allegiance

ANNOUNCEMENTS FROM CLOSED SESSION:

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

CONSENT CALENDAR: (Single motion and vote approving 9 recommendations, including 1 resolution.)

1. Approve the Special Meeting and Regular Meeting minutes of February 8, 2022.
2. File correspondence with the Board.
3. Award a contract to the lowest responsive/responsible bidder, Ranger Pipelines Incorporated, in an amount not to exceed \$17,345,000 for construction of the Happy Valley and Sunnyside Pumping Plants, and Happy Valley Pipeline Phase 2 Improvements under Specification 2120.
4. Authorize agreements for towing and vehicle relocation services.
 - 4a. Authorize agreements with Berry Bros. Towing & Transport, Inc. and Freeman's Tow Service, Inc. beginning on or after February 22, 2022 for three years with two options to renew for additional one-year periods, in an aggregate amount, including option years, not to exceed \$425,000 for towing and vehicle relocation services.
 - 4b. Authorize additional agreements for towing and vehicle relocation services on an as-needed basis, with service providers that meet District standards and offer pricing at or below the range in the proposed agreements with the service providers above to increase flexibility and ensure service provider availability. The Board of Directors will be notified of additional qualified service providers by means of the General Manager's monthly report.

CONSENT CALENDAR: (Continued)

5. Authorize additional funds for the contract previously awarded under Board Motion No. 016-21 with CDW Government LLC to increase the contract amount by \$415,732 to a total amount not to exceed \$1,856,507 for supplying Microsoft Office 365 licenses for additional staff.
6. Authorize the Office of General Counsel to continue the employment of the law firm of Best, Best & Krieger, LLP, for specialized legal services related to federal and state water law, rates, charges, taxes, liens, real estate and bankruptcy, and litigation involving such matters.
7. Approve the financing plan for the upcoming bond sales in Fiscal Year 2022.
8. Approve the January 2022 Monthly Investment Transactions Report.
9. Adopt the Actuarial Valuations of the Employees' Retirement System (Retirement System) as of June 30, 2021 prepared by the Retirement System's actuary. In addition, set Retirement System Contribution Rates for Fiscal Year 2023 (FY23) equal to the contribution rates currently in effect for FY22 for the pension and Health Insurance Benefit plans. (Resolution)

DETERMINATION AND DISCUSSION:

10. Take actions related to the Fontaine Pumping Plant Replacement Project (Project). (Resolution)
 - 10a. Adopt the Final Mitigated Negative Declaration for the Project.
 - 10b. Make findings in accordance with the California Environmental Quality Act (CEQA).
 - 10c. Adopt the Mitigation Monitoring and Reporting Plan in accordance with CEQA.
 - 10d. Adopt the Practices and Procedures Monitoring and Reporting Plan.
 - 10e. Approve the Project.
11. Adopt the District's Diversity, Equity, and Inclusion Strategic Plan.
12. Take actions related to the 2021-2025 Memorandum of Understanding (MOU) and other special agreements with the International Federation of Professional and Technical Engineers (IFPTE) Local 21. (Resolution)
 - 12a. Approve the 2021-2025 MOU and other special agreements between the District and the IFPTE Local 21.
 - 12b. Approve revisions to District salary schedules.
 - 12c. Amend all existing Civil Service Rules, Policy Statements and Procedures, and other pertinent resolutions to conform to revisions contained in the MOU and in the resolution.

DETERMINATION AND DISCUSSION: (Continued)

13. General Manager's Report:
- Coronavirus Update
 - Water Supply Update

REPORTS AND DIRECTOR COMMENTS:

14. Committee Reports:
- Finance/Administration
15. Other Items for Future Consideration.
16. Director Comments.

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, March 8, 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 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.

BOARD CALENDAR

Date	Meeting	Time/Location	Topics
Tuesday, February 22	Finance/Administration Committee	8:30 a.m. Virtual	<ul style="list-style-type: none"> Monthly Investment Transactions Report Quarterly Investment Report – December 31, 2021 Semi-Annual Internal Audit Report Interest Rate Swap Portfolio Summary Report Financing Plan for Fiscal Year 2022 Bond Sales Employees' Retirement System Fiscal Year 2021 Actuarial Valuations and Fiscal Year 2023 Employer Contribution Rates
	Long-Term Water Supply Workshop	9:30 a.m. Virtual	
	Board of Directors	11:30 a.m. Virtual 1:15 p.m. Virtual	<ul style="list-style-type: none"> Closed Session Regular Meeting
Tuesday, March 8	Planning Committee	TBD	
	Legislative/Human Resources Committee	TBD	
	Board of Directors	11:00 a.m. TBD 1:15 p.m. TBD	<ul style="list-style-type: none"> Closed Session Regular Meeting
Tuesday, March 22	Finance/Administration Committee	TBD	
	Long-Term Water Supply Workshop	TBD	
	Board of Directors	11:00 a.m. TBD 1:15 p.m. TBD	<ul style="list-style-type: none"> Closed Session Regular Meeting

2022 Board Committee Members

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, February 22, 2022
11:30 a.m. and 1:15 p.m.

EBMUD public Board meetings will be conducted via Zoom.
Please note that Board meetings are recorded, live-streamed, and posted on the District's website.

Please visit this page beforehand to familiarize yourself with Zoom.
<https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

Online

<https://ebmud.zoom.us/j/97065086667?pwd=eUdZSGh5SG82akZiRDF2UDg2b0IyUT09>

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>

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.

If you wish to provide public comment please:

- 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
- The Secretary will call each speaker in the order received
- 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
- 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 keep track of time and inform each speaker when the allotted time has concluded

Submitting written comments or materials

- Email written comments or other materials for the Board of Directors to 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.

To observe the public portion of the 11:30 a.m. Closed Session Meeting and the entirety of the 1:15 p.m. Regular Business Meeting, please visit: <https://www.ebmud.com/about-us/board-directors/board-meetings/>

MINUTES

Tuesday, February 8, 2022
East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California
****Virtual****

Special Meeting

President Doug A. Linney called to order the Special Meeting of the Board of Directors at 9:05 a.m. He announced that in accordance with Government Code section 54953(e), this meeting would be conducted by webinar and teleconference only. A physical location was not provided for this meeting. The Board met in workshop session to receive an update on the Customer Assistance Program.

ROLL CALL

Directors Andy Katz, Lesa R. McIntosh, Frank Mellon, William Patterson, Marguerite Young, and President Doug A. Linney were present at roll call. Director John A. Coleman joined the meeting at 9:08 a.m. All Directors participated remotely.

Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Director of Customer and Community Services Andrew L. Lee, Customer Services Managers Teri Dean Alderson and Latrice F. King, Executive Assistant II Robyn S. Johnson, and Secretary of the District Rischa S. Cole.

PUBLIC COMMENT

None.

DISCUSSION

- Filed with the Board was a presentation entitled, "2022 Customer Assistance Program Workshop," dated February 8, 2022.

General Manager Clifford C. Chan introduced the workshop. Director of Customer and Community Services Andrew L. Lee announced that this year marks the 35th anniversary of the District's Customer Assistance Program (CAP). Mr. Lee highlighted the workshop agenda and introduced staff.

Customer Services Manager Latrice F. King reviewed key 2021 CAP accomplishments noting program participation increased nearly 30 percent since the onset of the COVID-19 pandemic. Staff reviewed and approved 2,450 first-time CAP applications and renewed applications for over 2,000 returning participants; launched the online CAP application in March 2021; continued providing support to customers affected by the COVID-19 pandemic; applied for state and federal relief funding to assist with customer arrearages; and worked to develop a long-term sustainable funding

strategy for the CAP. Ms. King reviewed CAP eligibility and income requirements; additional, targeted outreach activities and community collaborations; and data showing the increase in CAP participation between 2012 and 2021. Staff worked with the cities of Berkeley, Emeryville, and Oakland to implement a discount program for their sewer collection charges. In May 2021, Oakland implemented a phased program and is currently in phase two, offering a 21 percent credit to eligible customers. In November 2021, Emeryville adopted a resolution to implement a discount program which went into effect in January 2022. The City of Berkeley's adopted FY22 budget includes funding for a discount program that would provide a 35 percent credit for eligible customers; however, Ms. King reported that to date, Berkeley has not implemented its program. Mr. Lee responded to Board questions regarding the status of Berkeley's program and advised staff is working with Berkeley on an addendum to its 10-year billing services agreement with the District to begin implementing the discount program for customers.

Customer Services Manager Teri Dean Alderson reviewed customer bill payment and delinquency trends for single-family residential, multi-family residential, and non-residential customers over the past five years. Ms. Alderson reported that overall, delinquencies have remained steady with 96 percent of all customer types making payments within 60 days. Ms. Alderson reported that between 2018 and 2021, there has been a 30 percent increase in the number of single-family residential customers and a 20 percent increase in the number of non-residential customers with accounts delinquent for more than 100 days. Arrearages data for accounts delinquent for more than 100 days from June to December 2021 show the rolling total for single-family residential customers has nearly doubled to \$13.7 million and almost tripled for non-residential customers to \$4.3 million compared to last year. She said staff continues reaching out to customers with information on payment plans, payment extensions and the CAP. A review of COVID-19 impacts on customers shows that while most continue paying their water bills or enter payment arrangements, arrears amounts continue to increase. The District is actively pursuing COVID-19 relief funds for its customers. The District validated eligibility for 988 households, and to date, has received \$69,000 from the state's Emergency Rental Relief Program on behalf of 78 customers. The California Water and Wastewater Arrearage Payment Program (CWWAPP) has \$985 million in funding to assist customers with past due bills from the pandemic covering the period March 4, 2020 through June 15, 2021. The District's CWWAPP application was approved in January 2022 and staff reported receiving almost \$10 million for drinking water arrears and CAP expenditures on February 1. Staff is currently working to issue credits to eligible customer accounts. The CWWAPP application period for wastewater arrears opened last week and staff is preparing the District's application for approximately \$5 million in funding. California was allocated \$116 million from the Low-Income Household Water assistance Program (LIHWAP), a one-time federally funded emergency program that provides eligible households a one-time benefit up to \$2,000 through rent reductions. Benefit payments are made directly to participating utilities and the District anticipates receiving disbursements starting in May 2022.

Director of Customer and Community Services Andrew L. Lee presented an update on the Customer Support Program which has been refined to emphasize the District's customer-centric approach to be more proactive and responsive, flexible, empathetic, innovative, and equitable. Key program advancements include increased financial support for customers through the CAP and Water Lifeline donations; water use management efforts; the District's lead testing program; and an examination of program equity. Future program initiatives to further assist low-income customers include partnering with PG&E's Energy Savings Assistance Program; offering leak repair and assistance; implementing a toilet direct install rebate program; and a potential partnership with a manufacturer to offer a flowmeter rebate. Mr. Lee reviewed water conservation audit data and explained how the

District is working to expand audit services to underserved communities. The Board approved updates to District policies to allow good Samaritans to share water with encampments without violating District regulations, and cities, community groups and other charitable organizations to pilot use of hydrant meters to provide temporary water service to navigation facilities that assist unhoused people. The District's target CAP participation rate is 33,000 households. In FY21, the District spent almost \$3.06 million in non-rate revenue (the highest to date) for 9,108 program participants. In FY22, expenditures are estimated to exceed \$3.4 million as it will cost approximately \$340,000 (in FY22 dollars) to fund every 1,000 new CAP participants. Mr. Lee reviewed options to secure long-term, sustainable non-rate revenue funding to support increased CAP participation. Real estate leases (specifically for telecom) have the most growth potential as they provide long-term and stable non-rate revenue with minimal administrative costs and have little to no impact on District operations. In FY21 several of the District's 979 land parcels generated over \$4.9 million in non-rate revenue. Government Code section 50050 authorizes the District to transfer amounts from closed accounts with balances less than \$15 after one year to the general fund. Closed accounts with balances greater than \$15 and older than three years can be transferred to the general fund after a notice is published in a newspaper of general circulation for two consecutive weeks. If the funds are not claimed within 45 days after the publication, the District can claim the funds. The District has approximately \$2.1 million in unclaimed funds. Approximately \$27,000 is from closed accounts with balances less than \$15, and over \$1.4 million could be transferable upon completion of the public notification and claim process. District regulations have been updated to codify processing unclaimed funds and procedural guidelines are being finalized. Staff will transfer the \$27,000 in unclaimed funds to support FY22 CAP activities and begin the public notification process to secure the remaining, approximate \$1.4 million. The District explored administering two donation programs to support the CAP – bill round up and direct, one-time donations. However, state law requires the District to establish a trust to hold donations and managing a trust would require additional staff resources so at this time, staff will focus on working with existing charitable partners to expand the Water Lifeline program capabilities for CAP participants. Staff also explored partnerships with private water service line plan providers. Based on the number of District customer accounts, this potential source of revenue could range from an estimated \$140,000 to \$500,000 annually. Additionally, one provider has offered financial incentives up to \$50,000 annually to support low-income assistance programs. Mr. Lee highlighted the actions required to expand real estate (telecom) leases and said staff will focus on maximizing non-rate revenue by expanding telecom leases and on transferring unclaimed funds to support the CAP. As time and resources allow, the District will continue exploring expanding the Water Lifeline program to receive donations and the long-term benefits of a partnership with private water service line plan providers. In 2022, staff will continue targeted CAP outreach; host a CAP application workshop; continue to support customers impacted by COVID-19; access available state and federal COVID-19 relief funds on behalf of eligible customers; secure additional resources; and finalize and implement a sustainable CAP funding strategy.

- Addressing the Board were the following: 1) Kyle Mitchell, East Oakland Collective volunteer thanked the District for authorizing the pilot to use hydrant meters to provide water for people in the unhoused community and described the benefits of the pilot; 2) James Becker, President and CEO of Richmond Community Foundation expressed appreciation for the partnership with EBMUD to assist the foundation's clients with paying for water service; and 3) Laura Feinstein, Sustainability and Resilience Policy Director with SPUR commended Mr. Lee and EBMUD for working with and providing services to the community, and commented on renters participating in the District's water use management programs; District assistance to other service area agencies to encourage volumetric charging

for wastewater fees; outreach to multi-family residential renters, and reviewing water conservation audit data to determine if all user types are benefitting from outreach efforts for the program.

The Board commended staff for their efforts and thanked the speakers for providing insight on how the District is helping customers and the unhoused community. Mr. Lee and General Manager Clifford C. Chan responded to Board questions and comments regarding the number of water conservation audits conducted in the northern Richmond area; data on the level of support provided to homeless shelters and unhoused people in navigation facilities using hydrant meters; projected revenue from expanded use of telecom leases; whether the District is required to submit unclaimed funds from closed customer accounts to the State of California's unclaimed funds program; resources needed to implement a District-administered donation program; and leveraging existing partnerships with charity programs to administer donation programs on behalf of the District. The Board discussed the information presented and comments received and requested the following:

- Estimate of the number of homeless shelters and navigation facilities that are supported by the District's pilot hydrant meter program and if possible, an estimate of the number of unhoused people benefitting from the program.
- Verify if the District is required to send unclaimed customer funds to the state's unclaimed funds program.
- Evaluate forming a District-administered trust to support the round-up donation program discussed in presentation slide 50.
- Identify opportunities to share the District's experience with its CAP and Customer Support Program to help inform state and federal programs that address affordability and equity.
- Present the CAP funding strategy at a future Finance/Administration Committee before presenting it to the Board for consideration.
- Information on the gaps in the water conservation audits (e.g., in Richmond and Oakland) displayed in presentation slide 40.
- A lead sampling test kit and instructions for Director Patterson.

ADJOURNMENT

President Linney adjourned the Special Meeting at 10:53 a.m.

SUBMITTED BY:

Rischa S. Cole, Secretary of the District

APPROVED: February 22, 2022

Doug A. Linney, President of the Board

MINUTES

Tuesday, February 8, 2022
East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California
****Virtual****

Regular Closed Session Meeting

President Doug A. Linney called to order the Regular Closed Session Meeting of the Board of Directors at 11:32 a.m. He announced that in accordance with Government Code section 54953(e), this meeting would be conducted by webinar and teleconference only. A physical location was not provided for this meeting.

ROLL CALL

Directors John A. Coleman, Andy Katz, Lisa McIntosh, Frank Mellon, William B. Patterson, and President Doug A. Linney were present at roll call. Director Marguerite Young joined the meeting at 11:33 a.m. All Directors participated remotely.

Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Assistant General Counsel Lourdes Matthew (Item 1), Director of Finance Sophia D. Skoda (Item 1), Interim Director of Human Resources Winnie W. Anderson (Item 1), and IEDA representatives Jeff Bailey and Gregory Ramirez (Item 1).

PUBLIC COMMENT

- Addressing the Board were the following: 1) Eric O. Larsen, President, AFSCME Local 444 commented on the length of negotiations, the availability of the District's negotiators, equity pay for Local 444 classifications and asked the Board to approve a fair wage package and to address outstanding requests for equity adjustments; 2) John Kellett, EBMUD Grounds Maintenance Specialist II, commented on the Grounds Maintenance Specialists' job duties, the cost of living, equity adjustments for Grounds Maintenance Specialists, and expressed support for Local 444's wage proposal; 3) John Hayden, EBMUD Construction and Maintenance Superintendent asked the Board to consider opening today's regular meeting with a moment of silence to acknowledge the passing of former EBMUD Board member and employee David Richardson; 4) Teresa Soto, EBMUD Janitor, commented on working conditions, current salaries, and an equity adjustment for Janitors; 5) Stella Tan, EBMUD Associate Civil Engineer, commented on contract negotiations and expressed support for Local 2019's wage proposal and other requested agreements; 6) Kelly A. commented on the Brown Act briefing and EBMUD's redistricting efforts and guidelines; 7) Jason Conopa, Steward, AFSCME Local 2019, commented on the Board's level of engagement during remote meetings and fair and equitable negotiations; 8) Brandon Batteate, 2nd Vice President, AFSCME Local 444, commented on negotiations, and on certification requirements and equity adjustments for Heavy Equipment Operators; 9) Ivette Rivera, EBMUD Gardener Foreman, agreed with Jason Conopa's comments regarding the Board's level of engagement during remote meetings, and commented on remarks from Director Lesa R. McIntosh and other public speakers regarding District employment practices during the January 25, 2022 Diversity, Equity, and Inclusion Strategic

Plan Workshop and on the Board's reaction to the lawsuits filed by Saji Pierce and Ayriel Bland; 10) Joey D. Smith, President, AFSCME Local 2019, commented on negotiations and asked the Board to give the District's lead negotiator the authority to accept Local 2019's latest wage proposal; 11) Zubin Engineer, EBMUD Plant Maintenance Mechanic, commented on equity adjustments for Plant Maintenance Mechanics and recruitment efforts and staffing levels in the District's Wastewater maintenance shop; 12) Patrick Virgin, EBMUD Plant Maintenance Mechanic, commented on staffing levels and recruitment challenges for Plant Maintenance Mechanics at the District's Wastewater Treatment Plant and equity adjustments for Wastewater staff and District Janitors; and 13) George Cleveland, Chief Steward, AFSCME Local 2019, apologized to Special Assistant to the General Manager Kelly Zito and General Counsel Derek McDonald for his comments pertaining to them during the January 25, 2022 Board meeting and commented on additional transparency for the District's Skelly process. Secretary of the District Rischa S. Cole read the following written comments to be filed with the record: 1) email from Robert Jungeberg, EBMUD Administrative Clerk, regarding support for Local 2019's wage and equity proposals, impacts from increased pension contributions and providing more authority to the District's lead negotiator; 2) email from Emily Songster, EBMUD Graphic Designer regarding support for Local 2019's equity proposals, a presentation on equity adjustments for the Graphic Designer classification, and providing more authority to the District's lead negotiator; and 3) emails regarding support for Local 2019's wage and equity proposals and providing more authority to the District's lead negotiator from 1) John Roberts, EBMUD Wastewater Control Representative; 2) Ishtar Knox, EBMUD New Business Representative I; 3) Martha Barrera, EBMUD Customers Services Representative I; and 4) Eric West, EBMUD GIS Engineer.

BROWN ACT BRIEFING

General Counsel Derek T. McDonald reviewed the purpose and ethical duties outlined in District Policy 6.04 – Ethics of the EBMUD Board of Directors; and provided an update on recent legal developments in the Ralph M. Brown Act (Brown Act), conflicts of interest under the Political Reform Act, and conflicts of interest under Government Code section 1090. Mr. McDonald discussed the purpose of the Brown Act and its requirements on the public's attendance and participation in public meetings; amendments to the Brown Act and required findings under Assembly Bill 361 (Rivas); and findings from Attorney General Opinion 18-201 regarding discussions between Joint Powers Authority (JPA) appointees and member agencies on matters pending before a JPA. Next, he highlighted new regulations in the Political Reform Act on behested payments; amendments to Government Code section 85320 by Assembly Bill 319 (Valladares) to address campaign contributions and expenditures (and solicitation or receipt of such) from foreign governments or principals; and Fair Political Practices Commission Advice Letter No. A-21-046 pertaining to advice on behalf of Galt City Councilmembers and Advice Letter No. A-21-070 pertaining to advice on behalf of Galt's Vice Mayor. Mr. McDonald concluded with an overview of Government Code section 1090 and Fair Political Practices Commission Advice Letter No. A-20-134 pertaining to advice on behalf of Modesto Irrigation District Board member Byrd. Mr. McDonald responded to questions regarding conflicts of interest under the Political Reform Act and behested payments. He advised Board members to contact him, if needed, for additional clarification on reporting requirements for behested payments.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Linney announced the closed session agenda and said the Board would reconvene for the Regular Business Meeting at 1:30 p.m. instead of 1:15 p.m. The Board convened for discussion (remotely).

Regular Business Meeting

At 1:25 p.m. General Manager Clifford C. Chan informed Secretary of the District Rischa S. Cole that due to an extended Closed Session Meeting, the Regular Business Meeting would start at 1:45 p.m. President Doug A. Linney called to order the Regular Business Meeting of the Board of Directors at 1:49 p.m. He announced that in accordance with Government Code section 54953(e), this meeting would be conducted by webinar and teleconference only. A physical location was not provided for this meeting.

ROLL CALL

Directors John A. Coleman, Andy Katz, Lesa R. McIntosh, Frank Mellon, Marguerite Young, and President Doug A. Linney were present at roll call. Director William B. Patterson joined the meeting at 1:56 p.m. All Directors participated remotely. Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, and Secretary of the District Rischa S. Cole.

BOARD OF DIRECTORS

President Linney led the Pledge of Allegiance.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

- Addressing the Board were the following: 1) Nick Lawrence, Orinda, commented on dangerous conditions on public property and an out of service fire hydrant on Tappan Terrace; 2) Joey D. Smith, President, AFSCME Local 2019, commented on the passing of former EBMUD employee Sylvia Johnson and former EBMUD Board member and employee David Richardson; 3) Ivette Rivera, EBMUD Gardener Foreman, commented on remarks by Director Lesa R. McIntosh, Marc Carradine and George Cleveland during Board meetings on January 25, 2022; George Cleveland's remarks during public comment before today's Closed Session meeting; and the lawsuits filed by Saji Pierce and Ayriel Bland; and 4) Lindsay Edelman, EBMUD Water Conservation Representative commented on negotiations, expressed support for Local 2019's wage and equity proposals and asked the Board to provide more authority to the District's lead negotiator. The following addressed the Board regarding a Verizon tower in Codornices Park and asked the Board to direct staff to either rescind or not renew its current lease with Verizon: 1) Regina Myers; 2) Allen Myers; 3) Christian Raisner; 4) Joann; 5) Lucinda Reinold; 6) Carl Grimm; 7) Angeline De Antonio; 8) Oren Leiman; and 9) Oliver Raisner.

President Linney thanked the speakers and reminded the public that in reference to comments regarding the Verizon tower, the Board 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

- Motion by Director Mellon, seconded by Director Coleman to approve the recommended actions for Items 1-9 on the Consent Calendar carried (7-0) by the following roll call vote: AYES (Coleman, Katz, McIntosh, Mellon, Patterson, Young, and Linney); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 034-22** – Approved the Special Meeting and Regular Meeting Minutes of January 25, 2022.
 2. The following correspondence was filed with the Board: **1)** Presentation entitled, “Annual Brown Act and Ethics Update,” dated February 8, 2022; **2)** Presentation entitled, “Centennial Project Planning Update,” dated February 8, 2022; **3)** Presentation entitled, “Community Water Academy Pilot Program,” dated February 8, 2022; **4)** Presentation entitled, “Coronavirus Update,” dated February 8, 2022; **5)** Presentation entitled, “Water Supply Update,” dated February 8, 2022; **6)** Presentation entitled, “Redistricting Proposal 1 Public Hearing,” dated February 8, 2022; **7)** Email from Emily Songster dated February 8, 2022 regarding ongoing contract negotiations; **8)** Email from Eric West dated February 8, 2022 regarding ongoing contract negotiations; **9)** Email from Ishtar Knox dated February 8, 2022 regarding ongoing contract negotiations; **10)** Email from Martha Barrera dated February 8, 2022 in support of L2019’s wage negotiations; **11)** Email from Robert Jungeberg dated February 8, 2022 regarding ongoing contract negotiations; **12)** Email from John Roberts dated February 8, 2022 regarding ongoing contract negotiations; and **13)** Presentation entitled, “AFSCME Local 2019 Equity Adjustment Proposal Graphic Designer II,” dated May 2021.
 3. **Motion No. 035-22** – Awarded a contract to the lowest responsive/responsible bidder, Sierra Mountain Construction, Inc., in an amount not to exceed \$9,420,000 for construction of the Briones Outlet Tower Seismic Upgrade project under Specification 2174.
 - 4.1. **Motion No. 036-22** – Awarded a contract to the lowest responsive/responsible bidder, Southwest Valve, LLC, for supplying two stainless steel slide gates for Orinda Water Treatment Plant and two stainless steel slide gates for the Briones Center, beginning on or after February 8, 2022 for a total cost, after the addition of taxes, not to exceed \$215,302 under Request for Quotation No. 2204.
 - 4.2. **Motion No. 037-22** – Awarded a contract to the lowest responsive/responsible bidder, G2 Metal Fab, for supplying a siphon for the Orinda Water Treatment Plant, beginning on or after February 8, 2022 for a total cost, after the addition of taxes, not to exceed \$446,662 under Request for Quotation No. 2205.
 - Director Coleman announced he supports the actions for Items 4.1 and 4.2 and requested staff provide advance notice to the Board when future expenditures will be requested for the Orinda Water Treatment Plant Upgrade Project. General Manager Chan said staff will provide routine project updates including construction costs in the General Manager’s monthly report and during annual updates to the Planning Committee.

5. **Motion No. 038-22** – Authorized an agreement beginning on or after February 8, 2022 with Hyas Group, LLC, for three years with two options to renew for additional one-year periods for a total amount, including option years, not to exceed \$275,000 for investment and consulting services to the District’s 401(a) Advisory Committee and 401(k)/457 Advisory Committee, and to develop and issue a request for proposals for recordkeeping services.
6. **Motion No. 039-22** – Authorized an agreement beginning on or after February 8, 2022 with Development Dimensions International, Inc., in an amount not to exceed \$242,750 for the purchase of a three-year license for the usage, reproduction, and printing of leadership development curriculum, content, and related instructor certifications.
7. **Motion No. 040-22** – Authorized an agreement beginning on or after February 9, 2022 with Simpson Gumpertz & Heger, Inc., in an amount not to exceed \$1,894,134 for specialized consulting services for the seismic retrofit design of the Main Wastewater Treatment Plant Maintenance Center.
8. **Motion No. 041-22** – Authorized an amendment to the agreement previously authorized under Board Motion No. 031-20 with LEE & RO, Inc., to increase the agreement amount by \$75,211 to a total amount not to exceed to \$364,536 for design services during construction of the Demonstration Recharge, Extraction, and Aquifer Management Project.
9. **Resolution No. 35270-22** – Authorizing the Replacement of the Trustee for the District’s Water System Revenue Bonds and Wastewater System Revenue Bonds and the Execution of a Tri-Party Agreement and Other Matters in Connection Therewith.
 - Director Mellon commented for the record that he is not related to the owners of the Bank of New York Mellon.

PUBLIC HEARING

10. **Conduct a public hearing, in accordance with California Elections Code section 22001, to receive public comment on Redistricting Proposal 1, as recommended by the Redistricting Ad Hoc Committee and accepted by the Board of Directors on January 11, 2022.**

President Linney opened the public hearing at 2:40 p.m.

Secretary of the District Rischa S. Cole and Senior Software Engineer George F. McQuary presented an overview of EBMUD redistricting efforts since February 2021 and Redistricting Proposal 1 which was recommended to the Board of Directors by the Redistricting Ad Hoc Committee comprised of Directors Coleman, Linney, and Young. On January 11, 2022, the Board accepted the Committee’s recommendation to present Redistricting Proposal 1 for today’s public hearing. The Board is also scheduled to conduct a public hearing on March 8, 2022 to consider adopting the proposal to establish EBMUD ward boundaries. The District is legally required to adjust its ward boundaries to accommodate population shifts reflected in the federal decennial census, and to keep its wards as equal as possible in population. The 2020 census data indicates that compared to 2010, EBMUD’s service area population increased from 1,337,782 to 1,477,418 and the target ward population increased from 191,112 to 211,060. The final census data indicates Ward 5 (cities of Alameda and San Lorenzo; West Oakland and Oakland Airport Area, and a portion of San Leandro) with a ward population of 217,878 is above the Board adopted target ward

population deviation of 3 percent at 3.23 percent and that Ward 7 (Castro Valley; portions of San Leandro and Hayward; communities of Cherryland and Fairview; and a portion of San Ramon) with a ward population of 207,016 has the second highest deviation at -1.92 percent. All other District wards remain within the 3 percent target ward population deviation (+/- 6332 or between 204,728 and 217,392). The Board accepted Redistricting Proposal 1 (described below) which will adjust the boundaries between Wards 5 and 7 to bring both wards within 3 percent of the target ward population of 211,060.

- **Proposal 1:** move an area of San Lorenzo that is east of Highway 880 from Ward 5 to Ward 7. This area is south of San Lorenzo Creek between 880 and the Southern Pacific Railroad and has a population of 4,637. This proposal would decrease the Ward 5 population from 217,878 to 213,241 and increase the Ward 7 population from 207,016 to 211,653.

Notices regarding today's public hearing were published in the *East Bay Times (Oakland Tribune and Contra Costa Times)* on January 28 and February 4. A letter from President Linney was emailed to elected and appointed officials and organizations about the public hearings. Outreach to encourage public participation in EBMUD's redistricting efforts has included information in the *Customer Pipeline* newsletter and on the redistricting page on ebmud.com; ads in *El Mundo*, *Sing Tao*, *The Oakland Post*, and *Mo Magazine*; and social media posts on Nextdoor and Twitter. Ms. Cole said the District has received no public comments since the notices were posted for today's public hearing.

- Addressing the Board was Kelly A who commented on the Fair Maps Act, the start time for the public hearing, the Board adopted target ward population deviation of three percent, and the boundaries for Ward 7.

There was brief dialog between Director Mellon and Kelly A. on EBMUD's redistricting efforts and public comment. President Linney commented on the importance of having an established ward population deviation percentage so that EBMUD ward populations can remain as equal as possible. Secretary Cole clarified that EBMUD's redistricting guidelines state the District adopted some provisions of the FAIR Maps Act to use as best practices as much as reasonable; however, as a special district, EBMUD is not required to adhere to the Fair Maps Act. In response to Kelly A.'s comment regarding the start time for the public hearing, Ms. Cole said notices regarding the public hearing said the hearing would start at 1:15 p.m. or thereafter. Next steps are for the Board to conduct a second public hearing on March 8 to consider adopting Redistricting Proposal 1 to include in the legal ward boundaries of the District and on April 12, consider approving the legal ward boundaries and final ward map to submit to Alameda and Contra Costa counties by April 17 for the November 2022 elections.

President Linney asked for a motion to close the public hearing. Director Mellon motioned to close the public hearing at 2:58 p.m.

- Motion by Director Mellon, seconded by Director McIntosh to close the public hearing, carried (7-0) by the following roll call vote: AYES (Coleman, Katz, McIntosh, Mellon, Patterson, Young, and Linney); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 042-22 – Conducted a public hearing, in accordance with California Elections Code section 22001, to receive public comment on Redistricting Proposal 1, as recommended by the Redistricting Ad Hoc Committee and accepted by the Board of Directors on January 11, 2022.

DETERMINATION AND DISCUSSION

11. **Make requisite findings and adopt a resolution to continue 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.**

General Manager Clifford C. Chan announced the Board is being asked to approve the resolution to continue holding its meetings via teleconference for an additional thirty days. He said if COVID-19 cases continue to decrease, staff will continue with plans to transition staff back to the office beginning February 28 and potentially resume in-person Board meetings on February 22 or March 8. Staff will keep the Board updated on the status of COVID-19 cases and any potential impacts to the transition plans. Mr. Chan responded to Board questions regarding the Governor's plan to lift the statewide indoor mask mandate on February 15 and whether Board members could participate in Board meetings in the Board room prior to March 8 even if the Board approves the resolution to continue holding its meeting via teleconference.

- Addressing the Board was George Cleveland, Chief Steward, AFSCME Local 2019, who commented the District needs to meet and confer with the unions regarding plans to transition staff back to the office.

General Manager Chan said staff will confirm the need to meet and confer with the unions on the plans to transition staff back to the office.

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

Resolution No. 35271-22 – Authorizing Continued Utilization of Teleconferencing for Meetings of the East Bay Municipal Utility District Board of Directors.

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

EBMUD Community Water Academy Pilot Program

Senior Community Affairs Representative Mona L. Favorite-Hill and Community Affairs Representative II Kathryn A. Horn presented information on the Community Water Academy (CWA) pilot program which is scheduled to launch in summer 2022. The CWA seeks to increase public understanding of EBMUD's water and wastewater systems; create educational opportunities for local officials/agency staff and key community leaders; and build support for long-term goals, including infrastructure investment, environmental protection, and innovation efforts. Fifteen participants will be selected (approximately two per ward) to participate in the pilot which will be for five weeks. Staff will conduct one evening session per week at various EBMUD sites and provide information on the District and its history; investments in

infrastructure; the Wastewater Treatment Plant and resource recovery; environmental stewardship, sustainability, and innovation; financial stewardship; and community commitment. The program will conclude with a wrap-up ceremony. Staff will conduct an exit survey for pilot participants and will use lessons learned to refine the permanent program and to develop participant criteria and the application process. The District plans to conduct CWAs every two years.

The Board expressed support for the CWA and commended staff for their work. There was Board discussion regarding recruiting and selecting participants for the pilot and questions about similar programs at other agencies. The Board asked staff to ensure there is a diverse group of participants in the pilot and in addition to elected officials, reach out to representatives from non-governmental organizations, public works departments from service area agencies, and school districts. As part of the pilot, staff should also request feedback from participants on the District's public outreach efforts. Director Mellon recalled attending a similar program in the early 1990s and suggested staff may be able to use some of that information for the CWA pilot. General Manager Chan said staff would check District files for information.

EBMUD's Centennial Planning Update

Public Information Representative III Tracie D. Morales presented an update on planning efforts to commemorate the District's 100th anniversary in 2023. She reviewed the foundational messaging and three planning principles centered around sustainability, engagement, and community. The District will conduct a year-long campaign to maximize community engagement and awareness of the District's important role and impact in the East Bay while sharing EBMUD's history, priorities, and vision for the next 100 years. To ensure the most efficient use of funds, historical and other materials developed for the centennial will be used for long-term outreach and educational purposes, in recruitments, and to strengthen community relations and understanding. Staff will promote the centennial with a 100th year logo; video; digital flipbook; publications; signage and banners; announcements and information on ebmud.com, social media platforms, and billboards; and internal communications. Board members, current staff, and retirees will be invited to participate in video/oral interviews and photography for anniversary materials. Community involvement will include facility tours, community events, art contests, trail hikes, tree plantings, time capsule, and a selfie-station. Staff will conduct outreach and identify potential partnerships with entities rooted in the East Bay such as schools and universities, businesses, health care agencies, restaurants, and specialty item businesses. The Administration Building lobby will be redesigned to build on the District's existing education program and create a welcoming community space with interactive exhibits and visuals that explore the District's water and wastewater systems and highlight themes such as conservation and environmental stewardship. Ms. Morales reviewed actions scheduled between now and the culmination of the 100th anniversary which will take place in May 2023. Staff will present an agreement for development of a centennial video, flipbook, and other digital assets to the Board for consideration in spring 2022 and a contract for the Administration Building lobby update in summer 2022. The Board thanked staff for their work and Ms. Morales provided clarification on how the District will leverage partnerships with entities in the East Bay and potentially use sponsorships for events. Director Patterson asked staff to consider including upcountry and state partners in the centennial events.

- Addressing the Board was Kelly A. who agreed with Director Patterson's comment and commented on the broad nature of urban water areas.

Coronavirus Update

Director of Operations and Maintenance David A. Briggs reviewed COVID-19 positive cases in Alameda and Contra Costa counties and the number of employee (412) and contractor (32) positive COVID-19 cases to date. Fifty employees were off work or unable to telecommute as of February 4 and Mr. Briggs confirmed that to date, no employees have been hospitalized due to COVID-19. There have been minimal impacts on essential operations due to the District's high vaccination rate as exposed and asymptomatic employees are permitted to continue work. The District has adopted the new Cal/OSHA isolation and quarantine periods; the new Cal/OSHA definition of fully vaccinated; extended paid District leave for booster shots and for those with valid medical or religious exemptions; and continues offering testing five days per week. As reported by the General Manager, staff is scheduled to begin transitioning back to the office on February 28 and the District will continue encouraging worker separation and enforcing safety protocols. He said the governor is supposed to sign a bill to provide up to 80 hours of COVID-19 supplemental paid sick leave through September 30, 2022, which may be used by employees who have been advised to quarantine, those caring for COVID-impacted family members, attending a COVID-19 vaccination appointment, and more.

Water Supply Update

Director of Operations and Maintenance David A. Briggs presented an update on the District's efforts to obtain supplemental water supplies and reported operation of the Freeport facilities were re-initiated today. The United States Bureau of Reclamation authorized the District to divert its remaining 14,300 acre-feet of 2021 contract year Central Valley Project (CVP) supplies through March; contract year 2022 CVP supplies are pending. He reported on the District's current water supply as of February 2, including gross water production; precipitation in the Mokelumne watershed which was 30.02 inches or 113 percent of average; precipitation in the East Bay which was 18.5 inches or 119 percent of average; the snow depth at Caples Lake; and total system storage which was 523,440 acre-feet or 92 percent of average and 68 percent of capacity. He reviewed data on the state's water supply as of February 2, a regional, seasonal precipitation outlook for February through April 2022, and concluded with the District's water supply projections including projected total system storage for Water Year 2022. In response to a question on projected water sales and revenue, General Manager Chan said this information is included in the General Manager's monthly report and will be discussed during the February 22, 2022 Long-Term Water Supply Workshop.

REPORTS AND DIRECTOR COMMENTS

13. Committee Reports.

- Filed with the Board were the Minutes for the January 25, 2022 Sustainability/Energy Committee Meeting.
- President Linney reported the Board met earlier today (remotely) for the Customer Assistance Program (CAP) Workshop and received an update on 2021 CAP activities, ongoing COVID-19 impacts to District customers, the implementation of CAP for the cities' sewer collection

charges, and the utility arrearage relief programs for drinking water and wastewater services. Additionally, staff reviewed the Customer Support Program, the District's ongoing effort to support the unhoused community and a plan to secure a sustainable source of non-rate revenue to fund CAP.

- Director Mellon reported attending the DERWA Board meeting on February 7 (remotely) where the Board discussed staffing plans for the Authority Manager and elected DSRSD Board Director Marisol Rubio for President and Director Coleman as Vice President.

14. Other Items for Future Consideration.

None.

15. Director Comments.

- Director Coleman reported attending the following virtual events: UMRWA Board meeting and a meeting with San Ramon Mayor Hudson and Director of Customer and Community Services Andrew Lee on January 28; and the DERWA Board meeting on February 7. He reported plans to participate in the following events: Los Vaqueros Reservoir JPA meeting on February 9 (remotely); ACWA Federal Affairs Committee on March 1 (location TBD) and Los Vaqueros Reservoir JPA meeting on March 9 (location TBD).
- President Linney and Directors Katz, Mellon, McIntosh, Patterson and Young had no reports.

ADJOURNMENT

President Linney announced the Board would adjourn today's meeting in memory of former EBMUD employee and Board Director David Richardson who passed away on February 6. He highlighted Mr. Richardson's career as an EBMUD employee and his service on the Board. Board members shared memories of Mr. Richardson and how he impacted their personal and professional lives. In response to Joey Smith's request for the Board to also adjourn today's meeting in memory of former employee Sylvia Johnson, President Linney said the Board would consider taking this action during the next Board meeting.

President Linney adjourned the meeting in memory of David Richardson at 4:14 p.m.

SUBMITTED BY:

Rischa S. Cole, Secretary of the District

APPROVED: February 22, 2022

Doug A. Linney, President of the Board



AGENDA NO. 3.
MEETING DATE February 22, 2022

TITLE HAPPY VALLEY AND SUNNYSIDE PUMPING PLANTS, AND HAPPY VALLEY PIPELINE PHASE 2 IMPROVEMENTS

TYPE	<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
ACTION	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION

Award a contract to the lowest responsive/responsible bidder, Ranger Pipelines Incorporated, in an amount not to exceed \$17,345,000 for construction of the Happy Valley and Sunnyside Pumping Plants, and Happy Valley Pipeline Phase 2 Improvements under Specification 2120.


SUMMARY

This contract will construct the Happy Valley Pumping Plant in Orinda, the Sunnyside Pumping Plant in Lafayette, and the second and final phase of the Happy Valley Pipeline in Orinda. This item was discussed at the May 12, 2009, March 26, 2013, June 11, 2013, and December 9, 2014 Planning Committee meetings.

DISCUSSION

These facilities are included in the District's Water Treatment and Transmission Improvements Program which is focused on addressing future water demand and resolving low pressure issues within the District's water distribution pressure zones. The facilities are needed to provide additional pumping capacity to meet existing and future water demand, resolve existing large pressure fluctuations, enable reservoir levels to recover within 24 hours after high demand days, and supplement and ensure greater reliability of fire flow capacity for the community in the event of a fire within the Las Aromas and Valley View Pressure Zones. This contract includes construction of the 4.0 million gallons per day (MGD) Happy Valley Pumping Plant and approximately 3,960 feet of 6- to 16-inch diameter pipe in Orinda; construction of the 1.5 MGD Sunnyside Pumping Plant in Lafayette; and related required work at all three sites.

Construction is expected to start in spring 2022 with an estimated construction duration of approximately three years. This project supports the District's Long-Term Infrastructure Investment Strategic Plan goal.

Funds Available: FY22/23; CIP#001252; Page 26	Budget Coding: 570/2010164/2010213:39/7000033	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		

BID RESULTS

Bid documents were posted on the District's website and issued to 21 resource organizations and 36 prospective bidders. Six bids were received, ranging from \$17,345,000 to \$22,840,000. The bid summary is attached. The engineer's estimate for this work is \$19,796,796.

The low bid was lower than the engineer's estimate. The major reasons for the difference include a lower than estimated electrical subcontractor bid and the low bidder plans to self-perform a majority of the project work with its own workforce, which reduces overhead and markup costs.

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

SUSTAINABILITY

Economic

Funds are available in the FY22/23 adopted capital budget for the Pumping Plant Rehabilitation 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 December 5, 2019 and did not raise any specific issues related to this contract.

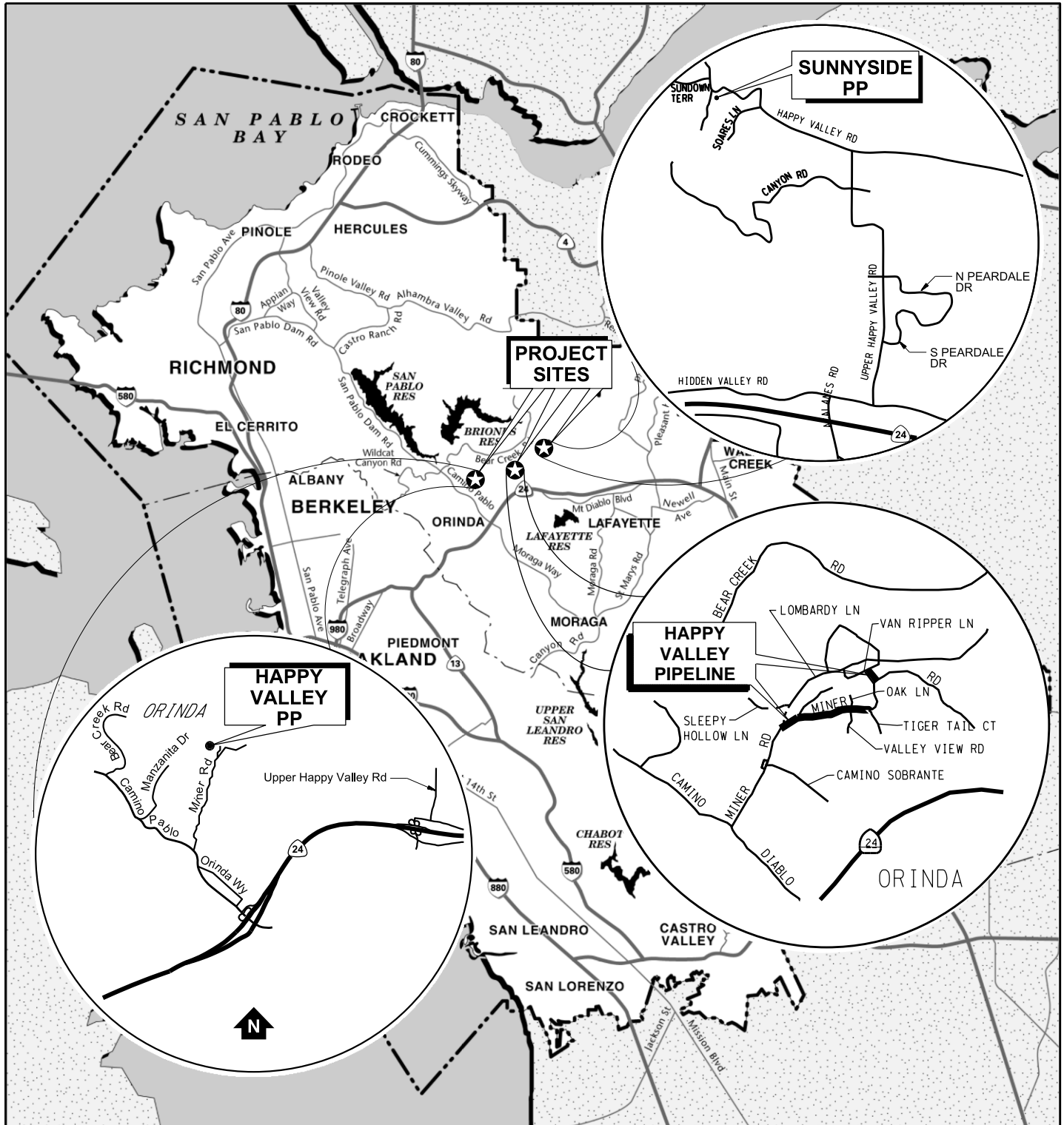
Environmental

A California Environmental Quality Act Environmental Impact Report (EIR) for the Water Treatment and Transmission Improvements Program was certified by the Board on December 19, 2006 under Resolution No. 33576-06. A Supplemental EIR for the Happy Valley Pipeline was certified by the Board on March 8, 2011 under Resolution No. 33810-11.

ALTERNATIVES

Do not complete the project. This alternative is not recommended because this work is required to address both current and future demands and resolve low pressure issues within the pressure zones.

Perform the work with District forces. This alternative is not recommended because the scope and complexity of the required pumping plant work is beyond District in-house capabilities and District forces are fully committed to other pipeline replacement projects and unable to support the project in the required timeframe.



PROJECT SITE LOCATION MAP

NOT TO SCALE

EAST BAY MUNICIPAL UTILITY DISTRICT

**HAPPY VALLEY AND SUNNYSIDE
PUMPING PLANTS, AND HAPPY VALLEY
PIPELINE PHASE 2 IMPROVEMENTS**

SPECIFICATION 2120

EAST BAY MUNICIPAL UTILITY DISTRICT
SPECIFICATION 2120
HAPPY VALLEY AND SUNNYSIDE PUMPING PLANTS AND HAPPY
VALLEY PIPELINE PHASE 2 IMPROVEMENTS
Bids Opened January 26, 2022

	BIDDER	TOTAL AMOUNT BID
1.	Ranger Pipelines Incorporated 1790 Yosemite Ave. San Francisco, CA 94124 (415) 822-3700	\$17,345,000
2.	Mountain Cascade, Inc. 555 Exchange Ct. Livermore, CA 94550 (925) 373-8370	\$17,993,400
3.	Steve P. Rados, Inc. 2002 E. McFadden Ave., Ste. 200 Santa Ana, CA 92705 (714) 835-4612	\$19,400,000
4.	Garney Pacific, Inc. 324 E. 11 th St., Ste. E2 Tracy, CA 95376 (925) 800-1848	\$20,020,000
5.	Power Engineering Construction Co. 1501 Viking St., Ste. 200 Alameda, CA 94501 (510) 337-3800	\$22,621,670
6.	Con-Quest Contractors, Inc. 290 Toland St. San Francisco, CA 94124 (415) 206-0524	\$22,840,000

Engineer's Estimate: \$19,796,796



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

TITLE SPECIFICATION NO.: 2120 Happy Valley and Sunnyside Pumping Plants and Happy Valley Pipeline Phase 2 Improvements						DATE: February 7, 2022					
CONTRACTOR: Ranger Pipelines Incorporated San Francisco, CA 94124						PERCENTAGE OF CONTRACT DOLLARS					
BID/PROPOSER'S PRICE: \$17,345,000		FIRM'S OWNERSHIP		White Men		25%		97.8%			
		Ethnicity	Gender	White Women		9%		1.9%			
		White	Men	Ethnic Minorities		25%		0.3%			
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: Ranger Pipelines Incorporated \$13,754,424 White X 79.3%											
SUBS: Con J. Franke Electric, Inc. \$2,276,700 White X 13.1%											
James Long Construction Services, Inc. \$331,000 White X 1.9%											
Mason Painting, Inc. \$289,481 Hispanic X 1.7%											
APEX Testing Laboratories, Inc. \$50,000 Asian X 0.3%											
Lefevre Welding Inc. \$80,000 White X 0.5%											
Camblin Steel Services Inc. \$181,580 White X 1.0%											
Crusader Fence Company LLC \$123,270 White X 0.7%											
Eggli Landscape Contractors, Inc. \$258,545 White X 1.5%											
TOTAL		\$17,345,000		97.8%	1.9%	0.3%	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:		44		7		77		128			
Percent of Total Employees:		34.4%		5.5%		60.2%					
MSA Labor Market %:		32.3%		27.8%		39.9%					
MSA Labor Market Location:		9 Bay Area Counties									
COMMENTS											
Contract Equity Participation: 97.8% White Men, 1.9% White Women, and 0.3% Ethnic Minority participation. Contract Duration: NA											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				Yes							



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Happy Valley and Sunnyside Pumping Plants and Happy Valley Pipeline Phase 2 Improvements		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
		National							
Spec. No.: 2120 DATE: 2/7/2022		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	Company Wide	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	3	0	24	63.2%	
		Semi/Unskilled	3	48	0	0	51	78.5%	
		Bay Area	7	66	5	0	78	60.9%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		10/15/2021		
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		128	Bay Area:	0
S	WM: L/SBE	Company Wide	2	20	2	0	24	35.8%	47.4%
Con J. Franke Electric, Inc. Shannon Martin 317 N Grant Street Stockton, CA 95202 209-462-0717		Manager/Prof	0	1	0	0	1	8.3%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	2	18	2	0	22	42.3%	
		Semi/Unskilled	0	1	0	0	1	33.3%	
		Bay Area	1	13	2	0	16	39.0%	39.9%
		Co. Wide MSA:	San Joaquin		# Employees-Co. Wide:		67	Bay Area:	41
S	WW: L/SBE	Company Wide	0	0	0	0	0	0.0%	37.3%
James Long Construction Services, Inc. Matt Tucker 8560 Younger Creek Drive Sacramento, CA 95828 916-379-9524		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%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	Sacramento		# Employees-Co. Wide:		10	Bay Area:	0
S	EMM: H - L/SBE	Company Wide	0	19	2	0	21	63.6%	37.3%
Mason Painting, Inc. Diane Scutero 3242 Luyung Drive Rancho Cordova, CA 95742 916-852-8060		Manager/Prof	0	1	0	0	1	50.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	18	2	0	20	64.5%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	Sacramento		# Employees-Co. Wide:		33	Bay Area:	0
S	EMM: A/PI	Company Wide	INFORMATION NOT PROVIDED						
APEX Testing Laboratories, Inc. Norbu Dhonyo 1790 Yosemite Avenue San Francisco, CA 94124 415-550-9800		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:							
S	WM	Company Wide	INFORMATION NOT PROVIDED						
Lefevre Welding Inc. Lynn Lefevre 2511 Isabelle Avenue San Mateo, CA 94403 650-571-7032		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		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)



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Happy Valley and Sunnyside Pumping Plants and Happy Valley Pipeline Phase 2 Improvements		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
Spec. No.: 2120		DATE: 2/7/2022	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 %
S	WM	Company Wide	INFORMATION NOT PROVIDED						
Camblin Steel Services Inc.		Manager/Prof							
Megan Villalobos		Technical/Sales							
548 Gibson Drive, Suite 150		Clerical/Skilled							
Roseville, CA 95678		Semi/Unskilled							
916-644-1300		Bay Area							
		Co. Wide MSA:							
S	WM: LBE	Company Wide	4	4	4	4	16	16.0%	37.3%
Crusader Fence Company LLC		Manager/Prof	1	1	1	1	4	57.1%	
Sharie Martin-White		Technical/Sales	1	1	1	1	4	57.1%	
3115 Gold Valley Drive		Clerical/Skilled	1	1	1	1	4	16.7%	
Rancho Cordova, CA 95742		Semi/Unskilled	1	1	1	1	4	6.5%	
916-661-1020		Bay Area	-	-	-	-	0	0.0%	39.9%
		Co. Wide MSA:	Sacramento				# Employees-Co. Wide: 100	Bay Area: 20	
S	WM: SBE	Company Wide	0	23	2	0	25	80.6%	39.9%
Eggli Landscape Contractors, Inc.		Manager/Prof	0	0	1	0	1	20.0%	
John Eggli		Technical/Sales	0	0	0	0	0	0.0%	
3585 Haven Avenue, Suite G		Clerical/Skilled	0	1	1	0	2	100.0%	
Menlo Park, CA 94025		Semi/Unskilled	0	22	0	0	22	100.0%	
650-369-0303		Bay Area	0	23	2	0	25	80.6%	39.9%
		Co. Wide MSA:	9 Bay Area Counties				# Employees-Co. Wide: 31	Bay Area: 31	
P	WM: LBE	Company Wide	3	112	2	0	117	51.3%	39.9%
Mountain Cascade, Inc.		Manager/Prof	0	7	0	0	7	18.4%	
Desiree Arslanian		Technical/Sales	0	0	1	0	1	50.0%	
555 Exchange Ct.		Clerical/Skilled	0	5	1	0	6	30.0%	
Livermore, CA 94551		Semi/Unskilled	3	100	0	0	103	61.3%	
925-373-8370		Bay Area	3	112	2	0	117	51.3%	39.9%
		Co. Wide MSA:	9 Bay Area Counties				# Employees-Co. Wide: 228	Bay Area: 228	
P	WM	Company Wide	2	88	7	0	97	53.9%	48.4%
Steve. P. Rados, Inc.		Manager/Prof	0	1	0	0	1	20.0%	
Stephen Rados		Technical/Sales	0	14	4	0	18	46.2%	
2002 E. McFadden Avenue, Suite 200		Clerical/Skilled	1	48	1	0	50	54.9%	
Santa Ana, CA 92705		Semi/Unskilled	1	25	2	0	28	62.2%	
714-835-4612 ext. 256		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	California				# Employees-Co. Wide: 180	Bay Area: 33	

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

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 **A/AN**=American Indian/Alaskan Native)



AGENDA NO. 4a-4b.
MEETING DATE February 22, 2022

TITLE TOWING AND VEHICLE RELOCATION SERVICES

TYPE	<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
ACTION	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION

- A. Authorize agreements with Berry Bros. Towing & Transport, Inc. and Freeman's Tow Service, Inc. beginning on or after February 22, 2022 for three years with two options to renew for additional one-year periods, in an aggregate amount, including option years, not to exceed \$425,000 for towing and vehicle relocation services.
- B. Authorize additional agreements for towing and vehicle relocation services on an as-needed basis, with service providers that meet District standards and offer pricing at or below the range in the proposed agreements with the service providers above to increase flexibility and ensure service provider availability. The Board of Directors will be notified of additional qualified service providers by means of the General Manager's monthly report.


SUMMARY

The District utilizes as-needed towing services to transport inoperable District vehicles or to relocate non-District vehicles impeding access to District jobsites or facilities. These agreements would authorize continuation of these services for up to five years.

DISCUSSION

District and non-District vehicles may need to be moved to support District projects on public streets, towed from one District location to another, removed from District property to impound yards, or moved to/from other locations such as vehicle repair shops. The District authorizes approximately 20 tows and relocations per month.

The selected service providers can support a wide variety of towing services including transport of passenger cars, trucks, industrial equipment trucks, and semi-truck tractors. This work supports the District's Long-Term Infrastructure Investment Strategic Plan goal.

Funds Available: FY22/23, CIP#000554, CIP#000108 & CIP#000104 Pages 21-23	Budget Coding: various/various	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department Maintenance and Construction	Department Director or Manager Michael R. Ambrose	Approved  General Manager
Attachment(s): P-035; P-061		

SERVICE PROVIDER SELECTION

A request for proposals was posted on the District's website and sent to four towing and vehicle relocation service providers covering the East Bay and outlying areas. Two service providers submitted proposals and were qualified and selected.

SUSTAINABILITY

Economic

Funding for this work is available in the FY22/23 adopted operating budget and capital budgets for Pipeline Rebuild, Pipeline Relocation and Pipeline System Extension projects.

Social

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

ALTERNATIVE

Do not authorize these agreements. This alternative is not recommended because towing and relocation services are needed to support operations.



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

TITLE General Services Agreement Towing and Vehicle Relocation Services						DATE: January 22, 2022						
CONTRACTOR: Various Firms (See Below)				Local Businesses				PERCENTAGE OF CONTRACT DOLLARS				
				Availability Group		Contracting Objectives		Participation				
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP		White Men		25%		50.0%				
		Ethnicity	Gender	White Women		6%		0.0%				
\$425,000 *		See Below	-	Ethnic Minorities		25%		50.0%				
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
PRIMES: Berry Bros. Towing & Transport, Inc.		\$212,500	White	X		50.0%						
Freeman's Tow Services, Inc.		\$212,500	Asian	X				50.0%				
SUBS: None												
TOTAL		\$425,000				50.0%	0.0%	50.0%	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:			See Attached Form P-061									
Percent of Total Employees:												
MSA Labor Market %:												
MSA Labor Market Location:												
COMMENTS												
Contract Equity Participation: 50% White Men and 50% Ethnic Minority participation. Contract Duration: Three years with 2 One-year Renewal Options. *Total not to exceed: \$425,000												
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended				
NA				NA								

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Towing and Vehicle Relocation Services			Ethnic Minority Percentages From U.S. Census Data							
					B	H	A/PI	AI/AN	TOTAL	
			National		10.5	10.7	3.7	0.7	27.3	
General Services Agreement DATE: 1/22/2022			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	2	6	1	0	9	64.3%	53.9%
Berry Bros. Towing & Transport, Inc. Bob Berry 598 55th Street Oakland, CA 94609 510-652-4655			Manager/Prof	0	0	0	0	0	0.0%	
			Technical/Sales	0	0	1	0	1	50.0%	
			Clerical/Skilled	0	0	0	0	0	0.0%	
			Semi/Unskilled	2	6	0	0	8	0.0%	
			Bay Area	2	6	1	0	9	0.0%	39.9%
AA Plan on File: NA Date of last contract with District: NA										
Co. Wide MSA: Alameda # Employees-Co. Wide: 14 Bay Area: 14										
RP	EMM: A/PI - LBE		Company Wide	0	2	1	0	3	50.0%	46.2%
Freeman's Tow Service, Inc. Carolyn Brooks 57 Parr Blvd. Richmond, CA 94801 510-233-0878			Manager/Prof	0	0	1	0	1	50.0%	
			Technical/Sales	0	0	0	0	0	0.0%	
			Clerical/Skilled	0	0	0	0	0	0.0%	
			Semi/Unskilled	0	2	0	0	2	50.0%	
			Bay Area	0	2	1	0	3	50.0%	39.9%
Co. Wide MSA: Alameda/Contra Costa # Employees-Co. Wide: 6 Bay Area: 6										
RP										

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



AGENDA NO. 5.
MEETING DATE February 22, 2022

TITLE AUTHORIZE ADDITIONAL FUNDS FOR MICROSOFT CLOUD SERVICES

TYPE	<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
ACTION	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION

Authorize additional funds for the contract previously awarded under Board Motion No. 016-21 with CDW Government LLC to increase the contract amount by \$415,732 to a total amount not to exceed \$1,856,507 for supplying Microsoft Office 365 licenses for additional staff.

SUMMARY


The District has deployed Office 365 and the Enterprise Mobility and software to all employees. These two products include the Microsoft Office desktop productivity suite, web-based productivity suite, multi-factor authentication services, email services, collaboration products, unlimited cloud storage, and secure web-based access to EBMUD applications.

DISCUSSION

Office 365 is essential to the District's productivity. Microsoft Teams, which is included in Office 365 has become the primary communication and collaboration tool for the District. In addition, OneDrive is used for secure file storage and collaboration. Enterprise Mobility and Security has provided tools to secure access to District resources and securely publish over one hundred applications for iPhones, iPads, and web browsers for both office and field staff. Board Motion No. 121-20 was awarded in June 2020 to pay for these subscription services for all District staff through January 2023. However, the amount awarded was not sufficient and an additional \$306,783 is needed to fund the contract.

In addition, upgraded licenses to the product are needed as the District's migration to Office 365 progresses. The cost of these licenses is \$108,949. Accordingly, the Board is being asked to consider authorizing additional funds of \$306,783 plus the additional licensing fees of \$108,949, which total \$415,732. The additional funds will increase the contract amount to \$1,856,507.

The terms of the agreement are unchanged.

Funds Available: FY22/23	Budget Coding: 252/876500/52430	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Information Systems	Andrew J. Levine	 General Manager
Attachment(s): P-035; P-061		

VENDOR SELECTION

Under Public Contract Code Section 10298, agencies such as EBMUD are specifically allowed to purchase goods and services directly from State of California contracts or through State-authorized participating agreements, without pursuing separate competitive bidding. The State of California, Department of General Services, has issued a participating addendum to CDW Government LLC (7-16-70-37). By leveraging the State of California addendum, the District is able to receive a quote with pre-negotiated pricing. This purchase utilizes the District's pre-existing Microsoft Enterprise Agreement with CDW Government LLC.

SUSTAINABILITY

Economic

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


ALTERNATIVE

Do not authorize additional funds for the contract. This alternative is not recommended because staff would not be able to use the tools provided by these licenses to complete their work. In addition, this alternative would not fulfill the requirements of the contract between the District and Microsoft.



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

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

TITLE Materials and Supplies - Amendment Authorize Additional Funds to the Microsoft Cloud Services Contract							DATE: February 9, 2022					
CONTRACTOR: CDW Government LLC Vernon Hills, IL 60061					PERCENTAGE OF CONTRACT DOLLARS							
State Contract					Availability Group		Contracting Objectives		Participation			
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP			White Men		25%		0.0%			
		Ethnicity	Gender		White Women		2%		0.0%			
\$415,732 *		Publicly Held		-		Ethnic Minorities		25%		0.0%		
CONTRACT EQUITY PARTICIPATION												
COMPANY NAME		ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
				M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: CDW Government LLC		\$415,732	Publicly Held							100.0%		
TOTAL		\$415,732.00				0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)												
		White Men		White Women		Ethnic Minorities		Total Employees				
No. of Employees:		158		63		45		266				
Percent of Total Employees:		59.4%		23.7%		16.9%						
MSA Labor Market %:		38.6%		33.6%		27.8%						
MSA Labor Market Location:		Illinois										
COMMENTS												
Contract Equity Participation: Zero Contract Equity participation since firm is a Publicly Held corporation. Contract Duration: Three years *Total contract amount: \$1,856,507 = \$1,440,775 (Multiple Previous Amendments) + \$415,732 (Amendment)												
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended				
NA				NA								



AGENDA NO. 6.
MEETING DATE February 22, 2022

TITLE AUTHORIZE CONTINUED EMPLOYMENT OF BEST, BEST & KRIEGER, LLP,
FOR SPECIALIZED LEGAL SERVICES

TYPE	<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
ACTION	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION

Authorize the Office of General Counsel (OGC) to continue the employment of the law firm of Best, Best & Krieger, LLP, for specialized legal services related to federal and state water law, rates, charges, taxes, liens, real estate and bankruptcy, and litigation involving such matters in an additional amount not to exceed \$100,000.

DISCUSSION

The firm of Best, Best & Krieger, LLP, has been retained to assist OGC in matters related to federal and state water law, rates, charges, taxes, liens, real estate and bankruptcy, and litigation involving such matters. OGC is requesting authorization for additional funds for services described in a separate confidential attorney-client privileged memorandum to the Board.

SUSTAINABILITY

Economic

Funding for this item is included in the FY22 adopted operating budget.

I:\SEC\2022 Board Related Items\022222 Board Agenda Items\OGC – BBK.docx

Funds Available: FY22	Budget Coding: 130 4008511 52310	Contract Equity Forms? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Office of General Counsel	Derek McDonald	 General Manager
Attachment(s): P-035; P-061		

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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)

TITLE Professional Services Agreement - Amendment Authorize Continued Employment of Best, Best & Krieger, LLP, for Specialized Legal Services					DATE: February 7, 2022						
CONTRACTOR: Best, Best & Krieger, LLP Riverside, CA 92502 Direct Award					PERCENTAGE OF CONTRACT DOLLARS						
					Availability Group		Contracting Objectives		Participation		
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP			White Men		25%		100.0%		
		Ethnicity	Gender		White Women		6%		0.0%		
\$100,000 *		White		Men	Ethnic Minorities		25%		0.0%		
CONTRACT EQUITY PARTICIPATION											
COMPANY NAME		ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION					
				M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit
PRIME: Best, Best & Krieger, LLP		\$100,000	White	X		100.0%					
SUBS: None											
TOTAL		\$100,000			100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)											
		White Men		White Women		Ethnic Minorities		Total Employees			
No. of Employees:		115		158		142		415			
Percent of Total Employees:		27.7%		38.1%		34.2%					
MSA Labor Market %:		28.0%		23.6%		48.4%					
MSA Labor Market Location:		California									
COMMENTS											
Contract Equity Participation: 100% White Men participation.											
*Total not to exceed: \$100,000											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Authorize Continued Employment of Best, Best & Krieger, LLP, for Specialized Legal Services			Ethnic Minority Percentages From U.S. Census Data						
					B	H	A/PI	AI/AN	TOTAL
			National	10.5	10.7	3.7	0.7	27.3	
Professional Services Agreement - Amendment		DATE: 2/7/2022	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	Company Wide	11	82	33	1	127	30.6%	27.3%
Best, Best & Krieger, LLP Debbie Prior 3390 University Avenue, 5th Floor Riverside, CA 92502 916-551-2082		Manager/Prof	6	51	21	1	79	25.8%	
		Technical/Sales	0	6	5	0	11	84.6%	
		Clerical/Skilled	5	25	7	0	37	38.5%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	4	7	1	12	46.2%	39.9%
		AA Plan on File:	NA		Date of last contract with District:			NA	
		Co. Wide MSA:	Total USA		# Employees-Co. Wide: 415			Bay Area: 26	

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



AGENDA NO. 7.
MEETING DATE February 22, 2022

TITLE FINANCING PLAN FOR FISCAL YEAR 2022 BOND SALES

TYPE	<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
ACTION	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION

Approve the financing plan for the upcoming bond sales in Fiscal Year 2022.

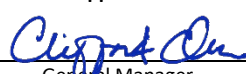
SUMMARY

The District is preparing to issue revenue bonds by the end of Fiscal Year 2022 (FY22) to support the District's Capital Improvement Program. The issuance of debt is an important element in the District's overall financial stability and is one way the District provides for intergenerational equity. Both the Water System and Wastewater System have a history of strong financial positions and prudent debt management, as evidenced by strong investor demand for the District's bonds, continued favorable pricing from banks, and high credit ratings from the three major rating agencies. The Board approved the FY22 Financing Plan at its June 22, 2021 meeting. This item was presented at the February 22, 2022 Finance/Administration Committee meeting.

DISCUSSION

The District plans to issue revenue bonds by the end of June 2022. Specifics on the timing of issuance will be determined over the next few months. Current plans include the following:

Description	Issue/Approximate Size
Water System	
New revenue bonds (Green Bonds)	\$150 million - \$200 million
Refunding 2012A bonds for savings prior to first call date of 6/1/2022	\$81.8 million callable
Refunding 2012B Bonds for savings prior to first call date of 12/1/2022	\$14.3 million callable
Derisking and Refunding 2008A Variable Rate Demand Bonds	\$105.25 million
Wastewater System	
New revenue bonds (Green Bonds)	\$10 million - \$30 million
Refunding 2012A Bonds for savings prior to first call date of 6/1/2022	\$20 million callable

Funds Available: FY22	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): Appendix A – 2022 EBMUD Underwriting Pool		

New revenue bonds

The planned new revenue bonds will generate proceeds of \$150 million-\$200 million for the Water System and \$10 million-\$30 million for the Wastewater System. These amounts have increased in estimated size since the update on June 22, 2021 due to inflationary pressures on capital costs and a desire to more efficiently and cost-effectively time the issuance of District debt. A marginally larger 2022 bond sale will reduce the number of planned debt issuances in the coming years and more closely match the timing of capital projects. For the Wastewater System, the biennial budget shows planned new money bonds of \$10 million in FY22 and \$20 million in FY23. However, each time the District issues bonds, there are issuance costs, such as legal and consulting fees. Consolidating two debt issuances into a single issuance will modestly reduce the overall cost of financing. Final recommendations on the size of the issuance will be brought to the Board for consideration as part of the approval process to issue bonds.

Refunding bonds

In addition to the new money revenue bonds, the District has the opportunity to refund existing bonds for debt service savings, including the Water 2012A and 2012B bonds and Wastewater 2012A bonds. The Water 2012A and Wastewater 2012A bonds have a call date of June 1, 2022 and can be refunded using traditional tax-exempt refunding bonds. The Water 2012B bonds' call date is on December 1, 2022 and cannot be refunded in May or June with traditional tax-exempt bonds. Instead, the District needs to decide among several alternatives for refunding the Water 2012B bonds. Staff will continue to monitor interest rates and evaluate the best alternative in terms of savings, transaction feasibility, and market dynamics, among other factors. Staff is also considering repaying the \$14.3 million callable portion of the Water 2012B bonds using cash.

Derisking

The District is considering refunding the final remaining portion of the District's long-term revenue bonds that are in the form of Variable Rate Demand Bonds (VRDBs), in the amount of \$105.25 million for the Water System. These bonds also have associated swap contracts, which synthetically fix the interest rates paid by the District.

Importantly, those swap contracts are based on the London Inter-Bank Offered Rate (LIBOR), which will cease to be published in June 2023. In the next 16 months, the District needs to either transition the swap contracts to an alternative index rate, which may bring some risk to the District, or terminate the swaps and pay termination fees. If the District determines it is advantageous to terminate the swaps and refinance the VRDBs, the cost of the swap termination fees would be largely offset by the savings from no longer having to pay the 3.115 percent fixed rate on the swap or the ongoing support costs of the VRDBs. Note that projected savings from the refunding and the amount of the termination payments fluctuate based on market conditions.

Staff recommends refunding the bonds and terminating the swap contracts, depending on market conditions, in the upcoming issuances. The Board has previously approved derisking transactions of this type if they provide net savings or are cost-neutral, with cost-neutral defined as a net present value cost of no more than the greater of 0.75 percent of the par amount of the refunded bonds or \$250,000. Staff again recommends defining cost-neutral using this standard.

Green Bonds

The District's new Water System and Wastewater System revenue bonds are expected to be labeled as Green Bonds, which the District has done for three water bond issuances since 2015. Notably, this would be the first time wastewater bonds have been issued using the Green Bonds label. The Green Bonds label signals to investors that the proceeds of the bonds will be used to fund projects considered "green," which can increase investor interest and demonstrates the District's commitment to environmental sustainability in infrastructure investment. While definitions of green projects vary widely and there is not yet an industry standard, there are best practices the District would continue to follow for this issuance.

Staff recommends continuing to self-label the bonds as green rather than using a third-party verifier. Self-labeling is still a common practice in the absence of an industry standard and self-labeling for water or wastewater bonds continues to be an efficient marketing strategy. The current District Guidance for Issuing Green Bonds was approved by the Board on April 28, 2015. Staff continues to review the approved guidance and will seek Board approval if modifications are needed to update terms or standards to meet current best practices.

Negotiated vs Competitive Sale Methods

When issuing revenue bonds in the public market, the District has two standard methods for issuing debt – a competitive or a negotiated sale. Both methods can be beneficial to an issuer. Among the considerations most relevant to the District, competitive sales are best suited to conventional, medium sized transactions. Competitive sales allow for a transparent bidding process with the potential for a "through the market" bid in a stable and predictable market. Market dynamics are critical to the success of a competitive sale as there is less flexibility in the sale schedule and limited pre-marketing time, which makes it more difficult to respond to changing or volatile market conditions. Negotiated sales, on the other hand, provide greater structuring and timing flexibility (which is important in unpredictable markets) and are better suited to more complex transactions, such as refunding and swap derisking transactions. The Water System's last competitive sale was in 2015; the Wastewater System's last competitive sale was in 2017.

Staff recommends the Water System transactions occur using negotiated sale, given the potential complexity of the issuance plan, particularly the refunding of the Water 2012B bonds and the potential derisking transaction. Using a competitive sale for the Water System transactions could impair the District's ability to successfully execute the full financing plan described above, which could increase costs above those projected under the current financing plan.

Staff also recommends the proposed Wastewater System transactions be negotiated sales. While the issuance plan is straightforward enough for a competitive sale, market volatility has increased in the last month and this volatility may still be present when the District seeks to issue bonds. Among the reasons for market volatility are increases in the federal funds rate, projected to start in March 2022 with a second increase possible in May 2022 around the expected sale dates. Additionally, other recent market conditions, including a fluctuating stock market, inflation concerns and potential international conflict, add to the benefits of the increased flexibility of a negotiated sale.

Underwriters

To conduct negotiated sales, the District selects an underwriting team to help prepare the bonds for sale. Recently, the District worked with Montague DeRose, one of its municipal advisors, to conduct a request for qualifications (RFQ) to establish an underwriter pool and a concurrent request for proposals (RFP) for the potential bond financings described previously. The District's existing underwriter pool was last updated in 2017.

The District received and evaluated 26 proposals from a wide range of broker-dealers and banks, including smaller firms and multinational banks. Staff, in consultation with its advisors, selected the underwriters listed below to become members of the underwriting pool. Selection criteria were based on a range of factors, including technical criteria, the quality of analysis and recommendations, and pricing and cost. Additionally, the District considered the diversity of the firm's ownership, their commitments and actions related to diversity, equity and inclusion, and their history of interaction with the District. Staff also evaluated each firm's connections to the District's service area and their contributions to the community. Many of the large and small firms selected have deep ties to the community and all have increased their focus and investments in diversity, equity and inclusion. The complete pool of underwriters is listed in Appendix A (attached).

From the pool of underwriters established by the RFQ, the following firms were selected to serve on the upcoming transactions:

- BofA Securities – Senior Manager, Water
- Morgan Stanley – Co-Senior Manager, Water
- Blaylock Van, LLC – Co-Manager, Water
- Seibert Williams Shank & Co., LLC – Senior Manager, Wastewater

SUSTAINABILITY

Economic

The proposed plan of finance is consistent with the adopted Biennial Budget Fiscal Years 2022 and 2023.

Social

The District's financings will be conservatively structured to minimize costs to ratepayers and provides for intergenerational equity.

ALTERNATIVE

Do not approve the proposed financing plan for FY22. This alternative is not recommended because the planned transactions are designed to provide a cost-effective debt portfolio, minimizing cost and risk to the District and ratepayers.

Appendix A – 2022 EBMUD Underwriting Pool

The District's selected underwriters are named below, along with a short description of what stood out about each firm's proposal, with particular focus on diversity, equity and inclusion practices or their connection to the EBMUD community.

Staff notes that many banks or firms in the financial services industry, in some cases the largest and oldest, have a history of practices that are exclusionary and/or anti-consumer. This may include participation in redlining, lawsuits and sanctions related to their aggressive business practices, discrimination based on employees' or customers' sexuality or gender expression, and other systemic or targeted practices. Even when these practices have been publicized, individuals and firms may not have been sufficiently sanctioned. While staff has made efforts to ensure that the RFP process that has resulted in the recommended underwriting pool was inclusive and wholistic, systemically excluding banks with these histories would likely leave the District without sufficient access to the capital markets. As part of the RFP process, staff asked proposers about efforts to reverse or improve past harmful practices and reviewed this information in light of the District's interests to engage in business transactions with the banks that can offer competitive rates and strong fundamental services, in support of affordable rates. Staff is recommending the selected banks as having made commitments and or having results that demonstrate commitments to reversing past harmful practices.

All of the underwriters in the underwriting pool had strong proposals and provided excellent analysis and ideas. Staff's review of other factors described above included review of ownership structure, hiring and recruitment practices, and commitments and investments in historically underserved or disadvantaged communities. Instead of highlighting individual technical qualifications the below descriptions of the underwriting firms are intended to provide some detail on what made their proposals unique. Terms and descriptions used to describe ethnicity of staff or ownership come directly from the proposals.

Academy Securities

This broker-dealer firm has a staff of approximately 70, with 12 solely focused on municipal finance, and has not previously participated in the District's financings. Their proposal had strong fundamental analysis, particularly as it related to structuring and green bond considerations. The firm is a Service-Disabled Veteran Owned Business Enterprise and a Minority Owned Business Enterprise, with 41 percent of the work force comprised of military veterans. In 2021 the firm hired an exceptionally accomplished finance and business professional, also the first African American woman to graduate from the United States Naval Academy, to head the firm's Inclusion & Innovation Group, which focuses on diversity in a changing workforce.

Blaylock Van LLC

A new participant in the District's underwriter pool, this full-service African American owned and controlled broker-dealer and investment banking firm has a staff of 32, co-headquartered in Oakland and New York. The firm is growing its presence in Alameda County and has already had success working with the Metropolitan Water District of Southern California, the City and County of San Francisco, and the Bay Area Rapid Transit District. Their proposal had strong ideas for targeting marketing to investors that do not already have substantial investments in the

District's bonds but have large holdings of the District's peer agencies. Even though the firm is small, it has a strong diversity, equity and inclusion policy, which notably includes increasing the number of women board members to at least 50%, conducting annual pay audits to identify the potential for systemic pay gaps, and establishing a formal mentorship program for employees from historically underrepresented identity groups.

BofA Securities

As a part of Bank of America Corporation, this large firm is the number one ranked senior managing underwriter of municipal bonds in each of the last seven years, with a national staff of 350 municipal finance professionals, including more than 40 in California alone. BofA Securities also provides the District with a \$137 million Revolving Credit Agreement for the District's commercial paper programs and is a swap counterparty for just over half of the District's remaining swaps. The bank also reports that its operations are carbon neutral and with all electricity purchases renewable, and with a commitment to achieve net-zero greenhouse gas emissions in financing activities, operations and supply chain before 2050. Locally, the firm's bankers are involved in many public finance diversity efforts, including Women in Public Finance, Asian Americans in Public Finance, and the National Association of Securities Professionals, which assists people of color and women in achieving inclusion in the financial services industry. The bank reports over the last five years it has provided grants and matching gifts of approximately \$118 million to California non-profits

Barclays Capital

Owned by Barclays Bank of the United Kingdom, this large firm employs nearly 10,000 people across the U.S. and has offices in San Francisco and Los Angeles. The firm has often been a participant on the District's previous bond issues and has consistently provided excellent results. The firm's team includes the president and founding member of Latinos in Public Finance, and the firm supports groups such as Women in Public Finance, Hispanic Scholarship Fund, and African Americans in Public Finance. The bank's community initiatives include being the first major bank to launch a trial in partnership with ProxyAddress to address financial exclusion of vulnerable people. ProxyAddress partners with local authorities in the UK to provide homeless individuals with an address they can use for the purposes of opening a bank account. Additionally, the firm has a successful "Connect with Work" program that has provided people who face barriers to work with job-ready skills and connects them with businesses seeking to hire people, including their clients and suppliers. The program placed more than 49,000 people into work in 2020, with a goal to place more than 250,000 people into work by the end of 2022.

Citi

With 154 public finance bankers nationwide, this bank is one of the top municipal underwriters and traders, with Citi's Los Angeles municipal syndicate desk being Wall Street's largest municipal trading and underwriting desk on the West Coast. The proposal had a strong marketing plan. The bank reports that its CEO, Jane Fraser, is the first woman to become the CEO of a major Wall Street bank, and its Action for Racial Equity plan includes more than \$1 billion in commitments to strategic initiatives, including expanding banking and access to credit in communities of color, investing in Black entrepreneurship, investing in affordable housing, promoting the growth of Black homeownership, and strengthening Citi's policies and practices in order to become an anti-racist institution. Additionally, Citi reported it has provided financing

for more than \$885 million in affordable housing projects in Alameda County since 2010, adding 5,043 affordable housing units.

Goldman Sachs

This bank has 84 bankers and 12 support staff for their public sector and infrastructure group. Goldman Sachs has served the District in financing transactions and is currently one of three dealers for the District's Water System commercial paper programs and the sole dealer for the Wastewater System extendible commercial paper program. The proposal provides strong analysis and creative financing options for complex transactions, which is a specialty of the firm. The firm is a member of Women in Public Finance, African Americans in Public Finance, Asian Americans in Public Finance, and African American Mayors Association. Additionally, in March 2021, Goldman Sachs announced the launch of One Million Black Women, an initiative through which the firm will invest \$10 billion and commit \$100 million in philanthropic capital for capacity-building grants over the next decade to narrow opportunity gaps for at least one million Black women in the U.S. Additionally, Goldman Sachs Gives, a donor-advised fund, has granted more than \$136 million to over 780 California-based non-profits since 2010, including \$4.4 million to Oakland-based non-profits.

J.P. Morgan

This large bank has substantial financial strength and has proven to be a strong District partner in a wide range of financing options. Their proposal was strong and presented competitive pricing and costs. JP Morgan Chase (JPMC), the parent bank, also has deep ties to the local community, including more than 800 employees in the District's service area. The bank's San Francisco based public finance team is diverse and includes active members in public finance industry organizations that promote diversity, such as Women in Public Finance and MuniPride, an LGBTQ+ advocacy group. As a demonstration of their commitment to the community, JPMC also reports contributing more than \$7.8 million to nonprofits in Alameda County in 2020 alone. JPMC also recently opened a Community Development Center Branch at the corner of 30th Street and Broadway in Oakland, which is intended to support entrepreneurs of color and will focus on financial education and helping people budget and build their credit.

Morgan Stanley

A large Wall Street bank, this firm's proposal included unique options for financing complicated transactions which may support the District's derisking plan. The bank employs 129 financial advisors in Alameda and Contra Costa counties who are part of a large retail distribution system. The team assigned to the District has significant experience working with the District and nearly half of the team assigned to the District are minority or female. The firm notes membership in Women in Public Finance, Asian Americans in Public Finance, and Latinos in Public Finance. Morgan Stanley was also the inaugural firm that launched the Asian Americans in Public Finance summer internship program in 2016, and two associates and analysts in their San Francisco office came from that program, including an analyst assigned to the District's team.

Ramirez & Co.

Another new firm for the District's underwriting pool, this is one of the largest privately-owned public finance firms with extensive experience in California and a 51-year history. The firm reports that it is the oldest and largest Hispanic owned firm on Wall Street. Their proposal was particularly strong in green bond discussion and the team assigned to the District are deeply

qualified and experienced public finance professionals. The firm's leadership are active participants in many public finance diversity efforts, and additionally they are involved in state and national advisory groups on green bonds. Among their substantial investments in mentoring and educating historically underrepresented groups, the firm launched the Ramirez Investment Institute in 2021, a training program focused on educating the next generation of finance professionals through a series of virtual trainings. The presentations are taught by senior members of the firm and target participants from historically underrepresented colleges with large minority populations.

Siebert Williams Shank

With a long and successful history supporting the District's debt issuance, this firm's proposal was strong. The firm is headquartered in Oakland and is a capable and strong underwriter that frequently outcompetes much larger Wall Street banks. Their leadership has served as chairperson of the regulatory body overseeing the public finance industry and the firm frequently wins industry awards. Additionally, the firm is 93% minority-owned and 61% women-owned, and currently boasts a staff of 130 professionals, about half of which are specific to public finance. They report membership in or support of nearly all of the public finance diversity efforts mentioned above and additionally have made contributions to many organizations combating racial inequality and wealth inequality as well as organizations supporting healthcare access. The firm annually provides paid internships to up to five sophomore and junior college students at its Oakland headquarters, reporting that about 50% of the students are minorities and 40% are women.

UBS Financial Services

This new addition to the District's underwriting pool employs more than 12,000 people nationwide, including 45 employees who operate out of an office in Contra Costa County. Their proposal provided strong debt analysis and sound structuring recommendations, and their peer investor analysis was among the strongest of all proposals. The firm reports it has sponsored Women in Public Finance and Asian Americans in Public Finance since 2018, and the lead banker assigned to the District is a founding member of Asian Americans in Public Finance. Additionally, they report that 100% of the West Region Public Finance Team, including the team assigned to the District, identify as female and/or ethnic minorities. In 2020, UBS reported donations of more than \$800,000 to California non-profits, including \$61,000 to organizations in the District's service area.

Wells Fargo

Headquartered in San Francisco, the District's financial statements report the company as the District's ninth-largest employer, with more than 4,000 employees in Alameda and Contra Costa counties alone. Their strong proposal demonstrated substantial familiarity with the District's debt practices and their derisking analysis was among the best of the proposals. In addition to membership in Women in Public Finance, Asian Americans in Public Finance and Latinos in Public Finance, the co-lead banker for the District is a board member of the Asian Americans in Public Finance and has organized several events in the Bay Area partnering with MuniPride and African Americans in Public Finance. Based on 2019 data, Wells Fargo reported \$9.7 million in contributions to nonprofits in Alameda and Contra Costa counties. Among many other community efforts, Wells Fargo is also a sponsor of Operation Dignity, an Emeryville-based nonprofit that provides homeless veterans with transitional housing and services.



AGENDA NO. 8.
MEETING DATE February 22, 2022

TITLE MONTHLY INVESTMENT TRANSACTIONS REPORT

TYPE	<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
ACTION	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION

Approve the January 2022 Monthly Investment Transactions Report.

SUMMARY

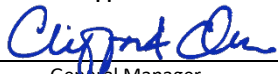
In accordance with Policy 4.07 – Investment Policy, staff prepares a monthly transactions report for the Finance/Administration Committee to review and for the Board to consider each month. The January 2022 report is being submitted to the Board for consideration. This report was reviewed at the February 22, 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 January 2022, the portfolio increased from \$767.7 million to \$769.7 million. Net transactions increased the total by \$2.0 million. Interest received added approximately \$59,000 to the portfolio. Deposits into short-term liquidity funds totaled \$19.0 million, and \$19.6 million was withdrawn. The District purchased \$20.0 million in securities and \$14.7 million in securities were called. No securities matured and no securities were sold. Net transactions at the District's commercial bank resulted in a decrease of \$2.7 million.

I:\Sec\2022 Board Related Items\022222 Board Agenda Items\ FIN - Monthly Investment Transactions Report January 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): January 2022 Monthly Investment Transactions Report		

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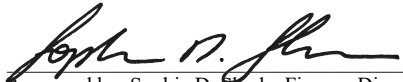
Monthly Investment Transactions Report

January 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

02/10/2022
Date

SDS:AMM:lm



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Transactions Summary
January 2022

Portfolio	Beginning Balance*	Monthly Net Transaction Activity	Monthly Interest Activity	Ending Balance
001 - Water System Consolidated	598,231,701.20	10,578,000.00	3,108.74	608,812,809.94
007 - Wastewater Consolidated	114,231,960.98	(3,295,000.00)	418.61	110,937,379.59
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	12,890,060.83	(2,655,000.00)	12,019.60	10,247,080.43
099 - Wells Fargo**	35,846,096.12	(2,675,849.76)	43,181.94	33,213,428.30
Total	767,676,919.13	1,952,150.24	58,728.89	769,687,798.26

* 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.

Leanne Maloney
 Prepared by: Leanne Maloney, Accountant III

Kevin Ma
 Reviewed by: Kevin Ma, Accounting Supervisor

Andrea Miller
 Approved by: Andrea M. Miller, Controller

02/04/2022
 Date

02/07/2022
 Date

2/8/2022
 Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2022

Portfolio	Buys	Deposits	Matured	Calls	Sales	Withdrawals	Non-Investment Transactions*	Net Transaction Activity
001 - Water System Consolidated	16,000,000.00	8,000,000.00	-	(5,422,000.00)	-	(8,000,000.00)	-	10,578,000.00
007 - Wastewater Consolidated	4,000,000.00	2,000,000.00	-	(9,295,000.00)	-	-	-	(3,295,000.00)
049 - Ferc Partnership	-	-	-	-	-	-	-	-
009 - BACWA	-	-	-	-	-	-	-	-
015 - DERWA	-	-	-	-	-	-	-	-
002 - FRWA	-	-	-	-	-	-	-	-
014 - IICP	-	-	-	-	-	-	-	-
010 - UMRWA	-	-	-	-	-	-	-	-
003 - Employees Retirement	-	8,956,000.00	-	-	-	(11,611,000.00)	-	(2,655,000.00)
065 - Water S2008A DSRF	-	-	-	-	-	-	-	-
068 - Water 2010A DSRF	-	-	-	-	-	-	-	-
Investment Activity Total	20,000,000.00	18,956,000.00	-	(14,717,000.00)	-	(19,611,000.00)	-	4,628,000.00
099 - Wells Fargo	(20,000,000.00)	(18,956,000.00)	-	14,717,000.00	-	19,611,000.00	1,952,150.24	(2,675,849.76)
Total	-	-	-	-	-	-	1,952,150.24	1,952,150.24

*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

02/08/2022

Date

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

2/10/2022

Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Buys										
001 - Water System Consolidated	US Treasuries	T-Note 0.25 5/15/2024	91282CCC3	1/18/2022	1/19/2022	5/15/2024	16,000,000.00	15,672,500.00	7,182.32	15,679,682.32
					Total		16,000,000.00			
007 - Wastewater Consolidated	US Treasuries	T-Note 0.25 5/15/2024	91282CCC3	1/18/2022	1/19/2022	5/15/2024	4,000,000.00	3,918,125.00	1,795.58	3,919,920.58
					Total		4,000,000.00			

20,000,000.00	19,590,625.00	8,977.90	19,599,602.90
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Deposits										
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/7/2022	1/7/2022	N/A	4,489,000.00	4,489,000.00	0.00	4,489,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/21/2022	1/21/2022	N/A	4,467,000.00	4,467,000.00	0.00	4,467,000.00
					Total		8,956,000.00			
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	1/5/2022	1/5/2022	N/A	8,000,000.00	8,000,000.00	0.00	8,000,000.00
					Total		8,000,000.00			
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	1/5/2022	1/5/2022	N/A	2,000,000.00	2,000,000.00	0.00	2,000,000.00
					Total		2,000,000.00			
							18,956,000.00	18,956,000.00	0.00	18,956,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2022

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

No Transactions this Period

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

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Calls										
001 - Water System Consolidated	Medium Term Notes	MICROSOFT CORP 2.375 2/12/2022 594918BA1		1/12/2022	1/12/2022	2/12/2022	5,422,000.00	5,422,000.00	53,655.21	5,475,655.21
					Total		5,422,000.00			
007 - Wastewater Consolidated	Medium Term Notes	APPLE INC 2.5 2/9/2022-22	037833CM0	1/9/2022	1/9/2022	2/9/2022	4,343,000.00	4,343,000.00	45,239.58	4,388,239.58
007 - Wastewater Consolidated	Medium Term Notes	MICROSOFT CORP 2.375 2/12/2022 594918BA1		1/12/2022	1/12/2022	2/12/2022	4,952,000.00	4,952,000.00	49,004.16	5,001,004.16
					Total		9,295,000.00			
							14,717,000.00	14,717,000.00	147,898.95	14,864,898.95



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 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
January 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Withdrawals										
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley	MVRXX	1/27/2022	1/27/2022	N/A	8,000,000.00	8,000,000.00	0.00	8,000,000.00
					Total		8,000,000.00			
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/31/2022	1/31/2022	N/A	11,611,000.00	11,611,000.00	0.00	11,611,000.00
					Total		11,611,000.00			
							19,611,000.00	19,611,000.00	0.00	19,611,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
January 2022

Portfolio	Total Interest Received	Interest Transferred to Wells Fargo*	Net Interest Activity (Reinvested)**
001 - Water System Consolidated	37,079.95	(33,971.21)	3,108.74
007 - Wastewater Consolidated	5,900.13	(5,481.52)	418.61
049 - Ferc Partnership	1,151.66	(1,151.66)	-
009 - BACWA	1,302.37	(1,302.37)	-
015 - DERWA	575.62	(575.62)	-
002 - FRWA	575.62	(575.62)	-
014 - IICP	86.80	(86.80)	-
010 - UMRWA	37.14	(37.14)	-
003 - Employees Retirement	12,019.60	-	12,019.60
065 - Water S2008A DSRF	-	-	-
068 - Water 2010A DSRF	-	-	-
Interest Transactions Total	58,728.89	(43,181.94)	15,546.95
099 - Wells Fargo	-	43,181.94	43,181.94
Total	58,728.89	-	58,728.89

*Coupon and other interest received; reinvestment unavailable.

Type text here

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

Leanne Maloney
 Prepared by: Leanne Maloney, Accountant III

Kevin Ma
 Reviewed by: Kevin Ma, Accounting Supervisor

Andrea Miller
 Approved by: Andrea M. Miller, Controller

02/04/2022
 Date

02/07/2022
 Date

2/8/2022
 Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
January 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Transferred to Wells Fargo)										
001 - Water System Consolidated	LAIF	LAIF LGIP	LGIP1001	1/19/2022	1/19/2022	N/A	0.00	0.00	33,971.21	33,971.21
								Total		33,971.21
002 - FRWA	LAIF	LAIF LGIP	LGIP1001	1/19/2022	1/19/2022	N/A	0.00	0.00	575.62	575.62
								Total		575.62
007 - Wastewater Consolidated	LAIF	LAIF LGIP	LGIP1001	1/19/2022	1/19/2022	N/A	0.00	0.00	5,481.52	5,481.52
								Total		5,481.52
009 - BACWA	LAIF	LAIF LGIP	LGIP1001	1/19/2022	1/19/2022	N/A	0.00	0.00	1,302.37	1,302.37
								Total		1,302.37
010 - UMRWA	LAIF	LAIF LGIP	LGIP1001	1/19/2022	1/19/2022	N/A	0.00	0.00	37.14	37.14
								Total		37.14
014 - IICP	LAIF	LAIF LGIP	LGIP1001	1/19/2022	1/19/2022	N/A	0.00	0.00	86.8	86.80
								Total		86.80
015 - DERWA	LAIF	LAIF LGIP	LGIP1001	1/19/2022	1/19/2022	N/A	0.00	0.00	575.62	575.62
								Total		575.62
049 - Ferc Partnership	LAIF	LAIF LGIP	LGIP1001	1/19/2022	1/19/2022	N/A	0.00	0.00	1,151.66	1,151.66
								Total		1,151.66
							0.00	0.00	43,181.94	43,181.94



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
January 2022

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Reinvested)										
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	1/3/2022	1/3/2022	N/A	0.00	0.00	154.34	154.34
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley IMVRXX		1/3/2022	1/3/2022	N/A	0.00	0.00	104.06	104.06
001 - Water System Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	1/31/2022	1/31/2022	N/A	0.00	0.00	2,850.34	2,850.34
								Total		3,108.74
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/14/2022	1/14/2022	N/A	0.00	0.00	12,019.60	12,019.60
								Total		12,019.60
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	1/3/2022	1/3/2022	N/A	0.00	0.00	39.83	39.83
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley IMVRXX		1/3/2022	1/3/2022	N/A	0.00	0.00	31.22	31.22
007 - Wastewater Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	1/31/2022	1/31/2022	N/A	0.00	0.00	347.56	347.56
								Total		418.61
							0.00	0.00	15,546.95	15,546.95



AGENDA NO. 9.
MEETING DATE February 22, 2022

TITLE ADOPT THE ACTUARIAL VALUATIONS OF THE EMPLOYEES' RETIREMENT SYSTEM AS OF JUNE 30, 2021 AND SET THE FISCAL YEAR 2023 EMPLOYEES' RETIREMENT SYSTEM EMPLOYER CONTRIBUTION RATES

TYPE	<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
ACTION	<input type="checkbox"/> MOTION	<input checked="" type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION


Adopt the Actuarial Valuations of the Employees' Retirement System (Retirement System) as of June 30, 2021 prepared by the Retirement System's actuary. In addition, set Retirement System Contribution Rates for Fiscal Year 2023 (FY23) equal to the contribution rates currently in effect for FY22 for the pension and Health Insurance Benefit (HIB) plans.

SUMMARY

Under Section 22 of Ordinance No. 40, as amended (the Retirement Ordinance), the District's Board of Directors commissions actuarial valuations of the pension and HIB funds of the Retirement System and, on the basis of these reports, sets contribution rates to the Retirement System at least once every two years. It has been the practice of the District and Retirement System to adopt actuarial valuations and set rates every year. The Retirement System's actuary has prepared the attached actuarial valuations. The Retirement Board reviewed and adopted these actuarial valuations at its January 20, 2022 meeting. Additionally, the Retirement Board took action to recommend to the Board of Directors to adopt certain employer contribution rates for FY23. The recommended contribution rates are provided herein. This item was presented at the February 22, 2022 Finance/Administration Committee meeting.

DISCUSSION

Each year the Retirement System's actuary, Segal Consulting, prepares Actuarial Valuations for the pension and HIB plans and presents them to the Retirement Board at its meeting in January. The Retirement System and District rely upon these reports to set the contribution rates for the following fiscal year. The Pension Valuation, HIB Valuation, and supplemental exhibits are attached.

Funds Available: FY23	Budget Coding: N/A	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department Finance	Department Director or Manager Sophia D. Skoda	Approved  General Manager
Attachment(s): Supplemental Exhibits; Actuarial Valuation and Review of Pension Plan Benefits; HIB Valuation Review of Contribution Rates and Funding Status; Resolution		

Funded Status of the Retirement System

The valuation value of the combined pension and HIB assets increased from \$1.91 billion on June 30, 2020 to \$2.10 billion on June 30, 2021, representing growth of 9.6 percent. This growth is due largely to the high 26.6 percent investment return experienced in FY21 (with market gains above expectations smoothed over five years for valuation purposes). The increase in the valuation value of assets (VVA) led to a 15.6 percent decrease in the Unfunded Actuarial Accrued Liability (UAAL) from \$747 million to \$631 million. Between June 30, 2020 and June 30, 2021, the pension funded ratio on a VVA basis increased from 73.7 percent to 78.5 percent while the HIB funded ratio increased from 35.9 percent to 42.4 percent. The combined pension and HIB funded ratio increased from 71.9 percent to 76.9 percent over this time period.

Contribution Rates

The Actuarial Valuations provide the actuarially determined employer contribution rates for both the 1955/1980 and 2013 pension plans and the HIB plan for FY23. These rates, as well as the rates adopted by the Retirement Board for FY22, are presented below.

Actuarially Determined Contribution Rates				
	FY23		FY22 (Adopted)	
Employer	1955/1980 Plan	2013 Plan	1955/1980 Plan	2013 Plan
Pension	40.03%	31.33%	42.37%	33.32%
HIB	4.78%	4.48%	4.79%	4.52%
Total	44.81%	35.81%	47.16%	37.84%
Member				
Pension	8.66%	9.41%	8.66%	9.41%
HIB	0.09%	0.09%	0.09%	0.09%
Total	8.75%	9.50%	8.75%	9.50%

Employee Contribution Rates

The employee contribution rates are set based on a different methodology for each plan. For members of the 1955/1980 Plan, the employee contribution rate is set in the Memoranda of Understanding (MOUs) between the District and its employee unions. For members of the 2013 Plan, the employee rate is calculated based on requirements in the California Public Employees' Pension Reform Act (PEPRA). Both rates remain unchanged for FY23. The 1955/1980 Plan employee contribution rate is 8.75 percent of payroll, which includes a 0.09 percent contribution to the HIB. The 2013 Plan employee contribution rates are 9.41 percent for the pension plan and 0.09 percent for the HIB.

Employer Contribution Rates

The FY23 actuarially determined employer contribution rates for the pension and HIB plans in the FY21 valuations represent reductions in the contribution rates from those adopted in FY22. The lower actuarially determined contribution rates are due in part to the very strong investment returns experienced in FY21, lower-than-projected salary increases for active employees as the District was still in negotiations with its labor unions, and lower-than-projected FY21 cost of living adjustments for retirees.

In past instances when the actuarially determined employer contribution rates were lower than the previous year, the Retirement System has at times kept the rates flat for a number of reasons. Staff is recommending that the FY23 employer contribution rates again be held at the rates currently in effect in FY22 (and therefore higher than the actuarially determined contribution rates in the FY21 Valuations) for the following reasons. First, the very high investment returns (more than three times the current expected rate of return) experienced in the past year are not likely to persist in the following years. Second, the lower active employee pay increases experienced are due largely to a delay in establishing new staff salaries in the District's MOUs as negotiations continue; when the negotiations conclude, this impact will reverse itself. Third, the Retirement System may revisit its economic assumptions next year which could lead to future contribution rate increases, particularly if the assumed rate of return is reduced. Keeping rates flat this coming year reduces year-to-year volatility. Finally, the Retirement System plans remain less than fully funded and additional contributions help further fund the plans.

Recommendation of the Retirement Board

At its January 20, 2022 meeting, the Retirement Board reviewed the actuarial valuations and considered the FY23 employer contribution rates. The Retirement Board agreed with the staff recommendation of keeping employer contribution rates for FY23 equal to the FY22 rates currently in effect. At the meeting, the Retirement Board took action to adopt the actuarial valuations and recommend FY23 contribution rates to the District's Board of Directors. The table below provides the FY23 staff and Retirement Board-recommended employer contribution rates, the FY23 actuarially determined rates, and the currently adopted FY22 rates.

	Staff and Retirement Board Recommended Rates		Actuarially Determined Rates		Adopted Rates	
	FY23		FY23		FY22	
Employer	1955/1980 Plan	2013 Plan	1955/1980 Plan	2013 Plan	1955/1980 Plan	2013 Plan
Pension	42.37%	33.32%	40.03%	31.33%	42.37%	33.32%
HIB	4.79%	4.52%	4.78%	4.48%	4.79%	4.52%
Total	47.16%	37.84%	44.81%	35.81%	47.16%	37.84%

SUSTAINABILITY

Economic

The acceptance of actuarial valuations and the setting of employer contribution rates help ensure the financial health and fiscal sustainability of the Retirement System. The employer contribution rates are included in the FY23 adopted operating and capital budgets.

ALTERNATIVE

Choose alternative contribution rates. This alternative is not recommended. The contribution rates presented are recommended by staff and the Retirement Board based on the actuarial valuations and the intent to provide stable funding for the Retirement System that covers retiree benefits accrued in the year and pays down unfunded liabilities of the Retirement System over time.

East Bay Municipal Utility District Employees' Retirement System

**Actuarial Valuation and Review of Pension Plan
and Health Insurance Benefit Plan
as of June 30, 2021**

Supplemental Exhibits



This report has been prepared at the request of the Retirement Board to assist in administering the Fund. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Retirement Board and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.



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January 11, 2022

Ms. Sophia Skoda
Director of Finance
East Bay Municipal Utility District
375 Eleventh Street
Oakland, CA 94607-4240

Re: June 30, 2021 Actuarial Valuations – Supplemental Exhibits

Dear Sophia:

Enclosed please find two exhibits that provide supplemental information to the June 30, 2021 actuarial valuations for the pension and health insurance benefit (HIB) plans.

Exhibit A provides a summary of the funding valuation results for both the pension and HIB plans. In particular, for the HIB plan, this information is based on our HIB funding valuation report dated January 11, 2022 that includes a maximum monthly benefit of \$450 (\$550 benefit for a retiree with a spouse or EBMUD domestic partner). It does not include the accounting liability for the "implicit subsidy" associated with the pooling of the health care premium rate for actives and retirees under age 65.

In Exhibit B, we have included a comparison of the historical Projected Benefit Obligations with the market value of assets for both plans.

We look forward to discussing this information with you and the Board.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andy Yeung", is written over a horizontal line.

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

DNA/mv
Enclosures

Exhibit A

East Bay Municipal Utility District Employees' Retirement System Summary of Significant Valuation Results for the Funding Valuations

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change From Prior Year</u>
I. Total Membership			
A. Active Members	1,896	1,903	-0.4%
B. Pensioners and Beneficiaries	1,977	1,905	3.8%
II. Valuation Salary⁽¹⁾			
A. Total Projected Compensation	\$224,391,553	\$224,411,694	0.0%
B. Average Projected Compensation	118,350	117,925	0.4%
III. Total System Assets			
A. Valuation Value of Pension Plan Assets	\$2,045,502,995	\$1,868,917,204	9.4%
B. Valuation Value of HIB Plan Assets	<u>52,209,459</u>	<u>45,360,832</u>	15.1%
C. Total Valuation Value (Actuarial Value)	\$2,097,712,454	\$1,914,278,036	9.6%
D. Market Value of Pension Plan Assets	\$2,270,763,000	\$1,813,591,000	25.2%
E. Market Value of HIB Plan Assets	<u>57,959,000</u>	<u>44,018,000</u>	31.7%
F. Total Market Value	\$2,328,722,000	\$1,857,609,000	25.4%
IV. Unfunded Actuarial Accrued Liability (UAAL) and Funded Ratio⁽²⁾			
A. Pension Plan	\$560,110,767	\$666,321,007	-15.9%
B. Funded Ratio	78.5%	73.7%	4.8%
C. HIB Plan	\$70,817,697	\$80,852,745	-12.4%
D. Funded Ratio	42.4%	35.9%	6.5%
E. Pension Plan and HIB Plan	\$630,928,464	\$747,173,752	-15.6%
F. Funded Ratio	76.9%	71.9%	5.0%

⁽¹⁾ Projected payroll.

⁽²⁾ Based on valuation value of assets.

Note: The HIB information is based on our HIB funding valuation report that includes a maximum monthly benefit of \$450 (\$550 for a retiree with a spouse or EBMUD domestic partner). It does not include the accounting liability for the "implicit subsidy" associated with the pooling of the health care premium rate for actives and retirees under age 65.

Exhibit A (continued)

East Bay Municipal Utility District Employees' Retirement System Summary of Significant Valuation Results for the Funding Valuations

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change From Prior Year</u>
V. Projected Benefit Obligation and Funded Ratio⁽³⁾			
A. Pension Plan	\$2,546,240,000	\$2,475,608,000	2.9%
B. Funded Ratio	89.2%	73.3%	15.9%
C. HIB Plan	\$129,497,000	\$131,754,000	-1.7%
D. Funded Ratio	44.8%	33.4%	11.4%
E. Pension Plan and HIB Plan	\$2,675,737,000	\$2,607,362,000	2.6%
F. Funded Ratio	87.0%	71.2%	15.8%
VI. Budget Items⁽⁴⁾			
	<u>FY 2022-2023</u>	<u>FY 2021-2022</u> <u>(Adopted Rates)</u>	<u>Difference</u>
	1955/1980 <u>Plan</u>	1955/1980 <u>Plan</u>	1955/1980 <u>Plan</u>
	2013 <u>Tier</u>	2013 <u>Tier</u>	2013 <u>Tier</u>
	<u>Combined⁽⁵⁾</u>	<u>Combined⁽⁵⁾</u>	<u>Combined⁽⁵⁾</u>
A. Pension Plan			
1. Total Normal Cost	27.08%	27.11%	-0.03%
2. Employee Contributions	-8.66% ⁽⁶⁾	-8.66% ⁽⁶⁾	0.00%
3. Employer Normal Cost	18.42%	18.45%	-0.03%
4. UAAL (paid by Employer)	21.61%	23.92%	-2.31%
5. Total Employer Contribution	40.03%	42.37%	-2.34%
B. HIB Plan			
1. Total Normal Cost	1.14%	1.06%	0.08%
2. Employee Contributions	-0.09%	-0.09%	0.00%
3. Employer Normal Cost	1.05%	0.97%	0.08%
4. UAAL (paid by Employer)	3.73%	3.82%	-0.09%
5. Total Employer Contribution	4.78%	4.79%	-0.01%
C. Total Contribution			
1. Employee Contribution (A2 + B2)	8.75%	8.75%	0.00%
2. Employer Contribution (A5 + B5)	44.81%	47.16%	-2.35%

⁽³⁾ Based on market value of assets.

⁽⁴⁾ Contribution rates, payable at the end of each pay period, are expressed as a percentage of projected payroll.

⁽⁵⁾ Aggregated based on June 30, 2021 projected annual payroll.

⁽⁶⁾ The rate of 8.66% payable during fiscal years 2021/2022 and 2022/2023 is calculated by taking the total employee rate payable beginning April 18, 2016 (i.e., 8.75%), less the HIB employee contribution rate of 0.09%.

Exhibit B

East Bay Municipal Utility District Employees' Retirement System Comparison of Projected Benefit Obligation with the Market Value of Assets (Dollar Amounts in Thousands)

<u>Actuarial Valuation Date</u>	<u>Projected Benefit Obligation</u>	<u>Market Value of Assets</u>	<u>Funded Ratio</u>
06/30/2002	\$749,113	\$536,449	71.6%
06/30/2003	880,054	545,527	62.0%
06/30/2004	928,434	640,641	69.0%
06/30/2005	999,231	694,590	69.5%
06/30/2006	1,068,966	763,455	71.4%
06/30/2007	1,160,325	911,104	78.5%
06/30/2008	1,289,236	838,614	65.0%
06/30/2009	1,366,207	668,750	48.9%
06/30/2010	1,444,258	769,052	53.2%
06/30/2011	1,498,879	968,239	64.6%
06/30/2012	1,606,973	986,972	61.4%
06/30/2013	1,699,340	1,124,328	66.2%
06/30/2014	1,815,349	1,346,888	74.2%
06/30/2015	1,907,462	1,407,209	73.8%
06/30/2016	2,061,202	1,418,129	68.8%
06/30/2017	2,137,483	1,612,644	75.4%
06/30/2018	2,292,859	1,753,240	76.5%
06/30/2019	2,413,489	1,832,965	75.9%
06/30/2020	2,607,362	1,857,609	71.2%
06/30/2021	2,675,737	2,328,722	87.0%

East Bay Municipal Utility District Employees' Retirement System

Actuarial Valuation and Review of Pension Plan Benefits

As of June 30, 2021



This report has been prepared at the request of the Retirement Board to assist in administering the Fund. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Retirement Board and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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Segal



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January 11, 2022

Ms. Sophia Skoda
Director of Finance
East Bay Municipal Utility District
375 Eleventh Street
Oakland, CA 94607-4240

Dear Sophia:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2021 for only the pension plan. The Review of Contribution Rates and Funding Status for the health insurance benefit (HIB) plan is provided in a separate report. This report summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements for fiscal year 2022/2023.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Plan. The census information and financial information on which our calculations were based was prepared by the East Bay Municipal Utility District Employees' Retirement System (EBMUDERS). That assistance is gratefully acknowledged.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal

A handwritten signature in dark ink, appearing to read "Andy Yeung", written over a horizontal line.

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

DNA/mv

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Section 1: Actuarial Valuation Summary

Purpose and Basis

This report was prepared by Segal to present a valuation of the East Bay Municipal Utility District Employees' Retirement System ("the System") as of June 30, 2021. The valuation was performed to determine whether the assets and contribution rates are sufficient to provide the prescribed benefits. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of current Plan assets to cover the estimated cost of settling the Plan's accrued benefit obligations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan, as administered by the Board;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of June 30, 2021, provided by EBMUDERS;
- The assets of the Plan as of June 30, 2021, provided by EBMUDERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2021 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2021 valuation; and
- The funding policy adopted by the Board.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the System's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

Section 1: Actuarial Valuation Summary

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the System's liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the System's staff. This information has not been audited by us, but it has been reviewed and found to be consistent, both internally and with prior year's information.

The contribution requirements are determined as a percentage of payroll. The System's employer rates provide for both Normal Cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the funding policy adopted by the Board on September 20, 2012.¹ Details of the funding policy are provided in *Section 4, Exhibit 1* starting on page 63.

A schedule of current amortization balances and payments may be found in *Section 3, Exhibit G* starting on page 50. A graphical projection of the Unfunded Actuarial Accrued Liability (UAAL) amortization balances and payments has been included in *Section 3, Exhibit H* starting on page 52. In the aggregate, the total payment from all the UAAL layers was the same as amortizing the entire UAAL over a period of about 15 years.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2022 through June 30, 2023.

¹ The individual elements to be included in a formal funding policy were approved by the Board at the September 20, 2012 meeting. A draft of a formal Actuarial Funding Policy was presented by Segal at the March 19, 2015 Board meeting and the policy was adopted at the May 21, 2015 Board meeting.

Section 1: Actuarial Valuation Summary

Valuation Highlights

Pgs.
33-34

1. The funded ratio (the ratio of the valuation value of assets to actuarial accrued liability) is 78.5%, compared to the prior year funded ratio of 73.7%. This ratio is one measure of funding status, and its history is a measure of funding progress. The funded ratio measured on a market value basis is 87.1%, compared to 71.5% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for, or the amount of, future contributions.

In addition to the type of funded ratios noted above, Section 33 of the Employees' Retirement System Ordinance ("Ordinance") references a funded ratio based on the ratio of the market value of assets to the projected benefit obligation (PBO) for purposes of determining post-retirement cost of living adjustments (COLA). As noted in the plan provisions section of this report (*Section 4, Exhibit 2*), the basic minimum COLA benefit is the lesser of 3% and the actual change in the cost of living index. Any excess of the actual change in the cost of living index over 3% is accumulated in individual retiree COLA banks, and withdrawals from the bank are made in years when the index increases less than 3%. However, increases of up to 5% are granted in years when the Retirement Board determines that the System is more than 85% funded on a PBO basis. In those years when the System is more than 85% funded and the cost of living index exceeds 5%, any excess cost of living over 5% is accumulated in the COLA bank. Furthermore, effective October 1, 2000, in those years when the system is more than 85% funded on a PBO basis and the cost of living is less than 4%, withdrawals from the bank are made to allow cost of living increases up to 4%.

For the June 30, 2021 Retirement Plan and HIB Plan valuations, we note that the funded ratio on the PBO (and market value) basis is 87.0% for both plans combined, as shown in the Supplemental Exhibits report dated January 11, 2022. However, it should be noted that we have not reflected any future COLAs in excess of the basic minimum COLA benefit of 3% in this Retirement Plan funding valuation report since the current assumption is that the cost of living index (i.e., inflation) will be 2.75% per year for all future years, and the vast majority of retirees and beneficiaries had a COLA bank as of July 1, 2021 of only 0.10%.¹

Pgs.
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50-53

2. The UAAL as of June 30, 2020 was \$666.3 million. In this year's valuation, the UAAL has decreased to \$560.1 million mainly due to favorable investment experience (after asset smoothing), lower than expected salary increases for continuing actives, and lower than expected cost-of-living adjustment (COLA) increases for payees, offset somewhat by a contribution loss due to actual contributions less than expected from the anticipated one-year delay in implementing the higher contribution rates calculated in the last valuation, and other actuarial losses.

A reconciliation of the System's UAAL is provided in *Section 2, Subsection E*. A schedule of the current UAAL amortization amounts is provided in *Section 3, Exhibit G*. Note that a graphical projection of the UAAL amortization bases and payments has been provided in *Section 3, Exhibit H*.

¹ Note that we have reflected the use of the July 1, 2021 COLA banks in granting future COLA increases up to the 3% basic minimum COLA in this June 30, 2021 valuation. Since there were only a few retirees and less than 20 beneficiaries (who had an average age of about 93 at the valuation date) with COLA banks in excess of 0.10%, we have limited the future COLA increases at 3% per year for these members until their bank runs out.

Section 1: Actuarial Valuation Summary

- Pg. 22 3. The net actuarial gain from investment (after smoothing) and contribution experience was \$59.9 million, or 2.30% of actuarial accrued liability. The net experience gain from sources other than investment and contribution experience was \$37.5 million or 1.44% of the actuarial accrued liability. This net gain was primarily due to lower than expected salary increases for continuing actives and lower than expected cost-of-living adjustment (COLA) increases for payees, offset somewhat by other actuarial losses.
- Pg. 30 4. The aggregate employer rate (if paid at the end of each pay period) calculated in this valuation has decreased from 38.67% of payroll to 36.47% of payroll. The decrease in the employer rate was primarily due to (a) the higher than expected return on the valuation value of assets (after smoothing), (b) lower than expected salary increases for continuing actives, and (c) lower than expected COLA increases for current retirees and beneficiaries, offset somewhat by (d) change in membership demographics, (e) amortizing the prior year's UAAL over a smaller than expected projected total payroll, (f) the contribution loss due to actual contributions less than expected from the anticipated one-year delay in implementing the higher contribution rates calculated in the prior valuation, and (g) other actuarial losses.
5. The total normal cost rates for both the 1955/1980 Plan and the 2013 Tier have been developed assuming the normal cost dollar contribution amounts would increase at the rate of the total salary increase assumption. The dollar contribution amounts are then converted to a percent of payroll normal cost rate by dividing the dollar contribution amounts by the payroll after limiting each individual employee's payroll by the appropriate compensation limit. In this year's valuation, there is an increase in the normal cost rate for the 2013 Tier as a result of the change in member demographics during 2020/2021. There is also an increase as a result of the higher proportion of the 2013 Tier members exceeding the compensation limit imposed by CalPEPRA on that tier compared to last year. We will continue to monitor the proportion of members exceeding the compensation limit in future valuations and are available to discuss with the Retirement System other alternatives that could be used in the calculation in order to mitigate such future increases.
- Pg. 31 6. The aggregate member rate calculated in this valuation has remained at 8.97% of payroll. A reconciliation of the aggregate member rate is provided in *Section 2, Subsection F*.
- Pg. 23 7. The rate of return on the Market Value of Assets was 26.61% for the July 1, 2020 to June 30, 2021 plan year. The return on the Valuation Value of Assets (pension plan only) was 10.74% for the same period after considering the recognition of current and prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.00%. This actuarial investment gain decreased the average employer contribution rate by 2.20% of pay. As part of the review of the assumed long-term rate of return on investments in the next quadrennial experience study before the June 30, 2024 valuation or the next interim review of the economic assumptions if such review is requested by the Board before the June 30, 2022 valuation, we will examine the low fixed income interest rate environment, and evolving expectations of future investment returns for various asset classes. This will allow us to assist the Board as they continue to monitor anticipated investment returns relative to the assumed long-term rate of return on investments of 7.00%.

Section 1: Actuarial Valuation Summary

- Pg. 20 8. As indicated in *Section 2, Subsection B* of this report, the total net unrecognized investment gain as of June 30, 2021 is \$231.0 million for the assets for the pension and HIB plans (note that in the previous valuation, this amount was a net deferred loss of \$56.7 million). This net investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years. This implies that earning the assumed rate of investment return of 7.00% per year (net of expenses) on a market value basis will produce investment gains on the actuarial value of assets after June 30, 2021.

The net deferred gain of \$231.0 million represents 9.9% of the market value of assets as of June 30, 2021. Unless offset by future investment losses or other unfavorable experience, the recognition of the net \$231.0 million market gain is expected to have an impact on the System's future funded percentage and contribution rate requirements. This potential impact may be illustrated as follows:

- If the pension plan portion of the net deferred gain were recognized immediately and entirely in the valuation value of assets, the funded percentage would increase from 78.5% to 87.1%.

For comparison purposes, if the pension plan portion of the net deferred loss were recognized immediately and entirely in the valuation value of assets in the June 30, 2020 valuation, the funded percentage would have decreased from 73.7% to 71.5%.

- If the pension plan portion of the net deferred gain were recognized immediately and entirely in the valuation value of assets, the aggregate employer rate (payable at the end of each pay period) would decrease from 36.47% to about 29.3% of payroll.

For comparison purposes, if the pension plan portion of the net deferred loss were recognized immediately and entirely in the valuation value of assets in the June 30, 2020 valuation, the aggregate employer rate (payable at the end of each pay period) would have increased from 39.06% of payroll to about 40.8% of payroll.

9. The actuarial valuation report as of June 30, 2021 is based on financial information as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the actuarial cost of the plan, while increases will decrease the actuarial cost of the plan.

- Pg. 36 10. Actuarial Standard of Practice No. 51 (ASOP 51) requires actuaries to identify and assess risks that “may reasonably be anticipated to significantly affect the plan’s future financial condition.” Examples of key risks listed that are particularly relevant to EBMUDERS are asset/liability mismatch risk, investment risk, and longevity risk. The standard also requires an actuary to consider if there is any ongoing contribution risk to the plan, however it does not require the actuary to evaluate the particular ability or willingness of contributing entities to make contributions when due, nor does it require the actuary to assess the likelihood or consequences of future changes in applicable law.

The actuary's initial assessment can be strictly a qualitative discussion about potential adverse experience and the possible effect on future results, but it may also include quantitative numerical demonstrations where informative. The actuary is also encouraged to consider a recommendation as to whether a more detailed assessment or risk report would be significantly beneficial for the intended user in order to examine particular financial risks. When making that recommendation, the actuary will take into account such factors

Section 1: Actuarial Valuation Summary

as the plan's design, risk profile, maturity, size, funded status, asset allocation, cash flow, possible insolvency and current market conditions.

Since the actuarial valuation results are dependent on a fixed set of assumptions and data as of a specific date, there is risk that emerging results may differ, perhaps significantly, as actual experience is fluid and will not exactly track current assumptions. This potential divergence may have a significant impact on the future financial condition of the plan. Earlier this year we prepared a standalone Risk Assessment report for the Pension Plan dated April 29, 2021 by using membership and financial information as provided in the actuarial valuation as of June 30, 2020. That report includes various deterministic projections of future results under different investment return scenarios based on the assumptions adopted in the quadrennial experience study for the June 30, 2020 valuation.

We understand that the next stand-alone risk assessment report is not scheduled to be performed until after the next full experience study is conducted, which is scheduled prior to the June 30, 2024 actuarial valuation, unless EBMUDERS decides to have Segal develop a risk assessment report after the next potential interim economic assumptions study. In the meantime, we have included a brief discussion of key risks that may affect the System in Section 2, Subsection J.

11. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2021. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the Plan Year. While it is impossible to determine how the pandemic will continue to affect market conditions and other demographic experience of the Plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

		June 30, 2021		June 30, 2020	
		Total Rate	Estimated Annual Dollar Amount ¹	Total Rate	Estimated Annual Dollar Amount ¹
Employer Contribution Rates: <i>(payable at the <u>end</u> of each pay period)</i>	• 1955/1980 Plan	40.03%	\$53,182,666	42.37%	\$56,291,521
	• 2013 Tier	31.33%	<u>28,677,769</u>	33.32%	<u>30,499,306</u>
	• Combined	36.47%	\$81,860,435	38.67%	\$86,790,827
Average Member Contribution Rates: <i>(payable at the <u>end</u> of each pay period)</i>	• 1955/1980 Plan	8.66% ²	\$11,505,418	8.66% ²	\$11,505,418
	• 2013 Tier	9.41%	<u>8,613,399</u>	9.41%	<u>8,613,399</u>
	• Combined	8.97%	\$20,118,817	8.97%	\$20,118,817

¹ Estimated based on June 30, 2021 projected annual compensation of \$224,391,553 (that is, \$132,857,022 for the 1955/1980 Plan and \$91,534,531 for the 2013 Tier).

² The rate of 8.66% payable during the fiscal years 2021/2022 and 2022/2023 is calculated by taking the total employee rate payable beginning April 18, 2016 (i.e., 8.75%), less the HIB employee contribution rate of 0.09%.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results (continued)

		June 30, 2021	June 30, 2020
Actuarial Accrued Liability:	• Retired members and beneficiaries	\$1,677,463,290	\$1,594,477,229
	• Inactive vested members	48,098,062	46,192,075
	• Active members	<u>880,052,410</u>	<u>894,568,907</u>
	• Total Actuarial Accrued Liability (AAL)	\$2,605,613,762	\$2,535,238,211
	• Normal Cost for plan year beginning June 30	51,705,682	52,212,279
Assets:	• Valuation value of pension plan assets (VVA) ¹	\$2,045,502,995	\$1,868,917,204
	• Market value of pension plan assets (MVA) ¹	2,270,763,000	1,813,591,000
	• Actuarial value of pension plan and HIB plan assets	2,097,712,454	1,914,278,036
	• Market value of pension plan and HIB plan assets	2,328,722,000	1,857,609,000
	• Actuarial value of total plan assets as a percentage of market value of total plan assets	90.1%	103.1%
Funded status:	• Unfunded Actuarial Accrued Liability (UAAL) on VVA basis	\$560,110,767	\$666,321,007
	• Funded ratio on VVA basis	78.5%	73.7%
	• UAAL on MVA basis	\$334,850,762	\$721,647,211
	• Funded ratio on MVA basis	87.1%	71.5%
Key assumptions:	• Net investment return	7.00%	7.00%
	• Price Inflation	2.75%	2.75%
	• Payroll growth increase	3.25%	3.25%

¹ Net of HIB plan assets.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results (continued)

	June 30, 2021	June 30, 2020	Change From Prior Year
Demographic data:			
Active Members:			
• Number of members	1,896	1,903	-0.4%
• Average age	47.4	47.3	0.1
• Average service	11.6	11.7	-0.1
• Total projected compensation	\$224,391,553	\$224,411,694	0.0%
• Average projected compensation	\$118,350	\$117,925	0.4%
Retired Members and Beneficiaries:			
• Number of members:			
– Service retired	1,588	1,534	3.5%
– Disability retired	53	54	-1.9%
– Beneficiaries	336	317	6.0%
– Total	1,977	1,905	3.8%
• Average age	70.8	70.6	0.2
• Average monthly benefit	\$5,376	\$5,211	3.2%
Inactive Vested Members:			
• Number of members ¹	327	312	4.8%
• Average Age	48.9	49.0	-0.1
Total Members:	4,200	4,120	1.9%

¹ Includes inactive members due a refund of member contributions.

Section 1: Actuarial Valuation Summary

Important Information About Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the Market Value of Assets as of the valuation date, as provided by the System. The System uses a “Actuarial Value of Assets” that differs from market value to gradually reflect year-to-year changes in the Market Value of Assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, termination, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable.
Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The actuarial valuation is prepared at the request of the System. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan. Future contribution requirements may differ from those determined in the valuation because of:

- Differences between actual experience and anticipated experience;
- Changes in actuarial assumptions or methods;
- Changes in statutory provisions; and
- Differences between the contribution rates determined by the valuation and those adopted by the Board.¹

Some actuarial results in this report are not rounded, but that does not imply precision.

If EBMUDERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The System should look to their other advisors for expertise in these areas.

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

¹ EBMUDERS has a proven track-record of adopting at least the Actuarially Determined Contributions as determined by the valuation and based on the Board's Actuarial Funding Policy.

Section 2: Actuarial Valuation Results

A. Member Data

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive vested members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B, and C*.

Member Population: 2012 – 2021

Year Ended June 30	Active Members	Inactive Vested Members ¹	Retired Members and Beneficiaries	Total Non-Actives	Ratio of Non-Actives to Actives	Ratio of Retired Members and Beneficiaries to Actives
2012	1,703	224	1,361	1,585	0.93	0.80
2013	1,666	232	1,440	1,672	1.00	0.86
2014	1,715	237	1,497	1,734	1.01	0.87
2015	1,762	239	1,563	1,802	1.02	0.89
2016	1,789	248	1,630	1,878	1.05	0.91
2017	1,802	267	1,713	1,980	1.10	0.95
2018	1,828	284	1,779	2,063	1.13	0.97
2019	1,847	303	1,844	2,147	1.16	1.00
2020	1,903	312	1,905	2,217	1.17	1.00
2021	1,896	327	1,977	2,304	1.22	1.04

¹ Includes inactive members due a refund of member contributions.

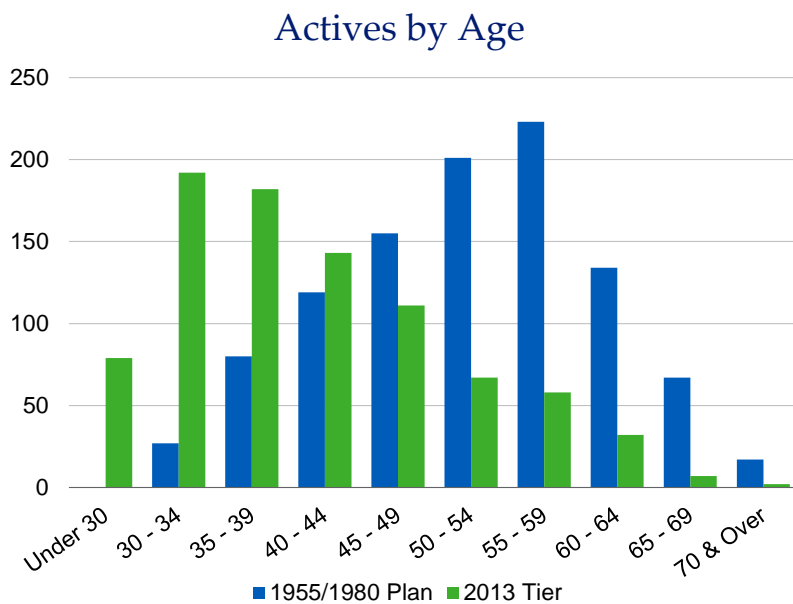
Section 2: Actuarial Valuation Results

Active Members

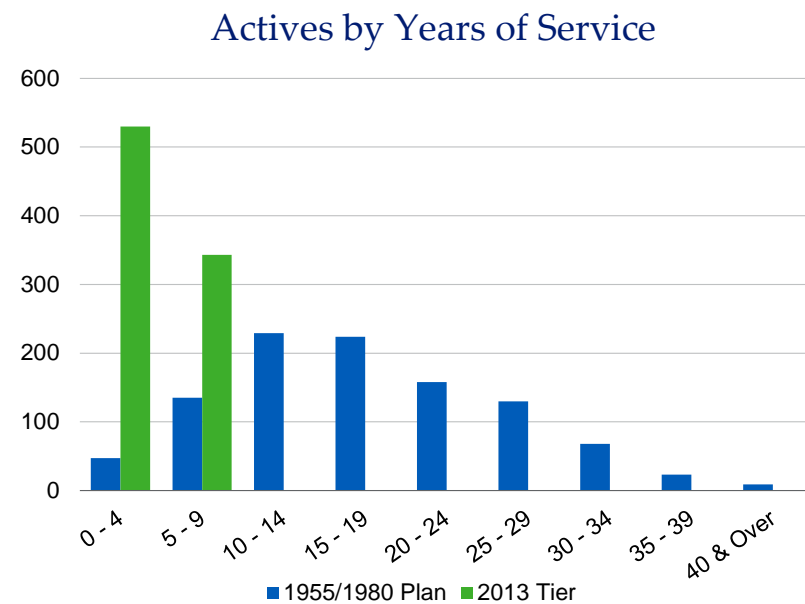
Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 1,896 active members with an average age of 47.4, average years of service of 11.6 years and average compensation of \$118,350. The 1,903 active members in the prior valuation had an average age of 47.3, average service of 11.7 years and average compensation of \$117,925.

Among the active members, there were none with unknown age information.

Distribution of Active Members as of June 30, 2021



Average age	47.4
Prior year average age	47.3
Difference	0.1



Average years of service	11.6
Prior year average years of service	11.7
Difference	-0.1

Inactive Members

In this year's valuation, there were 327 members with a vested right to a deferred or immediate vested benefit or a refund of contributions, versus 312 in the prior valuation.

Section 2: Actuarial Valuation Results

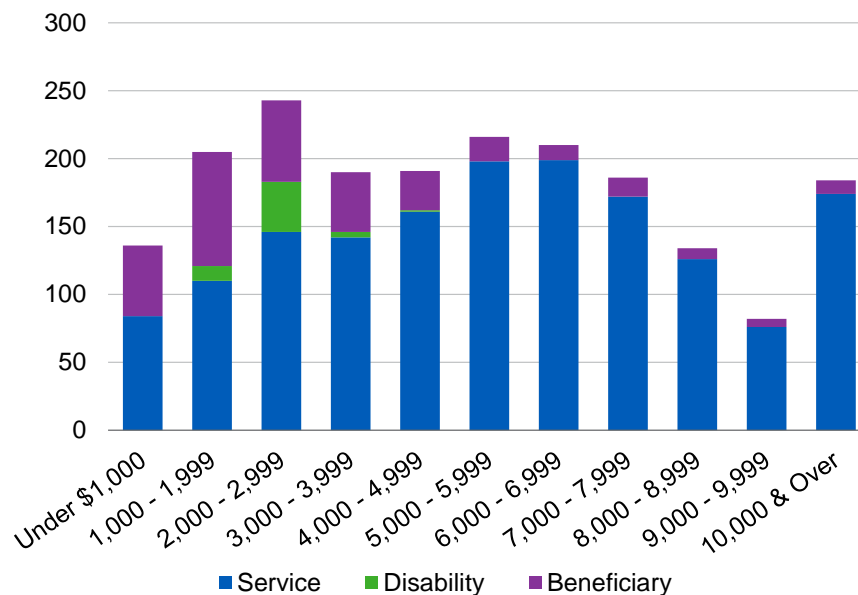
Retired Members and Beneficiaries

As of June 30, 2021, 1,641 retired members and 336 beneficiaries were receiving total monthly benefits of \$10,627,505. For comparison, in the previous valuation, there were 1,588 retired members and 317 beneficiaries receiving monthly benefits of \$9,926,391.

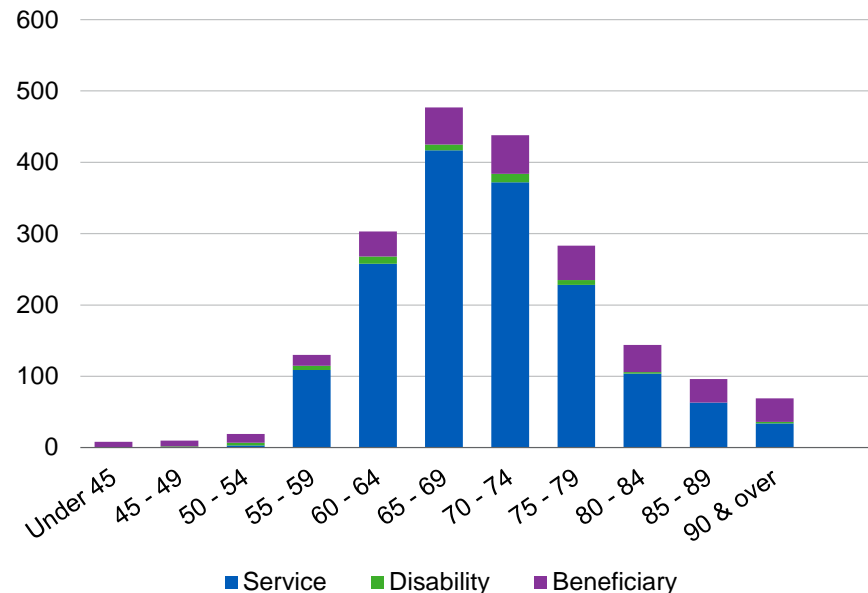
As of June 30, 2021, the average monthly benefit for retired members and beneficiaries is \$5,376, compared to \$5,211 in the previous valuation. The average age for retired members and beneficiaries is 70.8 in the current valuation, compared with 70.6 in the prior valuation.

Distribution of Retired Members and Beneficiaries as of June 30, 2021

Retired Members and Beneficiaries
by Type and Monthly Amount



Retired Members and Beneficiaries
by Type and Age



Section 2: Actuarial Valuation Results

Historical Plan Population

The chart below demonstrates the progression of the active population over the last ten years. The chart also shows the growth among the retired population over the same time period.

Member Data Statistics: 2012 – 2021

Year Ended June 30	Active Members			Retired Members and Beneficiaries		
	Count	Average Age	Average Service	Count	Average Age	Average Monthly Amount
2012	1,703	49.9	15.1	1,361	70.7	\$3,832
2013	1,666	49.7	14.9	1,440	70.3	4,007
2014	1,715	49.3	14.3	1,497	70.3	4,183
2015	1,762	48.8	13.7	1,563	70.1	4,360
2016	1,789	48.5	13.3	1,630	70.1	4,499
2017	1,802	48.0	12.8	1,713	70.1	4,649
2018	1,828	47.8	12.4	1,779	70.2	4,841
2019	1,847	47.6	12.0	1,844	70.3	5,024
2020	1,903	47.3	11.7	1,905	70.6	5,211
2021	1,896	47.4	11.6	1,977	70.8	5,376

Section 2: Actuarial Valuation Results

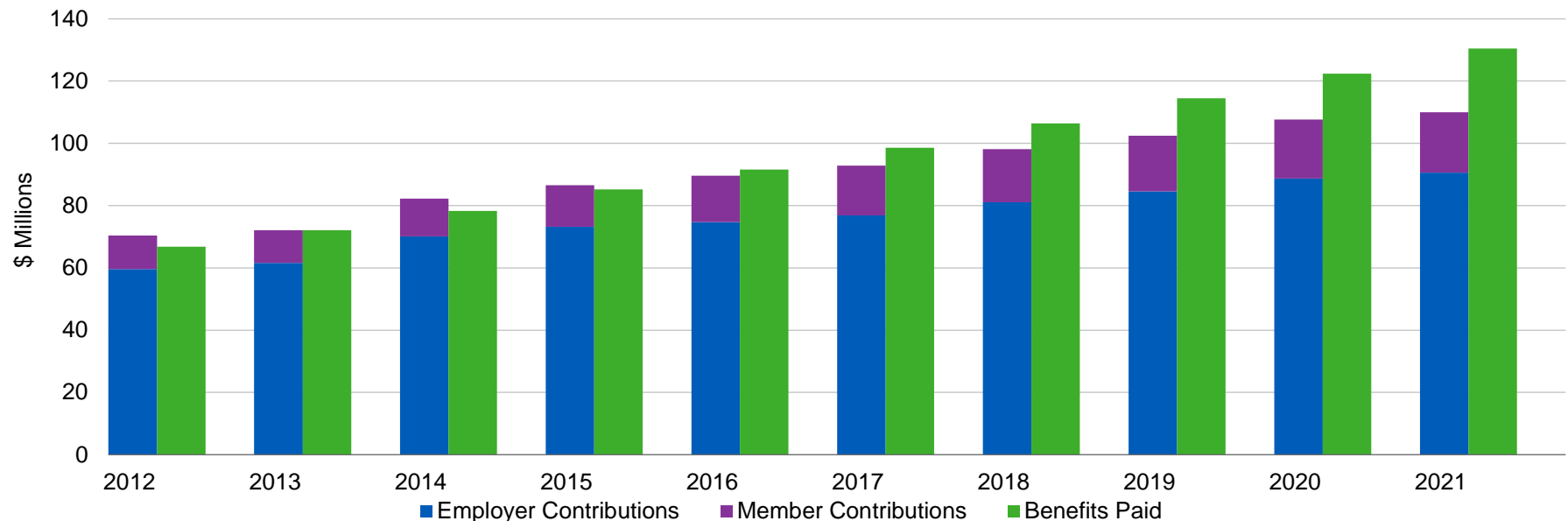
B. Financial Information

Retirement plan funding anticipates that, over the long term, both contributions and investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E and F*.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Comparison of Contributions Made with Benefits
for Years Ended June 30, 2012 – 2021
(Pension and HIB Plans)



Section 2: Actuarial Valuation Results

Determination of Actuarial Value of Assets for Year Ended June 30, 2021

1 Market Value of Assets					
(a) Pension plan					\$2,270,763,000
(b) HIB plan					<u>57,959,000</u>
(c) Total					\$2,328,722,000
		Actual	Expected	Investment	Percent
		Return	Return	Gain/(Loss)	Deferred
					Return
2	Calculation of unrecognized return				
a)	Year ended June 30, 2017	\$200,254,000	\$102,606,314	\$97,647,686	0%
b)	Year ended June 30, 2018	148,798,000	116,619,368	32,178,632	20
c)	Year ended June 30, 2019	91,744,000	122,306,135	(30,562,135)	40
d)	Year ended June 30, 2020	39,376,000	127,791,930	(88,415,930)	60
e)	Year ended June 30, 2021	491,625,000	129,314,710	362,310,290	80
f)	Total unrecognized return ¹				\$231,009,546
3	Preliminary Actuarial Value of Assets: (1c) - (2f)				\$2,097,712,454
4	Adjustment to be within 30% corridor of market value				0
5	Final Actuarial Value of Assets: 3 + 4:				<u>\$2,097,712,454</u>
6	Actuarial Value of Assets as a percentage of Market Value of Assets: 5 ÷ 1c				90.1%
7	Valuation Value of Pension Plan Assets: 1a ÷ 1c x 5				<u>\$2,045,502,995</u>

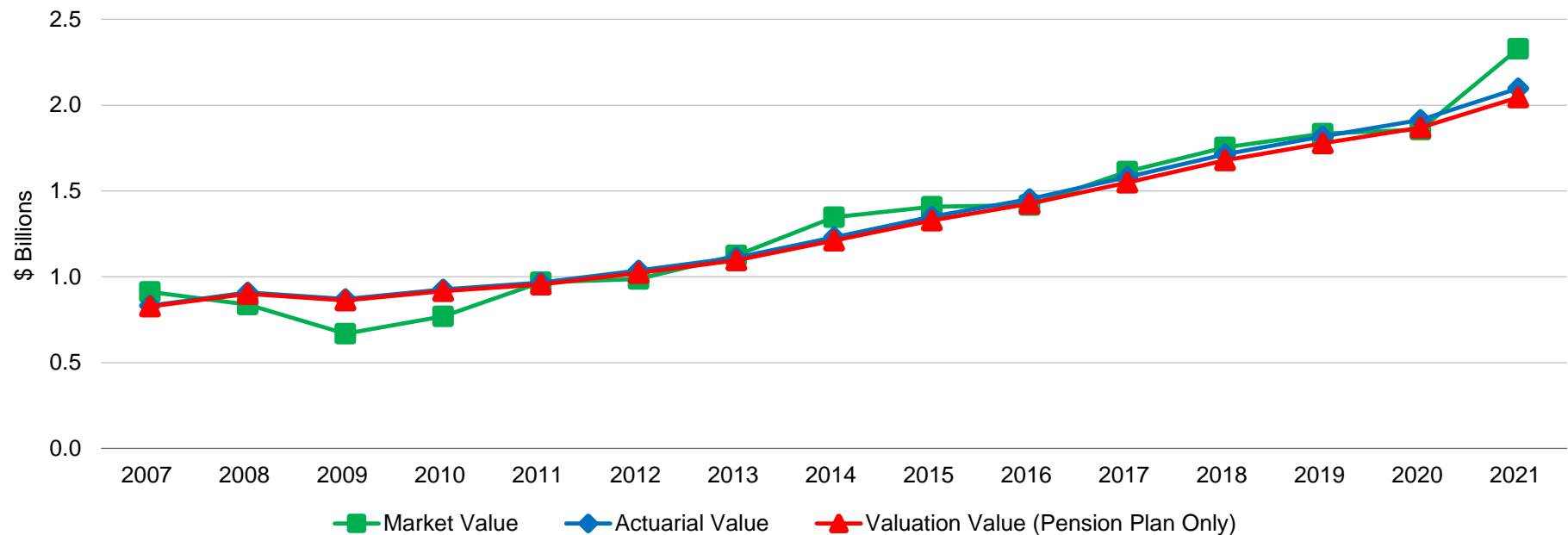
¹ Deferred return as of June 30, 2021 that will be recognized in each of the next four years (amounts may not total exactly due to rounding):

(a)	Amount recognized on June 30, 2022	\$55,102,171
(b)	Amount recognized on June 30, 2023	48,666,445
(c)	Amount recognized on June 30, 2024	54,778,872
(d)	Amount recognized on June 30, 2025	<u>72,462,058</u>
(e)	Total unrecognized return as of June 30, 2021	\$231,009,546

Section 2: Actuarial Valuation Results

The Market Value, Actuarial Value and Valuation Value of Assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the Actuarial Value of Assets tracks the Market Value of Assets. The Valuation Value of Assets is the actuarial value, excluding HIB assets. The Valuation Value of Assets is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the Unfunded Actuarial Accrued Liability is an important element in determining the contribution requirement.

Market Value, Actuarial Value, and Valuation Value (Pension Plan Only) of Assets
as of June 30, 2007 – 2021



Section 2: Actuarial Valuation Results

C. Actuarial Experience

To calculate any actuarially determined contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the actuarially determined contribution will decrease from the previous year. On the other hand, the actuarially determined contribution will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years. There are no assumption changes reflected in this report.

The total gain is \$97.3 million, which includes \$69.4 million from investment gains, a loss of \$9.6 million from contribution experience and \$37.5 million in gains from all other sources. The net experience variation from individual sources other than investments and contributions was 1.44% of the Actuarial Accrued Liability. A discussion of the major components of the actuarial experience is on the following pages.

Actuarial Experience for Year Ended June 30, 2021

1	Net gain from investments ¹	\$69,422,722
2	Actual contributions less than expected	(9,551,368)
3	Net gain from other experience ²	<u>37,465,547</u>
4	Net experience gain:³ 1 + 2 + 3	\$97,336,901

¹ Details on next page.

² See *Subsection E* for further details.

³ The net gain is attributed to actual liability experience from July 1, 2020 through June 30, 2021 compared to the projected experience based on the actuarial assumptions as of June 30, 2020. Does not include the effect of plan or assumption changes as of June 30, 2021, if any.

Section 2: Actuarial Valuation Results

Investment Experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy. The rate of return on the Market Value of Assets was 26.61% for the year ended June 30, 2021.

For valuation purposes, the assumed rate of return on the Valuation Value of Assets is 7.00% (for the June 30, 2020 valuation). The actual rate of return on a valuation value basis (after smoothing) for the 2020/2021 plan year was 10.74%. Since the actual return for the year was more than the assumed return, the Plan experienced an actuarial gain during the year ended June 30, 2021 with regard to its investments.

Investment Experience for Year Ended June 30, 2021

	Valuation Value (pension plan assets only)	Actuarial Value (includes pension and HIB plan assets)	Market Value (includes pension and HIB plan assets)
1 Net investment income	\$199,446,791	\$203,946,418	\$491,625,000
2 Average value of assets	1,857,486,704	1,904,022,036	1,847,353,000
3 Rate of return: 1 ÷ 2	10.74%	10.71%	26.61%
4 Assumed rate of return	7.00%	7.00%	7.00%
5 Expected investment income: 2 x 4	\$130,024,069	\$133,281,543	\$129,314,710
6 Actuarial gain/(loss): 1 - 5	\$69,422,722	\$70,664,875	\$362,310,290

Section 2: Actuarial Valuation Results

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on a valuation value, actuarial value, and market value basis for the last ten years.

Investment Return – Valuation Value, Actuarial Value and Market Value: 2012 – 2021¹

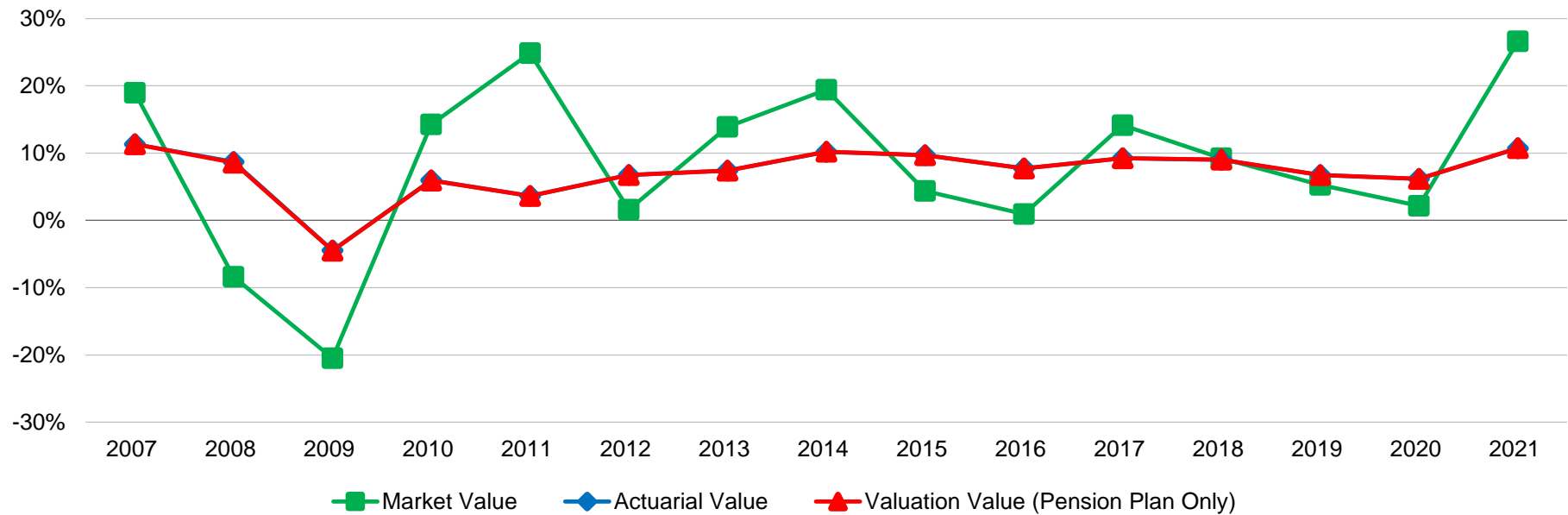
Year Ended June 30	Valuation Value Investment Return		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2012	\$64,558,352	6.75%	\$65,488,807	6.76%	\$15,202,000	1.57%
2013	75,506,213	7.40%	76,545,489	7.39%	137,318,000	13.91%
2014	112,077,589	10.22%	113,600,558	10.19%	218,575,000	19.41%
2015	117,145,293	9.68%	118,952,917	9.67%	58,937,000	4.37%
2016	102,598,231	7.74%	104,468,421	7.74%	12,894,000	0.92%
2017	131,217,766	9.23%	133,617,292	9.22%	200,254,000	14.15%
2018	139,184,681	9.01%	141,900,834	9.00%	148,798,000	9.25%
2019	112,719,164	6.74%	115,218,143	6.74%	91,744,000	5.25%
2020	108,905,040	6.16%	111,447,050	6.16%	39,376,000	2.16%
2021	199,446,791	10.74%	203,946,418	10.71%	491,625,000	26.61%
Most recent 5-year geometric average return		8.36%		8.35%		11.17%
Most recent 10-year geometric average return		8.36%		8.35%		9.47%

¹ Market Value and Actuarial Value of Assets are for the pension plan and the HIB plan. Valuation Value of Assets are for the pension plan only.

Section 2: Actuarial Valuation Results

Section 2, Subsection B described the actuarial asset valuation method that gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

Market, Actuarial and Valuation (Pension Plan Only)
Rates of Return for Years Ended June 30, 2007 – 2021



Section 2: Actuarial Valuation Results

Contributions

Contributions for the year ended June 30, 2021, when adjusted for timing, totaled \$101.8 million, compared to the projected amount of \$111.4 million (also adjusted for timing). This resulted in a loss of \$9.6 million for the year, when adjusted for timing.

Non-Investment Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among participants,
- retirement experience (earlier or later than projected),
- mortality (more or fewer deaths than projected),
- the number of disability retirements (more or fewer than projected),
- salary increases (greater or smaller than projected), and
- cost-of-living adjustments (COLAs; higher or lower than anticipated).

The net gain from this other experience for the year ended June 30, 2021 amounted to \$37.5 million, which is 1.44% of the Actuarial Accrued Liability. This gain was mainly due to the effect of lower than anticipated COLA increases for current retirees and beneficiaries and lower than expected individual salary increases for actives. See *Subsection E* for a detailed development of the Unfunded Actuarial Accrued Liability.

Section 2: Actuarial Valuation Results

D. Other Changes in the Actuarial Accrued Liability

The Actuarial Accrued Liability as of June 30, 2021 is \$2.606 billion, an increase of \$70.4 million, or 2.8%, from the liability as of the prior valuation date. The Actuarial Accrued Liability is expected to grow each year with Normal Cost and interest, and to decline due to benefit payments made. Additional fluctuations can occur due to actual experience that differs from expected (as discussed in the previous subsection).

Actuarial Assumptions

There were no assumption changes since the prior valuation.

Details on actuarial assumptions and methods are in *Section 4, Exhibit 1*.

Plan Provisions

There were no changes in plan provisions since the prior valuation.

A summary of plan provisions is in *Section 4, Exhibit 2*.

Section 2: Actuarial Valuation Results

E. Development of Unfunded Actuarial Accrued Liability

Development for Year Ended June 30, 2021

1	Unfunded actuarial accrued liability at beginning of year	\$666,321,007
2	Total Normal Cost at beginning of year	52,212,279
3	Expected employer and member contributions at beginning of year	(104,096,213)
4	Interest	<u>43,010,595</u>
5	Expected Unfunded Actuarial Accrued Liability at end of year	\$657,447,668
6	Changes due to:	
	a. Investment gain on smoothed value of assets	\$(69,422,722)
	b. Effect of anticipated one-year delay in implementing the higher contribution rates calculated in the prior valuation	9,551,368
	c. Gain due to lower than expected salary increases for continuing active members	(27,552,421)
	d. Gain due to lower than expected COLA increases for current retirees and beneficiaries	(18,300,498)
	e. Other losses on demographic experience	<u>8,387,372</u>
	Total changes	<u>\$(97,336,901)</u>
7	Unfunded Actuarial Accrued Liability at end of year	<u>\$560,110,767</u>

Note: The “net gain from other experience” of \$37,465,547 from *Subsection C* is equal to the sum of items 6c, 6d, and 6e.

Section 2: Actuarial Valuation Results

F. Recommended Contribution

The recommended contribution is equal to the employer Normal Cost payment and a payment on the Unfunded Actuarial Accrued Liability. As of June 30, 2021, the average recommended employer contribution is 36.47% of compensation, payable at the end of each pay period.

The Board sets the funding policy used to calculate the recommended contribution based on layered amortization periods. See *Section 4, Exhibit 1* for further details on the funding policy.

The contribution requirement as of June 30, 2021 is based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions.

Average Recommended Employer Contribution for Year Ended June 30

		2021		2020	
All Tiers Combined		Amount	% of Projected Compensation	Amount	% of Projected Compensation
1	Total Normal Cost	\$53,488,238	23.83%	\$54,012,504	24.07%
2	Expected member Normal Cost contributions	<u>20,118,817</u>	<u>8.97%</u>	<u>20,050,815</u>	<u>8.93%</u>
3	Employer Normal Cost: 1 – 2	\$33,369,421	14.86%	\$33,961,689	15.14%
4	Actuarial Accrued Liability	2,605,613,762		2,535,238,211	
5	Valuation Value of Assets	<u>2,045,502,995</u>		<u>1,868,917,204</u>	
6	Unfunded Actuarial Accrued Liability: 4 – 5	\$560,110,767		\$666,321,007	
7	Payment on Unfunded Actuarial Accrued Liability	48,491,014	21.61%	53,679,277	23.92%
8	Total average recommended employer contribution: 3 + 7	<u>\$81,860,435</u>	<u>36.47%</u>	<u>\$87,640,966</u>	<u>39.06%</u>
9	Projected compensation	\$224,391,553		\$224,411,694	

Note: Contributions are assumed to be paid at the end of each pay period.

Section 2: Actuarial Valuation Results

Reconciliation of Average Recommended Employer Contribution Rate

The chart below details the changes in the average recommended employer contribution rate from the prior valuation to the current year's valuation.

Reconciliation from June 30, 2020 to June 30, 2021

	Contribution Rate	Estimated Annual Dollar Amount ¹
Average Recommended Employer Contribution Rate as of June 30, 2020	38.67%	\$86,790,827
1. Effect of change in membership demographics	0.11%	\$246,831
2. Effect of investment return more than expected on smoothed value of assets	(2.20)%	(4,936,614)
3. Effect of individual salary increases lower than expected for continuing active members	(0.87)%	(1,952,207)
4. Effect lower than expected COLA increases for current retirees and beneficiaries	(0.58)%	(1,301,471)
5. Effect of amortizing prior year's UAAL over a smaller than expected projected total payroll	0.77%	1,727,815
6. Effect of anticipated one-year delay in implementing the higher contribution rates calculated in the prior valuation	0.30%	673,175
7. Effect of other demographic experience losses on accrued liability	<u>0.27%</u>	<u>612,079</u>
Total change	(2.20)%	\$(4,930,392)
Average Recommended Employer Contribution Rate as of June 30, 2021	36.47%	\$81,860,435

¹ Based on June 30, 2021 projected compensation of \$224,391,553.

Section 2: Actuarial Valuation Results

Reconciliation of Average Recommended Member Contribution Rate

The chart below details the changes in the average recommended member contribution rate from the prior valuation to the current year's valuation.

Reconciliation from June 30, 2020 to June 30, 2021

	Contribution Rate	Estimated Annual Dollar Amount ¹
Average Recommended Member Contribution as of June 30, 2020	8.97%	\$20,118,817
1. Effect of changes in member demographics	<u>0.00%</u>	<u>\$0</u>
Total changes	0.00%	\$0
Average Recommended Member Contribution as of June 30, 2021	8.97%	\$20,118,817

¹ Based on June 30, 2021 projected compensation of \$224,391,553.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (% of payroll; payable at the end of each pay period)

	June 30, 2021 Actuarial Valuation		June 30, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount ¹	Contribution Rate	Estimated Annual Dollar Amount ¹
1955/1980 Plan				
Total Normal Cost	27.08%	\$35,977,682	27.11%	\$36,017,539
Expected Employee Contributions	<u>-8.66%</u> ²	<u>-11,505,418</u>	<u>-8.66%</u> ²	<u>-11,505,418</u>
Employer Normal Cost	18.42%	\$24,472,264	18.45%	\$24,512,121
UAAL	<u>21.61%</u>	<u>28,710,402</u>	<u>23.92%</u>	<u>31,779,400</u>
Total Employer Contribution	40.03%	\$53,182,666	42.37%	\$56,291,521
2013 Tier				
Total Normal Cost	19.13%	\$17,510,556	18.81%	\$17,217,645
Expected Employee Contributions	<u>-9.41%</u>	<u>-8,613,399</u>	<u>-9.41%</u>	<u>-8,613,399</u>
Employer Normal Cost	9.72%	\$8,897,157	9.40%	\$8,604,246
UAAL	<u>21.61%</u>	<u>19,780,612</u>	<u>23.92%</u>	<u>21,895,060</u>
Total Employer Contribution	31.33%	\$28,677,769	33.32%	\$30,499,306
Combined				
Total Normal Cost	23.83%	\$53,488,238	23.72%	\$53,235,184
Expected Employee Contributions	<u>-8.97%</u>	<u>-20,118,817</u>	<u>-8.97%</u>	<u>-20,118,817</u>
Employer Normal Cost	14.86%	\$33,369,421	14.75%	\$33,116,367
UAAL	<u>21.61%</u>	<u>48,491,014</u>	<u>23.92%</u>	<u>53,674,460</u>
Total Employer Contribution	36.47%	\$81,860,435	38.67%	\$86,790,827

¹ Amounts are based on the following June 30, 2021 projected annual payroll:

1955/1980 Plan	\$132,857,022
2013 Tier	91,534,531
Combined	\$224,391,553

² The rate of 8.66% payable during the fiscal years 2021/2022 and 2022/2023 is calculated by taking the total employee rate payable beginning April 18, 2016 (i.e., 8.75%), less the HIB employee contribution rate of 0.09%.

Section 2: Actuarial Valuation Results

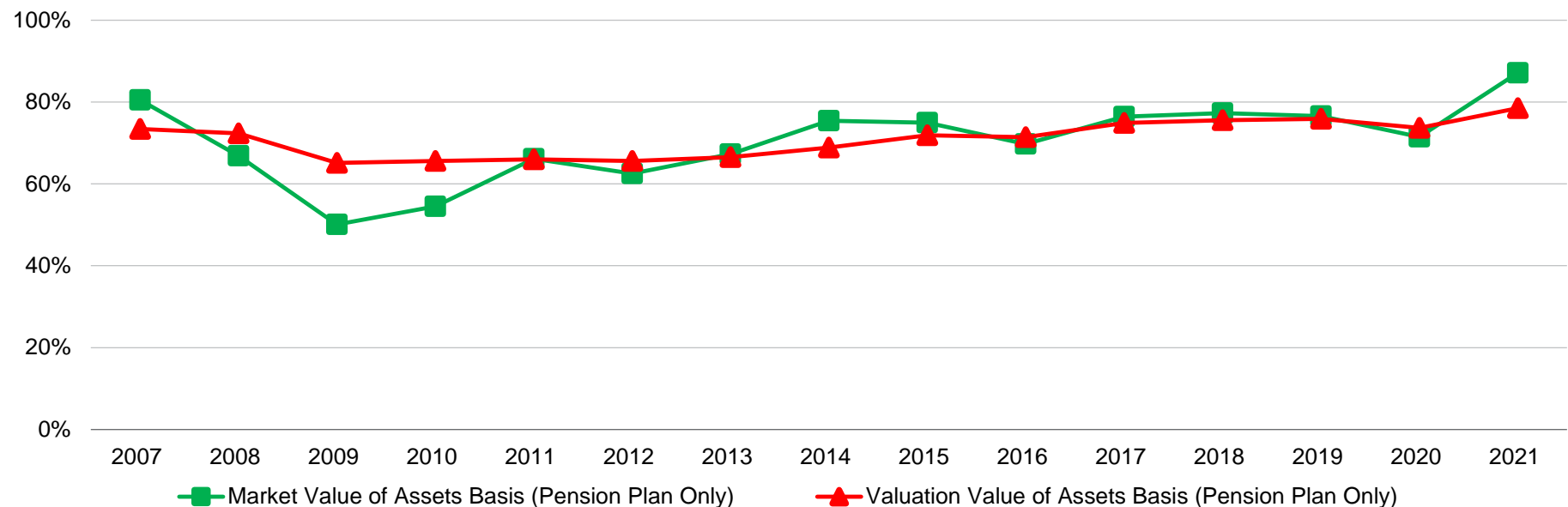
G. Funded Status

A commonly reported piece of information regarding the Plan's financial status is the funded ratio. These ratios compare the Valuation Value of Assets and the Market Value of Assets to the Actuarial Accrued Liability of the Plan. Higher ratios indicate a relatively well-funded plan, while lower ratios may indicate recent changes to actuarial assumptions, funding of the plan below actuarial requirements, poor asset performance, or a variety of other causes.

The chart below depicts a history of the funded ratio for the Plan. The chart on the next page shows the Plan's schedule of funding progress for the last ten years.

The funded status measures shown in this valuation are appropriate for assessing the need for or amount of future contributions. However, they are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. As the chart below shows, the measures are different depending on whether the Valuation Value or Market Value of Assets is used.

Funded Ratio for Years Ended June 30, 2007 – 2021



Section 2: Actuarial Valuation Results

Schedule of Funding Progress for Years Ended June 30, 2012 – 2021 (Dollar amounts in thousands)

Actuarial Valuation Date as of June 30,	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (%) (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (%) [(b) - (a)] / (c)
2012	\$1,021,546	\$1,556,696	\$535,150	65.6%	\$158,847	336.9%
2013	1,095,847	1,646,534	550,687	66.6	159,246	345.8
2014	1,210,321	1,756,706	546,385	68.9	167,196	326.8
2015	1,327,113	1,845,912	518,799	71.9	174,899	296.6
2016	1,425,785	1,995,863	570,078	71.4	183,971	309.9
2017	1,549,213	2,068,015	518,802	74.9	184,859	280.6
2018	1,678,417	2,220,977	542,560	75.6	202,995	267.3
2019	1,777,065	2,340,773	563,708	75.9	212,351	265.5
2020	1,868,917	2,535,238	666,321	73.7	224,412	296.9
2021	2,045,503	2,605,614	560,111	78.5	224,392	249.6

Section 2: Actuarial Valuation Results

H. Actuarial Balance Sheet

An overview of the Plan's funding is given by an Actuarial Balance Sheet. In this approach, first the amount and timing of all future payments that will be made by the Plan for current participants is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the Actuarial Present Value of Future Benefits of the Plan.

Second, this Actuarial Present Value of Future Benefits is compared to the assets. The "assets" for this purpose include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer Normal Cost contributions, and the present value of future employer amortization payments for the Unfunded Actuarial Accrued Liability.

Actuarial Balance Sheet

	Year Ended	
	June 30, 2021	June 30, 2020
Actuarial Present Value of Future Benefits		
• Present value of benefits for retired members and beneficiaries	\$1,677,463,290	\$1,594,477,229
• Present value of benefits for inactive vested members	48,098,062	46,192,075
• Present value of benefits for active members	<u>1,323,474,305</u>	<u>1,341,098,424</u>
Total Actuarial Present Value of Future Benefits	<u>\$3,049,035,657</u>	<u>\$2,981,767,728</u>
Current and future assets		
• Total Valuation Value of Assets	\$2,045,502,995	\$1,868,917,204
• Present value of future contributions by members	181,460,556	173,419,951
• Present value of future employer contributions for:		
– Entry age Normal Cost	261,961,339	273,109,566
– Unfunded Actuarial Accrued Liability	<u>560,110,767</u>	<u>666,321,007</u>
Total of current and future assets	<u>\$3,049,035,657</u>	<u>\$2,981,767,728</u>

Section 2: Actuarial Valuation Results

I. Volatility Ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the Market Value of Assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 10.1. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 10.1% of one-year's payroll. Since actuarial gains and losses are amortized over 20 years, there would be a 0.7% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions. The current LVR is about 11.6. This is about 15% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

The chart below shows how the asset and liability volatility ratios have varied over time.

Volatility Ratios for Years Ended June 30, 2012 – 2021

Year Ended June 30	Asset Volatility Ratio	Liability Volatility Ratio
2012	6.1	9.8
2013	7.0	10.3
2014	7.9	10.5
2015	7.9	10.6
2016	7.6	10.8
2017	8.6	11.2
2018	8.5	10.9
2019	8.4	11.0
2020	8.1	11.3
2021	10.1	11.6

Section 2: Actuarial Valuation Results

J. Risk Assessment

Because the actuarial valuation results are dependent on a fixed set of assumptions and data as of a specific date, there is risk that emerging results may differ, perhaps significantly, as actual experience is fluid and will not exactly track current assumptions. This potential divergence may have a significant impact on the future financial condition of the plan.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a concise discussion of some of the primary risks that may affect the Plan's future financial condition. We recommend a more detailed assessment of the risks to provide the Board with a better understanding of the risks inherent in the Plan that can inform both financial preparation and future decision making. This assessment would enable us to work with the Board to highlight and illustrate particular risks or potential future outcomes they may be interested in discussing and could include scenario testing, sensitivity testing, stress testing and stochastic modeling. As noted in the valuation highlights section of this report, the results of our more detailed risk assessment through the June 30, 2020 valuation date was provided in a separate stand-alone report dated April 29, 2021. That report included investment return scenarios that demonstrated the effects of short-term market volatility on funded status and contribution rates, which may aid in illustrating the effect on the plan of market volatility that can result from events such as COVID-19.

This section provides descriptions and basic assessments of the primary risks that are likely to have an ongoing influence on the Plan's financial health, as well as a discussion of historical trends and maturity measures:

Risk Assessments

- Asset/Liability Mismatch Risk (the potential that future plan experience does not affect asset and liability values in the same way, causing them to diverge)

The most significant asset/liability mismatch risk to the Plan is investment risk, as discussed below. In fact, investment risk has the potential to impact asset/liability mismatch in two ways. The first mismatch is evident in annual valuations: when asset values deviate from assumptions, they are typically independent from liability changes. The second mismatch can be caused when systemic asset deviations from assumptions may signal the need for an assumption change, which causes liability values and contribution rates to move in the opposite direction from any changes in the expected experience of asset growth rates.

Asset/liability mismatch can also be caused by demographic assumption risk such as longevity, which affects liabilities but have no impact on asset levels. This risk is also discussed below.

- Investment Risk (the risk that investment returns will be different than expected)

The investment return assumption is a long-term, static assumption for valuation purposes even though in reality market experience can be quite volatile in any given year. That volatility can cause significant changes in the financial condition of the Plan, affecting both

Section 2: Actuarial Valuation Results

funded status and contribution rates. The inherent year-to-year volatility is reduced by smoothing through the Actuarial Value of Assets, however investment experience can still have a sizable impact. As discussed in *Section 2, Subsection I, Volatility Ratios*, on page 36, a 1% asset gain or loss (relative to the assumed investment return) translates to about 10.1% of one-year's payroll. Since actuarial gains and losses are amortized over 20 years, there would be a 0.7% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The year-by-year market value rate of return over the last 10 years has ranged from a low of 0.92% to a high of 26.61%.

- Longevity Risk (the risk that mortality experience will be different than expected)

The actuarial valuation includes current life expectancy assumptions and an expectation of future improvement in life expectancy, which are significant assumptions given the relatively long duration of liabilities for pension plans. Emerging plan experience that does not match these expectations will result in increases or decreases in the actuarially determined contribution over time. This risk can be reduced by using tables appropriate for the Plan (public experience tables) that are weighted by benefit levels, and by using generational mortality projections. Effective with the June 30, 2020 valuation, the Board adopted mortality tables based on public plan experience that are weighted by benefits and include generational mortality projections.

- Other Risks

In addition to longevity, the valuation includes a variety of other assumptions that are unlikely to match future experience exactly. One example is projected salary scales over time. As salary is central to the determination of benefits paid in retirement, deviations from the projected salary scales could have a material impact on the benefits anticipated for each member. Examples of demographic assumptions include retirement, termination and disability assumptions, and will likely vary in significance for different pension plans.

Some plans also carry significant contribution risk, defined as the potential for actual future contributions deviating from expected future contributions. However, the employer has a proven track-record of making at least the Actuarially Determined Contributions based on the Board's Actuarial Funding Policy, so contribution risk is minimal.

Evaluation of Historical Trends

Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:

- The funded percentage on the Valuation Value of Assets basis has increased from 65.6% to 78.5%. This is primarily due to contributions made to amortize the UAAL under the Board's actuarial funding policy. For a more detailed history see *Section 2, Subsection G, Funded Status* starting on page 33.

Section 2: Actuarial Valuation Results

- The average geometric investment return on the Actuarial Value of Assets over the most recent 10-year period was 8.35%. This includes a high of a 10.71% return and a low of 6.16%. The average over the last 5 years was also 8.35%. For more details see the Investment Return table in *Section 2, Subsection C* on page 24.
- The primary source of new UAAL was the strengthening of assumptions through multiple assumption changes. For example, the assumption changes in:
 - 2012 included a change in the discount rate from 8.00% to 7.75% and a strengthening of the mortality assumption, adding \$53.4 million in unfunded liability;
 - 2016 included a change in the discount rate from 7.50% to 7.25%, adding \$52.6 million in unfunded liability;
 - 2018 included a change in the discount rate from 7.25% to 7.00%, adding \$12.5 million in unfunded liability; and
 - 2020 included the use of amount-weighted mortality tables projected generationally to better reflect future mortality improvement, adding \$104.8 million in unfunded liability.

For more details on unfunded liability changes see *Section 3, Exhibit G, Table of Amortization Bases* starting on page 50. A graphical representation of historical changes in UAAL by source will be included in the stand-alone risk assessment report.

- The plan's funding policy effectively deals with these unfunded liabilities over time.¹ This can be seen most clearly in the *Section 3, Exhibit H, Projection of UAAL Balances and Payments* provided on pages 52 and 53.

Maturity Measures

In the last 10 years the ratio of retired members and beneficiaries to active members has increased from 0.80 to 1.04. An increased ratio indicates that the plan has grown in maturity over time. This is to be expected, but is also informative for understanding plan sensitivity to particular risks. For more details see *Section 2, Subsection A, Member Data* on page 15.

As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities. For the prior year, benefits paid were \$20.5 million more than contributions received.² Plans with high levels of negative cash flows may have a need for a larger allocation to income generating assets, which can create a drag on investment return. However, this plan currently has relatively low levels of negative cash flows. For more details on historical cash flows see the Comparison of Contributions Made with Benefits in *Section 2, Subsection B* on page 19. A further discussion of plan maturity measures and how they relate to changes in assets and liabilities is included in *Section 2, Subsection I, Volatility Ratios* on page 36.

¹ In addition, during the last ten years, the Board had on four occasions elected to continue to carry over the higher employer contribution rates in a previous valuation even though the employer contribution rates would have come down in the absence of such action. The Board made that election for the purpose of accelerating the payment of the UAAL.

² Under the Retirement Board's actuarial funding policy, current assets plus the present value of future (employer and member) contributions will always be equal to the present value of benefits expected to be paid by the System. Based on the understanding that the present value of future contributions includes both the amounts required to pay the ongoing normal cost and any unfunded liabilities, it appears that the minimum contribution limit pursuant to Section 12335 of the Public Utilities Code does not apply.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage

Total Plan

Category	Year Ended June 30		Change From Prior Year
	2021	2020	
Active members in valuation:			
• Number	1,896	1,903	-0.4%
• Average age	47.4	47.3	0.1
• Average years of service	11.6	11.7	-0.1
• Total projected compensation	\$224,391,553	\$224,411,694	0.0%
• Average projected compensation	\$118,350	\$117,925	0.4%
• Account balances	\$225,481,306	\$213,966,904	5.4%
• Total active vested members	1,319	1,286	2.6%
Inactive vested members:			
• Number ¹	327	312	4.8%
• Average Age	48.9	49.0	-0.1
Retired members:			
• Number in pay status	1,588	1,534	3.5%
• Average age	70.4	70.2	0.2
• Average monthly benefit	\$5,919	\$5,763	2.7%
Disabled members:			
• Number in pay status	53	54	-1.9%
• Average age	66.9	65.8	1.1
• Average monthly benefit	\$2,412	\$2,304	4.7%
Beneficiaries:			
• Number in pay status	336	317	6.0%
• Average age	73.0	73.4	-0.4
• Average monthly benefit	\$3,273	\$3,034	7.9%

¹ Includes inactive members due a refund of member contributions.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

1955/1980 Plan

Category	Year Ended June 30		Change From Prior Year
	2021	2020	
Active members in valuation:			
• Number	1,023	1,105	-7.4%
• Average age	52.6	52.3	0.3
• Average years of service	18.0	17.5	0.5
• Total projected compensation	\$132,857,022	\$142,176,689	-6.6%
• Average projected compensation	\$129,870	\$128,667	0.9%
• Account balances	\$191,990,994	\$189,095,552	1.5%
• Total active vested members	976	1,042	-6.3%
Inactive vested members:			
• Number ¹	213	217	-1.8%
• Average Age	52.2	51.8	0.4
Retired members:			
• Number in pay status	1,585	1,532	3.5%
• Average age	70.4	70.2	0.2
• Average monthly benefit	\$5,929	\$5,770	2.8%
Disabled members:			
• Number in pay status	53	54	-1.9%
• Average age	66.9	65.8	1.1
• Average monthly benefit	\$2,412	\$2,304	4.7%
Beneficiaries:			
• Number in pay status	336	317	6.0%
• Average age	73.0	73.4	-0.4
• Average monthly benefit	\$3,273	\$3,034	7.9%

¹ Includes inactive members due a refund of member contributions.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

2013 Tier

Category	Year Ended June 30		Change From Prior Year
	2021	2020	
Active members in valuation:			
• Number	873	798	9.4%
• Average age	41.2	40.5	0.7
• Average years of service	4.2	3.6	0.6
• Total projected compensation	\$91,534,531	\$82,235,005	11.3%
• Average projected compensation	\$104,851	\$103,051	1.7%
• Account balances	\$33,490,312	\$24,871,352	34.7%
• Total active vested members	343	244	40.6%
Inactive vested members:			
• Number ¹	114	95	20.0%
• Average Age	42.6	42.6	0.0
Retired members:			
• Number in pay status	3	2	50.0%
• Average age	67.9	71.0	-3.1
• Average monthly benefit	\$741	\$594	24.7%
Disabled members:			
• Number in pay status	N/A	N/A	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit	N/A	N/A	N/A
Beneficiaries:			
• Number in pay status	N/A	N/A	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit	N/A	N/A	N/A

¹ Includes inactive members due a refund of member contributions.

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of June 30, 2021 by Age, Years of Service, and Average Projected Compensation

Total Plan

Age	Years of Service									
	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	11	11	—	—	—	—	—	—	—	—
	\$89,024	\$89,024	—	—	—	—	—	—	—	—
25 - 29	68	53	15	—	—	—	—	—	—	—
	100,138	96,893	\$111,605	—	—	—	—	—	—	—
30 - 34	219	141	72	6	—	—	—	—	—	—
	106,392	101,589	115,278	\$112,637	—	—	—	—	—	—
35 - 39	262	124	96	37	5	—	—	—	—	—
	110,066	98,544	117,052	124,895	\$151,930	—	—	—	—	—
40 - 44	262	82	94	51	28	7	—	—	—	—
	119,618	103,072	118,263	130,456	143,354	\$157,721	—	—	—	—
45 - 49	266	70	77	31	44	36	8	—	—	—
	120,019	105,899	118,435	128,225	132,550	125,390	\$133,927	—	—	—
50 - 54	268	44	46	38	53	34	38	15	—	—
	127,077	111,472	111,642	128,890	127,501	133,616	141,196	\$163,512	—	—
55 - 59	281	36	42	37	48	41	46	22	9	—
	127,127	110,570	116,426	129,152	130,743	132,010	132,241	136,168	\$145,206	—
60 - 64	166	13	29	19	29	23	23	22	6	2
	121,161	104,248	112,199	130,563	121,898	122,058	126,820	115,430	148,437	\$166,825
65 - 69	74	3	5	9	13	11	10	8	8	7
	122,312	83,354	95,819	116,976	120,400	108,863	149,372	118,927	130,576	145,247
70 & over	19	—	2	1	4	6	5	1	—	—
	118,822	—	128,059	124,518	127,853	116,037	113,871	99,989	—	—
Total	1,896	577	478	229	224	158	130	68	23	9
	\$118,350	\$102,276	\$116,029	\$127,771	\$130,583	\$128,320	\$134,614	\$132,930	\$140,960	\$150,042

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of June 30, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

1955/1980 Plan

Age	Years of Service									
	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25 – 29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30 – 34	27	5	16	6	—	—	—	—	—	—
	\$119,849	\$112,960	\$124,706	\$112,637	—	—	—	—	—	—
35 – 39	80	9	29	37	5	—	—	—	—	—
	125,507	106,191	127,725	124,895	\$151,930	—	—	—	—	—
40 – 44	119	10	23	51	28	7	—	—	—	—
	134,520	117,864	132,956	130,456	143,354	\$157,721	—	—	—	—
45 – 49	155	6	30	31	44	36	8	—	—	—
	129,045	128,007	128,043	128,225	132,550	125,390	\$133,927	—	—	—
50 – 54	201	7	16	38	53	34	38	15	—	—
	133,847	145,067	116,962	128,890	127,501	133,616	141,196	\$163,512	—	—
55 – 59	223	8	12	37	48	41	46	22	9	—
	132,175	124,064	135,842	129,152	130,743	132,010	132,241	136,168	\$145,206	—
60 – 64	134	2	8	19	29	23	23	22	6	2
	124,782	113,530	123,765	130,563	121,898	122,058	126,820	115,430	148,437	\$166,825
65 – 69	67	—	1	9	13	11	10	8	8	7
	126,420	—	148,212	116,976	120,400	108,863	149,372	118,927	130,576	145,247
70 & over	17	—	—	1	4	6	5	1	—	—
	117,735	—	—	124,518	127,853	116,037	113,871	99,989	—	—
Total	1,023	47	135	229	224	158	130	68	23	9
	\$129,870	\$121,324	\$127,692	\$127,771	\$130,583	\$128,320	\$134,614	\$132,930	\$140,960	\$150,042

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of June 30, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

2013 Tier

Age	Years of Service									
	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	11	11	—	—	—	—	—	—	—	—
	\$89,024	\$89,024	—	—	—	—	—	—	—	—
25 – 29	68	53	15	—	—	—	—	—	—	—
	100,138	96,893	\$111,605	—	—	—	—	—	—	—
30 – 34	192	136	56	—	—	—	—	—	—	—
	104,500	101,171	112,584	—	—	—	—	—	—	—
35 – 39	182	115	67	—	—	—	—	—	—	—
	103,279	97,946	112,432	—	—	—	—	—	—	—
40 – 44	143	72	71	—	—	—	—	—	—	—
	107,217	101,018	113,504	—	—	—	—	—	—	—
45 – 49	111	64	47	—	—	—	—	—	—	—
	107,416	103,827	112,303	—	—	—	—	—	—	—
50 – 54	67	37	30	—	—	—	—	—	—	—
	106,767	105,116	108,804	—	—	—	—	—	—	—
55 – 59	58	28	30	—	—	—	—	—	—	—
	107,720	106,714	108,660	—	—	—	—	—	—	—
60 – 64	32	11	21	—	—	—	—	—	—	—
	105,994	102,560	107,793	—	—	—	—	—	—	—
65 – 69	7	3	4	—	—	—	—	—	—	—
	82,992	83,354	82,721	—	—	—	—	—	—	—
70 & over	2	—	2	—	—	—	—	—	—	—
	128,059	—	128,059	—	—	—	—	—	—	—
Total	873	530	343	—	—	—	—	—	—	—
	\$104,851	\$100,587	\$111,438	—	—	—	—	—	—	—

Section 3: Supplemental Information

Exhibit C: Reconciliation of Member Data

	Active Members	Inactive Vested Members ¹	Retired Members	Disabled Members	Beneficiaries	Total
Number as of June 30, 2020	1,903	312	1,534	54	317	4,120
• New members	103	0	0	0	0	103
• Terminations – with vested rights	-24	24	0	0	0	0
• Contribution refunds	-7	-2	0	0	0	-9
• Retirements	-78	-12	90	0	0	0
• New disabilities	0	0	0	0	0	0
• Return to work	2	-2	0	0	0	0
• Died with or without beneficiary	-2	-1	-37	0	20 ²	-20
• Data adjustments	-1	8 ³	1	-1	-1	6
Number as of June 30, 2021	1,896	327	1,588	53	336	4,200

¹ Includes inactive members due a refund of member contributions.

² This is the net increase in the number of beneficiaries after subtracting the number of beneficiaries who died (18) during the year.

³ All 8 members were hired and terminated employment during fiscal 2020/2021.

Section 3: Supplemental Information

Exhibit D: Summary Statement of Income and Expenses on a Market Value Basis for all Pension Plan and HIB Plan Assets

	Year Ended June 30, 2021	Year Ended June 30, 2020
Net assets at market value at the beginning of the year	\$1,857,609,000	\$1,832,965,000
Contribution income:		
• Employer contributions	\$90,624,000	\$88,734,000
• Member contributions	<u>19,336,000</u>	<u>18,885,000</u>
Net contribution income	\$109,960,000	\$107,619,000
Investment income:		
• Interest, dividends and other income	\$26,504,000	\$32,691,000
• Asset appreciation	471,771,000	13,939,000
• Less investment and administrative fees	<u>(6,650,000)</u>	<u>(7,254,000)</u>
Net investment income	<u>\$491,625,000</u>	<u>\$39,376,000</u>
Total income available for benefits	\$601,585,000	\$146,995,000
Less benefit payments:		
• Benefits paid	\$(130,198,000)	\$(121,889,000)
• Refund of contributions	<u>(274,000)</u>	<u>(462,000)</u>
Net benefit payments	<u>\$(130,472,000)</u>	<u>\$(122,351,000)</u>
Change in net assets at market value	\$471,113,000	\$24,644,000
Net assets at market value at the end of the year	\$2,328,722,000	\$1,857,609,000

Note: Results may be slightly off due to rounding.

Section 3: Supplemental Information

Exhibit E: Summary Statement of Plan Assets

	June 30, 2021	June 30, 2020
Cash equivalents:	\$37,595,000	\$57,852,000
Accounts receivable:		
• Brokers, securities sold	\$189,000	\$475,000
• Employer and member contributions	3,015,000	2,730,000
• Interest and dividends	<u>4,325,000</u>	<u>4,707,000</u>
Total accounts receivable	\$7,529,000	\$7,912,000
Investments:		
• Equities	\$1,715,553,000	\$1,247,252,000
• Fixed income investments	460,008,000	463,388,000
• Real estate	113,913,000	95,649,000
• Securities lending collateral	157,933,000	80,731,000
• Other assets	<u>578,000</u>	<u>575,000</u>
Total investments at market value	<u>\$2,447,985,000</u>	<u>\$1,887,595,000</u>
Total assets	\$2,493,109,000	\$1,953,359,000
Accounts payable:		
• Accounts payable and accrued expenses	\$(2,609,000)	\$(2,396,000)
• Payables to brokers, securities purchased	(3,845,000)	(12,623,000)
• Securities lending collateral	<u>(157,933,000)</u>	<u>(80,731,000)</u>
Total accounts payable	\$(164,387,000)	\$(95,750,000)
Net assets at market value	<u>\$2,328,722,000</u>	<u>\$1,857,609,000</u>
Net assets at actuarial value	<u>\$2,097,712,454</u>	<u>\$1,914,278,036</u>
Net assets at valuation value (Pension Plan Only)	<u>\$2,045,502,995</u>	<u>\$1,868,917,204</u>

Note: Results may be slightly off due to rounding.

Section 3: Supplemental Information

Exhibit F: Development of the Fund through June 30, 2021 for all Pension Plan and HIB Plan Assets

Year Ended June 30	Employer Contributions	Member Contributions	Net Investment Return ¹	Benefit Payments	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2012	\$59,651,000	\$10,723,000	\$15,202,000	\$66,843,000	\$986,972,000	\$1,035,786,332	104.9%
2013	61,567,000	10,566,000	137,318,000	72,095,000	1,124,328,000	1,112,369,821	98.9%
2014	70,117,000	12,133,000	218,575,000	78,265,000	1,346,888,000	1,229,955,379	91.3%
2015	73,141,000	13,427,000	58,937,000	85,184,000	1,407,209,000	1,350,292,296	96.0%
2016	74,672,000	14,925,000	12,894,000	91,571,000	1,418,129,000	1,452,786,717	102.4%
2017	76,860,000	16,018,000	200,254,000	98,617,000	1,612,644,000	1,580,665,009	98.0%
2018	81,096,000	17,079,000	148,798,000	106,377,000	1,753,240,000	1,714,363,843	97.8%
2019	84,551,000	17,865,000	91,744,000	114,435,000	1,832,965,000	1,817,562,986	99.2%
2020	88,734,000	18,885,000	39,376,000	122,351,000	1,857,609,000	1,914,278,036	103.1%
2021	90,624,000	19,336,000	491,625,000	130,472,000	2,328,722,000	2,097,712,454	90.1%

¹ On a market value basis, net of investment fees and administrative expenses.

Section 3: Supplemental Information

Exhibit G: Table of Amortization Bases

Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ¹
Experience Gain	06/30/2000	\$(10,871,830)	30	\$(10,093,508)	9	\$(1,288,053)
Change in Assumptions	06/30/2000	8,629,891	30	8,012,073	9	1,022,437
Plan Amendments	06/30/2000	13,607,265	30	12,633,113	9	1,612,137
3.5% Retiree COLA Assumption	06/30/2000	27,057,441	30	25,120,384	9	3,205,662
Experience Loss	06/30/2001	2,292,281	30	2,231,925	10	260,690
Experience Loss	06/30/2002	26,232,251	30	26,522,330	11	2,863,699
Plan Amendments	06/30/2002	5,111,914	30	5,168,440	11	558,053
Experience Loss	06/30/2003	43,692,270	30	45,498,618	12	4,578,719
Plan Amendments	06/30/2003	67,138,578	30	69,914,249	12	7,035,768
Experience Loss	06/30/2004	32,731,232	30	34,866,138	13	3,292,763
New Assumption / Domestic Partners	06/30/2004	(9,812,646)	30	(10,452,681)	13	(987,153)
Experience Loss	06/30/2005	26,910,233	30	29,153,196	14	2,598,876
Remove Limit Pension Base	06/30/2005	27,315,928	30	29,458,211	14	2,626,067
Experience Loss	06/30/2006	14,160,133	30	15,523,825	15	1,312,855
Experience Gain	06/30/2007	(3,098,126)	30	(3,422,273)	16	(275,766)
Experience Gain	06/30/2008	(7,800,585)	30	(8,649,359)	17	(666,610)
Change in Assumptions	06/30/2008	51,413,374	30	57,007,623	17	4,393,606
Experience Loss	06/30/2009	114,894,458	30	127,452,320	18	9,426,669
Experience Loss	06/30/2010	3,039,098	30	3,362,782	19	239,403
Change in Assumptions	06/30/2010	8,098,499	30	8,961,043	19	637,953
Experience Loss	06/30/2011	4,428,038	30	4,877,914	20	335,154
Experience Gain	06/30/2012	(15,668,764)	20	(13,601,951)	11	(1,468,645)
Change in Assumptions	06/30/2012	53,400,521	25	53,677,351	16	4,325,307

¹ Beginning of year payment, reflecting level percentage of payroll.

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Exhibit G: Table of Amortization Bases (continued)

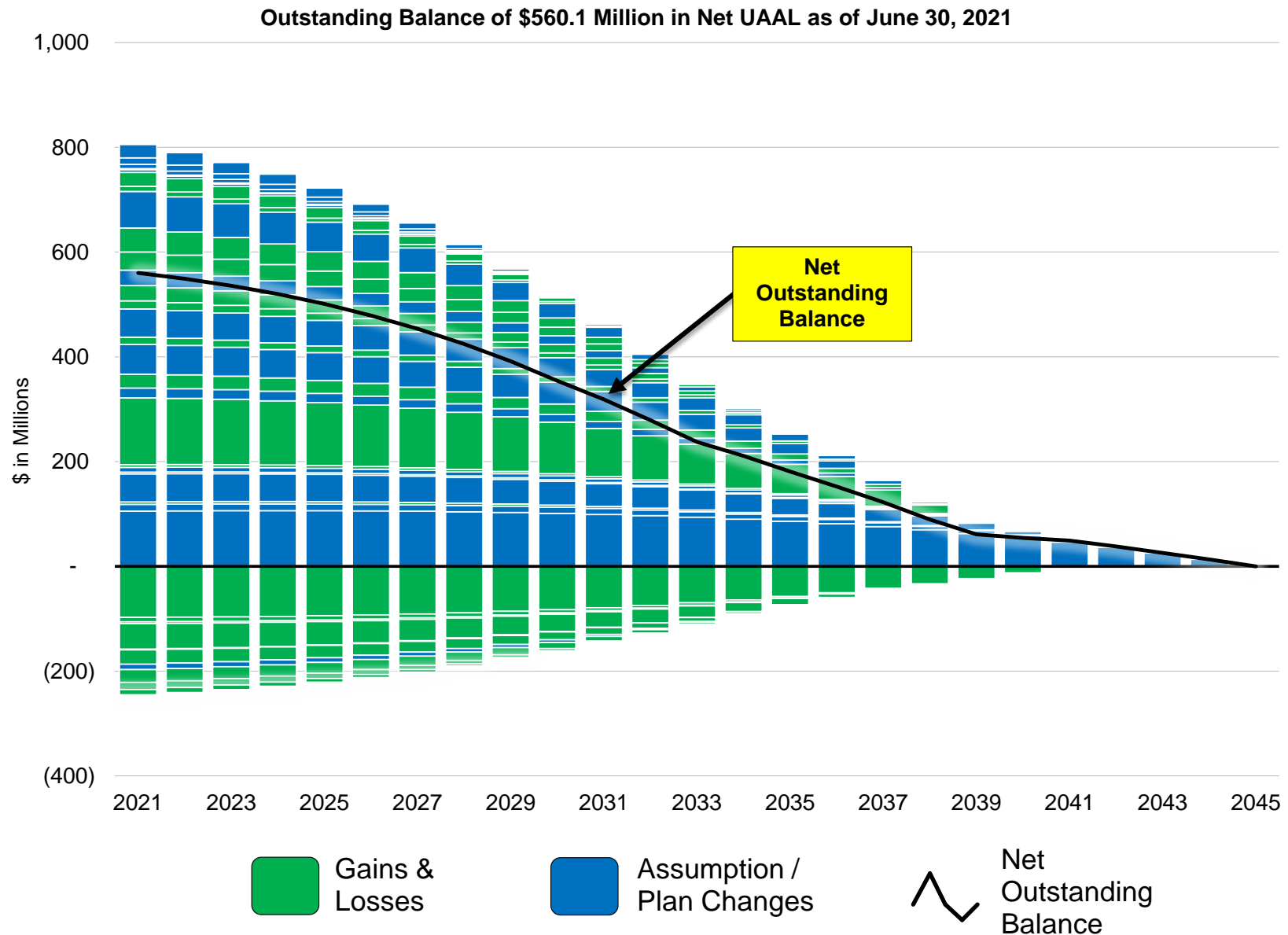
Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ¹
Experience Loss	06/30/2013	\$10,858,322	20	\$9,739,500	12	\$980,127
Experience Gain	06/30/2014	(26,406,581)	20	(24,306,268)	13	(2,295,488)
Change in Assumptions	06/30/2014	18,421,049	25	18,711,574	18	1,383,951
Experience Gain	06/30/2015	(28,955,525)	20	(27,256,906)	14	(2,429,830)
Experience Gain	06/30/2016	(1,408,751)	20	(1,349,423)	15	(114,121)
Change in Assumptions	06/30/2016	52,595,760	25	53,600,990	20	3,682,837
Experience Gain	06/30/2017	(50,022,788)	20	(48,590,124)	16	(3,915,380)
Experience Loss	06/30/2018	14,053,082	20	13,789,970	17	1,062,800
Change in Assumptions	06/30/2018	12,484,391	25	12,663,419	22	816,103
Experience Loss	06/30/2019	26,728,885	20	26,470,377	18	1,957,810
Experience Loss	06/30/2020	5,281,313	20	5,262,734	19	374,664
Change in Assumptions	06/30/2020	104,813,640	25	105,490,062	24	6,427,103
Experience Gain	06/30/2021	(97,336,901)	20	<u>(97,336,901)</u>	20	<u>(6,687,860)</u>
Total				\$560,110,767		\$46,882,307

Note: The equivalent single amortization period is about 15 years.

¹ Beginning of year payment, reflecting level percentage of payroll.

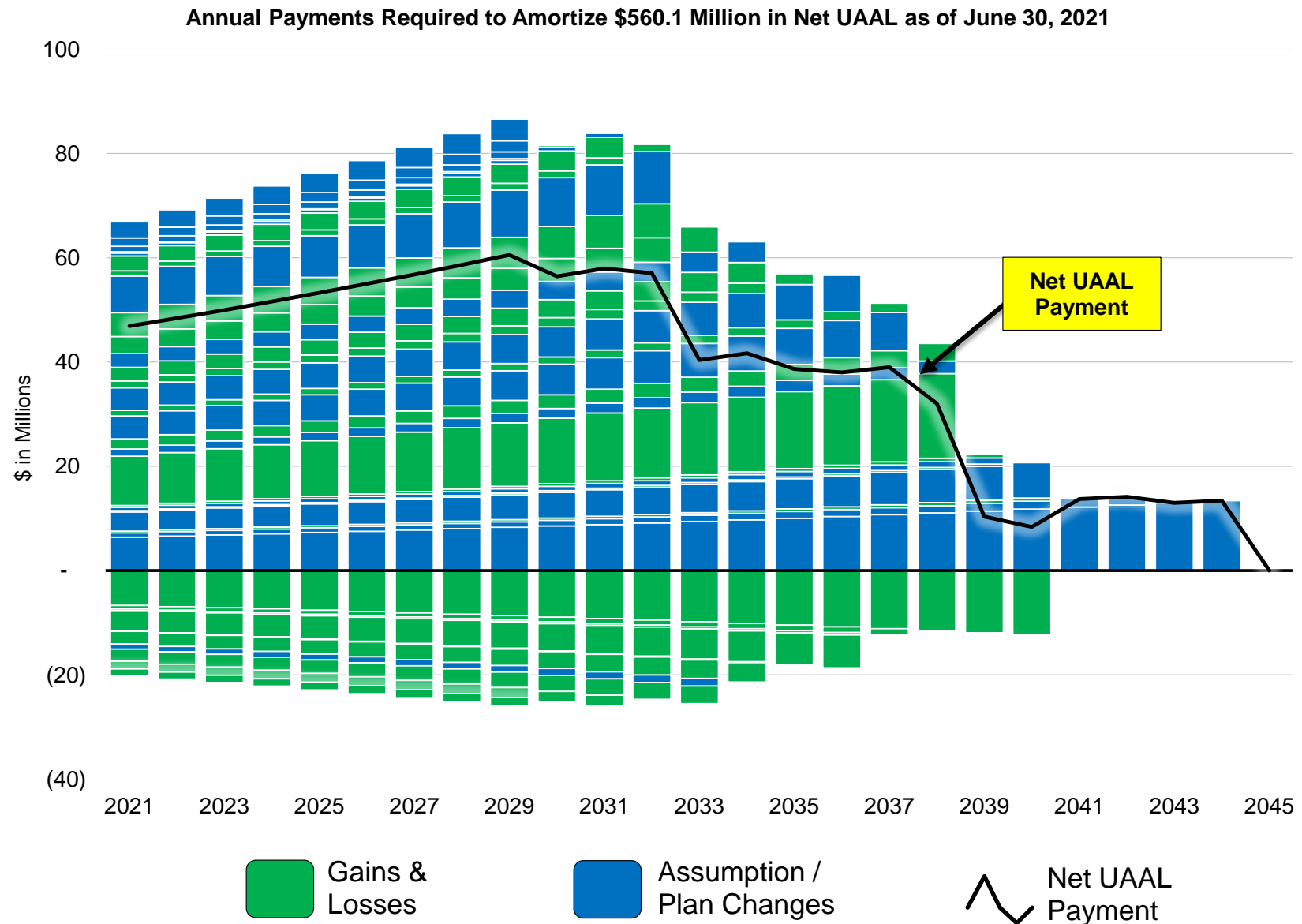
Section 3: Supplemental Information

Exhibit H: Projection of UAAL Balances and Payments



Section 3: Supplemental Information

Exhibit H: Projection of UAAL Balances and Payments (continued)



Section 3: Supplemental Information

Exhibit I: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Actuarial Accrued Liability for Actives:	The equivalent of the accumulated Normal Costs allocated to the years before the Valuation Date.
Actuarial Accrued Liability for Pensioners and Beneficiaries:	The single-sum value of lifetime benefits to existing pensioners and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial Cost Method:	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the Actuarially Determined Contribution.
Actuarial Gain or Loss:	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings have been forecasted. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield in actuarial liabilities that are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.
Actuarially Equivalent:	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV):	<p>The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is:</p> <p>Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)</p> <p>Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and</p> <p>Discounted according to an assumed rate (or rates) of return to reflect the time value of money.</p>

Section 3: Supplemental Information

Actuarial Present Value of Future Plan Benefits:	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Plan Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation:	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB, such as the Actuarially Determined Contribution (ADC) and the Net Pension Liability (NPL).
Actuarial Value of Assets (AVA):	The value of the Fund's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the ADC.
Actuarially Determined:	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.
Actuarially Determined Contribution (ADC):	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization Method:	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization Payment:	The portion of the pension plan contribution, or ADC, that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Section 3: Supplemental Information

Assumptions or Actuarial Assumptions:	<p>The estimates upon which the cost of the Fund is calculated, including:</p> <p><u>Investment return</u> - the rate of investment yield that the Fund will earn over the long-term future;</p> <p><u>Mortality rates</u> - the death rates of employees and pensioners; life expectancy is based on these rates;</p> <p><u>Retirement rates</u> - the rate or probability of retirement at a given age or service;</p> <p><u>Disability rates</u> - the probability of disability retirement at a given age;</p> <p><u>Withdrawal rates</u> - the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement;</p> <p><u>Salary increase rates</u> - the rates of salary increase due to inflation and productivity growth.</p>
Closed Amortization Period:	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc. See Open Amortization Period.
Decrements:	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined Benefit Plan:	A retirement plan in which benefits are defined by a formula applied to the member's compensation and/or years of service.
Defined Contribution Plan:	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer Normal Cost:	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience Study:	A periodic review and analysis of the actual experience of the Fund that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified as deemed appropriate by the Actuary.
Funded Ratio:	The ratio of the Actuarial Value of Assets (AVA) to the actuarial accrued liability (AAL). Plans sometimes calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the AVA.
Investment Return:	The rate of earnings of the Fund from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

Section 3: Supplemental Information

Normal Cost:	That portion of the Actuarial Present Value of pension plan benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment with respect to an Unfunded Actuarial Accrued Liability is not part of Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of employee contributions and employer Normal Cost unless otherwise specifically stated.
Open Amortization Period:	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period with level percentage of payroll is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never decrease, but will become smaller each year, in relation to covered payroll, if the actuarial assumptions are realized.
Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus.
Valuation Date or Actuarial Valuation Date:	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Plan Benefits is determined. The expected benefits to be paid in the future are discounted to this date.
Valuation Value of Assets:	The Actuarial Value of Assets reduced by the value of non-valuation reserves.

Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial Assumptions and Methods

Rationale for Assumptions:	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2020 Actuarial Experience Study report dated November 12, 2020. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both tiers. These assumptions were adopted by the Board.
<u>Economic Assumptions:</u>	
Net Investment Return:	7.00%; net of administrative and investment expenses. Based on the Actuarial Experience Study referenced above, expected administrative and investment expenses represent about 0.34% of the average Market Value of Assets.
Employee Contribution Crediting Rate:	7.00%, compounded semi-annually.
Consumer Price Index (CPI) and Cost of Living Adjustment (COLA):	CPI increase of 2.75% per year. Retiree COLA increases of 2.75% per year. For members with a sufficient COLA bank, withdrawals from the bank can be made to increase the retiree COLA up to 3.00% per year.
Payroll Growth:	Inflation of 2.75% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the Unfunded Actuarial Accrued Liability as a level percentage of payroll.
Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:	Increase of 2.75% per year from the valuation date.
Increase in California Government Code Section 7522.10 Compensation Limit:	Increase of 2.75% per year from the valuation date.

Section 4: Actuarial Valuation Basis

Salary Increases:

The annual rate of compensation increase includes: inflation at 2.75%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Merit and Promotion Increases	
Time from Hire (Years)	Rate (%)
Less than 1	6.25
1 – 2	6.00
2 – 3	5.00
3 – 4	3.75
4 – 5	2.50
5 – 6	1.50
6 – 7	1.25
7 – 8	1.25
8 – 9	1.00
9 – 10	1.00
10 & Over	0.75

Demographic Assumptions:

Post-Retirement Mortality Rates:

Healthy Members:

- Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Disabled Members:

- Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020

Beneficiaries:

- Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2020

The Pub-2010 mortality tables and adjustments as shown above reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Section 4: Actuarial Valuation Basis

Pre-Retirement Mortality Rates:

Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables, projected generationally with the two-dimensional mortality improvement scale MP-2020

Age	Rate (%)	
	Male	Female
20	0.04	0.01
25	0.02	0.01
30	0.03	0.01
35	0.04	0.02
40	0.06	0.03
45	0.09	0.05
50	0.13	0.08
55	0.19	0.11
60	0.28	0.17
65	0.41	0.27

Generational projections beyond the base year (2010) are not reflected in the above mortality rates.

Disability Incidence:

Age	Rate (%)
25	0.000
30	0.006
35	0.022
40	0.084
45	0.150
50	0.170
55	0.182
60	0.220
65	0.288

Disabilities rates are applicable after eight years of service.

Section 4: Actuarial Valuation Basis

Termination:

Less Than Five Years of Service

Years of Service	Rate (%)
Less than 1	6.75
1 – 2	4.25
2 – 3	4.00
3 – 4	3.50
4 – 5	2.50

Five or More Years of Service

Age	Rate (%)
25	2.34
30	2.24
35	2.14
40	2.04
45	1.85
50	1.60
55	1.35
60	1.10

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is present).

Section 4: Actuarial Valuation Basis

Retirement Rates:

Age	Rate (%)		
	1955/1980 Plan		
	Unreduced Pension ¹	Reduced Pension	2013 Tier
52	0.00	0.00	1.75
53	0.00	0.00	1.75
54	55.00	7.00	2.75
55	16.00	7.00	4.75
56	16.00	7.00	5.75
57	16.00	7.00	5.75
58	16.00	7.00	5.75
59	16.00	7.00	7.75
60	16.00	7.00	7.75
61	16.00	12.00	10.25
62	16.00	N/A ²	18.00
63	16.00	N/A	15.00
64	16.00	N/A	9.00
65	16.00	N/A	23.75
66	27.00	N/A	23.75
67	27.00	N/A	32.50
68	27.00	N/A	35.00
69	27.00	N/A	38.75
70 & Over	100.00	N/A	100.00

¹ For example, a 1955/1980 Plan member age 54 with 30 or more years of service would receive the full 2.60% per year of service accrual.

² For ages 62 and over, all 1955/1980 Plan members who are eligible for retirement receive the full 2.60% per year of service accrual.

Section 4: Actuarial Valuation Basis

Retirement Age for Inactive Vested Members:	59 1955/1980 Plan non-reciprocal members who are currently terminated with less than five years of service and are not vested are assumed to retire at age 65 if they decide to leave their contributions on deposit.										
Reciprocity:	15% of members who terminate with a vested benefit are assumed to enter a reciprocal system. For reciprocals, 4.00% compensation increases are assumed per annum.										
Future Benefit Accruals:	1.0 year of service per year of employment, plus 0.038 years of additional service to anticipate conversion of unused sick leave for each year of employment. As directed by EBMUDERS, this assumption has been applied to active members in the 1955/1980 Plan and the 2013 Tier.										
Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.										
Percent Married/Domestic Partnership:	For all active and inactive members, 85% of male members and 60% of female members are assumed to be married or with domestic partner at pre-retirement death or retirement.										
Age and Gender of Spouse/Domestic Partner:	For all active and inactive members, male members are assumed to have a female spouse who is 2 years younger than the member and female members are assumed to have a male spouse who is 3 years older than the member.										
Form of Payment:	<p>At retirement, members with spouses or domestic partners are assumed to elect the following form of payment (single members are assumed to elect the Unmodified option):</p> <table> <tr> <th>Form of Payment</th><th>Election Percentage</th></tr> <tr> <td>Unmodified or Option 1</td><td>50%</td></tr> <tr> <td>Option 2 (100% Continuance)</td><td>10%</td></tr> <tr> <td>Option 3 (50% Continuance)</td><td>20%</td></tr> <tr> <td>Option 4 (25% Continuance)</td><td>20%</td></tr> </table>	Form of Payment	Election Percentage	Unmodified or Option 1	50%	Option 2 (100% Continuance)	10%	Option 3 (50% Continuance)	20%	Option 4 (25% Continuance)	20%
Form of Payment	Election Percentage										
Unmodified or Option 1	50%										
Option 2 (100% Continuance)	10%										
Option 3 (50% Continuance)	20%										
Option 4 (25% Continuance)	20%										
Actuarial Funding Policy:											
Actuarial Cost Method:	Entry Age Cost Method. Entry Age is the age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation, as if the current benefit formula for each individual has always been in effect (i.e., "replacement life within a tier").										

Section 4: Actuarial Valuation Basis

Actuarial Value of Assets:	Market value of assets (MVA) less unrecognized returns in each of the last five years. Unrecognized returns are equal to the difference between the actual market returns and the expected returns on the market value, and are recognized over a five-year period. The actuarial value of assets (AVA) is limited by a 30% corridor; the AVA cannot be less than 70% of MVA, nor greater than 130% of MVA.
Valuation Value of Assets:	The proportion of the Actuarial Value of Assets allocated to the pension plan, based on the proportion of the MVA attributable to the pension plan.
Amortization Policy:	<p>Prior to July 1, 2011, the UAAL from plan changes, assumption changes, and experience gains/losses were amortized over separate decreasing 30-year periods.</p> <p>On or after July 1, 2011, any new UAAL resulting from plan changes are amortized over separate decreasing 15-year periods; assumption and method changes are amortized over separate decreasing 25-year periods; and experience gains/losses are amortized over separate decreasing 20-year periods.</p>
<u>Other Actuarial Methods:</u>	
Employer Contributions:	<p>Employer contributions consist of two components:</p> <p><i>Normal Cost</i></p> <p>The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earnings rate. The contribution rate is expressed as a level percentage of the member's compensation.</p> <p><i>Contribution to the Unfunded Actuarial Accrued Liability (UAAL)</i></p> <p>The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative UAAL) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the System) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual rate of 3.25% (i.e., 2.75% inflation plus 0.50% across-the-board salary increase).</p> <p>The amortization policy is described above.</p> <p>The recommended employer contributions are provided in <i>Section 2, Subsection F</i>.</p>

Section 4: Actuarial Valuation Basis

Member Contributions:

1955/1980 Plan Members

Employee contribution rates for 1955/1980 Plan members are prescribed in the Ordinance. Effective April 17, 2006, the rate of member retirement contributions is 6.83%, and 6.74% of that rate is allocated to pay pension benefits. The rest, or 0.09%, is used to pay HIB benefits. The Board of Directors may adjust the employee rates solely pursuant to the terms of a negotiated collective bargaining agreement or memorandum of understanding with employee bargaining units.

Based on bargaining unit contract negotiations in 2013, members are contracted to pay the following employee rates (as a percentage of pay) beginning April 22, 2013:

Effective Date	Member Rate		
	(a) Total	(b) HIB Plan	(c) = (a) – (b) Pension Plan
April 17, 2006 ⁽¹⁾	6.83% ¹	0.09%	6.74%
April 22, 2013	7.33%	0.09%	7.24%
April 21, 2014	7.83%	0.09%	7.74%
April 20, 2015	8.33%	0.09%	8.24%
April 18, 2016	8.75%	0.09%	8.66%

¹ Pursuant to the Ordinance.

2013 Tier Members

Pursuant to Section 7522.30(a) of the California Government Code, 2013 Tier members are required to contribute at least 50% of the Normal Cost rate. In addition, Section 7522.30(c) requires that the initial employee contribution rate be rounded to the nearest quarter of 1 percent, unless a greater contribution rate has been agreed to pursuant to Section 7522.30(e). In preparing the initial Normal Cost rates, we assumed that exactly 50% of the Normal Cost would be paid by the new members and we took into account only the requirements of Section 7522.30(c), but not requirements of Section 7522.30(e). In particular, the total Normal Cost rate of 17.56% was determined in the first CalPEPRA valuation, and this total rate has been used through the June 30, 2019 valuation to determine the 50% of the Normal Cost (rounded to one quarter of 1 percent) paid by the employees, or 8.75%.

Pursuant to Section 7522.30(d), each year we have compared the total Normal Cost rates between the current valuation and the initial CalPEPRA valuation since a rate increase (or decrease) of less than 1% of payroll would result in no change to the members' rate. Effective with the June 30, 2020 valuation, the total Normal Cost rate was determined to be 18.81%, which is a change of more than 1% of payroll compared to the rate of 17.56% that was determined in the first CalPEPRA valuation. This was the first time since the first CalPEPRA valuation that the change in the total Normal Cost rate has exceeded the 1% of payroll threshold.

Consequently, the member contribution rate for 2013 Tier members was increased to 9.41%, which is 50% of the total Normal Cost rate.

Section 4: Actuarial Valuation Basis

	<p>For the June 30, 2021 valuation, the 2013 Tier member contribution rate remains at 9.41% for the Pension Plan, because the total Normal Cost rate for this tier has remained within 1% of payroll of the new 18.81% threshold noted above.</p> <p>As stated in our Actuarial Experience Study Report dated November 12, 2020, once the 1% threshold has been exceeded an adjustment to the members' rate is required as was the case in the June 30, 2020 valuation. Upon consulting with the Retirement System, the final member contribution rate determined in that valuation was calculated without the quarter of 1 percent rounding based on the Retirement System's direction that the rounding does not apply after the initial calculation. However, the rate paid by the employee was rounded to the nearest one/one hundredth of one percent (two decimals) consistent with the rounding methods used throughout the June 30, 2020 valuation report to ensure that the employees would pay at least 50% of the Normal Cost.</p> <p>Accumulation for all members includes crediting of interest at the assumed investment earnings rate. The member contribution rates are provided in <i>Section 2, Subsection F</i>.</p>
Internal Revenue Code Section 415:	<p>Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.</p> <p>A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active members could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.</p> <p>In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of \$160,000 indexed for inflation. That limit is \$230,000 for 2021. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.</p> <p>Benefits for members in the non-CalPEPRA plan in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).</p> <p>Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.</p> <p>Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.</p>
Change in Actuarial Assumptions:	<p>There have been no changes in actuarial assumptions since the last valuation.</p>

Section 4: Actuarial Valuation Basis

Exhibit 2: Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	July 1 through June 30
Census Date:	June 30
Membership Eligibility:	
<i>1955/1980 Plan</i>	All employees who first become members before January 1, 2013.
<i>2013 Tier</i>	All employees who first become members on or after January 1, 2013.
Final Compensation for Benefit Determination:	
<i>1955/1980 Plan</i>	Highest two consecutive years of compensation earnable (FAS2).
<i>2013 Tier</i>	Highest thirty-six consecutive months of pensionable compensation (FAS3).
Compensation Limit:	
<i>1955/1980 Plan</i>	IRC Section 401(a)(17) compensation limit applies to all employees who began membership in EBMUDERS on or after January 1, 1996.
<i>2013 Tier</i>	\$128,059 for 2021
Service:	Years of service (Yrs) are generally based on a member's employment during a period of time in which retirement contributions are deducted from their compensation.
Normal or Unreduced Retirement Eligibility:	
<i>Age and Service Requirement</i>	
<i>1955/1980 Plan</i>	Age 65; Age 62 with 5 years of service; Age 59 with 20 years of service; Age 54 with 30 years of service; Other combinations of age and service between ages 54 and 59.
<i>2013 Tier</i>	Age 67 with 5 years of service (for unreduced benefit).

Section 4: Actuarial Valuation Basis

Early Retirement Eligibility:	
<i>Age and Service Requirement</i>	
1955/1980 Plan	Age 54 with 5 years of service.
2013 Tier	Age 52 with 5 years of service.
Benefit Formula:	
<i>1955/1980 Plan:</i>	
1955 Formula	2.42% (2.82% if member is credited with District Service on or after January 1, 2004) times Final Compensation per year of service including all service extension credit.
1955/80 Formula	2.42% (2.82% if member is credited with District Service on or after January 1, 2004) times Final Compensation per year of service up to August 1, 1980 including all service extension credit, plus 2.20% (2.60% if member is credited with District Service on or after January 1, 2004) times Final Compensation per year of service after August 1, 1980. Applies to members who elected to convert to the 1980 Formula in 1980.
1955/90 Formula	2.42% (2.82% if member is credited with District Service on or after January 1, 2004) times Final Compensation per year of service up to January 1, 2000 including all service extension credit, plus 2.20% (2.60% if member is credited with District Service on or after January 1, 2004) times Final Compensation per year of service after January 1, 2000. Applies to members who elected to convert to the 1980 Formula in 1989.
1980 Formula	2.20% (2.60% if member is credited with District Service on or after January 1, 2004) times Final Compensation per year of service including all service extension credit. Applies to all members hired on or after January 1, 1980.
Service Extension Credit	2.42% (2.82% if member is credited with District Service on or after January 1, 2004) for members with any service under the 1955 Formula or 2.20% (2.60% if member is credited with District Service on or after January 1, 2004) for members with service only under the 1980 Formula times Final Compensation per year of Service Extension Credit. Service extension credit is the number of unused sick leave days credited to a member at the time of retirement converted on a 260-day basis. The number of such days is then doubled for the benefit calculation and for service retirements to meet the early retirement provision of the Ordinance.
Benefit Adjustments	Reduced by 3% per year under the age of eligibility for an unreduced benefit, based on service at retirement, for retirements before age 63 (before age 62 commencing November 1, 2000). Effective July 1, 1999, Service Extension Credit is included in the years of service calculation of service for determining eligibility for unreduced retirement.

Section 4: Actuarial Valuation Basis

Benefit Formula: (continued)		
<i>2013 Tier:</i>	Retirement Age	Benefit Formula
	52	1.00% x FAS3 x Yrs
	55	1.30% x FAS3 x Yrs
	60	1.80% x FAS3 x Yrs
	62	2.00% x FAS3 x Yrs
	65	2.30% x FAS3 x Yrs
	67 & Over	2.50% x FAS3 x Yrs
Disability:		
<i>Eligibility</i>	Eight years of service (not available for Directors).	
<i>Benefit</i>	Greater of: 1.5% times Final Compensation per year of service. One-third of Final Compensation.	
Vesting:		
<i>Requirements</i>	Five years of service, must leave contributions on deposit, reciprocal service counts for vesting purposes.	
Pre-Retirement Death:		
<i>Eligibility</i>	Eligible for retirement.	
<i>Benefit</i>	50% of the unmodified service retirement benefit to eligible surviving spouse/surviving domestic partner plus the lump sum payment of accumulated retirement contributions OR	
<i>Eligibility</i>	None.	
<i>Benefit</i>	Lump sum payment of accumulated retirement contributions.	
Post-Retirement Death Benefit:	50% of the unmodified service retirement benefit to surviving spouse or registered domestic partner (tied to the implementation of the AB 205 legislation).	

Section 4: Actuarial Valuation Basis

Post-Retirement Cost of Living Benefits:

Payable July 1 of each year, the basic minimum COLA benefit is the lesser of 3% and the actual change in the cost of living index.

Excess of the actual change of cost of living index over 3% is accumulated in individual retiree COLA banks.

Withdrawals from the bank are made in years when the index increases less than 3%.

Increases of up to 5% are granted in years when the Retirement Board determines that the System is more than 85% funded on a Projected Benefit Obligation basis. In those years when the System is more than 85% funded and the cost of living index exceeds 5%, any excess cost of living over 5% is accumulated in the COLA bank.

Effective October 1, 2000, in those years when the system is more than 85% funded on a Projected Benefit Obligation basis and the cost of living is less than 4%, withdrawals from the bank are made to allow cost of living increases up to 4%.

Member Contributions:

1955/1980 Plan

Effective April 17, 2006, retirement system members contribute at a rate of 6.83% of pay, as prescribed in the Ordinance. Based on bargaining unit contract negotiations in 2013, members are contracted to pay the following employee rates (as a percentage of pay) beginning April 22, 2013:

Effective Date	Member Rate		
	(a) Total	(b) HIB Plan	(c) = (a) – (b) Pension Plan
April 17, 2006 ⁽¹⁾	6.83% ⁽¹⁾	0.09%	6.74%
April 22, 2013	7.33%	0.09%	7.24%
April 21, 2014	7.83%	0.09%	7.74%
April 20, 2015	8.33%	0.09%	8.24%
April 18, 2016	8.75%	0.09%	8.66%

⁽¹⁾ Pursuant to the Ordinance.

2013 Tier

Initial member contribution rate is set at 50% of the total 2013 Tier Normal Cost rate, rounded to the nearest quarter of 1%. Once established, the member contribution rate will be adjusted annually to reflect the change in the 2013 Tier Normal Cost rate, but only if the change is more than 1% of payroll.

Effective with the June 30, 2020 valuation, the member contribution rate for the Pension Plan is 9.41% of pay.

Changes in Plan Provisions:

There have been no changes in plan provisions since the last valuation.

Note: The summary of major plan provisions is designed to outline principal plan benefits as interpreted for purposes of the actuarial valuation. If the System should find the plan summary not in accordance with the actual provisions, the System should alert the actuary so they can both be sure the proper provisions are valued.

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East Bay Municipal Utility District Employees' Retirement System

Health Insurance Benefit Valuation

Review of Contribution Rates and Funding Status
as of June 30, 2021



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Segal

January 11, 2022

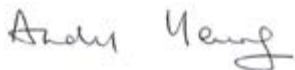
Ms. Sophia Skoda
Director of Finance
East Bay Municipal Utility District
375 Eleventh Street
Oakland, California 94607-4240

Dear Sophia:

We are pleased to submit our Health Insurance Benefit (HIB) Valuation as of June 30, 2021 for the prefunded \$450 (\$550 for a retiree with a spouse or EBMUD domestic partner) monthly health insurance subsidy. The Governmental Accounting Standards Board (GASB) requires employers, such as EBMUD, that pool health insurance premium rates for actives and retirees under age 65 to also calculate the liability associated with such pooled premiums for retirees under age 65 on an accrual basis. While that liability referred to as the implicit subsidy has to be disclosed, it is not required to be prefunded. The contribution rate developed in this report only includes the prefunding requirement for the \$450/\$550 benefit. The obligation required for financial disclosure purposes under GASB Statements No. 74 (plan reporting) and 75 (employer reporting) will be provided in separate reports.

This valuation is based on financial statements and census data furnished by East Bay Municipal Utility District Employees' Retirement System (EBMUDERS). The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, Enrolled Actuary. The health care trend and other related medical assumptions have been reviewed by Mary Kirby, FCA, FSA, MAAA. The undersigned are members of the American Academy of Actuaries and meet the qualification requirements to render the actuarial opinion contained herein.

Sincerely,
Segal



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary



Mary Kirby, FSA, MAAA, FCA
Senior Vice President and Consulting Actuary

JAC/mv

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Section 1: Actuarial Valuation Summary

Contribution Recommendations and Funding Status

- The adopted and recommended aggregate employer contribution rate from the June 30, 2020 valuation was 4.68%. The recommended aggregate employer rate is 4.66% based on the June 30, 2021 valuation. A reconciliation of the change in the employer's rate is provided in Section 2, Subsection E. We have maintained the allocation of 0.09% of the member contribution to the HIB plan used in last year's valuation.
- As shown in Section 2, Subsection E, the decrease in the recommended contribution rate is primarily due to the lower HIB subsidy projected net of some valuation program refinements we have made to this year's valuation to calculate the normal cost and higher than expected return on the valuation value of assets (after smoothing), offset somewhat by amortizing the prior year's UAAL over a smaller than expected payroll.
- The UAAL component of the District's contribution rate recommended in the June 30, 2021 valuation has been calculated with the layered amortization approach as explained in Section 2, Subsection A. In the aggregate, the total payment from all the UAAL layers was about the same as amortizing the entire UAAL over a period of about 10 years.
- The funded ratio measured on a valuation value of assets basis increased from 35.9% at June 30, 2020 to 42.4% at June 30, 2021. The funded ratio if measured on a market value of assets basis increased from 34.9% to 47.1%. The UAAL decreased from \$80.85 million as of June 30, 2020 to \$70.82 million as of June 30, 2021, primarily as a result of lower HIB subsidy projected and favorable investment experience.
- As indicated in Section 2, Subsection B of this report, the total unrecognized investment gain as of June 30, 2021 is \$231.0 million for the assets for the pension and HIB plans (note that in the previous valuation, this amount was a deferred loss of \$56.7 million). This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years. This implies that earning the assumed rate of investment return of 7.00% per year (net of expenses) on a market value basis will produce investment gains on the actuarial value of assets after June 30, 2021.

The deferred gains of \$231.0 million represent 9.9% of the market value of assets as of June 30, 2021. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$231.0 million market gain is expected to have an impact on the System's future funded percentage and contribution rate requirements. This potential impact may be illustrated as follows:

- If the HIB plan portion of the deferred gains were recognized immediately and entirely in the valuation value of assets, the funded percentage would increase from 42.4% to 47.1%.

Section 1: Actuarial Valuation Summary

- If the HIB plan portion of the deferred gains were recognized immediately and entirely in the valuation value of assets, the aggregate recommended employer rate would decrease from 4.66% to about 4.48% of payroll.
- This report assumes the HIB subsidy limit will remain at the current levels of \$450/\$550. Future increases in the HIB subsidy will increase the cost of the plan as a percent of pay.
- As noted above this actuarial valuation is based on plan assets as of June 30, 2021. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the Plan Year. Also, this valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after June 30, 2021. While it is impossible to determine how the pandemic will continue to affect market conditions prior to next year's valuation, Segal is available to prepare projections of potential outcomes upon request.

Section 1: Actuarial Valuation Summary

- The following tables summarize the contribution rate recommendations for the employer and the employee:

Employer	June 30, 2021		June 30, 2020	
	Total Rate ¹	Estimated Annual Amount ²	Total Rate ¹	Estimated Annual Amount ²
1955/1980 Plan	4.78%	\$6,354,000	4.79%	\$6,364,000
2013 Tier	4.48%	<u>4,104,000</u>	4.52%	<u>4,137,000</u>
Combined	4.66%	\$10,458,000	4.68%	\$10,501,000

Average Member	June 30, 2021		June 30, 2020	
	Total Rate ¹	Estimated Annual Amount ²	Total Rate ¹	Estimated Annual Amount ²
1955/1980 Plan	0.09%	\$120,000	0.09%	\$120,000
2013 Tier	0.09%	<u>82,000</u>	0.09%	<u>82,000</u>
Combined	0.09%	\$202,000	0.09%	\$202,000

The following table compares the valuation value of assets and liabilities for the Health Insurance Benefit as of June 30, 2021 and June 30, 2020:

	June 30, 2021	June 30, 2020
1. Valuation Value of Assets	\$52,209,459	\$45,360,832
2. Actuarial Accrued Liabilities:		
Current Recipients	88,450,609	90,916,549
Future Recipients	<u>34,576,547</u>	<u>35,297,028</u>
Total	\$123,027,156	\$126,213,577
3. Liabilities minus Valuation Value of Assets (2) – (1)	\$70,817,697	\$80,852,745
4. Funding Ratio (1) ÷ (2)	42.44%	35.94%

¹ Payable at the **end** of each pay period.

² Based on June 30, 2021 projected annual payroll of:

1955/1980 Plan	\$132,857,022
2013 Tier	<u>91,534,531</u>
Combined	\$224,391,553

Section 1: Actuarial Valuation Summary

Important Information about Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of an OPEB plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	This valuation is based on the market value of assets as of the valuation date, as provided by System. The System uses a “Actuarial Value of Assets” that differs from market value to gradually reflect year-to-year changes in the Market Value of Assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to health care plan trend and enrollment. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable.
Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The valuation is prepared at the request of the Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- If the Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Section 2: Actuarial Valuation Results

A. Introduction

Pursuant to Section 36 of the Ordinance, the Retirement Board is authorized to administer a Health Insurance Benefit (HIB) through an IRC Section 401(h) account. The HIB may be used for the payment of sickness, accident, hospitalization, and medical expenses as permitted under the IRC and as authorized by the Retirement Board. In particular, the Retirement Board has authorized the use of the HIB towards the payment of medical insurance premiums.

This report does not provide information required for disclosure under GASB Statements 74 and 75. Such information will be provided in separate reports.

In this valuation, we have used a layered amortization approach to determine the contribution rate to fund the Unfunded Actuarial Accrued Liability (UAAL). Plan changes, assumption changes, and experience gains/losses prior to July 1, 2011 are amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, plan changes are amortized over separate decreasing 15-year periods; assumption changes are amortized over separate decreasing 25-year periods; experience gains/losses and health assumption changes are amortized over separate decreasing 20-year periods. The above payments would continue to be expressed as a level percent of a growing payroll base.

The cost of the HIB is funded by both employer and employee contributions. The contribution rates for the employer are calculated to provide for the ongoing normal cost, plus any amounts necessary to fund any shortfall between the valuation value of assets and the actuarial accrued liabilities.

A summary of the Health Insurance Benefit provisions is displayed in Section 4, Exhibit II.

Section 2: Actuarial Valuation Results

B. Determination of Actuarial Value of Assets

To minimize volatility in the calculation of the Actuarially Determined Contribution, the Board has approved an asset valuation method that gradually adjusts to market value over a five-year period. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Determination of Actuarial Value of Assets for Year Ended June 30, 2021 (for pension and HIB plans)

1. Market value of assets:					
(a) Pension plan					\$2,270,763,000
(b) HIB plan					57,959,000
(c) Total					\$2,328,722,000
2. Calculation of unrecognized return:					
	Actual Return	Expected Return	Investment Gain / (Loss)	Percent Deferred	Deferred Return
(a) Year ended June 30, 2017	\$200,254,000	\$102,606,314	\$97,647,686	0%	\$0
(b) Year ended June 30, 2018	148,798,000	116,619,368	32,178,632	20%	6,435,726
(c) Year ended June 30, 2019	91,744,000	122,306,135	(30,562,135)	40%	(12,224,854)
(d) Year ended June 30, 2020	39,376,000	127,791,930	(88,415,930)	60%	(53,049,558)
(e) Year ended June 30, 2021	491,625,000	129,314,710	362,310,290	80%	<u>289,848,232</u>
(f) Total unrecognized return ¹					\$231,009,546
3. Preliminary actuarial value: (1c) - (2f)					\$2,097,712,454
4. Adjustment to be within 30% corridor of market value					0
5. Final actuarial value of assets for pension and HIB plans: (3) + (4)					\$2,097,712,454
6. Actuarial value as a percentage of market value: (5) ÷ (1c)					90.1%
7. Valuation value of HIB plan assets: (1b) ÷ (1c) x (5)					\$52,209,459

¹ Deferred return as of June 30, 2021 that will be recognized in each of the next four years (amounts may not total exactly due to rounding):

(a) Amount recognized on June 30, 2022	\$55,102,171
(b) Amount recognized on June 30, 2023	48,666,445
(c) Amount recognized on June 30, 2024	54,778,872
(d) Amount recognized on June 30, 2025	<u>72,462,058</u>
(e) Total unrecognized return as of June 30, 2021	\$231,009,546

Section 2: Actuarial Valuation Results

C. Funding Ratio

The funding of the Health Insurance Benefit comes from the following sources:

1. The valuation value of HIB assets, which equals \$52,209,459 as of June 30, 2021;
2. Contributions from the employer; and
3. Contributions from the employees.

The following table provides the funding status of the Health Insurance Benefit as of June 30, 2021 and June 30, 2020:

	June 30, 2021	June 30, 2020
1. Valuation Value of Assets	\$52,209,459	\$45,360,832
2. Actuarial Accrued Liabilities:		
Current Recipients	88,450,609	90,916,549
Future Recipients	<u>34,576,547</u>	<u>35,297,028</u>
Total	\$123,027,156	\$126,213,577
3. Liabilities minus Valuation Value of Assets (2) – (1)	\$70,817,697	\$80,852,745
4. Funding Ratio (1) ÷ (2)	42.44%	35.94%

The contribution requirements are determined based on the Entry Age Funding Method. The excess of the actuarial accrued liability over assets (Item 3 in the above table) is amortized as a level percentage of payroll for current active members. The employer contribution rates are derived on the following page.

Section 2: Actuarial Valuation Results

D. Recommended Contribution

The amount of annual contribution required to fund the HIB is comprised of a net employer normal cost payment and a payment on the unfunded actuarial accrued liability. This total amount is then divided by the projected payroll for active members to determine the contribution rate of 4.66% of payroll for this year's valuation compared to 4.68% of payroll recommended for last year's valuation.

Recommended Contribution (% of Payroll) Payable at End of Pay Period

	June 30, 2021			June 30, 2020		
	1955/1980 Plan	2013 Tier	Combined ¹	1955/1980 Plan	2013 Tier	Combined ¹
1. Total Normal Cost	1.14%	0.84%	1.02%	1.06%	0.79%	0.95%
2. Expected employee contributions	<u>0.09%</u>	<u>0.09%</u>	<u>0.09%</u>	<u>0.09%</u>	<u>0.09%</u>	<u>0.09%</u>
3. Employer normal cost: (1) - (2)	1.05%	0.75%	0.93%	0.97%	0.70%	0.86%
4. Unfunded actuarial accrued liability	<u>3.73%</u>	<u>3.73%</u>	<u>3.73%</u>	<u>3.82%</u>	<u>3.82%</u>	<u>3.82%</u>
5 Total recommended contribution, end of each pay period	4.78%	4.48%	4.66%	4.79%	4.52%	4.68%

¹ Based on June 30, 2021 projected annual payroll of:

1955/1980 Plan	\$132,857,022
2013 Tier	<u>91,534,531</u>
Combined	\$224,391,553

Section 2: Actuarial Valuation Results

E. Reconciliation of Recommended Employer Contribution

The chart below details the changes in the recommended employer contribution from the prior valuation to the current year's valuation.

	Contribution Rate
Average Recommended Employer Contribution Rate as of June 30, 2020	4.68%
Effect of actuarial experience during fiscal 2020/2021	
1. Effect of investment gain (after smoothing)	(0.04)%
2. Effect of lower than expected growth in total payroll	0.15%
3. Effect of one-year lag in implementing contribution rates	(0.01)%
4. Effect of lower than expected HIB subsidy net of some valuation program refinements to calculate normal cost	<u>(0.12)%</u>
Total change	(0.02)%
Average Recommended Employer Contribution Rate as of June 30, 2021	4.66%

Section 2: Actuarial Valuation Results

F. Table of Amortization Bases

Type	Date Established	Initial Years	Initial Amount	Outstanding Balance	Years Remaining	Annual Payment ¹
Initial HIB Base	6/30/1997	30	\$15,829,000	\$11,660,199	6	\$2,120,720
Combined Base	6/30/1998	30	(195,000)	(158,116)	7	(25,076)
Combined Base	6/30/1999	30	6,467,754	5,655,658	8	798,309
Combined Base	6/30/2000	30	5,543,694	5,146,814	9	656,795
Combined Base	6/30/2001	30	794,097	773,187	10	90,308
Combined Base	6/30/2002	30	18,413,242	18,616,859	11	2,010,121
Combined Base	6/30/2003	30	6,628,441	6,902,478	12	694,626
Combined Base	6/30/2004	30	1,942,176	2,120,765	13	200,285
Combined Base	6/30/2005	30	8,019,739	8,503,459	14	758,045
Combined Base	6/30/2006	30	(1,769,952)	(1,940,404)	15	(164,101)
Experience Loss	6/30/2007	30	2,878,105	3,179,233	16	256,182
Combined Base	6/30/2008	30	12,125,015	13,444,327	17	1,036,161
Combined Base	6/30/2009	30	(1,240,538)	(1,376,125)	18	(101,781)
Combined Base	6/30/2010	30	463,026	512,343	19	36,475
Combined Base	6/30/2011	30	(60,151)	(66,262)	20	(4,553)
Experience Gain	6/30/2012	20	(1,251,821)	(1,086,697)	11	(117,334)
Assumption Changes	6/30/2012	25	3,374,832	3,392,327	16	273,353
Experience Gain	6/30/2013	20	(1,155,658)	(1,036,581)	12	(104,316)
Experience Loss	6/30/2014	20	21,287	19,595	13	1,851
Assumption Changes	6/30/2014	25	2,555,790	2,596,099	18	192,013
Experience Gain	6/30/2015	20	(810,969)	(763,397)	14	(68,053)
Assumption Changes	6/30/2016	25	2,459,846	2,506,859	20	172,242
Experience Gain	6/30/2016	20	(1,569,600)	(1,503,497)	15	(127,151)
Assumption Changes	6/30/2017	25	(403,768)	(410,966)	21	(27,317)
Experience Gain	6/30/2017	20	(664,072)	(645,053)	16	(51,978)

¹ Beginning of year payment, reflecting level percentage of payroll.

Section 2: Actuarial Valuation Results

F. Table of Amortization Bases (continued)

Type	Date Established	Initial Years	Initial Amount	Outstanding Balance	Years Remaining	Annual Payment ¹
Experience Gain	6/30/2018	20	\$(2,295,237)	\$(2,252,263)	17	\$(173,583)
Assumption Changes	6/30/2018	25	2,931,560	2,973,598	22	191,636
Experience Gain	6/30/2019	20	(504,689)	(499,809)	18	(36,967)
Assumption Changes	6/30/2020	25	1,899,682	1,911,941	24	116,487
Experience Gain	6/30/2020	20	(542,065)	(540,158)	19	(38,455)
Experience Gain	6/30/2021	20	(6,818,716)	<u>(6,818,716)</u>	20	<u>(468,503)</u>
Total				\$70,817,697		\$8,096,441

Note: The equivalent single amortization period is about 10 years.

¹ Beginning of year payment, reflecting level percentage of payroll.

Section 3: Supplemental Information

Exhibit A: Summary of Participant Data

	June 30, 2021	June 30, 2020
Retired Members		
Number	1,532	1,508
Average age	70.5	70.2
Surviving Spouses		
Number	203	193
Average age	78.3	78.7
Eligible for Deferred Benefit		
Number ¹	327	312
Average age	48.9	49.0
Active Participants		
Number	1,896	1,903
Average age	47.4	47.3
Average years of service	11.6	11.7
Average expected retirement age	62.3	62.2

¹ Includes inactive members due a refund of Pension Plan member contributions.

Section 4: Actuarial Valuation Basis

Exhibit I: Actuarial Assumptions and Methods

Rationale for Assumptions: The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2020 Actuarial Experience Study report dated November 12, 2020 and the Retiree Health assumptions letter dated January 6, 2022. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both tiers.

Economic Assumptions

Net Investment Return: 7.00%, net of investment and administrative expenses.

Inflation: 2.75%

Across the Board Salary Increases: 0.50%

Payroll Growth: Inflation of 2.75% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the Unfunded Actuarial Accrued Liability as a level percentage of payroll.

Salary Increases: The annual rate of compensation Increase includes inflation at 2.75%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotional increases:

Years of Service	Rate (%)
Less than 1	6.25
1 – 2	6.00
2 – 3	5.00
3 – 4	3.75
4 – 5	2.50
5 – 6	1.50
6 – 7	1.25
7 – 8	1.25
8 – 9	1.00
9 – 10	1.00
10 & Over	0.75

Section 4: Actuarial Valuation Basis

Demographic Assumptions

Mortality:

Post-Retirement Healthy Members:

- Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Post-Retirement Disabled Members:

- Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Pre-Retirement:

- Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Tables, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Beneficiaries:

- Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2020

The Pub-2010 mortality tables and adjustments as shown above reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Disability Incidence:

Age	Rate (%)
25	0.000
30	0.006
35	0.022
40	0.084
45	0.150
50	0.170
55	0.182
60	0.220
65	0.288

Note: Disability rates are applicable after eight years of service.

Section 4: Actuarial Valuation Basis

Termination:

Less Than Five Years of Service

Years of Service	Rate (%)
Less than 1	6.75
1 – 2	4.25
2 – 3	4.00
3 – 4	3.50
4 – 5	2.50

Five or More Years of Service

Years of Service	Rate (%)
25	2.34
30	2.24
35	2.14
40	2.04
45	1.85
50	1.60
55	1.35
60	1.10

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is present).

Section 4: Actuarial Valuation Basis

Retirement:

Age	Rate (%)		
	1955/1980 Plan		2013 Tier
	Unreduced Pension ¹	Reduced Pension	
52	0.00	0.00	1.75
53	0.00	0.00	1.75
54	55.00	7.00	2.75
55	16.00	7.00	4.75
56	16.00	7.00	5.75
57	16.00	7.00	5.75
58	16.00	7.00	5.75
59	16.00	7.00	7.75
60	16.00	7.00	7.75
61	16.00	12.00	10.25
62	16.00	N/A ²	18.00
63	16.00	N/A	15.00
64	16.00	N/A	9.00
65	16.00	N/A	23.75
66	27.00	N/A	23.75
67	27.00	N/A	32.50
68	27.00	N/A	35.00
69	27.00	N/A	38.75
70 & Over	100.00	N/A	100.00

¹ For example, a 1955/1980 Plan member age 54 with 30 or more years of service would be eligible for an unreduced pension benefit.

² For ages 62 and over, all 1955/1980 Plan members who are eligible for retirement are eligible for an unreduced pension benefit.

Section 4: Actuarial Valuation Basis

Unknown Data for Participants:	Same as those exhibited by members are similar known characteristics. If not specified, members are assumed to be male.
Retirement Age for Inactive Vested Participants:	59
Percent Married/Domestic Partnership:	<p>For all active and inactive vested participants: 70% of male members and 35% of female members are assumed to elect spouse/domestic partner HIB coverage at retirement.</p> <p>For retired participants: Actual data included in census.</p> <p>Based on past practice this is not necessarily the same as the percent married/domestic partnership assumption used in the pension valuation. Some of those members may not elect HIB spouse/domestic partner coverage upon retirement due to the additional cost to the member.</p>
Age of Spouse/Domestic Partner:	For all active and inactive vested participants, male participants are assumed to have a female spouse who is 3 years younger than the participant and female participants are assumed to have a male spouse who is 2 years older than the participant.
Future Benefit Accruals:	<p>1.0 year of service per year.</p> <p>We have not applied the 0.038 years of additional service for each year of employment, applied in the pension valuation to anticipate conversion of unused sick leave, based on our understanding of the HIB plan provisions.</p>
<u>Actuarial Funding Policy</u>	
Actuarial Cost Method:	Entry Age Cost Method. Entry Age is the age at the member's hire date. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percentage of compensation. The Normal Cost is calculated on an individual basis where the Entry Age Normal Cost is calculated as the sum of the individual Normal Costs.
Actuarial Value of Assets:	Market value of assets (MVA) less unrecognized returns in each of the last five years. Unrecognized returns are equal to the difference between the actual market returns and the expected returns on the market value, and are recognized over a five-year period. The actuarial value of assets (AVA) is limited by a 30% corridor; the AVA cannot be less than 70% of MVA, nor greater than 130% of MVA.
Valuation Value of Assets:	The proportion of the Actuarial Value of Assets allocated to the HIB plan, based on the proportion of the MVA attributable to the HIB plan.
<u>Retiree Health Assumptions</u>	
Participation:	<p>95% of future eligible retirees are assumed to enroll in the HIB plan.</p> <p>All current pensioners and beneficiaries with a retiree health insurance cash subsidy were valued.</p> <p>For deferred vested members, we assume an election equal to 50% of the future retiree election percent.</p>

Section 4: Actuarial Valuation Basis

Average HIB Subsidy:

The enrollment percent of 70% is used to estimate the proportion of future retirees expected to participate in the EBMUD medical insurance plans (Kaiser, Blue Cross, Sutter Health Plus<65, and UHC Medicare Advantage PPO 65+). The difference between the 95% of all future retirees expected to be provided with an HIB subsidy and 70% (i.e. 25%) is what we used to anticipate future retirees who receive reimbursement for medical expenses through the HIB plan without being enrolled in an EBMUD medical insurance plan. The HIB subsidy may be used to defray any other allowed health benefits (e.g., Medicare Part B premiums, dental costs) in addition to medical premiums. For current retirees, we have used the HIB on record. For the expected 95% future retirees who received an HIB, we have assumed, based on the average HIB on record for current retirees at 100% vesting level, that:

- Retirees at 100% vesting level under age 65 with single HIB coverage will receive an average \$439 monthly benefit as of July 1, 2021,
- Retirees at 100% vesting level under age 65 with spouse HIB coverage will receive an average \$525 monthly benefit as of July 1, 2021,
- Retirees at 100% vesting level age 65 and over with single HIB coverage will receive an average \$445 monthly benefit as of July 1, 2021, and
- Retirees at 100% vesting level age 65 and over with spouse HIB coverage will receive an average \$544 monthly benefit as of July 1, 2021.

The maximum (100% vesting level) monthly HIB subsidy is \$450 for a retiree with single coverage and \$550 for a retiree with spouse/domestic partner coverage

Projected HIB Subsidy Increase:

We have projected the HIB medical benefit to increase with medical trend until it reaches the limits described in the Summary of Plan Provisions. The benefit limits are projected to remain unchanged at the current levels of \$450/\$550.

Section 4: Actuarial Valuation Basis

Health Care Cost Trend Rates:

Trend is to be applied to premium for shown fiscal year to calculate next fiscal year's projected premium.
First Fiscal Year (July 1, 2021 through June 30, 2022)

Plan	Rate (%)					
	Anthem Blue Cross PPO, Under Age 65	Sutter Health Plus HMO, Under Age 65	Kaiser HMO, Under Age 65	Kaiser Senior Advantage	Anthem Blue Cross Medicare Supplement / UHC Medicare Advantage PPO ¹	Anthem Cal Care HMO / UHC Medicare Advantage PPO ²
Trend to be applied to 2021-2022 Fiscal Year premium	1.09	7.05	5.45	-0.60	-15.81	-22.22

The fiscal year trend rates are based on the following calendar year trend rates:

Fiscal Year	Approximate Trend Rate (%)		Calendar Year	Trend Rate Applied to Calculate Following Year Premium (%)	
	Non-Medicare	Medicare		Non-Medicare	Medicare
2022-2023	7.375	6.375	2022	7.50	6.50
2023-2024	7.125	6.125	2023	7.25	6.25
2024-2025	6.875	5.875	2024	7.00	6.00
2025-2026	6.625	5.625	2025	6.75	5.75
2026-2027	6.375	5.375	2026	6.50	5.50
2027-2028	6.125	5.125	2027	6.25	5.25
2028-2029	5.875	4.875	2028	6.00	5.00
2029-2030	5.625	4.625	2029	5.75	4.75
2030-2031	5.375	4.500	2030	5.50	4.50
2031-2032	5.125	4.500	2031	5.25	4.50
2032-2033	4.875	4.500	2032	5.00	4.50
2033-2034	4.625	4.500	2033	4.75	4.50
2034 and later	4.500	4.500	2034	4.50	4.50

¹ Anthem Blue Cross Medicare Supplement for first 6 months of 2021-2022, then UHC Medicare Advantage PPO thereafter.

² Anthem Cal Care HMO for first 6 months of 2021-2022, then UHC Medicare Advantage PPO thereafter.

Section 4: Actuarial Valuation Basis

Medical Carrier Election			
	Medical Carrier	Non-Medicare Election (%)	Medicare Election (%)
	Kaiser	70	67
	Blue Cross ¹	25	27
	Sutter Health Plus < 65 / Anthem Cal Care 65+ ¹	5	6
	¹ Participants enrolled in Blue Cross Medicare Supplement Plan and Anthem Cal Care HMO are assumed to enroll in the UHC Medicare Advantage PPO plan in 2022.		
Assumption Changes Since Prior Valuation:	<p>The following assumptions were changed since the prior valuation:</p> <ul style="list-style-type: none"> • The average HIB subsidy for future retirees was updated. • The future trend for projecting medical costs below the subsidy limit were updated. 		

Section 4: Actuarial Valuation Basis

Exhibit II: Summary of Plan

This exhibit summarizes the major benefit provisions as included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions

Normal or Unreduced Retirement Eligibility:	
<i>1955/1980 Plan</i>	Age 65; Age 62 with 5 years of service; Age 59 with 20 years of service; Age 54 with 30 years of service; Other combinations of age and service between ages 54 and 59.
<i>2013 Tier</i>	Age 67 with 5 years of service (for unreduced benefit)
Early Retirement Eligibility:	
<i>1955/1980 Plan</i>	Age 54 with 5 years of service.
<i>2013 Tier</i>	Age 52 with 5 years of service.
Covered Members:	All members with at least 5 years of service.
Member Contribution Rate:	0.09%
Employer Contribution Rate:	100% of total cost net of the 0.09% rate paid by the employee.

Section 4: Actuarial Valuation Basis

Benefit Formula:

For members entering

For members entering the System prior to July 1, 1996, a monthly allowance of up to \$450 (\$550 for married retirees and retirees with EBMUD domestic partners) is paid to retirees with at least five years of full-time service to reimburse member-paid medical expenses.

For members entering the System after June 30, 1996, the members shall receive the full monthly allowance multiplied by the applicable percentage below based on years of full-time service.

Years of Full-time Service	Percent of HIB
Less than 5	0%
5-9	25%
10-14	50%
15-19	75%
20 or more	100%

An eligible surviving spouse/domestic partner may receive a Health Insurance Benefit of up to \$450 per month.

Changes in Plan Provisions:

None since the prior valuation.

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RESOLUTION NO. _____

ACCEPT THE EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES'
RETIREMENT SYSTEM ACTUARIAL VALUATIONS AND ADOPT THE PENSION
AND HEALTH INSURANCE BENEFIT EMPLOYER CONTRIBUTION RATES FOR
FISCAL YEAR 2023

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, pursuant to Section 22 of East Bay Municipal Utility District Ordinance No. 40, as amended, the Board of Directors shall cause to be made an actuarial valuation of the assets and liabilities of the pension and Health Insurance Benefit (HIB) funds and on the basis of such investigation and valuation shall make revisions to the contribution rates to the East Bay Municipal Utility District Employees' Retirement System (Retirement System) at least once in each two-year period; and

WHEREAS, the Retirement System's actuary, Segal, has prepared actuarial valuations for the pension plan and the HIB plan and has additionally prepared supplementary documentation based on measurement data through June 30, 2021; and

WHEREAS, Segal has determined in the actuarial valuations that the funded ratios of the pension plan and HIB plan are below one-hundred percent as of June 30, 2021, leading to unfunded liabilities in each plan; and

WHEREAS, the actuarial valuations have set forth recommended employer contribution rates for the coming fiscal year beginning July 1, 2022; and

WHEREAS, the recommended employer contribution rates in the valuations represent reductions in the contribution rates compared with the employer contribution rates currently in effect for Fiscal Year 2022; and

WHEREAS, a portion of the actuarially recommended employer contribution rates is intended to pay down the unfunded liabilities of each plan over time; and

WHEREAS, the East Bay Municipal Utility District Employees' Retirement System Retirement Board (Retirement Board) took action at its January 20, 2022 Retirement Board meeting to recommend that the Board of Directors adopt the employer contribution rates for Fiscal Year 2023 that, on a total percent of payroll basis, are equal to the employer contribution rates currently in effect for Fiscal Year 2022 in order to provide additional annual funding for the unfunded liabilities above that which is recommended in the actuarial valuations referenced in this Resolution;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors accepts the actuarial valuations dated June 30, 2021, for the pension plan and HIB plan prepared by the Retirement System's actuary, Segal.

BE IT FURTHER RESOLVED that the Board of Directors hereby adopts the following Employer Contribution Rates for the Fiscal Year beginning July 1, 2022, and ending June 30, 2023 (Fiscal Year 2023):

Employer Contribution Rates for Fiscal Year 2023		
	1955/1980 Plan	2013 Plan
Pension	42.37%	33.32%
HIB	4.79%	4.52%
Total	47.16%	37.84%

ADOPTED this 22nd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel



AGENDA NO. 10a.-10e.
MEETING DATE February 22, 2022

**TITLE FONTAINE PUMPING PLANT REPLACEMENT PROJECT – ADOPT FINAL
MITIGATED NEGATIVE DECLARATION AND PROJECT APPROVAL**

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

RECOMMENDED ACTION


- Adopt the Final Mitigated Negative Declaration (MND) for the Fontaine Pumping Plant Replacement Project (Project).
- Make findings in accordance with the California Environmental Quality Act (CEQA).
- Adopt the Mitigation Monitoring and Reporting Plan (MMRP) in accordance with CEQA.
- Adopt the Practices and Procedures Monitoring and Reporting Plan.
- Approve the Project.

SUMMARY

Fontaine Pumping Plant (PP), a 20 million gallon per day (MGD) PP, located at 8445 Ney Avenue, Oakland, will be replaced with a new 20 MGD PP and rate control station (RCS) on District-owned property at 9601 MacArthur Boulevard, Oakland, as shown on the attached Location Map. Approximately 4,750 feet of new 30-inch suction and discharge pipelines will be constructed to connect the new Fontaine PP and RCS to the distribution system. Upon completion and successful testing of the new Fontaine PP, pipelines, and RCS, the existing Fontaine PP will be demolished and approximately 2,100 feet of existing buried pipelines will be abandoned in place. The new Fontaine PP site design includes a residential design concept that utilizes building materials, colors, and features that blend the facility into the predominantly mixed use residential and commercial neighborhood, and will utilize trees, shrubs, and groundcover to improve the visual appearance of the property using drought-tolerant plants as shown on the attached Site and Landscape Plan. This Project was discussed at the October 12, 2021 Planning Committee meeting.

DISCUSSION

Fontaine PP was constructed in 1963 and is the primary supply to the Upper San Leandro (USL) Pressure Zone when the USL Water Treatment Plant (WTP) is out of service. The existing Fontaine PP is located in a landslide zone adjacent to the main trace of the Hayward fault and has limited capacity during high-demand periods. The Project will improve water service reliability by relocating the Fontaine PP outside of the active fault and landslide area and constructing a new RCS that can deliver water to other parts of

Funds Available: FY22; CIP #2001475; Page 37	Budget Coding: 524/2011754/2011766:13/ 7000224	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department Engineering and Construction	Department Director or Manager Olujimi O. Yoloje	Approved  General Manager
Attachment(s): Location Map; Site and Landscape Plan, Resolution		

the distribution system during planned and unplanned facility and pipeline outages. This Project supports the District's Long-Term Infrastructure Investment Strategic Plan goal.

Environmental Review Process/Public Outreach

A meeting was held with members of the East Oakland Collective in August 2018 during the early planning phase to provide an overview of the Project and District bidding and contracting process. Public meetings were held in June 2020 and in February 2021 to present the conceptual site and landscape plans, discuss the potential environmental factors to be addressed in the MND, and receive community input and feedback. Issues and concerns raised included aesthetics and site security which are addressed in the MND.

The District circulated the Draft MND for a minimum 30-day public comment period from October 14, 2021 to November 15, 2021. A Notice of Intent to Adopt the MND was sent to approximately 1,700 property owners and occupants near the Project facilities and responsible or trustee agencies, and was also posted on the District's Project website, filed with the Alameda County Clerk, and published in the East Bay Times. A public meeting was also held during the public comment period on October 27, 2021. No comments were received during the public meeting or following the end of the public comment period.

Draft MND Analysis and Mitigation Measures

The MND determined Project-related construction could potentially generate environmental impacts to aesthetics and transportation. Mitigation measures incorporated into the Project that would reduce impacts to less than significant levels include:

- Stationary lighting used during nighttime construction (if required) shall be shielded and directed downward or oriented such that the light source is not directed toward residential areas or into streets.
- A temporary pedestrian diversion shall be provided around any sidewalk obstruction to maintain the pedestrian path of travel along the sidewalk corridor on MacArthur Boulevard at the new PP site.
- The District shall coordinate with and obtain written approval from AC transit and OakDOT for the temporary relocation or closure of any bus stops along Golf Links Road and along MacArthur Boulevard.

The District will also incorporate a number of its standard construction specifications, District Procedures, Design Guides, and Engineering Standard Practices into the Project. These standard practices and procedures are designed to address typical characteristics of District construction projects and reflect generally applicable District standard operating procedures.

Public Notice

A Notice of Availability (NOA) of the Final MND was mailed on February 10, 2022 to responsible or trustee agencies and posted on the first floor of the District's Administration Building and to the Office of Planning and Research State Clearinghouse. Copies of the Final MND were made available at EBMUD's

Administration Building in Oakland and posted on the District’s website. Notice of the Board of Directors meeting was also included in the NOA for the Final MND.

Project Schedule

Design of the Project would take approximately 18 to 24 months, beginning in 2026, and construction of the new PP and demolition of the existing PP would take approximately two years, beginning in 2028.

SUSTAINABILITY

Economic

The estimated cost for design and construction of the Project is \$27 million. Funding of \$992,000 for the planning phase is available in the FY22 adopted capital budget for the West of Hills Master Plan Project. Funding for the design and construction phases will be considered as part of the associated budget development process.

Social

The District conducted several public meetings while preparing the MND to discuss the Project and solicit input. As part of the Project, the District will implement mitigation measures to reduce disruptions to local residents.

The District’s website features a Project page with information including the proposed schedule and Project-related documents. This page will be updated through construction.

Environmental

The MND identified and evaluated the potential environmental effects of the Project and included mitigation measures to lessen or eliminate adverse impacts to the environment. Potential aesthetic and transportation impacts are considered less than significant with implementation of mitigation measures.

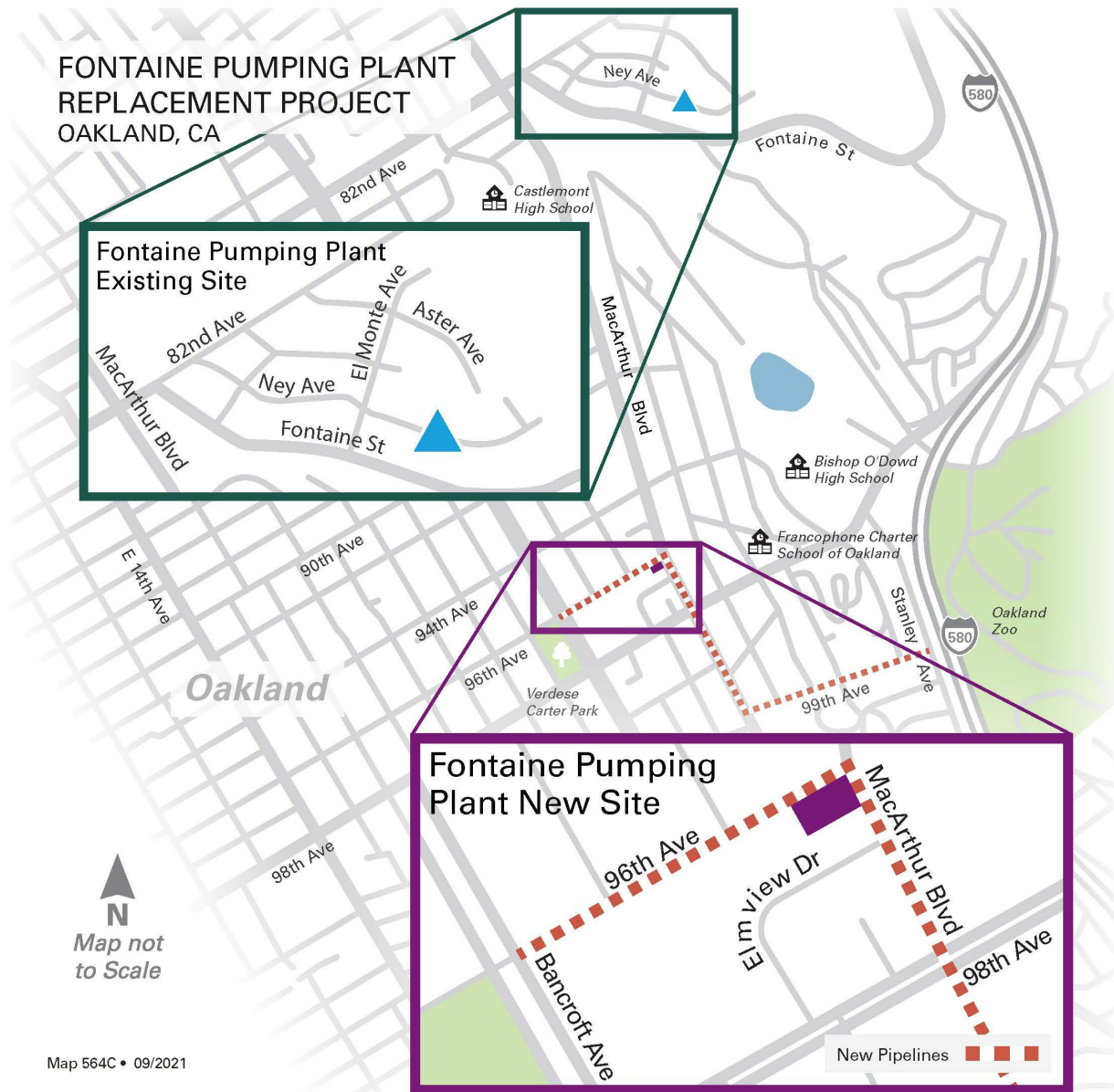
ALTERNATIVES

Do not adopt the Final MND or approve the Project. This alternative is not recommended because the Final MND meets all CEQA requirements.

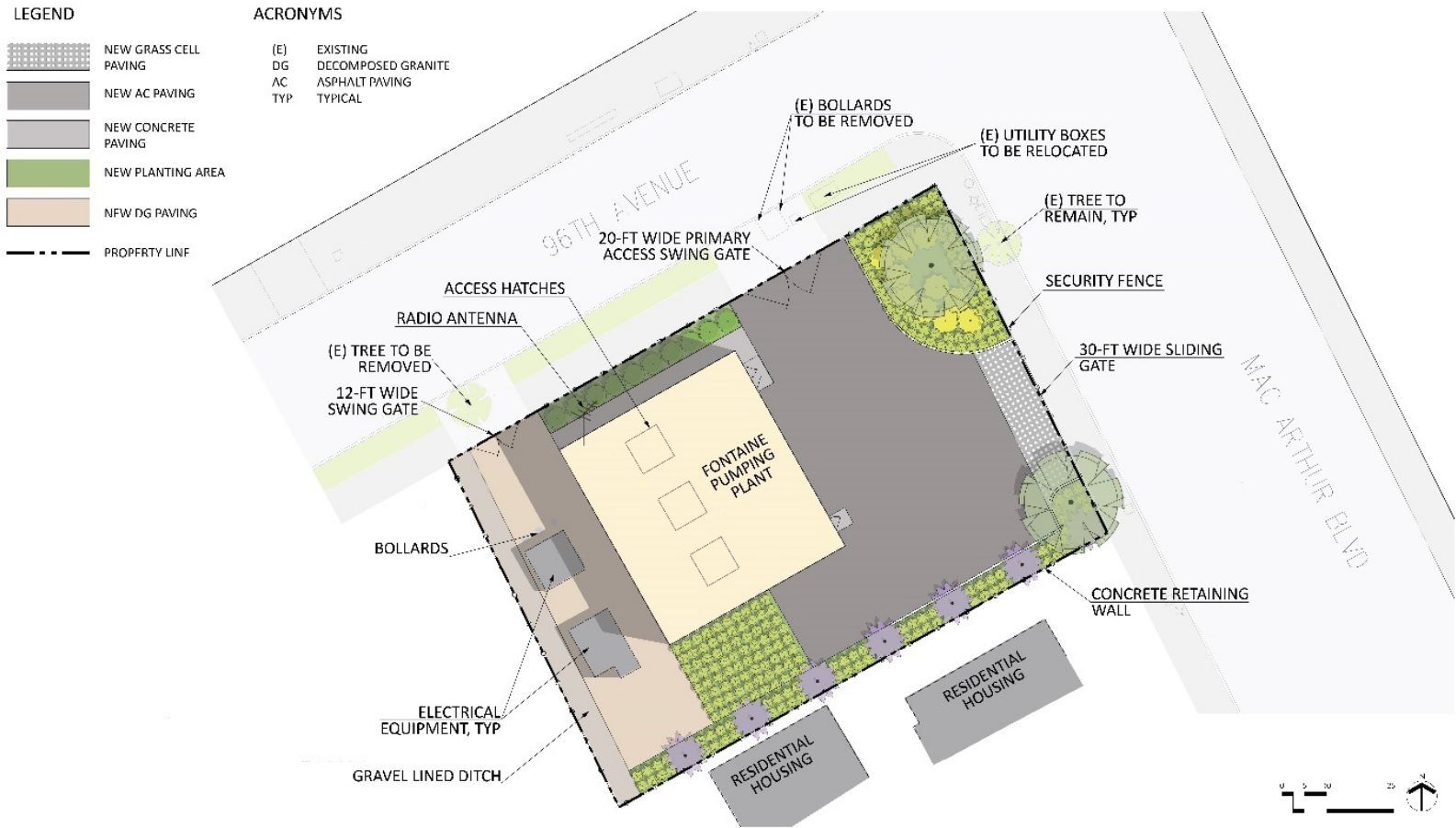
Do not proceed with the Project. This alternative is not recommended as this alternative does not satisfy the Project objectives.

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Attachment 1: Fontaine Pumping Plant Replacement Project Location Map



Attachment 2: Fontaine Pumping Plant Replacement Project Site and Landscape Plan



RESOLUTION NO. _____

ADOPTING THE MITIGATED NEGATIVE DECLARATION FOR THE FONTAINE
PUMPING PLANT REPLACEMENT PROJECT, MAKING FINDINGS, ADOPTING
THE MITIGATION MONITORING AND REPORTING PLAN AND PRACTICES
AND PROCEDURES MONITORING AND REPORTING PLAN, AND
APPROVING THE PROJECT

Introduced by Director

; Seconded by Director

WHEREAS, the East Bay Municipal Utility District (EBMUD) Fontaine Pumping Plant (Fontaine PP) is a 20 million gallon per day (MGD) pumping plant constructed in 1963; and

WHEREAS, the Fontaine PP is located in a deep-seated, historical landslide zone adjacent to the main trace of the Hayward Fault which results in associated suction and discharge pipelines being susceptible to damage by fault rupture and/or landslide; and

WHEREAS, the Fontaine PP has deficiencies, including: (1) being over 58 years old and near the end of its useful life; (2) having limited capacity during high demand periods due to inefficient pumps; (3) having obsolete electrical equipment, with no spare parts available; and (4) having an outdated ventilation system which results in high humidity in the building and contributes to corrosion found on welded steel piping; and

WHEREAS, to remedy these deficiencies, it is most-cost effective to replace the existing Fontaine PP with a new 20 MGD Fontaine PP on EBMUD-owned property at 9601 MacArthur Boulevard, Oakland, which will include a new 45-feet by 50-feet pumping plant building, roof-mounted antenna, security fencing around the property, outdoor transformer and switchgear electrical equipment, access gates, a combination of paving, decomposed granite, and open-cell pavers, and an assortment of low-maintenance and drought-tolerant landscaping; construction of a new rate control station (RCS) at the new Fontaine PP site; installation of approximately 4,750 feet of new 30-inch suction and discharge pipelines to connect the new Fontaine PP and RCS to the distribution system; abandoning approximately 2,100 feet of existing buried pipelines; and demolishing the existing Fontaine PP; collectively referred to as the Fontaine PP Replacement Project (Project); and

WHEREAS, EBMUD has incorporated into the Project requirements from its Standard Construction Specifications, Procedures, Engineering Standard Practices, and Pumping Plant Design Guide (EBMUD Practices and Procedures), as set forth in Appendix B to the Mitigated Negative Declaration (MND) and described throughout the MND when applicable; and

WHEREAS, these EBMUD Practices and Procedures are standardized practices and procedures applicable to all EBMUD projects, are not tailored to address specific impacts of the Project, reflect generally applicable EBMUD standard operating procedures, and as such have been properly incorporated into the Project itself rather than being imposed as mitigation measures under the California Environmental Quality Act (CEQA); and

WHEREAS, nonetheless, to ensure their implementation and to streamline monitoring thereof, the EBMUD Practices and Procedures have been incorporated into the “EBMUD Practices and Procedures Monitoring and Reporting Plan” (PPMRP) for the Project set forth in Appendix B to the MND; and

WHEREAS, EBMUD mailed public notices for a public outreach meeting to approximately 1,350 residences and property owners; and conducted the public outreach meeting on June 23, 2020, to discuss the Project and solicit input; and

WHEREAS, EBMUD mailed public notices extending the outreach comment period to July 31, 2020, to approximately 1,350 residences and property owners; and

WHEREAS, in accordance with CEQA, EBMUD as lead agency prepared an Initial Study for the Project analyzing whether any potentially significant environmental impacts would result from the Project; and

WHEREAS, the Initial Study determined that with the implementation of mitigation measures, the Project would not result in any potentially significant environmental impacts; and

WHEREAS, on October 14, 2021, the Draft MND for the Project was completed by EBMUD as lead agency and circulated for review and comment, with the comment period ending on November 15, 2021, in accordance with CEQA and applicable laws and regulations; and

WHEREAS, EBMUD provided a Notice of Intent (NOI) to adopt the MND to responsible or trustee agencies concerned with the Project, including the City of Oakland, the San Francisco Bay Regional Water Quality Control Board, the Bay Area Air Quality Management District, the California Department of Fish and Wildlife, and the U.S. Fish and Wildlife Service; and by direct postcard mailing to approximately 1,700 property owners and occupants near the Project facilities; and

WHEREAS, EBMUD also published the NOI in the East Bay Times, and provided the Draft MND for public review on the EBMUD website and at EBMUD’s administrative offices in downtown Oakland; and

WHEREAS, EBMUD also provided copies of the Draft MND for public review at the main Oakland Public Library; and

WHEREAS, the Draft MND public review period concluded on November 15, 2021; and

WHEREAS, EBMUD received no comments on the Draft MND; and

WHEREAS, given that there were no public comments on the Draft MND, responses to comments were not necessary and EBMUD made no revisions to the Draft MND, such that the Final MND for the Project is the same document as the October 14, 2021 Draft MND; and

WHEREAS, EBMUD sent a Notice of Availability of the Final MND to all affected local agencies on February 10, 2022; and

WHEREAS, EBMUD has prepared a detailed Mitigation Monitoring and Reporting Plan (MMRP) and PPMRP, attached hereto as Exhibits B and C and incorporated by this reference into the Resolution;

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

1. The above recitals are incorporated as if set forth herein.
2. The Final MND has been presented to the Board. The Board has reviewed and considered the information contained therein prior to approving the Project, and the Final MND reflects the Board's independent judgment and analysis.
3. All proceedings of the environmental review process, including preparation and circulation of the MND and all required notices, have been conducted and completed in accordance with CEQA, the CEQA Guidelines, and all other applicable laws, regulations, and procedures.
4. The potential environmental impacts of the Project are fully disclosed in the Final MND, and the Final MND is adequate for use by EBMUD for approval, design and construction of the Project.
5. The documents and materials constituting the record of the proceeding are located at EBMUD's administrative offices, 375-11th Street, Oakland, CA 94607. The custodian of these records is the Secretary of the District.
6. No substantial change in circumstances has occurred since preparation of the Final MND which would require substantial revisions to the Final MND or preparation of an Environmental Impact Report (EIR) due to the discovery or disclosure of new, significant impacts not covered in the Final MND or due to a determination that proposed mitigation measures would not reduce impacts to less-than-significant levels, and there is no requirement to recirculate the Final MND or prepare an EIR.
7. The Board makes the findings and determinations regarding the Project set forth in the Findings, attached hereto as Exhibit A. Exhibit A is hereby incorporated into this Resolution by this reference.
8. The Board hereby approves, adopts, and imposes the MMRP, attached hereto as Exhibit B and incorporated herein by this reference. The mitigation measures set forth in the MMRP and adopted by the Board are hereby imposed as conditions of Project approval.
9. The Board hereby approves, adopts, and imposes the PPMRP, attached hereto as Exhibit C and incorporated herein by this reference. The EBMUD Practices and Procedures set forth in Exhibit C and adopted by the Board are hereby imposed as conditions of Project approval.

BE IT FURTHER RESOLVED that in accordance with CEQA, the Board determines that impacts identified in the MND as potentially significant will be reduced to a less-than-significant level

because EBMUD has made or agreed to Project mitigation measures. EBMUD, acting as lead agency, has therefore determined that a Mitigated Negative Declaration is appropriate for this Project.

BE IT FURTHER RESOLVED that based on the whole record before it, including the MND, the Board finds that there is no substantial evidence that the Project will have a significant effect on the environment. Therefore, the MND is hereby adopted as having been completed in compliance with CEQA.

BE IT FURTHER RESOLVED that the Project as described in Exhibit A hereto, is hereby approved.

BE IT FURTHER RESOLVED that the General Manager is hereby directed to take such actions as shall be necessary to implement the Project as described in the Final MND, subject to compliance with all mitigation measures set forth in the MMRP attached hereto as Exhibit B and with the practices and procedures set forth in the PPMRP attached hereto as Exhibit C.

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

ADOPTED this 22nd day of February, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel

{00068772;9}

EXHIBIT A

EBMUD BOARD OF DIRECTORS FINDINGS REGARDING THE FONTAINE PUMPING PLANT REPLACEMENT PROJECT

1. Introduction

This is the findings document adopted by the East Bay Municipal Utility District (EBMUD) Board of Directors for the Fontaine Pumping Plant (PP) Replacement Project (Project). As approved by the Board, the Project includes:

- Replacement of EBMUD's existing 20 million gallon per day (MGD) Fontaine PP with a new 20 MGD Fontaine PP on EBMUD-owned property approximately 0.75 miles away;
- Construction of approximately 4,750 feet of new 30-inch suction and discharge pipelines to connect the new Fontaine PP to the distribution system;
- Construction of a new rate control station (RCS) that can deliver water from the Upper San Leandro Water Treatment Plant to other parts of the distribution system during planned and unplanned facility and pipeline outages; and
- Demolition of the existing Fontaine PP and abandonment of existing suction and discharge pipelines upon construction completion and successful testing of the new facilities.

Sections 1.1 through 1.3 of this document describe the Project, its objectives, and the need to complete the Project.

Section 2, "CEQA Requirements Regarding Considering and Adopting a Mitigated Negative Declaration," describes the requirements under the California Environmental Quality Act (CEQA) regarding the consideration and adoption of a Mitigated Negative Declaration (MND).

Section 3, "Findings Regarding Independent Review and Judgment," contains the findings regarding the independent review and judgment of the Board of Directors.

Section 4, "Findings Regarding the Project," contains the findings regarding potential Project impacts. This section is divided into four parts:

- Section 4.1 contains the findings regarding standard specifications and practices that have been incorporated into the Project to minimize environmental impacts;
- Section 4.2 contains the findings regarding significant and unavoidable Project impacts;
- Section 4.3 contains the findings regarding significant or potentially significant Project impacts that will be mitigated to a less-than-significant level; and
- Section 4.4 contains the findings regarding Project impacts that will be less than significant or where there will be no impact.

Section 5, "Findings Related to Potential Growth Inducing Impacts," contains findings regarding the Project's potential to induce growth.

Section 6, “Findings Related to MND Recirculation and EIR Preparation,” contains findings regarding whether MND recirculation or Environmental Impact Report (EIR) preparation is necessary.

Section 7, “Findings Related to Project Approval,” contains findings regarding the Board of Director's approval of the Project.

The findings presented here also summarize the mitigation measures set forth in the Final MND and agreed to by EBMUD or incorporated into the Project. The mitigation measures are summarized for convenience, but the summary is not intended to change any aspects of the complete text of the mitigation measures described in the MND and adopted by the Board.

1.1. Project Need

Replacement of the Fontaine PP is required, as the Fontaine PP has reached the end of its useful life and is located in a deep-seated, historical landslide zone adjacent to the main trace of the Hayward Fault which results in associated suction and discharge pipelines being susceptible to damage by fault rupture and/or landslide. In addition, the Fontaine PP has deficiencies, including: (1) limited capacity during high demand periods due to inefficient pumps; (2) obsolete electrical equipment, and no spare parts are available; and (3) an outdated ventilation system which results in high humidity in the building and contributes to corrosion found on welded steel piping.

1.2. Project Objectives

The project objectives include replacing aging infrastructure and improving water service reliability by relocating the existing Fontaine PP outside of an active fault and landslide area and constructing a new RCS which can deliver water to other parts of the distribution system during planned and unplanned facility and pipeline outages.

1.3. Project Description

The Project is described in detail in Chapter 2, Project Description, of the MND, and summarized below.

The existing 20 MGD Fontaine PP, located at 8445 Ney Avenue, Oakland, would be replaced with a new 20 MGD PP on EBMUD-owned property at 9601 MacArthur Boulevard, Oakland. A new RCS will be constructed at the new Fontaine PP site and approximately 4,750 feet of new 30-inch suction and discharge pipelines would be constructed to connect the new Fontaine PP and RCS to the distribution system. Upon construction completion and successful testing of the new Fontaine PP, pipelines and RCS, the existing Fontaine PP would be demolished and approximately 2,100 feet of existing buried pipelines would be abandoned in place. The existing Fontaine PP site would be hydroseeded, and a subdrain would be installed that would collect and remove water from the site, which would avoid surface flows contributing to soil erosion.

The new Fontaine PP building would be oriented such that the front of the building faces MacArthur Boulevard. The new Fontaine PP building would be approximately 45 feet by 50 feet with a footprint of approximately 2,250 square feet. The architecture of the new Fontaine PP would be a residential design concept that utilizes building materials, colors, and features that blend the facility into the predominantly mixed use residential and commercial neighborhood. The building features beige stucco cladding with contrasting trim overcast-in-place concrete walls, covered by a steel-framed gable roof with brown asphalt shingles. The roof would be gable form, sloped at 3:12, with the ridgeline (i.e., high point) height approximately 24-feet from ground elevation. Roofing material is built-up, asphalt shingles over an exposed steel beam structure. The Fontaine PP building material would be poured-in-place reinforced concrete construction with form liners. To maintain a high level of security and noise control, there are no windows in the walls or doors of the Fontaine PP building. Lockable access hatches are required in the roof above each pump unit to facilitate the installation and removal of pump units vertically through the roof for future maintenance. Power would be supplied by Pacific Gas & Electric (PG&E) and would require the installation of an outdoor transformer and switchgear electrical equipment. The Fontaine PP would be remotely operated and monitored, requiring installation of an antenna attached to the building's roof approximately 25-feet in height from ground elevation.

The north, west, and south sides of the building would be partially buried to retain the gently sloping ground from west to east and around the building. The south and west sides of the site would have a retaining wall approximately three feet tall. An eight-foot-high, black-vinyl-coated security chain link fence and gates would enclose the site and would be installed immediately adjacent to the existing redwood fence to the south and west side of the property. The site would include paved areas for access and parking for operation and maintenance of the Fontaine PP, including space for an emergency generator or emergency pump.

The site would include a primary access gate off of 96th Avenue for regular operation and maintenance. To accommodate the primary access gate installation, two existing, above-ground AT&T telecommunications boxes would be relocated along the sidewalk on 96th Avenue to avoid conflict with the primary gate. A secondary access gate off of MacArthur Boulevard would allow for delivery of equipment such as portable pumps or generators in the event of a planned or unplanned outage of the new Fontaine PP. A third dedicated PG&E access gate along 96th Avenue is required to allow PG&E maintenance of the transformer. One existing tree within the City of Oakland's (City) public right-of-way would need to be removed for the construction of the PG&E access gate.

The landscape design would utilize trees, shrubs, and groundcover to improve the visual appearance of the property using drought-tolerant plants. Plantings were selected that have fast growth rates with low water use, while ensuring visibility into the property from the perimeter for site security. The site is designed to retain a portion of stormwater runoff through permeable cell pavers and landscape features including maximizing landscaped areas. Any drainage leaving the site would be directed to a gravel v-ditch along the west side of the property and discharged to 96th Avenue for capture in existing storm drain inlets.

Project construction would take approximately two years, beginning in approximately 2028. Construction would typically occur between 7:00 a.m. and 7:00 p.m., Monday through Friday, except for emergencies.

Once constructed, both the new Fontaine PP and new pipelines would operate in the same way as existing facilities. The new Fontaine PP would continue to be operated and monitored remotely. The new Fontaine PP site would be routinely inspected approximately twice per month by District operations and maintenance staff. Long-term site maintenance would continue and would involve management of vegetation on site including keeping the site clean and free of debris and trimming shrubbery and trees to maintain clear views into the site for both fire prevention and public safety. The District maintains its properties to comply with city and county fire prevention vegetation management standards as part of its on-going site maintenance program.

As described in the Final MND, EBMUD has incorporated a number of standard construction specifications, standard practices, and Engineering Standard Practices into the Project. These standard specifications and practices are designed to address typical characteristics of EBMUD construction projects and are not project specific or tailored to the unique characteristics of the Project. These standard specifications and practices, which are applicable to all EBMUD construction projects and reflect generally applicable EBMUD standard operating procedures, are described in the Final MND. The particular provisions of those standard specifications and practices that help minimize Project impacts are set forth in Exhibit C - Practices and Procedures Monitoring and Reporting Plan (PPMRP) for the Project to ensure their implementation.

2. CEQA Requirements Regarding Considering and Adopting a Mitigated Negative Declaration

Regarding adoption of a Mitigated Negative Declaration, CEQA Guidelines, Title 14, California Code of Regulations (CEQA Guidelines), Section 15074, states the following:

- (a) Any advisory body of a public agency making a recommendation to the decision-making body shall consider the proposed negative declaration or mitigated negative declaration before making its recommendation.
- (b) Prior to approving a project, the decision-making body of the lead agency shall consider the proposed negative declaration or mitigated negative declaration together with any comments received during the public review process. The decision-making body shall adopt the proposed negative declaration or mitigated negative declaration only if it finds on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the negative declaration or mitigated negative declaration reflects the lead agency's independent judgment and analysis.
- (c) When adopting a negative declaration or mitigated negative declaration, the lead agency shall specify the location and custodian of the documents or other material which constitute the record of proceedings upon which its decision is based.

- (d) When adopting a mitigated negative declaration, the lead agency shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to mitigate or avoid significant environmental effects.
- (e) A lead agency shall not adopt a negative declaration or mitigated negative declaration for a project within the boundaries of a comprehensive airport land use plan or, if a comprehensive airport land use plan has not been adopted, for a project within two nautical miles of a public airport or public use airport, without first considering whether the project will result in a safety hazard or noise problem for persons using the airport or for persons residing or working in the project area.
- (f) When a non-elected official or decision-making body of a local lead agency adopts a negative declaration or mitigated negative declaration, that adoption may be appealed to the agency's elected decision-making body, if one exists. For example, adoption of a negative declaration for a project by a city's planning commission may be appealed to the city council. A local lead agency may establish procedures governing such appeals.

3. Findings Regarding Independent Review and Judgment

Each member of the EBMUD Board of Directors (Board) was provided access to a complete electronic copy of the Draft MND, as well as a copy of the Mitigation Monitoring and Reporting Plan (MMRP) as set forth in Exhibit B, in October 2021, and of the Final MND in February 2022. The Board hereby finds that the Final MND reflects the Board's own independent judgment and analysis, and that the Board has independently reviewed and analyzed the Final MND, the MMRP, and the PPMRP prior to taking any final action with respect to the proposed Project.

4. Findings Regarding the Project

Having received and considered the information contained in the Final MND, the MMRP, and the PPMRP, the Board hereby adopts the following findings regarding Project impacts and mitigation measures.

4.1. Findings Regarding Construction Standard Specifications and Practices

EBMUD hereby finds that the Standard Construction Specifications, Procedures, Engineering Standard Practices, and Pumping Plant Design Guide set forth in Appendix B to the Final MND and summarized in Exhibit C, have been incorporated into the Project and are required to be implemented during project construction. As explained below in these Findings and in Exhibit C, inclusion of these standard specifications, best management practices, procedures, engineering standard practices and design guide in the Project results in reduced environmental impacts.

4.2. Findings Regarding Significant and Unavoidable Effects

The Board hereby finds, based on the whole record before it (including the MND), that there is no substantial evidence that the Project will have a significant and unavoidable effect on the environment.

4.3. Findings Regarding Significant Effects Mitigated to Less Than Significant Levels

It has been determined that mitigation measures proposed in the Final MND, and as set forth in the MMRP included in Exhibit B, will avoid or mitigate the effects shown below to less than significant levels.

4.3.1. Aesthetics

4.3.1.1. Impact Aesthetics d): Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area.

Findings

Mitigation Measure AES-1 is hereby adopted by EBMUD and will be implemented as set forth in Exhibit B. EBMUD hereby finds that implementation of Mitigation Measure AES-1 would ensure that impacts would be less than significant (see MND page 3-10).

Facts in Support of Findings

Although it is not expected, nighttime construction may be a temporary new light source if construction occurs up to 7 pm during winter periods when it gets dark before 6 pm. Should construction need to occur at night, lighting would be used to illuminate the construction area. The construction lighting may be visible to adjacent residences and along public roadways. Although the use of construction lighting at night would be temporary, the impact from night lighting on nighttime views could be potentially significant. Mitigation Measure AES-1: Nighttime Lighting Controls requires the shielding of night lighting to be directed downward or oriented such that the light source is not directed toward residential areas or into streets. By directing the light source away from residential areas and streets, the nighttime lighting would be kept contained on the Project site, reducing the potential to create a new source of light or glare that would adversely affect nighttime views in the area.

With implementation of Mitigation Measure AES-1, the Project would not create a new source of substantial light that would adversely affect views and impacts would be less than significant.

4.3.2. Transportation

4.3.2.1. *Impact Transportation a): conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?*

Findings

Mitigation Measures TRA-1 and TRA-2 are hereby adopted by EBMUD and will be implemented as set forth in Exhibit B. EBMUD hereby finds that implementation of Mitigation Measure TRA-1 and TRA-2 would ensure that impacts would be less than significant (see MND pages 3-119 to 3-128).

Facts in Support of Findings

Transit Network

Project impacts during construction have the potential to conflict with the City's Public Transit and Alternative Modes Policy by blocking bus stops requiring closure or temporary relocation.

With implementation of Mitigation Measure TRA-2, the Project would not conflict with any programs, plans, or policies related to transit facilities because coordination and approval for short-term bus stop closure or temporary relocation would be completed with AC Transit and city of Oakland's Department of Transportation (OakDOT), and impacts would be less than significant.

Bicycle Network

The increased construction traffic on public roadways would potentially decrease the safety of bicyclists because local users may not be accustomed to the presence of large construction vehicles. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 1.2, Submittals, of EBMUD Standard Construction Specification 01 55 26, Traffic Regulation, which would require the Contractor to prepare a Traffic Control Plan to minimize impacts on bicycle circulation on local streets. The Traffic Control Plan may include requirements such as signs, flashing lights, barricades, and other traffic safety devices to minimize impacts of circulation on the streets surrounding the Project sites.

With implementation of EBMUD Standard Construction Specifications, the Project would not conflict with any programs, plans, or policies related to bicycle facilities, and impacts would be less than significant.

Pedestrian Circulation

There may be temporary impacts to sidewalk access at the Project sites during construction activities associated with pipeline trench excavation, equipment and material delivery, driveway installations, and utility relocations. Specific traffic control requirements are provided in the 2017 City of Oakland's *Supplemental design*

guidance: Accommodating pedestrians, bicyclists, and bus facilities in construction zones, which specifies that any blockage of a sidewalk along major transit corridors must be mitigated through a sidewalk diversion and does not allow for sidewalk detours. A sidewalk diversion is a temporary path created with traffic barriers for pedestrians to circumvent a construction-related obstacle whereas a sidewalk detour is a sidewalk closure with signage directing pedestrians to use an alternative path. MacArthur Boulevard is the only roadway classified as a major transit corridor. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.4, Temporary Traffic Control, of EBMUD Standard Construction Specification 01 55 26, Traffic Regulation, which requires that sidewalks be kept open if safe for pedestrians and, if alternative pedestrian routes are required, signage would be installed to direct pedestrians to detour routes.

Even with the incorporation of EBMUD's Standard Construction Specifications, there are potential conflicts with City policies and guidance. To mitigate potential conflicts with City policies and guidance, EBMUD would implement Mitigation Measure TRA-1: MacArthur Boulevard Pedestrian Diversion which requires a temporary pedestrian diversion be provided around any sidewalk obstruction to maintain the pedestrian path of travel along the sidewalk corridor on MacArthur Boulevard at the new Fontaine PP site. The temporary pedestrian diversion, if necessary, shall be clearly identified, wheelchair usable, shielded from motor vehicle traffic, and free of pedestrian hazards such as holes, debris, gravel, mud, etc. All temporary pedestrian diversion routes must keep and maintain a minimum 5.5-foot clear width for pedestrian access. Pedestrian access plans shall be reviewed and approved by OakDOT prior to construction and included in the Project's Traffic Control Plan.

With implementation of EBMUD Standard Construction Specifications and Mitigation Measure TRA-1, the Project would not conflict with any programs, plans, or policies related to pedestrian facilities and impacts would be less than significant.

All roadways and sidewalks would be restored after construction is complete and operation of the Project would generate approximately two roundtrips per month for routine maintenance and inspection of the facility. Operation of the proposed Project would have a negligible effect on traffic circulation and not conflict with any program plans, ordinances, or policies addressing the circulation system. No impact would occur during operation.

4.3.3. Mandatory Findings of Significance

4.3.3.1. Impact Mandatory Findings of Significance a): Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or

endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

Findings

Mitigation Measures AES-1, TRA-1, and TRA-2 are hereby adopted by EBMUD and will be implemented as set forth in Exhibit B. EBMUD hereby finds that implementation of Mitigation Measure AES-1, TRA-1, and TRA-2 would ensure that impacts would be less than significant (see MND pages 3-140 to 3-141).

Facts in Support of Findings

The impact from construction night lighting on nighttime views could be potentially significant. However, this impact would be reduced to less than significant levels through implementation of Mitigation Measure AES-1. No further mitigation would be required.

The impact from construction on pedestrian routes could be potentially significant. However, this impact would be reduced to less than significant levels through implementation of Mitigation Measure TRA-1.

The impact from construction on bus stops requiring closure or temporary relocation could be potentially significant. However, this impact would be reduced to less than significant levels through implementation of Mitigation Measure TRA-2. No further mitigation would be required.

The Project does not have the potential to substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, reduce the number or restrict the range of a rare or endangered plant or animal, threaten to eliminate a plant or animal community, or eliminate important examples of the major periods of California history or prehistory, as described in the Biological Resources, Cultural Resources, and Tribal Cultural Resources environmental discipline sections of the document. No further mitigation would be required.

4.3.3.2. Impact Mandatory Findings of Significance c): Potential for the project to have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.

Findings

Mitigation Measures AES-1, TRA-1, and TRA-2 are hereby adopted by EBMUD and will be implemented as set forth in Exhibit B. EBMUD hereby finds that implementation of Mitigation Measures AES-1, TRA-1, and TRA-2 would ensure that impacts would be less than significant (see MND page 3-143).

Facts in Support of Findings

As described above, the project has the potential to cause significant impacts related to Aesthetics and Transportation. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the project. Even with the incorporation of EBMUD's standard practices and procedures, potential significant impacts related to Aesthetics and Transportation remain. However, mitigation measures have been identified that would reduce these impacts to less than significant levels.

For impacts related to Air Quality, Biological Resources, Cultural Resources, Energy, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, Tribal Cultural Resources, and Utilities and Service Systems, the relevant EBMUD standard practices and procedures discussed in the MND ensure that impacts would be less than significant.

4.4. Findings Regarding Less than Significant Effects

It has been determined that the following effects would be less than significant or have no impact, and no mitigation is needed.

4.4.1. Aesthetics

4.4.1.1. Impact Aesthetics a): Potential to have a substantial adverse effect on a scenic vista.

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-8).

Facts in Support of Findings

None of the Project sites would result in visual changes that would be seen in the same view as any of the areas of great visual importance in the City's General Plan, therefore, construction and operation of the Project would have no impact on a scenic vista.

4.4.1.2. Impact Aesthetics b): Substantially damage scenic resources, including, but not limited to, trees, rock outcropping, and historic buildings within a state scenic highway?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-8).

Facts in Support of Findings

None of the Project sites would be visible from I-580, the nearest state scenic highway designated by the California Department of Transportation. Therefore, construction and operation of the Project would have no impact on a state scenic highway.

4.4.1.3. *Impact Aesthetics c): In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage points). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-8 to 3-9).

Facts in Support of Findings

The City of Oakland is considered an urbanized area, as defined in CEQA Guidelines Section 15387, and as mapped by the U.S. Census (2010); thus, impacts are considered in the context of the potential to conflict with applicable zoning and other regulations governing scenic quality.

City of Oakland General Plan Objective OS-12: Street Trees

The City's General Plan includes objectives, policies, and actions that guide development design and aesthetic resource impact considerations, with the goal of protecting scenic resources. Objective OS-12, Street Trees includes policies that promote efforts to "green" Oakland residential and commercial areas by installing street trees. However, it is noted that efforts to further progress in installing street trees have been impeded due to lack of funding for tree maintenance and care. Policy OS-12.3 dictates that removal of street trees shall provide replacement trees in all cases where the site is suitable for street trees. At the existing Fontaine PP site, one tree would need to be removed from within the site to provide space for construction equipment to operate during demolition of the existing Fontaine PP structure. At the new Fontaine PP site, one street tree would need to be removed in the landscape strip in the City's public right of way on 96th Avenue to allow for a new access driveway for PG&E transformer maintenance. Two new trees would be planted at the new Fontaine PP site nearest MacArthur Boulevard to improve the visual appearance and to blend the facility's appearance in with the established surrounding land use, which is a mixed residential and commercial neighborhood. The two new trees would be maintained by EBMUD staff, thereby reducing resources needed from the City to meet Objective OS-12.

Existing Scenic Quality

The City's General Plan, Land Use and Transportation Element, Chapter 4 Implementation Program identifies the MacArthur Boulevard corridor (MacArthur Corridor) as rezoned to stimulate both commercial and residential development. The architecture of the new Fontaine PP would be a residential design concept that utilizes building materials, colors, and features that blend the facility into the predominantly mixed use residential and commercial neighborhood. The landscaping would include an assortment of low-maintenance, drought-tolerant trees, shrubs, and groundcover plantings to improve the visual appearance of the property.

Because the Project adheres to the city of Oakland's General Plan and does not conflict with applicable zoning or other regulations governing scenic quality, the Project would not degrade the existing visual character or quality of the surrounding mixed residential and commercial area, therefore the Project impacts are less than significant.

4.4.2. Agriculture and Forestry Resources

4.4.2.1. *Impact Agriculture a): Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-12).

Facts in Support of Findings

The Project sites are not designated as prime Farmland, Unique Farmland, or Farmland of Statewide Importance. The California Department of Conservation designates the Project sites as "Urban and Built-Up Land" (California Department of Conservation, 2014). The Project sites are located within an urban area surrounded by residential and commercial uses. Therefore, there would be no impact associated with converting farmland to non-agricultural use.

4.4.2.2. *Impact Agriculture b): Conflict with existing zoning for agricultural use, or a Williamson Act contract?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-12).

Facts in Support of Findings

None of the Project sites are currently zoned for agricultural use nor are any under a Williamson Act contract for agricultural preservation. Therefore, no impacts from

conflicts with existing zoning for agricultural use or a Williamson Act contract will occur.

4.4.2.3. *Impact Agriculture c): Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), or timberland zoned Timberland Production (as defined by Government Code section 51104 (g))?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-12).

Facts in Support of Findings

None of the Project sites are currently zoned for forest land, timberland, or timberland zoned Timberland Production. The existing Fontaine PP site and new Fontaine PP site are located on low-density, residential-zoned areas within the City of Oakland. Therefore, no impacts from conflicts with existing zoning for, or cause rezoning of, forest land or timberland will occur.

4.4.2.4. *Impact Agriculture d): Result in the loss of forest land or conversion of forest land to non-forest use?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-12).

Facts in Support of Findings

None of the Project sites will involve changes that would result in loss of forest land or conversion of forest land to non-forest use. The Project sites do not occur on forest land. Therefore, no impacts that would result in the loss of forest land or conversion of forest land to non-forest use will occur.

4.4.2.5. *Impact Agriculture e): Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-12).

Facts in Support of Findings

None of the Project sites will involve changes that would result in conversion of Farmland to non-agricultural use. The Project sites do not occur on Farmland. Therefore, no impacts to the existing environment which could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use will occur.

4.4.3. Air Quality

4.4.3.1. *Impact Air Quality a): Conflict with or obstruct implementation of the applicable air quality plan?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-14 to 3-18).

Facts in Support of Findings

The most recently adopted air quality plan in the San Francisco Bay Area Air Basin is the Bay Area Air Quality Management District's (BAAQMD) *2017 Bay Area Clean Air Plan* and includes updated BAAQMD CEQA Air Quality Guidelines (BAAQMD Guidelines) that advise lead agencies on how to evaluate air quality impacts. The 2017 BAAQMD Guidelines include significance thresholds for evaluating construction emissions and recommend that a project's consistency with the current air quality plan be evaluated using the following three criteria:

- a. The project supports the goals of the applicable air quality plan.
- b. The project includes applicable control measures from the air quality plan.
- c. The project does not disrupt or hinder implementation of any control measures from the air quality plan.

Construction activities result in emissions of ozone precursors and Particulate Matter (PM) in the form of dust (fugitive dust) and exhaust (e.g., vehicle tailpipe) emissions. Pollutant emissions associated with Project activities would be generated from the following general construction activities: (1) demolition, grading, excavation, and construction; (2) vehicle trips from workers traveling to and from the construction areas; (3) trips associated with delivery and hauling of construction supplies to, and debris from, the construction areas; (4) fuel combustion by on-site construction equipment; and (5) paving and architectural coatings (paints and other coatings used in interior and exterior finishing of buildings). These Project construction activities would temporarily create emissions of dust, fumes, equipment exhaust, and other air pollutants.

Predicted construction emissions would not exceed the BAAQMD significance thresholds. Whether or not a project's emissions exceed the BAAQMD significance thresholds, the BAAQMD recommends that all projects implement the Basic Construction Mitigation Measures (BCMMS) that primarily address dust control. The BAAQMD considers implementation of the BCMMS for fugitive dust sufficient to ensure that construction-related fugitive dust is reduced to a less-than-significant level. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 1.3.E, Dust Control and Monitoring Plan, Section 3.3.B, Dust Control, Section 3.3.C, Dust Monitoring During Demolition and Construction, Section 3.3.D, Dust Control System Compliance, Section 3.4.A, Air Quality and Emissions Control, and Section 3.4.B, Architectural Coatings, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements; Section 1.1.A, Compliance and Intent, of EBMUD Standard Construction Specification 02 82 13, Asbestos Control Activities; and Section 1.4.B, Lead Demolition Plan, of EBMUD Standard Construction Specification 02 83 13, Lead Hazard Control Activities, which require dust and emission controls and safe removal and disposal of lead and asbestos-containing materials.

Because the estimated construction emissions from the Project would be less than the recommended BAAQMD significance thresholds for construction and with implementation of the requirements specified in EBMUD Standard Construction Specifications, the Project construction would be consistent with all three criteria identified by the BAAQMD to evaluate consistency with the *2017 Bay Area Clean Air Plan*, therefore the Project would have a less than significant impact.

Once operational, the Project would not include any new sources of emissions and the impact would be less than significant.

4.4.3.2. *Impact Air Quality b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-18 to 3-19).

Facts in Support of Findings

For a project that would not result in a significant impact individually, the project's contribution to any cumulative impact would be considered less than significant if the project is consistent with the local general plan and the local general plan is consistent with the applicable regional air quality plan. In this case, the applicable regional air quality plan is the 2017 Bay Area Clean Air Plan. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD

projects have been incorporated into the Project including Section 3.4.A, Air Quality and Emissions Control, and Section 3.4.B, Architectural Coatings, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which would further reduce construction-related emissions.

Because the Project is consistent with the 2017 Bay Area Clean Air Plan as discussed under Impact Air Quality a), because estimated construction emissions from the Project would be less than the recommended BAAQMD significance thresholds for construction, and with implementation of EBMUD Standard Specifications, the Project would not result in a cumulatively considerable net increase of any criteria pollutant and impacts from construction would be less than significant.

As stated above in Impact Air Quality a), Project operation would not increase emissions of criteria air pollutants over existing conditions and would therefore not contribute to a cumulative impact. The Project would also not be a source of diesel-fueled equipment emissions, therefore, new Fontaine PP operational impacts related to air quality standards from the proposed Project would have no impact.

4.4.3.3. Impact Air Quality c): Expose sensitive receptors to substantial pollutant concentrations?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-19 to 3-22).

Facts in Support of Findings

As discussed under Impact Air Quality a) and b) above, despite construction exhaust air pollutant emissions not contributing substantially to existing or projected air quality violations, construction exhaust emissions may still pose health risks for sensitive receptors, such as surrounding residents. The primary community risk impact issue associated with construction emissions are cancer risk associated with diesel particulate matter, and non-cancer health impacts associated with exposure to fugitive sources of PM. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.4.A, Air Quality and Emissions Control, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which requires that all construction equipment, diesel trucks, and generators be equipped with Best Available Control Technology for emission reductions. With implementation of the requirements specified in EBMUD Standard Construction Specifications, the Project would not exceed the BAAQMD significance thresholds, therefore, the impacts to sensitive receptors related to construction would be less than significant.

Operation of the new Fontaine PP would not be a source of significant pollutant emissions. No fuel combustion equipment (i.e., diesel generators) are planned at the site under normal operations. Therefore, emissions associated with the operation of the new Fontaine PP would primarily include those from vehicles that occasionally travel to and from the site. The estimated trips to and from the site (i.e., two trips per month, weekdays only) would be less than those generated by a single residence. Operation of the Project would not expose sensitive receptors to substantial pollutant concentrations, and therefore the impact would be less than significant.

4.4.3.4. *Impact Air Quality d): Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-22 to 3-23)

Facts in Support of Findings

Activities requiring construction equipment and trucks that emit diesel and/or gasoline-powered engine exhaust odors may be a potential source of objectionable odors. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 1.3.I, Tune-up Logs, and Section 3.4.A, Air Quality and Emissions Control, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which requires the Contractor provide records of tune-up logs that show construction equipment, particularly haul and delivery trucks, in use at the Project sites have undergone required maintenance. With implementation of EBMUD Standard Construction Specifications, the Project impact related to creation of objectionable odors affecting a substantial number of people would be less than significant.

The new Fontaine PP pump units would operate within the enclosed new concrete building and be powered by electricity similar to the existing pump units and would not generate any odors. As such, the operational impact related to creation of objectionable odors affecting a substantial number of people would be less than significant.

4.4.4. *Biological Resources*

4.4.4.1. *Impact Biological Resources a): Have a substantial adverse impact, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations or by the California Dept. of Fish & Game or U.S. Fish & Wildlife Service?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-26 to 3-35)

Facts in Support of Findings

Impacts to special-status species could occur at the existing Fontaine PP and new Fontaine PP sites from construction activities that would cause injury or mortality to the species or result in the destruction of sensitive habitat used by special-status species as a result of construction noise. The new pipeline alignments and existing pipeline abandonment disconnection sites would be installed entirely within existing paved roadways that experience regular traffic related noise and are unlikely to impact sensitive species.

Special-Status Plants

At both Project sites, no state or federally listed plant species were found, and no plant species listed in the statewide California Native Plant Society rare and endangered plant inventory were found during the field assessment. The Project sites contain no habitat suitable to support sensitive plant species. The habitats present within the Project sites are characteristic of disturbed urban habitats, therefore no construction impacts to sensitive and special status plant species are anticipated.

The new Fontaine PP site would include landscape design utilizing drought tolerant trees, shrubs, and groundcover to provide an attractive and complementary setting of this MND. As such, there would be no operational impacts to sensitive and special-status plant species.

Special-Status Amphibians

The two special-status amphibians that have recorded occurrences are the California red-legged frog (CRLF) and California Tiger Salamander (CTS); however, there are no CRLF or CTS observations within one mile of the Project sites. The Project sites are outside critical habitat for these species and these species were not observed during a December 2018 field assessment. There is no aquatic habitat at any of the Project sites, therefore limited potential for upland estivation or dispersal at the sites exists due to no proximity to aquatic habitat. For these reasons, both CRLF and CTS have no potential to occur within the Project sites; therefore, Project construction and operation would have no impact on special-status amphibians.

Special-Status Reptiles

The one special-status reptile that has recorded occurrences within the United States Geological Survey (USGS) East Oakland Quad is the Alameda whipsnake; however, there are no California Natural Diversity Database Alameda whipsnake observations within one mile of the Project sites. The Project sites are outside critical habitat for these species and these species were not observed during the site visit. For these reasons, the Alameda whipsnake has no potential to occur within the Project sites;

therefore, Project construction and operation would have no impact on special-status reptiles.

Special-Status Invertebrates

The three special-status invertebrates that have recorded occurrences within the USGS East Oakland Quad are the Bay Checkerspot Butterfly (*Euphydryas editha bayensis*), Callippe Silverspot Butterfly (*Speyeria callippe callippe*), and San Bruno Elfin Butterfly (*Callophrys mossii bayensis*); however, there are no observations within one mile of the Project sites for the Callippe Silverspot Butterfly (*Speyeria callippe callippe*), and San Bruno Elfin Butterfly (*Callophrys mossii bayensis*) special-status invertebrates. Despite the Bay Checkerspot Butterfly (*Euphydryas editha bayensis*) being observed within one mile of the Project sites, the Project sites do not provide suitable habitat for these species and are isolated from all known occurrences. These species were not observed during the field assessment. For these reasons, the Bay Checkerspot Butterfly, Callippe Silverspot Butterfly, and San Bruno Elfin Butterfly have no potential to occur within the Project sites; therefore, Project construction and operation would have no impact on special-status invertebrates.

Special-Status Nesting Birds

Avian species that are protected under the Migratory Bird Treaty Act have high potential to nest within or near the Project sites. These species may use trees, shrubs, man-made structures, or the ground for nesting habitat. Impacts to nearby nesting birds on or adjacent to the Project sites could occur during construction because of tree and shrub removal, ground disturbance, equipment movement, or by direct mortality. Disruption of nesting birds could occur because of increased human activity (e.g., due to the use of heavy equipment and human traffic) during the breeding season (approximately February through August). Potential impacts on migratory birds include the destruction of eggs or occupied nests, direct mortalities of young, and the abandonment of nests with eggs or young birds prior to fledging. Potentially significant impacts could result from Project construction activities that would destroy occupied nests or cause migratory birds to abandon their nests. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.8, Protection of Birds Protected under the Migratory Treaty Act and Roosting Bats, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which requires protection of migratory birds and their nests by completing contractor environmental training, preconstruction nesting bird surveys, monitoring during construction, and delineation of avoidance buffer zones. With implementation of EBMUD's Standard Construction Specifications, construction impacts to special-status nesting birds would be less than significant.

The new Fontaine PP site would include two new trees which could provide suitable nesting bird habitat. Project operations would require no additional vehicle trips relative to existing operation and maintenance activities. As such, operational impacts on nesting birds would be considered less than significant due to no change in

available nesting bird habitat and no change in maintenance activities from existing conditions.

Roosting Bat Species

Construction activities may result in the removal or disturbance of hibernation or maternal roost sites, if they are present at the existing Fontaine PP site, due to noise or human traffic, and constitute a potentially significant impact to bat roosting habitat as it may result in direct mortality and reduction in the reproductive success.

Disturbances to roosting habitat of any bat species (not just special-status species bats) are considered potentially significant impacts. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.8, Protection of Birds Protected under the Migratory Treaty Act and Roosting Bats, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements which requires protection of roosting bats by completing contractor environmental training, preconstruction roosting bat surveys, delineation of avoidance buffer zones, safe eviction of non-breeding bats, and roosting monitoring during construction. With implementation of EBMUD's Standard Construction Specifications, construction impacts related to roosting bats is less than significant.

The new Fontaine PP would be operated within a newly constructed building and the new Fontaine PP site would include two new trees, which could both provide suitable roosting habitat. Project operations require no additional vehicle trips relative to existing operation and maintenance activities. As such, operational impacts on roosting bats would be considered less than significant due to no change in available roosting habitat and no change in maintenance activities from existing conditions.

4.4.4.2. *Impact Biological Resources b): Have a substantial adverse impact on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Dept. of Fish & Game or U.S. Fish & Wildlife Service?*

Findings

EBMUD hereby finds that there will be no impact (see MND page 3-35)

Facts in Support of Findings

No waters or riparian habitats occur on or directly adjacent to the existing Fontaine PP site, existing pipeline abandonment disconnection sites, new Fontaine PP site or new pipeline alignments. Therefore, the Project would not result in any impacts to any waters or riparian habitat identified in local or regional plans, policies, regulations, or by the CDFW or USFWS during construction or operation.

Three sensitive natural communities occur near the existing Fontaine PP and new Fontaine PP sites: Northern Coastal Salt Marsh, Northern Maritime Chaparral and

Serpentine Bunchgrass. However, none of these communities has the potential to occur at the Project sites as determined during field assessment by EBMUD biologists. Therefore, the Project would not result in any impacts to any sensitive natural communities identified in local or regional plans, policies, regulations, or by the CDFW or USFWS during construction or operation.

4.4.4.3. *Impact Biological Resources c) Potential to have a substantial adverse impact on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means.*

Findings

EBMUD hereby finds that there will be no impact (see MND page 3-36).

Facts in Support of Findings

No federally-protected wetlands occur within the project sites. Therefore, the Project would not result in any impacts on federally-protected wetlands through direct removal, filling, hydrological interruption or other means during construction or operation.

4.4.4.4. *Impact Biological Resources d): Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?*

Findings

EBMUD hereby finds that there will be no impact (see MND page 3-36).

Facts in Support of Findings

The Project sites do not function as important regional wildlife corridors or nursery sites because the sites and adjacent areas have been paved and developed. Both the existing Fontaine PP and new Fontaine PP sites are surrounded by residential or commercial development and paved streets on all four sides. All new pipeline and existing pipeline abandonment construction would be completed in paved roadways. Therefore, the Project would not result in any impact to the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites during construction or operation.

4.4.4.5. *Impact Biological Resources e): Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-36 to 3-37).

Facts in Support of Findings

Although EBMUD is not subject to building and land use zoning ordinances (such as tree ordinances) for projects involving the transmission of water (Government Code Section 53091), EBMUD strives to consider and work with host jurisdictions and neighboring communities during project planning and to conform to local environmental protection policies, where feasible and not contrary to its public purpose and responsibilities.

City of Oakland General Plan

The City of Oakland General Plan (City of Oakland, 1996) is a comprehensive, long-range plan for the physical development of the city that identifies goals and policies. The Open Space, Conservation, and Recreation Element of the City of Oakland General Plan includes biological objectives and policies to protect the ecology and promote the beneficial uses of the city of Oakland's creeks, to minimize the loss of native plant communities, to conserve wetlands, to protect rare, endangered, and threatened species from the impacts of urbanization, and to sustain a healthy wildlife population within the city of Oakland. Conservation goals within the City of Oakland General Plan include maintaining wildlife by preserving habitats and minimizing impacts to creeks, lakes, and nearshore waters.

The Project would not conflict with any of the applicable guiding policies of the City of Oakland General Plan listed above during construction or operation. In addition, Impact Biological Resources a) above details how incorporation of EBMUD practices and procedures into the Project would ensure that impacts to rare and endangered species would be less than significant.

City of Oakland Tree Ordinance

The City of Oakland Tree Preservation and Removal Ordinance (Oakland Municipal Code Chapter 12.36) prohibits the removal of protected trees under certain circumstances. Protected trees include native Coast Live Oak and native Monterey Pine. Tree removal is necessary for Project construction at both sites. At the existing Fontaine PP site, one non-native tree would be removed to provide access for demolition of the Fontaine PP building. At the new Fontaine PP site, one non-native tree would be removed to install a driveway on 96th Avenue for PG&E access to the site and two trees would be planted as part of the landscape plan. For these reasons, any impacts related to potential conflicts with local policies or ordinances regarding

biological resources, including tree ordinances, would be less than significant during construction and operation.

4.4.4.6. *Impact Biological Resources f): Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?*

Findings

EBMUD hereby finds that there will be no impact (see MND page 3-37).

Facts in Support of Findings

None of the Project sites are located within any adopted Habitat Conservation Plan, Natural Conservation Community Plan, or other approved local, regional, or state habitat conservation plan. Thus, Project construction activities and operation would not conflict with the provisions of any adopted plan.

4.4.5. *Cultural Resources*

4.4.5.1. *Impact Cultural Resources a) Cause a substantial adverse change in the significance of a historical resource pursuant to § 15064.5?*

Findings

EBMUD hereby finds that there will be no impact (see MND page 3-39).

Facts in Support of Findings

None of the Project sites are listed on the Federal Register of Historic Places or the California Register of Historical Resources. The nearest listed historic resource is the Dunsmuir Hellman Historic Estate at 2960 Peralta Oaks Court in Oakland. However, it is approximately one-half mile away from any of the Project sites and therefore would not be impacted by Project construction or operation.

4.4.5.2. *Impact Cultural Resources b): Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-39 to 3-40).

Facts in Support of Findings

The Project sites are all located on developed land that has been subject to prior excavation and disturbance. EBMUD maintains an Archaeological Resources Geographic Information System (GIS) database that is updated annually with the results of a records search of the Northwest Information Center of the California Historical Resources Information System. Based on the GIS database, no archaeological, paleontological resources or human remains have previously been encountered at any of these sites. However, the potential for inadvertent discovery of cultural resources is a potential impact. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.9, Protection of Cultural and Paleontological Resources, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which includes appropriate cultural resources management practices and complies with statutory requirements, including requiring cultural resources training and halting work in the event that a cultural or paleontological resource is identified. With implementation of EBMUD Standard Construction Specifications, the Project's impact related to the ability to cause a substantial change in significance of an archeological resource is less than significant during construction and operation.

4.4.5.3. *Impact Cultural Resources c): Disturb any human remains, including those interred outside of formal cemeteries?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-40 to 3-42).

Facts in Support of Findings

Based on a review of EBMUD's Archaeological Resources GIS database and because all excavation would occur within developed land that has been subject to prior excavation and disturbance, there is no indication that any Project sites have been used for human burial purposes in the recent or distant past. In addition, EBMUD sent letters to seven Native American individuals/organizations identified by the Native American Heritage Commission as having knowledge of cultural resources within the Project sites on September 10, 2020. None of the Native American individuals/organizations responded with concerns about the Project.

Given there is no indication that any parts of the Project have been used for human burial purposes in the past and because the outreach to Native American individuals/organizations did not identify the potential for tribal cultural resources at the Project site, it is unlikely that human remains would be encountered during construction of the Project. However, the possibility of inadvertent discovery cannot be entirely discounted, and could result in a potentially significant impact. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including

Section 3.9, Protection of Cultural and Paleontological Resources, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which includes appropriate cultural resources management practices and complies with statutory requirements, including requiring cultural resources training and halting work in the event that human remains are discovered. With implementation of EBMUD Standard Construction Specifications, the Project's impact related to the ability to disturb any human remains is less than significant during construction and operation.

4.4.6. Energy

4.4.6.1. *Impact Energy a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-43 to 3-44).

Facts in Support of Findings

Construction of the Project would require the use of machinery and vehicles that would require the use of energy, including gasoline, diesel, and motor oil. Fuel for construction worker commute trips and material hauling trips to and from the site would be minor in comparison to the fuel used by construction equipment. Construction would also indirectly use energy for production of construction materials. While the precise amount of construction energy consumption is uncertain, use of these fuels would be consistent with typical construction and manufacturing practices and would not be wasteful or unnecessary because doing so would not be economically sustainable for contractors. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.4.A, Air Quality and Emissions Control, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which requires a variety of controls that would reduce the inefficient use of fuels, including limiting idling, keeping engines properly tuned, maintaining appropriate tire pressure, requiring the use of alternative-fueled construction equipment, and recycling or reusing construction waste or demolition materials to the extent feasible.

With implementation of EBMUD Standard Construction Specifications, the Project construction impacts related to energy use and impacts on energy resources would be less than significant.

Operational energy use would be similar to or less than existing operational energy use because older pumps and motors would be replaced with newer and more

efficient pumps and motors. In addition, the number of trips to the new Fontaine PP site by maintenance workers would not increase over trips to the existing Fontaine PP site. Therefore, the Project would not increase operational energy consumption and there would be no impact from operation.

4.4.6.2. *Impact Energy b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-44).

Facts in Support of Findings

The Project would comply with applicable energy efficiency policies or standards including EBMUD standard practices and procedures that require a variety of controls to reduce the inefficient use of fuels. Therefore, there would be no impact associated with conflicts with energy plans and policies related to renewable energy or energy efficiency during construction and operation.

4.4.7. *Geology and Soils*

4.4.7.1. *Impact Geology and Soils a) i) through iv): Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42; ii) Strong seismic ground shaking; iii) Seismic-related ground failure, including liquefaction; and/or iv) Landslides?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-46 to 3-50).

Facts in Support of Findings

Seismic-related ground shaking, and the hazardous conditions created by it can present a serious risk to people and structures. The existing Fontaine PP site and existing pipeline abandonment disconnection sites are located within the Hayward Fault Zone and areas prone to landslides, which could result in significant impacts related to seismic-induced fault rupture or landslides. However, abandonment of the existing pipeline would involve only minor modifications to existing infrastructure, which would not affect the existing infrastructure's response to fault rupture or ground shaking. EBMUD would determine during the design phase if any portions of

the existing Fontaine PP building can be left in place to act as a soil retaining structure. However, EBMUD may determine that the entire existing Fontaine PP building would need removal in which case a retaining wall would need to be designed and installed. If a retaining wall is necessary, EBMUD would implement engineering design recommendations developed from a site-specific geotechnical investigation. The new Fontaine PP site and new pipeline alignment is not located within earthquake fault, landslide, or liquefaction zones. However, ground shaking is an unavoidable hazard for the new Fontaine PP because it is located approximately one-half mile from the active Hayward Fault Zone and is in a seismically active region.

As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including EBMUD's Pumping Plant Design Guide, EBMUD Engineering Standard Practice 512.1, Water Main and Services Design Criteria, and EBMUD Engineering Standard Practice 550.1, Seismic Design Requirements, which include requirements for pipelines and structures to withstand seismic hazards and requires the completion of a geotechnical investigation during design and incorporation of geotechnical design recommendations in project plans and specifications. With implementation of EBMUD Standard Construction Specifications and EBMUD's design practices, the potential for exposure of people or structures to potential substantial adverse effects during construction or operation, including the risk of loss, injury, or death involving rupture of a known earthquake fault, strong seismic ground shaking, liquefaction, or landslides is less than significant

4.4.7.2. Impact Geology and Soils b): Potential to result in substantial soil erosion or the loss of topsoil.

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-50 to 3-51).

Facts in Support of Findings

The excavation and grading activities that are planned during demolition and construction of the existing Fontaine PP and new Fontaine PP, respectively, would increase exposure of topsoil to erosion. Storm weather (e.g., wind and rain) could also result in soil erosion. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 1.1.B, Site Activities, and Section 1.3.A, Storm Water Management, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, and EBMUD's Pumping Plant Design Guide, which include provisions for preventing soil erosion and loss of soil during construction, including the diversion of surface waters and maintenance of the construction site to minimize erosion and loss of soil, requires contractors to submit a Storm Water

Pollution Prevention Plan (SWPPP), and a design-level geotechnical investigation to confirm the characteristics of the subsurface and to identify any soil control requirements. EBMUD would incorporate the recommendations outlined in the geotechnical investigation into the Project design. With implementation of EBMUD Standard Construction Specifications and EBMUD's design practices, the impacts related to soil erosion and loss of topsoil would be less than significant during construction and operation.

The existing pipeline abandonment disconnection sites and new pipeline alignments would be paved following completion of construction and therefore have no impact related to soil erosion or loss of topsoil during operation. The new Fontaine PP site would be paved and landscaped after construction and therefore have no impact related to soil erosion or loss of topsoil during operation. After the existing Fontaine PP is demolished, the soil underneath the existing Fontaine PP structure would be exposed and therefore there is a potential for soil erosion during operation. The Project design for the existing Fontaine PP site would include a subdrain that would collect and remove water from the site which would avoid surface flows contributing to soil erosion. Additionally, as summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.3.B, Dust Control, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which requires planting vegetative ground cover (e.g., fast-germinating native grass seed, also known as "hydroseed") in disturbed areas as soon as possible and watered appropriately until vegetation is established. With implementation of EBMUD Standard Construction Specifications, the impacts related to soil erosion and loss of topsoil during operation would be less than significant during construction and operation.

4.4.7.3. *Impact Geology and Soils c) Be located on strata or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-51 to 3-53).

Facts in Support of Findings

Landslides

The existing Fontaine PP site and existing pipeline abandonment disconnection sites are located within earthquake-induced landslide zones. The new Fontaine PP site and new pipeline alignments are not located within earthquake-induced landslide zones. Landslides can also be triggered by the addition of water to potentially unstable soils within a landslide zone. As summarized in Exhibit C, a number of EBMUD standard

practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including EBMUD Engineering Standard Practice 550.1, Seismic Design Requirements, and EBMUD's Pumping Plant Design Guide, which specifies minimum design requirements to follow in the design of drinking water PPs and pipelines, and requires that the Project conduct geotechnical investigations to identify the potential for seismic hazards. All recommendations in the geotechnical investigations would be incorporated into the Project design. Also, as detailed Section 1.3, Project Description, the Project design for the existing Fontaine PP site would include a subdrain that would collect and remove water from the site preventing water from collecting in the soils and triggering a landslide.

Liquefaction and Lateral Spreading

The new pipeline alignment, new Fontaine PP, and existing Fontaine PP sites are not located within a Liquefaction Zone, however, the existing pipeline abandonment disconnection site in Golf Links Road is adjacent to a Liquefaction Zone.

Abandonment of existing pipelines would involve only minor modifications to existing infrastructure, which would not affect the existing infrastructure's response to liquefaction or lateral spreading. One pipeline abandonment disconnection site is located adjacent to a Liquefaction Zone but is located in a public street which is a previously disturbed area subject to years of vibration from heavy vehicular traffic and previous construction.

Subsidence and Soil Collapse

Unsupported excavations into soft or loose soils can cause soil collapse. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 1.3.K, Excavation Safety Plan, of EBMUD Standard Construction Specification 01 35 24, Project Safety Requirements, which requires the Contractor to submit an excavation safety plan showing the details of the design of shoring, bracing, sloping or other provisions to be made for worker protection during such excavation meeting the requirements of the Construction Safety Orders, Title 8, California Code of Regulations.

With implementation of EBMUD's Standard Construction Specifications and design practices, impacts related to landslide, lateral spreading, subsidence, liquefaction or collapse are less than significant during construction and operation.

4.4.7.4. Impact Geology and Soils d) Be located on expansive soil as defined in Table 18-1-B of the Uniform Building Code 1994, creating substantial risks to life or property?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-53 to 3-54).

Facts in Support of Findings

The Natural Resources Conservation Service Web Soil Survey has no available data on the expansiveness of the soil for portions of the new pipeline alignment and the existing pipeline abandonment disconnection site in Golf Links Road. However, the new Fontaine PP site, remaining portions of the new pipeline alignment, existing Fontaine PP site, and existing pipeline abandonment disconnection sites in Ney Avenue and 82nd Avenue/Aster Avenue are located in soils with high shrink-swell potential, which would result in a potentially significant impact due to the effect those soils could have on the stability and longevity of the retaining wall at the existing Fontaine PP site, the new Fontaine PP building at the new Fontaine PP site, and new pipelines. Abandonment of existing pipelines would involve only minor modifications to existing infrastructure, which would not affect the existing infrastructure's response to expansive soils. Therefore, there would be no impact associated with abandonment activities.

As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including EBMUD's Engineering Standard Practices 512.1, Water Main and Services Design Criteria, and 550.1, Seismic Design Requirements, which specifies minimum design requirements to follow in the design of PPs and pipelines. All facilities would be designed to withstand the effects of expansive soils and would follow recommendations of the geotechnical investigation to ensure that engineered structures and pipelines can withstand expansive soils. With implementation of EBMUD design practices, impacts of the Project associated with soil expansion would be less than significant during construction and operation.

4.4.7.5. Impact Geology and Soils e) Have soils incapable of supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-54).

Facts in Support of Findings

Wastewater generation or disposal is not a part of the Project; therefore, soils would not be used for the treatment or disposal of wastewater during construction or operation. During construction, temporary self-contained toilets and hand washing facilities would be located on site. Any wastewater generated by these facilities would be hauled off site for treatment and disposal. Therefore, there would be no impacts associated with capability of soils to dispose of wastewater during construction and operation.

4.4.7.6. *Impact Geology and Soils f) Directly or indirectly destroy a unique paleontological resource or site or unique geological feature?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND page 3-54).

Facts in Support of Findings

The Project would be constructed on highly disturbed urban land at the existing Fontaine PP site and new Fontaine PP site, and in existing roadways at the existing pipeline abandonment disconnection sites and new pipeline alignments. Because these areas have been previously disturbed, soils in these areas are not expected to contain fossils. In the unlikely event that fossils are encountered during construction, impacts could be potentially significant. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects have been incorporated into the Project, including Section 3.9, Protections of Cultural and Paleontological Resources, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which requires that staff be trained to recognize paleontological resources and that if resources are encountered, construction must be stopped so that paleontological resources can be evaluated and protected. With implementation of EBMUD Standard Construction Specifications, the Project's construction and operation impacts related to directly or indirectly destroying a unique paleontological resource, feature or site are less than significant.

4.4.8. *Greenhouse Gas (GHG) Emissions*

4.4.8.1. *Impact GHG Emissions a): Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-56 to 3-58).

Facts in Support of Findings

GHG emissions associated with construction of the Project would consist primarily of emissions from equipment exhaust and worker and vendor trips. BAAQMD encourages the incorporation of Best Management Practices (BMPs) to reduce GHG emissions during construction where feasible and applicable. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.4.A, Air Quality and Emissions Control, of EBMUD's Standard Construction

Specification 01 35 44, Environmental Requirements, which requires EBMUD and its Contractor to implement air emission control BMPs to minimize short-term construction diesel exhaust emissions, including GHG emission controls that would reduce GHG emissions from fuel combustion by maintaining equipment tire pressure, maintaining construction equipment according to manufacturer's specifications, and requiring best available control technology on all equipment.

With implementation of EBMUD's Standard Construction Specifications, the Project's construction impacts related to GHG emissions would be less than significant.

Operation of the new Fontaine PP and pipelines would not include any new sources of GHG emissions when compared to operation of the existing Fontaine PP and pipelines and therefore there would be no impact related to operational GHG emissions.

4.4.8.2. *Impact GHG Emissions b): Conflict with any applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-59 to 3-61).

Facts in Support of Findings

Construction of the Project would involve operation of diesel-fueled off-road construction equipment and on-road vehicles associated with worker commute, material delivery, and hauling that would directly generate GHG emissions. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.4.A, Air Quality and Emissions Control, of EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements which requires construction crews use electrically powered construction equipment whenever available and feasible, and recycling demolition debris for reuse to the extent feasible. Therefore, the Project would be consistent with the goals in the Bay Area 2017 Clean Air Plan and the city of Oakland's Energy and Climate Action Plan and construction-related GHG emissions would not conflict with any plans, policies, or regulations adopted for the purpose of reducing GHG emissions. With implementation of EBMUD Standard Construction Specifications, construction of the Project would not conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases and the impact would be less than significant.

After construction, the new Fontaine PP and pipelines would operate in a similar manner as the existing Fontaine PP and pipelines, which are currently operated and monitored remotely with no substantial increase in direct operational GHG emissions

resulting from the Project. EBMUD's heavy-duty maintenance vehicles would comply with the latest vehicle emission standards. Therefore, the Project's operational GHG emissions would not conflict with the any plans, policies, or regulations adopted for the purpose of reducing GHG emissions, resulting in a less than significant impact.

4.4.9. Hazards and Hazardous Materials

4.4.9.1. *Impact Hazards and Hazardous Materials a) and b): a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-64 to 3-72).

Facts in Support of Findings

Routine transport, use, and disposal of hazardous materials

Project construction would require the use of hazardous materials such as fuels, lubricants, paints, and solvents for motorized heavy equipment, such as excavators, bulldozers, and backhoes. Minor maintenance activities and refueling of equipment and vehicles from mobile or stationary fuel supply sources could occur at the Project work areas during construction. If not properly managed, the routine transport, use, and disposal of hazardous materials could pose a threat to human health or the environment. Improperly disposed of, spilled, or leaking hazardous materials could create a significant hazard to workers, the public, or the environment. Hazardous materials handling, disposal, and transport must occur in accordance with applicable federal, state, and local regulations.

Superchlorinated Water for Pipeline Disinfection

During construction, the new pipelines connecting the new Fontaine PP to the existing water distribution system would be filled with superchlorinated water to disinfect the pipelines before placing the pipelines in service. Once the disinfection of the pipelines is complete, the superchlorinated water would need to be discharged. The planned discharge and release of superchlorinated water after testing and disinfection of new pipelines could potentially violate water quality standards or waste discharge requirements.

Accidental Rupture of High-Priority Subsurface Utilities

Subsurface high-priority utilities could be inadvertently damaged during excavation activities at the existing pipeline abandonment disconnection sites, the new Fontaine

PP site or along the new pipeline alignments. The rupture of a high-pressure gas pipeline could result in a release of flammable liquids or gases. Contact with buried electrical utilities could cause electrocution or shock. Such damage to utilities could fatally injure construction workers, damage equipment, and ignite fires.

Disturbance of Hazardous Materials

Construction activities include soil excavation at the existing Fontaine PP site, existing pipeline abandonment disconnection sites, new Fontaine PP site and new pipeline alignments which have the potential to disturb existing unknown hazardous materials in the soil or groundwater. A review of State Water Resources Control Board GeoTracker database, California Environmental Protection Agency's Department of Toxic Substance Control (DTSC) EnviroStor database, and the Terradex database were conducted to determine if there is a potential for and/or known sources of subsurface contamination in the vicinity of the existing Fontaine PP site, existing pipeline abandonment disconnection sites, and new pipeline alignments. No hazardous materials release sites were identified at any of the sites and there is no evidence of contamination along the pipeline alignments. In addition, demolition activities at the existing Fontaine PP site also have the potential to encounter lead and asbestos in the building material and equipment.

In addition to complying with federal, state, and local regulations, and as summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project including Section 1.3.A.2, Storm Water Pollution Prevention Plan, Section 1.3.B, Water Control and Disposal Plan, Section 1.3.C, Construction and Demolition Waste Disposal Plan, Section 1.3.D, Spill Prevention and Response Plan, and Section 1.3.E, Dust Control and Monitoring Plan, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements; Section 1.3.B, Project Health and Safety Plan, and Section 1.3.J, Electrical Safety Plan, of EBMUD's Standard Construction Specification 01 35 24, Project Safety Requirements; EBMUD Standard Construction Specification 02 82 13, Asbestos Control Activities; EBMUD Standard Construction Specification 02 83 13, Lead Hazard Control Activities; Section V, Requirements and Guidelines of Planning, Design, and Construction, of EBMUD's Engineering Standard Practice 514, Identifying Buried Conflicts; and EBMUD Procedure 711, Hazardous Waste Removal; which requires BMPs for hazardous materials storage and containment of releases; includes requirements for removing, handling, transporting, and disposing of any waste material; preventing and controlling the accidental release of hazardous materials; address anticipated hazards related to hazardous materials, describes appropriate training requirements, and identifies qualified hazardous material testing personnel; ensures compliance with specific steps outlined for characterizing wastes, coordinating waste disposal, maintaining inventories of hazardous waste, and tracking any hazardous waste handling and disposal requirements; requires all drinking water system discharges to the storm drain be dechlorinated with acceptable turbidity and pH; requires superchlorinated discharges be sent to the sanitary sewer system; identify existing utilities; identify requirements to protect workers from hazardous voltages on pipelines or associated

structures; and addresses anticipated hazards related to hazardous substances, fall protection, confined spaces, and open trenches or excavations.

Because the Project would comply with mandatory existing regulations and programs and with implementation of EBMUD Standard Construction Specifications, EBMUD's standard design practices, and District Procedures, construction impacts associated with the potential to create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials; the potential to create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the likely release of hazardous materials into the environment; the potential from accidental rupture of high-priority subsurface utilities; and the potential for accidental release of contaminated soil or groundwater during excavation would be less than significant.

Solvents, cleaners, or other chemicals may be used during maintenance of the new Fontaine PP for cleaning equipment or to prevent corrosion but would be used in very small quantities. The use, storage, and transport of these potentially hazardous materials throughout the operational life of the Project would be carried out in accordance with federal, state, and local regulations for transport, storage, use, and disposal of hazardous materials. Operation of the Project would not require excavation or other ground-disturbing activities that could result in accidental release of subsurface hazardous materials or impacts to subsurface utilities. Therefore, the potential to create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the likely release of hazardous materials into the environment during operation would be less than significant.

4.4.9.2. *Impact Hazards and Hazardous Materials c): Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-72 to 3-73)

Facts in Support of Findings

Seven schools are located within 0.25 mile of the Project sites. Construction of the Project would require the use of some hazardous materials, including fuels, lubricants, paints, and solvents, at the existing and new Fontaine PP sites and along the new pipeline alignments. It is unlikely that the Project would expose schools to these types of hazardous materials during construction because potential impacts associated with exposure to construction fuels and materials are highly localized, and none of the schools are located on or adjacent to any of the Project sites. Hazardous materials used during construction would be managed in accordance with applicable

regulations and Alameda County Department of Environmental Health's Certified Unified Program Agency programs. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects have been incorporated into the Project including Section 1.3.B, Project Health & Safety Plan, of EBMUD Standard Construction Specification 01 35 24, Project Safety Requirements, and Section 1.3.D, Spill Prevention and Response Plan, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which require an Emergency Action Plan that provides notification procedures in the event of an accident and protocols to prevent and control the accidental release of hazardous materials during construction, identifying notification protocols, and providing spill control and cleanup procedures. Because there are no schools located within or adjacent to the Project sites and with implementation of EBMUD Standard Construction Specifications, the construction impact on nearby schools would be less than significant.

Operation of the Project may require periodic use of solvents, cleaners, or other chemicals as part of routine maintenance activities for the new Fontaine PP; however, these would be used in very small quantities. No schools are located at or adjacent to the new Fontaine PP. Therefore, there would be no operational impact to schools.

4.4.9.3. *Impact Hazards and Hazardous Materials d): Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-73).

Facts in Support of Findings

Based on a review of DTSC's online data management system and the Envirostor Database, which is compiled pursuant to Government Code Section 65962.5, the project sites are not located on a hazardous materials site. Therefore, no impacts related to hazards or releases from the Project sites from construction or operation of the Project would occur.

4.4.9.4. *Impact Hazards and Hazardous Materials e): For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-73).

Facts in Support of Findings

No elements of the Project are located within an airport land use plan or within two miles of a public airport or public use airport. Therefore, no impacts related to airports or airport land use plans from construction or operation of the Project would occur.

4.4.9.5. *Impact Hazards and Hazardous Materials f): Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-73 to 3-74).

Facts in Support of Findings

The City of Oakland has adopted Emergency Management Plans that provide a general framework for local agencies to implement emergency response and evacuation procedures. Construction of the new pipelines could require full and/or partial closure of roadways, which could impede emergency access during these closures. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project including Section 1.2, Submittals, of EBMUD Standard Construction Specification 01 55 26, Traffic Regulation, which requires the preparation and submittal of a Traffic Control Plan with a description of emergency response vehicle access. With implementation of EBMUD's Standard Construction Specifications, impacts on emergency response and evacuation during construction would be less than significant.

Operation of the new Fontaine PP and pipelines would not require lane or road closures and would not impair or physically interface with an adopted emergency response plan or emergency evacuation plan. Therefore, there would be no impact to emergency response or evacuation plans from operation.

4.4.9.6. *Impact Hazards and Hazardous Materials g): Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-74).

Facts in Support of Findings

The existing Fontaine PP and approximately 500 feet of the new discharge pipeline alignment are located adjacent to or within a Very High Fire Hazard Severity Zone, as defined by California Department of Forestry and Fire Protection. However, the existing Fontaine PP is located entirely in developed urban/suburban areas and the new pipeline alignments are located within existing paved roadways, and therefore would not include any work in wildland areas. The Project would not expose people or structures to a potential wildfire. Therefore, there would be no wildland fire impacts from construction or operation of the Project.

4.4.10. Hydrology and Water Quality

4.4.10.1. Impact Hydrology and Water Quality a): Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-76 to 3-78).

Facts in Support of Findings

Planned potable water discharges associated with the construction of the Project include draining of water from the existing pipelines prior to abandonment and when connecting new pipelines to the distribution system, and the discharge of superchlorinated water upon hydrostatic testing and disinfection of new pipelines. These potable water discharges could potentially violate water quality standards or waste discharge requirements for surface waters through the introduction of chlorinated drinking water to existing drainages. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, Section 1.3.B, Water Control and Disposal Plan, and Section 1.3.D, Spill Prevention and Response Plan, which require the contractor to ensure potable water discharges would be controlled, treated, and discharged and prevent or control the accidental release of potable water during the construction of the Project. With implementation of EBMUD Standard Construction Specifications, impacts on water quality standards or waste discharge requirements during construction would be less than significant.

Construction activities for the Project, including clearing and grubbing activities, preparation of construction staging areas, and demolition of the existing Fontaine PP, would expose soils to the elements (wind and rain). Soils may be entrained in stormwater runoff, potentially affecting water quality in receiving surface waters. Improper use, storage, or disposal of fuels, lubricants, and other chemicals used in

construction could also result in the conveyance of contaminants to the receiving surface waters via stormwater runoff. The demolition and removal of the existing Fontaine PP structure would generate construction debris, some of which contains toxic substances including lead and asbestos that could also result in the conveyance of contaminants to the receiving surface waters via stormwater runoff. Thus, stormwater discharges could potentially violate water quality standards or waste discharge requirements or otherwise substantially degrade surface water quality. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, Section 1.3.A, Stormwater Pollution Prevention Plan, which requires the contractor to prepare a SWPPP that would prevent the discharge of contaminated stormwater runoff from the Project site through controls. With implementation of EBMUD Standard Construction Specifications, impacts related to the release of contaminated stormwater runoff during construction would be less than significant.

Once construction is complete, there are no potable water discharges planned from the new or existing Fontaine PP sites. Roadways would be repaved to their pre-construction condition, the existing Fontaine PP site would experience a decrease in the total impervious surface area due to demolition of the structure and surrounding concrete walkways and stairways, and the new Fontaine PP site would experience an increase in impervious area due to the new Fontaine PP roof and paved parking areas. Both sites would be maintained in a manner that keeps the site clean and free of trash and other debris. The existing Fontaine PP site would be hydroseeded with grasses to prevent erosion and the new Fontaine PP would minimize impervious areas utilizing decomposed granite surfaces, open cell pavers, and landscaped areas. Stormwater runoff from the existing Fontaine PP site is therefore expected to decrease from existing conditions and would be routed to an existing storm drain like existing conditions. Stormwater runoff at the new Fontaine PP site would be greater than existing conditions due to the increased impervious area but would be minimal and routed to a gutter on the street. Therefore, impacts on water quality standards or waste discharge requirements during operation would be less than significant.

4.4.10.2. Impact Hydrology and Water Quality b): Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-78 to 3-79).

Facts in Support of Findings

Construction of the Project would not require significant excavation dewatering and therefore construction impacts to groundwater supplies would be less than significant.

After construction, stormwater runoff from the new Fontaine PP site would be minimal and would be further reduced by utilizing landscaped areas and minimizing impervious areas including the use of open-cellular concrete paving. Stormwater runoff from the impervious surfaces would be directed to the landscaped areas to the fullest extent possible to maximize stormwater recharge of soils. The demolition of the existing Fontaine PP would decrease the total impervious surface area and allow for stormwater recharge of soils. Therefore, operational impacts on groundwater supplies would be less than significant.

4.4.10.3. Impact Hydrology and Water Quality c) i) through iv): Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: i) Result in substantial erosion or siltation on- or off-site; ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site; iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or iv) impede or redirect flood flows?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-79 to 3-81).

Facts in Support of Findings

Construction activities for the Project would involve minor alterations to the drainage patterns at the existing Fontaine PP site after the existing building and paving are demolished and at the new Fontaine PP site after excavation, grading, site paving and construction of the new building. At both sites and during the pipeline work, accidental release of hazardous materials such as oil, grease, or fuel during construction could potentially degrade surface water quality. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, Section 1.1.B, Site Activities, Section 1.3.A, Stormwater Pollution Prevention Plan, Section 1.3.B, Water Control and Disposal Plan, and Section 1.3.D, Spill Prevention and Response Plan, which would ensure construction debris doesn't pollute the storm drains or surface waters, the Project's SWPPP would limit delivery of silt and sediment and the Water Control and Disposal Plan would require controls regarding

liquid discharges from the Project site to prevent erosion, scouring of bank, nuisance, contamination, and excess sedimentation into receiving waters. With implementation of EBMUD Standard Construction Specifications, impacts related to substantially altering the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces during construction would be less than significant.

Demolition of the existing Fontaine PP would not alter the existing drainage pattern of the site and would remove the impervious structure roof and concrete walkways, increasing infiltration and decreasing surface runoff. At the new Fontaine PP site, the new structure roof and paved parking area would create a new impervious area totaling less than 5,000 square feet. Stormwater runoff from the new Fontaine PP site would be minimized by utilizing landscaped areas and minimizing impervious areas including the use of open-cellular concrete paving in front of the secondary entrance from MacArthur Boulevard. Stormwater runoff from the impervious surfaces would be directed to the landscaped areas to the fullest extent possible to maximize stormwater recharge of soils. Also, long-term operations at the new Fontaine PP site would not include long-term storage of potential pollutants. Therefore, impacts at the existing Fontaine PP and new Fontaine PP sites related to substantially altering the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, during operation would be less than significant.

At the existing pipeline abandonment disconnection sites and the new pipeline alignments, the areas disturbed would be paved again resulting in no net change to drainage patterns and therefore there is no impact during construction or operation.

4.4.10.4. Impact Hydrology and Water Quality d): In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-81).

Facts in Support of Findings

None of the Project sites are located in flood hazard, tsunami, or seiche zones; therefore, there would be no impact during construction or operation.

4.4.10.5. Impact Hydrology and Water Quality e): Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-81 to 3-82).

Facts in Support of Findings

Construction-related activities involving soil disturbance, such as grading, excavation, cut and fill, stockpiling of soils, and dewatering, could result in erosion, siltation, and/or delivery of sediments to surface waters. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including EBMUD Standard Construction Specifications Section 01 35 44, Environmental Requirements, Section 1.3.A, Stormwater Pollution Prevention Plan, which requires the contractor to prepare a SWPPP that would prevent the discharge of contaminated stormwater runoff from the Project site through controls such as dechlorination tablets, rock filter bags and drain inlet protection. With implementation of EBMUD's Standard Construction Specifications, construction of the Project would not conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan resulting in a less than significant impact.

Once construction is complete, there are no potable water discharges planned from the new Fontaine PP or existing Fontaine PP sites. Both sites would be maintained in a manner that keeps the sites clean and free of trash and other debris. The existing Fontaine PP site would be hydroseeded with grasses to prevent erosion and the new Fontaine PP would minimize impervious areas utilizing decomposed granite surfaces, open cell pavers, and landscaped areas. Stormwater runoff from the existing Fontaine PP site is therefore expected to decrease from existing conditions and would be routed to an existing storm drain like existing conditions. Stormwater runoff at the new Fontaine PP site would be greater than existing conditions due to the increased impervious area but would be minimal and routed to a gutter on the street. Therefore, operation of the Project would not impact or obstruct implementation of a water quality control plan or sustainable groundwater management plan and impacts would be less than significant.

4.4.11. Land Use and Planning

4.4.11.1. Impact Land Use and Planning a): Physically divide an established community?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-84).

Facts in Support of Findings

The Project would not physically divide an established community because demolition of the existing Fontaine PP would leave a parcel absent of any structures, abandonment of existing pipelines would be completed underneath existing roadways, construction of the new Fontaine PP would be completed on one vacant corner parcel, and the new pipeline construction would be completed underneath existing roadways. Therefore, no impacts that would physically divide an established community will occur during construction or operation.

4.4.11.2. Impact Land Use and Planning b): Cause a significant impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-84 to 3-85).

Facts in Support of Findings

The Project would require an encroachment permit for construction within city streets and sidewalks, pursuant to Chapter 12.08 of the City of Oakland's municipal code. Pursuant to California Government Code Section 53091(e), county and city zoning ordinances do not apply to the location or construction of facilities for the transmission of water. The MND does, however, consider resource policies in the zoning ordinances and general plans for the City in corresponding MND sections (e.g., Noise, Biological Resources). The existing Fontaine PP would replace existing aging infrastructure and improve water supply reliability for existing and projected future customer demands enabling EBMUD to maintain a high level of service in the area, consistent with City of Oakland's municipal code Policy N12.1. All above-ground facilities would be located on the new Fontaine PP site and would be consistent with the existing use of the site. The proposed facilities would not result in changes to land uses in the Project area, and therefore would not result in deficiencies in or disparities between existing residential areas, consistent with City of Oakland's municipal code Policy N12.5. For these reasons, and through adherence to the provisions of the municipal code, the Project would not obviously conflict with applicable City land use policies and regulation during construction and operation, therefore the impact is less than significant.

4.4.12. Mineral Resources

4.4.12.1. Impact Mineral Resources a) and b): a) Potential to result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan. b) Result in the loss of availability of a locally important mineral resource

recovery site delineated on a local general plan, specific plan or other land use plan?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-86).

Facts in Support of Findings

The Project is located in an urban/ suburban environment. There are no mineral resources within the Project area (City of Oakland, 1996). Therefore, there would be no impact to mineral resources during construction and operation.

4.4.13. Noise

4.4.13.1. *Impact Noise a): Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-97 to 3-105).

Facts in Support of Findings

Construction noise would be generated during construction activities associated with the Project, including demolition of the existing Fontaine PP, construction of the new Fontaine PP, existing pipeline abandonment activities at three disconnection points, and construction of new pipelines. The noise impact analysis and significance determination utilize the approach of the City of Oakland and reflects its interpretation of the city of Oakland's Noise Ordinance and the Oakland Planning Code (OPC). As summarized in the MND on pages 3-90 through 3-103, multiple construction activities conducted during daytime hours would exceed the noise thresholds for noise standards by the receiving land use type as defined in city of Oakland's Noise Ordinance and the OPC.

The City requires projects that exceed construction thresholds to incorporate noise controls to ensure that the maximum feasible noise attenuation is achieved. The City requires the incorporation of Oakland Standard Conditions of Approval for all projects approved by the City. Similarly, EBMUD incorporates Standard Construction Specifications and Procedures into all projects. Project-related construction activities that generate noise levels in exceedance of the City's construction noise thresholds would incorporate applicable EBMUD Standard Construction Specifications and Procedures, consistent with Oakland Standard

Conditions of Approval, to ensure that construction noise has been reduced to the maximum extent feasible.

As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, would be incorporated into the Project, including Section 1.3, Submittals, and Section 3.7, Noise Control, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, Section 1.7, Construction Noise, of EBMUD Standard Construction Specification 01 14 00, Work Restrictions, and EBMUD's Procedure 600, Public Outreach and Community Relations, which includes required use of equipment mufflers or similar source controls, and required use of noise control blankets or noise barriers; the preparation and implementation of a Noise Control and Monitoring Plan that would define the means and methods for controlling and monitoring noise to reduce construction noise for the Project; requires EBMUD and its Contractor to notify residents within 300 feet of Project construction in advance of extreme noise-generating activity, thereby allowing residents to plan for construction activities and elevated noise levels; limits extreme noise-generating construction (i.e., greater than 90 dBA) to the hours of 8:00 a.m. to 4:00 p.m. to avoid the evening, nighttime, and early morning hours when people are most sensitive to noise; and would designate a Public Affairs liaison to respond to construction-related concerns, including noise levels, from the community and requires notification of residents 7 to 14 days in advance of potentially disruptive construction activities including geographical extent of activity and estimated duration of the activity. With implementation of EBMUD's Standard Construction Specifications and Procedures, EBMUD would implement all feasible noise control requirements to reduce demolition and construction noise levels, and therefore construction impacts would be less than significant.

After construction is complete, the new Fontaine PP would include three 300-horsepower vertical turbine pumps located inside a new building and an outdoor electrical transformer, both of which would generate operational noise. Only two of the three pumps are expected to be operated at any given time (one unit is a standby). The simultaneous operation of two pumps would result in a total noise level below OPC's daytime and nighttime threshold. The transformer at the new Fontaine PP site would generate a steady noise level below OPC's daytime and nighttime thresholds. Therefore, noise generated by the operation of the new pumps and electrical transformer would be less than significant.

4.4.13.2. Impact Noise b): Generation of excessive groundborne vibration or groundborne noise levels?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-105 to 3-108).

Facts in Support of Findings

Demolition and construction activities required for construction often generate perceptible vibration and levels that could affect nearby structures when heavy equipment or impact tools (e.g., jackhammers, hoe rams) are used in the vicinity of nearby sensitive land uses. The City of Oakland does not establish a vibration limit for construction. Potential construction-related vibration impacts at structures near each Project site area were analyzed using Caltrans recommended limits where a significant impact would occur if the groundborne vibration levels from construction exceed 0.25 in/sec peak particle velocity (PPV) at historic structures and/or 0.5 in/sec PPV at new residential or modern commercial/industrial structures. There are no historic structures located within or adjacent to the Project sites subject to the 0.25 in/sec PPV construction vibration threshold. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, would be incorporated as part of the Project, including Section 1.3.H, Vibration Control and Monitoring Plan, and Section 3.6, Vibration Control, of EBMUD Standard Construction Specification 01 35 44, Environmental Requirements, which require preparing and implementing a Vibration Control and Monitoring Plan and limiting surface vibration to no more than 0.5 in/sec PPV. Because there are no historic structures located within or adjacent to the Project sites and with implementation of EBMUD Standard Construction Specifications, vibration impacts during construction would result in a less than significant impact.

Operational equipment is not anticipated to generate perceptible levels of vibration off-site, resulting in a less than significant impact.

4.4.13.3. Impact Noise c): For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-108).

Facts in Support of Findings

The Project is not located within the vicinity of a private airstrip or a public airport and would not expose people residing or working in the Project area to excessive aircraft noise levels, resulting in no impact during construction or operation.

4.4.14. Population and Housing

4.4.14.1. Impact Population and Housing a): Induce substantial unplanned population growth in an area, either directly (for example, by proposing

new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-109).

Facts in Support of Findings

The Project would not induce population growth by making additional water supply available for new development. The Project rehabilitates and replaces existing facilities to improve operational flexibility and reliability of the existing water distribution system for existing customers. The new Fontaine PP would have the same pumping capacity as the existing Fontaine PP. The existing customers are all within EBMUD's Ultimate Service Boundary, which is a defined service and growth boundary adopted by EBMUD. Therefore, Project construction and operation are not extending growth into a new area or creating momentum for new development within the existing area.

4.4.14.2. Impact Population and Housing b): Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-109).

Facts in Support of Findings

No housing presently exists at the Project sites; therefore, the proposed Project would not displace people or housing during construction or operation.

4.4.15. Public Services

4.4.15.1. Impact Public Services a) i) through v): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: i) fire protection, ii) police protection, iii) schools, iv) parks, and v) other public facilities?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-110).

Facts in Support of Findings

The Project replaces an existing Fontaine PP and constructs new pipelines. The Project would not generate a need for any new public facilities (schools, fire and/or police protection, parks, etc.), because it does not induce population and employment growth. Workers at the Project sites are likely to commute from the existing Bay Area labor supply. Any deterioration of existing public facilities resulting from construction (e.g., streets) would be restored by EBMUD to preconstruction condition upon completion of construction. There would be no impacts associated with new or physically altered governmental facilities during construction or operation.

4.4.16. Recreation

4.4.16.1. *Impact Recreation a): Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-111).

Facts in Support of Findings

The Project would not generate or attract additional population, as would be associated with residential, commercial or industrial uses. Therefore, there would be no impact on the demand for recreational facilities during construction or operation.

4.4.16.2. *Impact Recreation b): Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-111).

Facts in Support of Findings

The project consists exclusively of water distribution system facilities and does not require the construction or expansion of recreational facilities. Therefore, there would be no impact to the environment from the construction or expansion of recreation facilities during construction or operation of the Project.

4.4.17. Transportation

4.4.17.1. *Impact Transportation b): Conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision(b)?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-128 to 3-129).

Facts in Support of Findings

Construction of the Project would on average generate 46 daily worker and truck trips at the new Fontaine PP site and on average 24 daily worker and truck trips at the existing Fontaine PP site. The construction phase of the Project satisfies the “Small Projects” screening criteria as construction would generate fewer than 100 vehicle trips per day. Furthermore, once constructed, the Project would generate approximately two trips per month, similar to existing conditions and operation of the existing Fontaine PP. Because construction and operation of the Project would generate trips that are less than those identified in the city of Oakland’s screening criteria, the Project would not conflict with or be inconsistent with CEQA Guidelines Section 15064.3, subdivision (b), and impacts would be less than significant.

4.4.17.2. *Impact Transportation/Traffic c): Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND page 3-129).

Facts in Support of Findings

Construction of the Project would not modify the geometric design features of any publicly accessible roadway. An increase in hazards due to presence of construction equipment within roadways could occur during construction of the new pipelines. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 2.1, Traffic Control Devices, of EBMUD Standard Construction Specification 01 55 26, Traffic Regulation, which requires implementation of a Traffic Control Plan that includes, but is not limited to, the use of various traffic control requirements that reduce potential for traffic hazards. With implementation of EBMUD Standard Construction Specifications, the construction impact associated with hazards due to a geometric design feature would be less than significant.

All roadways and sidewalks would be restored after construction is complete. No impact would occur during operation.

4.4.17.3. *Impact Transportation/Traffic d): Result in inadequate emergency access?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-130 to 3-131)

Facts in Support of Findings

The Project would not result in permanent changes to existing traffic design features or incompatible uses; however, construction could potentially require temporary full road closures. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 1.2, Submittals, and Section 3.0, Execution, of EBMUD Standard Construction Specification 01 55 26, Traffic Regulation, which require implementation of a Traffic Control Plan that includes the development of an emergency vehicle access plan that would require a contingency plan for immediate emergency response vehicle access for streets with full road closures. With implementation of EBMUD Standard Construction Specifications, impacts related to emergency vehicle access on any roadway impacted by the Project would be less than significant during construction.

All roadways and sidewalks would be restored to pre-Project conditions after construction is complete. No impact would occur during operation.

4.4.18. Tribal Cultural Resources

4.4.18.1. *Impact Tribal Cultural Resources a) i) through ii): Would the Project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is: i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND page 3-134).

Facts in Support of Findings

The results of the background research of EBMUD's Archeological Resources GIS indicates that there are no archaeological tribal cultural resources within any of the Project sites and that there is a low potential to uncover resources during Project implementation. Despite the low archaeological sensitivity, the possibility of inadvertent discovery during construction cannot be entirely discounted and could result in a potentially significant impact. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 3.9, Protection of Cultural and Paleontological Resources, of EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements, which requires implementation of procedures that address the inadvertent discovery of cultural resources and ensures compliance with legal requirements regarding the protection of such resources. With implementation of EBMUD's Standard Construction Specifications, construction impacts related to causing a substantial adverse change in the significance of a tribal cultural resource site, feature, place, cultural landscape, or object with cultural value to a California Native American tribe, and that is listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources, or a resource determined by the lead agency to be significant are less than significant.

No excavation or ground-disturbing activities are expected after construction of the Project, therefore no impact to tribal cultural resources would occur during operation.

4.4.19. Utilities and Service Systems

4.4.19.1. Impact Utilities and Service Systems a): Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-135).

Facts in Support of Findings

The Project would not include or require new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunication facilities. Therefore, there would be no impact associated with relocation or

construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunication facilities during construction or operation.

4.4.19.2. *Impact Utilities and Service Systems b): Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-135).

Facts in Support of Findings

The Project would not require additional water supplies; rather, the Project would ensure continuation of existing water supplies for existing and reasonably foreseeable future development demands during normal, dry and multiple dry years by replacing existing aging infrastructure, improving reliability and providing redundancy, as needed. Therefore, there would be no impact during construction or operation.

4.4.19.3. *Impact Utilities and Service Systems c): Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-136).

Facts in Support of Findings

The Project would not generate long-term wastewater outputs, as the Project replaces facilities within a closed, potable water distribution system. Therefore, there would be no impact during construction or operation.

4.4.19.4. *Impact Utilities and Service Systems d) and e): d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals? e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?*

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-136 to 3-137).

Facts in Support of Findings

The Project would generate construction debris from demolition of the existing Fontaine PP, construction of the new Fontaine PP, and pipeline trenching and excavation of in-place soils. Soils and any solid waste encountered during demolition, construction, and trenching and excavations would be disposed of at an appropriate landfill. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project, including Section 1.3.C, Construction and Demolition Waste Disposal Plan, of EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements, which includes provisions for identifying disposal methods for soil, reusing or recycling construction debris, and the approved disposal site. With implementation of EBMUD's Standard Construction Specifications, construction impacts from generating solid waste would be less than significant.

The Project would not generate long-term solid waste outputs, as the Project upgrades and replaces facilities within a closed, potable water distribution system. Therefore, operational impacts from generating solid waste would be less than significant.

4.4.20. Wildfire

4.4.20.1. Impact Wildfire a): Substantially impair an adopted emergency response plan or emergency evacuation plan?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND page 3-138 to 3-139).

Facts in Support of Findings

The City has adopted Emergency Management Plans that provide a general framework for local agencies to implement emergency response and evacuation procedures. Construction of the new pipelines could require full and/or partial closure of roadways, which could impede emergency access during these closures. As summarized in Exhibit C, a number of EBMUD standard practices and procedures, applicable to all EBMUD projects, have been incorporated into the Project including Section 1.2, Submittals, of EBMUD Standard Construction Specification 01 55 26, Traffic Regulation, which requires the preparation and submittal of a Traffic Control Plan that includes a description of contingency plans for emergency response vehicle access. With implementation of EBMUD's Standard Construction Specifications, construction impacts to an adopted emergency response plan or emergency evacuation plan during construction would be less than significant.

Operation of the new Fontaine PP and pipelines would not require lane or road closures and would not impair or physically interface with an adopted emergency

response plan or emergency evacuation plan. No impacts to emergency response or evacuation plans from operation of the Project would occur.

4.4.20.2. *Impact Wildfire b): Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-139).

Facts in Support of Findings

The proposed Project does not include any new facilities or structures that would be occupied. Therefore, there would be no impact of the Project that would expose Project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire during construction or operation.

4.4.20.3. *Impact Wildfire c) and d): c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?*

Findings

EBMUD hereby finds that there would be no impact (see MND page 3-139).

Facts in Support of Findings

Although the Project does contain construction of new infrastructure including the new Fontaine PP structure and the underground pipeline, the new infrastructure would be located completely in urban/suburban areas and would not be located within a mapped landslide area. Therefore, there is no impact from construction or operation of the Project due to the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment or expose people or structures to post-wildfire risks including flooding, landslides, slope instability or drainage changes.

4.4.21. Mandatory Findings of Significance

4.4.21.1. Impact Mandatory Findings of Significance b): Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

Findings

EBMUD hereby finds that impacts would be less than significant (see MND pages 3-141 to 3-143).

Facts in Support of Findings

For any impacts to act cumulatively on any past, present, or any reasonably foreseeable projects, these projects would have to have individual impacts in the same resource areas at the same time and in the same localized area as the proposed Project. A review of projects near the Project sites found projects that are scheduled to be completed before Project construction is expected to begin in 2028. Because there are no other projects occurring within the vicinity at the same time as the proposed Project, and because the Project’s individual impacts would be reduced with implementation of mitigation measures, Project impacts potential to be cumulatively considerable are less than significant.

5. Findings Related to Potential Growth Inducing Impacts

The Project rehabilitates and replaces existing facilities to improve operational flexibility and reliability of the existing water distribution system for existing customers. The new Fontaine PP would have the same pumping capacity as the existing Fontaine PP. The existing customers are all within EBMUD’s Ultimate Service Boundary, which is a defined service and growth boundary adopted by EBMUD. Therefore, the Project is not extending growth into a new area or creating momentum for new development within the existing area. Because the Project maintains the Fontaine PP’s existing capacity, which is already required to respond to periods of peak demand in the pressure zone, and would address existing deficiencies resulting from the age and location of the existing Fontaine PP, the Project would not induce or otherwise serve as an impetus for growth in the area served by the new Fontaine PP.

6. Findings Related to MND Recirculation and EIR Preparation

CEQA Guidelines section 15073.5 requires an MND to be recirculated if substantial revisions are made to the document after the public is notified of the document’s availability, but prior to its adoption. Pursuant to section 15073.5(b), revisions to an MND are only considered to be “substantial revisions” if they identify a new, avoidable significant effect which can only be addressed by the addition of new mitigation measures or project revisions, or if they reflect a determination by the lead agency that the mitigation measures and project revisions proposed in

the MND will not reduce the project's potential effects to less than significant levels, such that new mitigation measures or project revisions are necessary. The Board hereby finds that due to receiving no public or agency comments, there are no revisions made to the MND following circulation of the Draft MND for public review, and therefore MND recirculation is not required.

Consistent with section 15073.5(d) and as reflected in the Final MND, the Board further finds that based upon the whole record, there is no evidence that the Project may cause significant environmental impacts that cannot be mitigated or avoided. As such, EBMUD is not required to prepare an EIR for the Project.

7. Findings Related to Project Approval

Based upon the whole record before it, the Board hereby finds and declares that the Project is approved.

EXHIBIT B
MITIGATION MONITORING AND REPORTING PROGRAM

Exhibit B lists all impact areas identified in the MND with significant or potentially significant impacts along with the proposed mitigation measures required to reduce impacts to less than significant levels.

Impact Area	Mitigation Measure	Responsible for Implementation	Responsible for Monitoring and/or Enforcement	Timing of Implementation
Aesthetics				
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area.	Mitigation Measure AES-1: Nighttime Lighting Controls. Stationary lighting used during nighttime construction (if required) shall be shielded and directed downward or oriented such that the light source is not directed toward residential areas or into streets.	EBMUD and EBMUD's Construction Contractor	EBMUD	For the duration of nighttime construction
Transportation				
a) Conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities.	Mitigation Measure TRA-1: MacArthur Boulevard Pedestrian Diversion. A temporary pedestrian diversion shall be provided around any sidewalk obstruction to maintain the pedestrian path of travel along the sidewalk corridor on MacArthur Boulevard at the new PP site. The temporary pedestrian diversion, if necessary, shall be clearly identified, wheelchair usable, shielded from motor vehicle traffic, and free of pedestrian hazards such as holes, debris, gravel, mud, etc. All temporary pedestrian diversion routes must keep and maintain a minimum 5.5-foot clear width for pedestrian access. Pedestrian access plans shall be reviewed and approved by the City's Department of Transportation (OakDOT) prior to construction and included in the Project's Traffic Control Plan.	EBMUD and EBMUD's Traffic Engineer	EBMUD	Prior to construction
	Mitigation Measure TRA-2: Golf Links Road and MacArthur Boulevard Bus Stop Relocation/Short-Term Closure. EBMUD shall coordinate with and obtain written approval from AC transit and OakDOT for the temporary relocation or closure of any bus stops along Golf Links Road to accommodate existing pipeline abandonment disconnection, and along MacArthur Boulevard required to accommodate new PP and new pipeline construction. Any parking obstruction, sidewalk obstruction, travel lane obstruction, or other accommodation required for the closed or temporary bus stop shall be proposed through an obstruction permit application and documented in the Project's Traffic Control Plan.	EBMUD and EBMUD's Construction Contractor	EBMUD	During construction

8.

EXHIBIT C

EBMUD PRACTICES AND PROCEDURES MONITORING AND REPORTING PLAN

Exhibit C lists all applicable requirements from EBMUD's Standard Construction Specifications, Procedures, Pumping Plant Design Guide, and Engineering Standard Practices (EBMUD Practices and Procedures) that have been incorporated into the Project. These EBMUD Practices and Procedures are standardized practices and procedures applicable to all EBMUD projects, are not tailored to address specific impacts of the Project, reflect generally applicable EBMUD standard operating procedures, and as such have been properly incorporated into the Project itself rather than being imposed as mitigation measures. Nonetheless, to ensure their implementation and to streamline monitoring thereof, the Board has formally adopted these EBMUD Practices and Procedures, imposed them as conditions of Project approval, and adopted the Practices and Procedures Monitoring and Reporting Plan set forth in this Exhibit C.

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
Air Quality				
Air Quality a): Conflict with or obstruct implementation of the applicable air quality plan.	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements</p> <p><i>Section 1.3.E, Dust Control and Monitoring Plan</i></p> <ol style="list-style-type: none"> 1. Submit a plan detailing the means and methods for controlling and monitoring dust generated by demolition and other work on the site for the Engineer's acceptance prior to any work at the jobsite. The plan shall comply with all applicable regulations including but not limited to the Bay Area Air Quality Management District (BAAQMD) visible emissions regulation and Public Nuisance Rule. The plan shall include items such as mitigation measures to control fugitive dust emissions generated by construction activities. The Plan shall outline best management practices for preventing dust emissions, provide guidelines for training of employees, and procedures to be used during operations and maintenance activities. The plan shall also include measures for the control of paint overspray generated during the painting of exterior surfaces. The plan shall detail the equipment and methods used to monitor compliance with the plan. The handling and disposal of water used in compliance with the Dust Control Plan shall be addressed in the Water Control and Disposal Plan. 2. Containment, as described in Article 3.3, shall be utilized during any abrasive blasting of the exterior of structures. <p><i>Section 3.3., Dust Control and Monitoring</i></p> <p>B. Dust Control</p> <ol style="list-style-type: none"> 1. Contractor shall implement all necessary dust control measures, including but not limited to the following: <ol style="list-style-type: none"> a. All exposed surfaces with the potential of dust-generating shall be watered at least twice daily, or be covered with coarse rock, or as directed by the Engineer to reduce the potential for airborne dust from leaving the site. b. The simultaneous occurrence of more than two ground disturbing construction phases on the same area at any one time shall be limited. Activities shall be phased to reduce the amount of disturbed surfaces at any one time, as appropriate. c. Cover all haul trucks entering/leaving the site and trim their loads as necessary. d. Using wet power vacuum street sweepers to: <ol style="list-style-type: none"> 1) Sweep all paved access road, parking areas and staging areas at the construction site daily or as often as necessary. 2) Sweep public roads adjacent to the site at least twice daily or as often as necessary. e. The use of dry power sweeping is prohibited. f. All trucks and equipment, including their tires, shall be washed off prior to leaving the site. 	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<ul style="list-style-type: none"> g. Gravel or apply non-toxic soil stabilizers on all unpaved access roads, parking areas and staging areas at construction sites. h. Water and/or cover soil stockpiles daily. i. Site accesses to a distance of 100 feet from the paved road shall be treated with 12-inches layer of compacted coarse rock. j. Sandbags or other erosion control measures shall be installed to prevent silt runoff to public roadways from sites with a slope greater than one percent. k. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. l. Building pads shall be laid as soon as possible after grading. m. Vegetative ground cover (e.g., fast-germinating native grass seed) shall be planted in disturbed areas as soon as possible and watered appropriately until vegetation is established. n. Wind breaks (e.g., fences) shall be installed on the windward sides(s) of actively disturbed areas of construction. Wind breaks should have a maximum 50 percent air porosity. o. All vehicle speeds shall be limited to fifteen (15) mph or less on the construction site and any adjacent unpaved roads. <p>C. Dust Monitoring During Demolition and Construction</p> <ul style="list-style-type: none"> 1. Provide air monitoring per the Dust Control and Monitoring Plan along the perimeter of the job site. A minimum of 4 stations, one on each side of the District property, shall be established, capable of continuous measurement of total particulate concentration when any dust generating activity is occurring. <ul style="list-style-type: none"> a. Ringelmann No. 1 Limitation: Contractor shall not emit from any source for a period or periods aggregating more than three minutes in any hour, a visible emission which is as dark or darker than No. 1 on the Ringelmann Chart, or of such opacity as to obscure an observer's view to an equivalent or greater degree. b. Opacity Limitation: Contractor shall not emit from any source for a period or periods aggregating more than three minutes in an hour an emission equal to or greater than 20% opacity as perceived by an opacity sensing device, where such device is required by Air Quality Management District regulations. c. All environmental and personal air sampling equipment shall be in conformance with the Association of Industrial Hygiene and National Institute of Safety and Health (NIOSH) standards. d. All analysis shall be completed by a California Department of Health Services certified laboratory for the specific parameters of interest. e. The Contractor shall provide to the Engineer, within 72 hours of sampling all test results. <p>D. The dust control system shall comply with the Dust Control and Monitoring Plan, the requirements of this section, and any applicable laws and regulations</p>			

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p><i>Section 3.4., Emissions Control</i></p> <p>A. Air Quality and Emissions Control</p> <ol style="list-style-type: none"> 1. The Contractor shall ensure that line power is used instead of diesel generators at all construction sites where line power is available. 2. The Contractor shall ensure that for operation of any stationary, compression-ignition engines as part of construction, comply with Section 93115, Title 17, California Code of Regulations, Airborne Toxic Control Measure for Stationary Compression Ignition Engines, which specifies fuel and fuel additive requirements as well as emission standards. 3. Fixed temporary sources of air emissions (such as portable pumps, compressors, generators, etc.) shall be electrically powered unless the Contractor submits documentation and receives approval from the Engineer that the use of such equipment is not practical, feasible, or available. All portable engines and equipment units used as part of construction shall be properly registered with the California Air Resources Board or otherwise permitted by the appropriate local air district, as required. 4. Contractor shall implement standard air emissions controls such as: <ol style="list-style-type: none"> a. Minimize the use of diesel generators where possible. b. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes as required by the California Airborne Toxics Control Measure (ATCM) Title 13, Section 2485 of California Code of Regulations. Clear signage shall be provided for construction workers at all access points. c. Follow applicable regulations for fuel, fuel additives, and emission standards for stationary, diesel-fueled engines. d. Locate generators at least 100 feet away from adjacent homes and ball fields. e. Perform regular low-emission tune-ups on all construction equipment, particularly haul trucks and earthwork equipment. 5. Contractor shall implement the following measures to reduce greenhouse gas emissions from fuel combustion: <ol style="list-style-type: none"> a. On road and off-road vehicle tire pressures shall be maintained to manufacturer specifications. Tires shall be checked and re-inflated at regular intervals. b. Construction equipment engines shall be maintained to manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation. c. All construction equipment, diesel trucks, and generators shall be equipped with Best Available Control Technology for emission reductions of Oxide of Nitrogen (NOx) and Particulate Matter (PM). d. Demolition debris shall be recycled for reuse to the extent feasible. See the Construction and Demolition Waste Disposal Plan paragraphs above for requirements on wood treated with preservatives. <p>B. Architectural Coatings</p>			

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p>1. Architectural coatings used shall comply with appropriate Volatile Organic Compound limits as established in the Bay Area Air Quality Management District's Regulation 8, Rule 3 and/or the San Joaquin Valley Air Pollution Control District's Regulation IV, Rule 4601, and any amendments thereto.</p> <p>EBMUD's Standard Construction Specification 02 82 13, Asbestos Control Activities <i>Section 1.1, Compliance and Intent</i></p> <p>A. Furnish all labor, materials, facilities, equipment, services, employee training and testing, permits, and agreements necessary to perform the asbestos removal in accordance with these specifications and with the latest regulations from the U.S. Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA), the Bay Area Air Quality Management District (BAAQMD), the Cal/EPA Department of Toxic Substance Control, the California Department of Occupational Safety and Health (DOSH), and other federal, state, county, and local agencies. Whenever there is a conflict or overlap of the above references, the most stringent provision is applicable.</p> <p>EBMUD's Standard Construction Specification 02 83 13, Lead Hazard Control Activities <i>Section 1.4, Submittals (Pre-Job)</i></p> <p>B. Lead Demolition Plan: Lead-containing coating handling, engineering control, removal, and disposal procedures.</p>			
Air Quality b): Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard.	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 3.4.A, Air Quality and Emissions Control</i> (Details as listed under Impact Air Quality a) <i>Section 3.4.B, Architectural Coatings</i> (Details as listed under Impact Air Quality a)</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Air Quality c): Expose sensitive receptors to substantial pollutant concentrations.	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 3.4.A, Air Quality and Emissions Control</i> (Details as listed under Impact Air Quality a)</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Air Quality d): Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people.	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 1.3.I, Tune-up Logs</i></p> <p>1. The Contractor shall submit a log of required tune-ups for all construction equipment, particularly haul and delivery trucks, on a quarterly basis for review.</p> <p><i>Section 3.4.A, Air Quality and Emissions Control</i> (Details as listed under Impact Air Quality a)</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
Biological Resources				
Biological Resources a): Have a substantial adverse impact, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations or by the California Dept. of Fish & Game or U.S. Fish & Wildlife Service.	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 3.8, Protection of Birds Protected Under the Migratory Bird Treaty Act and Roosting Bats</i> A. The District will conduct biological reconnaissance in advance of construction and will conduct biologic monitoring during construction as necessary. B. Protected Species 1. If protected species or suitable habitat for protected species is found during biological reconnaissance surveys: a. Before beginning construction, all Contractor construction personnel are required to attend an environmental training program provided by the District of up to one-day for site supervisors, foreman and project managers, and up to 30-minutes for non-supervisory contractor personnel. The training program will be completed in person or by watching a video at a District-designated location, conducted by a qualified biologist provided by the District. The program will discuss all sensitive habitats and sensitive species that may occur within the project work limits, including the responsibilities of Contractor's construction personnel, applicable mitigation measures, and notification requirements. The Contractor is responsible for ensuring that all workers requiring training are identified to the District. Prior to accessing or performing construction work, all Contractor personnel shall: 1) Sign a wallet card provided by the Engineer verifying that all Contractor construction personnel have attended the appropriate level of training relative to their position; have read and understood the contents of the environmental training; and shall comply with all project environmental requirements. 2) Display an environmental training hard hat decal (provided by the District after completion of the training) at all times. b. Birds Protected under the Migratory Bird Treaty Act (MBTA): 1) It is unlawful to pursue, hunt, take, capture, or kill any migratory bird without a permit issued by the U.S. Department of the Interior. 2) If construction commences between February 1 and August 31, during the nesting season, the District will conduct a preconstruction survey for nesting birds within 7 days prior to construction to ensure that no nest will be disturbed during construction. 3) If active nests of migratory bird species (listed in the MBTA) are found within the project site, or in areas subject to disturbance from construction activities, an avoidance buffer to avoid nest disturbance shall be constructed. The buffer size will be determined by the District in consultation with California Department of Fish and Wildlife (CDFW) and	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p>is based on the nest location, topography, cover and species' tolerance to disturbance.</p> <p>4) If an avoidance buffer is not achievable, a qualified biologist provided by the District will monitor the nest(s) to document that no take of the nest (nest failure) has occurred. Active nests shall not be taken or destroyed under the MBTA and, for raptors, under the CDFW Code. If it is determined that construction activity is resulting in nest disturbance, work should cease immediately, and the Contractor shall notify the Engineer who will consult with the qualified biologist and appropriate regulatory agencies.</p> <p>5) If preconstruction surveys indicate that nests are inactive or potential habitat is unoccupied during the construction period, no further action is required. Trees and shrubs within the construction footprint that have been determined to be unoccupied by special-status birds or that are located outside the avoidance buffer for active nests may be removed. Nests initiated during construction (while significant disturbance from construction activities persist) may be presumed to be unaffected, and only a minimal buffer, determined by District's biologist, would be necessary.</p> <p>c. Roosting Bats:</p> <p>1) If construction commences between March 1 and July 31, during the bat maternity period, the District will conduct a preconstruction survey for roosting bats within two weeks prior to construction to ensure that no roosting bats will be disturbed during construction.</p> <p>2) If roosting surveys indicate potential occupation by a special-status bat species, and/or identify a large day roosting population or maternity roost by any bat species within 200 feet of a construction work area, a qualified biologist provided by the District will conduct focused day- and/or night-emergence surveys, as appropriate.</p> <p>3) If active maternity roosts or day roosts are found within the project site, or in areas subject to disturbance from construction activities, an avoidance buffers shall be constructed. The buffer size will be determined by the District in consultation with CDFW.</p> <p>4) If a non-breeding bat roost is found in a structure scheduled for modification or removal, the bats shall be safely evicted, under the direction of a qualified biologist provided by the District in consultation with CDFW to ensure that the bats are not injured.</p> <p>5) If preconstruction surveys indicate that no roosting is present, or potential roosting habitat is unoccupied during the construction period, no further action is required. Trees and shrubs within the construction footprint that have been determined to be unoccupied by roosting bats, or that are located outside the avoidance buffer for active roosting sites may be removed. Roosting initiated during construction is presumed to be unaffected, and no buffer would be necessary.</p>			

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
Cultural Resources				
Cultural Resources b): Cause a substantial adverse change in the significance of a historical resource pursuant to § 15064.5?	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements</p> <p><i>Section 3.9, Protection of Cultural and Paleontological Resources</i></p> <p>A. Confidentiality of Information on Cultural and Paleontological Resources</p> <ol style="list-style-type: none"> 1. In conjunction with Contractor's performance under this contract, the Contractor may obtain information as to the location and/or nature of certain cultural or paleontological resources, including Native American artifacts and remains. This information may be provided to the Contractor by the District or a third party or may be discovered directly by the Contractor through its performance under the contract. All such information shall be considered "Confidential Information" for the purposes of this Article. 2. Pursuant to California Government Code Section 6254.10, cultural resource information is protected from public disclosure. The Contractor agrees that the Contractor, its subcontractors, and their respective agents and employees shall not publish or disclose any Confidential Information to any person, unless specifically authorized in advance, in writing by the Engineer. <p>B. Conform to the requirements of statutes as they relate to the protection and preservation of cultural and paleontological resources. Unauthorized collection of prehistoric or historic artifacts or fossils along the Work Area, or at Work facilities, is strictly prohibited.</p> <p>C. Before beginning construction, all Contractor construction personnel shall attend a cultural resources training course provided by the District of up to two hours for site supervisors, foreman, project managers, and non-supervisory contractor personnel. The training program will be completed in person or by watching a video, at a District designated location, conducted by a qualified archaeologist provided by the District, or by District staff. The program will discuss cultural resources awareness within the project work limits, including the responsibilities of Contractor's construction personnel, applicable mitigation measures, confidentiality, and notification requirements. The Contractor is responsible for ensuring that all workers requiring training are identified to the District. Prior to accessing the construction site, or performing site work, all Contractor personnel shall:</p> <ol style="list-style-type: none"> 1. Sign an attendance sheet provided by the Engineer verifying that all Contractor construction personnel have attended the appropriate level of training; have read and understood the contents of the training; have read and understood the contents of the "Confidentiality of Information on Archaeological Resources" and shall comply with all project environmental requirements. <p>D. In the event that potential cultural or paleontological resources are discovered at the site of construction, the following procedures shall be instituted:</p> <ol style="list-style-type: none"> 1. Discovery of prehistoric or historic-era archaeological resources requires that all construction activities shall immediately cease at the location of discovery and within 100 feet of the discovery. 	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<ul style="list-style-type: none"> a. The Contractor shall immediately notify the Engineer who will engage a qualified archaeologist provided by the District to evaluate the find. The Contractor is responsible for stopping work and notifying the Engineer and shall not recommence work until authorized to do so by the Engineer. b. The District will retain a qualified archaeologist to inspect the findings within 24 hours of discovery. If it is determined that the Project could damage a historical resource as defined by CEQA (or a historic property as defined by the National Historic Preservation Act of 1966, as amended), construction shall cease in an area determined by the archaeologist until a management plan has been prepared, approved by the District, and implemented to the satisfaction of the archaeologist (and Native American representative if the resource is prehistoric, who shall be identified by the Native American Heritage Commission [NAHC]). In consultation with the District, the archaeologist (and Native American representative) will determine when construction can resume. <p>2. Discovery of human remains requires that all construction activities immediately cease at, and within 100 feet of the location of discovery.</p> <ul style="list-style-type: none"> a. The Contractor shall immediately notify the Engineer who will engage a qualified archaeologist provided by the District to evaluate the find. The Contractor is responsible for stopping work and notifying the Engineer and shall not recommence work until authorized to do so by the Engineer. b. The District will contact the County Coroner, who will determine whether or not the remains are Native American. If the remains are determined to be Native American, the Coroner will contact the Native American Heritage Commission (NAHC). The NAHC will then identify the person or persons it believes to be the most likely descendant from the deceased Native American, who in turn would make recommendations to the District for the appropriate means of treating the human remains and any associated funerary objects. <p>3. Discovery of paleontological resources requires that all construction activities immediately cease at, and within 100 feet of the location of discovery.</p> <ul style="list-style-type: none"> a. The Contractor shall immediately notify the Engineer who will engage a qualified paleontologist provided by the District to evaluate the find. The Contractor is responsible for stopping work and notifying the Engineer and shall not recommence work until authorized to do so by the Engineer. b. The District will retain a qualified paleontologist to inspect the findings within 24 hours of discovery. The qualified paleontologist, in accordance with Society of Vertebrate Paleontology guidelines (Society of Vertebrate Paleontology 2010), will assess the nature and importance of the find and recommend appropriate salvage, treatment, and future monitoring and management. If it is determined that construction activities could damage a paleontological resource as defined by the Society of Vertebrate Paleontology guidelines (Society of Vertebrate Paleontology 2010), construction shall cease in an area determined by the paleontologist until a salvage, treatment, 			

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	<p>and future monitoring and management plan has been prepared, approved by the District, and implemented to the satisfaction of the paleontologist. In consultation with the paleontologist, the District will determine when construction can resume.</p> <p>E. If the District determines that the find requires further evaluation, at the direction of Engineer, the Contractor shall suspend all construction activities at the location of the find and within a larger radius, as required.</p>			
Cultural Resources c): Disturb any human remains, including those interred outside of formal cemeteries?	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 3.9, Protection of Cultural and Paleontological Resources</i> (Details as listed under Impact Cultural Resources b)</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Energy				
Energy a): Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation?	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 3.4.A, Air Quality and Emissions Control</i> (Details as listed under Impact Air Quality a)</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Geology and Soils				
<p>Geology and Soils a): Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:</p> <p>i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial</p>	<p>EBMUD's Pumping Plant Design Guide EBMUD's Pumping Plant Design Guide establishes the minimum requirements to follow in the design of EBMUD drinking water pumping plants. The Pumping Plant Design Guide details design criteria, conditions for PPs, outlines applicable codes and design standards, and requires the completion of a geotechnical investigation during design and incorporation of geotechnical design recommendations in project plans and specifications.</p> <p>EBMUD's Engineering Standard Practice 550.1, Seismic Design Requirements and 512.1, Water Main and Services Design Criteria EBMUD uses two primary Engineering Standard Practices for the design of water pipelines in its distribution system to address geologic hazards. Engineering Standard Practice 512.1, Water Main and Services Design Criteria, establishes basic criteria for the design of water pipelines and establishes minimum requirements for pipeline construction materials. Engineering Standard Practice 550.1, Seismic Design Requirements, addresses seismic design of the pipelines to withstand seismic hazards, including fault rupture, ground shaking,</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
<p>evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.</p> <p>ii. Strong seismic ground shaking?</p> <p>iii. Seismic-related ground failure, including liquefaction?</p> <p>iv. Landslides?</p>	<p>liquefaction-related phenomena, landslides, seiches and tsunamis and requires that EBMUD establish project-specific seismic design criteria for pipelines with a diameter of greater than 12 inches. Engineering Standard Practice 550.1, Seismic Design Requirements, includes basic requirements for structures and design standard for structures to withstand seismic hazards including compliance with applicable seismic design standards found in the latest editions of the California Building Code and American Society of Civil Engineers 7, Minimum Design Loads for Buildings and Other Structures.</p>			
<p>Geology and Soils b): Result in substantial soil erosion or the loss of topsoil?</p>	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 1.1.B, Site Activities</i> B. Site Activities</p> <ol style="list-style-type: none"> 1. No debris including, but not limited to, demolition material, treated wood waste, stockpile leachate, soil, silt, sand, bark, slash, sawdust, asphalt, rubbish, paint, oil, cement, concrete or washings thereof, oil or petroleum products, or other organic or earthen materials from construction activities shall be allowed to enter into storm drains or surface waters or be placed where it may be washed by rainfall or runoff outside the construction limits. When operations are completed, excess materials or debris shall be removed from the work area as specified in the Construction and Demolition Waste Disposal Plan. 2. Excess material shall be disposed of in locations approved by the Engineer consistent with all applicable legal requirements and disposal facility permits. 3. Do not create a nuisance or pollution as defined in the California Water Code. Do not cause a violation of any applicable water quality standards for receiving waters adopted by the Regional Board or the State Water Resources Control Board, as required by the Clean Water Act. 4. Clean up all spills and immediately notify the Engineer in the event of a spill. 5. Stationary equipment such as motors, pumps, and generators, shall be equipped with drip pans. 6. Divert or otherwise control surface water and waters flowing from existing projects, structures, or surrounding areas from coming onto the work and staging areas. The method of diversions or control shall be adequate to ensure the safety of stored materials and of personnel using these areas. Following completion of Work, ditches, dikes, or other ground alterations made by the Contractor shall be removed and the ground surfaces shall be returned to their former condition, or as near as practicable, in the Engineer's opinion. 7. Maintain construction sites to ensure that drainage from these sites will minimize erosion of stockpiled or stored materials and the adjacent native soil material. 8. Furnish all labor, equipment, and means required and shall carry out effective measures wherever, and as often as necessary, to prevent Contractor's operations from causing visible dust emissions to leave the work areas. These 	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p>measures shall include, but are not limited to, providing additional watering equipment, reducing vehicle speeds on haul roads, restricting traffic on haul roads, covering haul vehicles, and applying a dust palliative to well-traveled haul roads. The Contractor shall provide the specifications of the dust palliative for Engineer approval prior to use. The Contractor shall be responsible for damage resulting from dust originating from its operations. The dust abatement measures shall be continued for the duration of the Contract. Water the site in the morning and evening, and as often as necessary, and clean vehicles leaving the site as necessary to prevent the transportation of dust and dirt onto public roads. Dust control involving water shall be done in such a manner as to minimize waste and runoff from the site.</p> <p>9. Construction staging areas shall be graded, or otherwise protected with Best Management Practices (BMPs), to contain surface runoff so that contaminants such as oil, grease, and fuel products do not drain towards receiving waters including wetlands, drainages, and creeks.</p> <p>10. All construction equipment shall be properly serviced and maintained in good operating condition to reduce emissions. Contractor shall make copies of equipment service logs available upon request.</p> <p>11. Any chemical or hazardous material used in the performance of the Work shall be handled, stored, applied, and disposed of in a manner consistent with all applicable federal, state, and local laws and regulations.</p> <p>12. Contaminated materials excavated and/or removed from the construction area shall be disposed of in a manner consistent with all applicable local, state, and federal laws and regulations.</p> <p><i>Section 1.3.A, Storm Water Management</i></p> <p>A. Storm Water Management</p> <p>1. Construction General Permit</p> <p>a. The Contractor shall create a user account on the SWRCB's Storm Water Multi-Application & Report Tracking System (SMARTS). The Engineer will link the Contractor to the District's account as a Data Submitter. The Contractor shall prepare and upload to SMARTS Permit Registration Documents (PRDs), including, but not limited to, a Notice of Intent, a Site-Specific Risk Assessment, a Site Map, and a Storm Water Pollution Prevention Plan (SWPPP) for the Engineer's review which meets the requirements of the SWRCB, for coverage under the General Construction Stormwater Permit (Order No. 2009-0009-DWQ) and amendments thereto. Upon acceptance by the Engineer, the Engineer will electronically certify and file the PRDs to gain permit coverage and the Contractor shall submit the registration and the subsequent annual fees as required by the SWRCB.</p> <p>b. The Contractor shall be responsible for complying with the requirements of the Construction General Permit. The Contractor's responsibilities include, but are not limited to, providing qualified professionals as described in the permit to prepare and certify all permit-required documents/submittals and to</p>			

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	<p>implement effective stormwater/non-stormwater management practices, and conducting inspections and monitoring as required by the permit. The Contractor shall, in compliance with the permit, prepare and upload to SMARTS all required documents, photos, data, and/or reports (including the Annual Reports) and ensure permit coverage termination upon construction completion by preparing a Notice of Termination on SMARTS. The Contractor shall inform the Engineer when documents/reports are available on SMARTS for Engineer certification and submittal.</p> <p>2. Storm Water Pollution Prevention Plan</p> <p>a. Submit a Stormwater Pollution Prevention Plan that describes measures that shall be implemented to prevent the discharge of contaminated storm water runoff from the jobsite. Contaminants to be addressed include, but are not limited to, soil, sediment, concrete residue, pH less than 6.5 or greater than 8.5, and chlorine residual and all other contaminants known to exist at the jobsite location as described in Document 00 31 24 - Material Assessment Information.</p> <p><i>Section 3.3., Dust Control and Monitoring (Details as listed under Impact Air Quality a)</i></p> <p>EBMUD's Pumping Plant Design Guide (Details as listed under Impact Geology and Soils a)</p>			
Geology and Soils c): Be located on strata or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<p>EBMUD's Standard Construction Specification 01 35 24, Project Safety Requirements <i>Section 1.3.K, Excavation Safety Plan</i></p> <p>1. Section 6705 of the Labor Code requires that the excavation of any trench 5 feet or more in depth shall not begin until the Contractor has received from the Engineer notification of the Engineer's acceptance of the Contractor's detailed plan for worker protection from the hazards of caving ground during the excavation of such trench.</p> <p>a. The plan shall show the details of the design of shoring, bracing, sloping or other provisions to be made for worker protection during such excavation.</p> <p>b. The plan shall meet the requirements of the Construction Safety Orders, Title 8, California Code of Regulations.</p> <p>2. Contractor shall obtain an excavation permit per Cal/OSHA Title 8, CCR § 341(a)(1).</p> <p>3. California Government Code § 4216 describes the requirements and procedures for excavation notifications and utility excavation.</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Geology and Soils d): Be located on expansive soil as defined in Table 18-1-B of the Uniform Building Code 1994, creating substantial risks to life or property?	<p>EBMUD's Engineering Standard Practice 550.1, Seismic Design Requirements and 512.1, Water Main and Services Design Criteria (Details as listed under Geology and Soils a)</p>			

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Geology and Soils f): Directly or indirectly destroy a unique paleontological resource or site or unique geological feature?	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 3.9, Protection of Cultural and Paleontological Resources</i> (Details as listed under Impact Cultural Resources a)	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Greenhouse Gas Emissions				
Greenhouse Gas Emissions a): Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 3.4.A, Air Quality and Emissions Control</i> (Details as listed under Impact Air Quality a)	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Greenhouse Gas Emissions b): Conflict with any applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 3.4.A, Air Quality and Emissions Control</i> (Details as listed under Impact Air Quality a)	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Hazards and Hazardous Materials				
Hazards and Hazardous Materials a and b): Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials, or create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 1.3.A.2, Storm Water Pollution Prevention Plan</i> 2. Storm Water Pollution Prevention Plan a. Submit a Stormwater Pollution Prevention Plan that describes measures that shall be implemented to prevent the discharge of contaminated storm water runoff from the jobsite. Contaminants to be addressed include, but are not limited to, soil, sediment, concrete residue, pH less than 6.5 or greater than 8.5, and chlorine residual and all other contaminants known to exist at the jobsite location as described in Document 00 31 24 - Material Assessment Information. <i>Section 1.3.B, Water Control and Disposal Plan</i> B. Water Control and Disposal Plan 1. The Contractor shall submit a detailed Water Control and Disposal Plan for the Engineer's acceptance prior to any work at the jobsite.	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<ul style="list-style-type: none"> a. Plan shall comply with all requirements of the Specification and applicable discharge permits. Table 1 summarizes discharge permits that may be applicable to District projects. b. Contractor shall maintain proper control of the discharge at the discharge point to prevent erosion, scouring of bank, nuisance, contamination, and excess sedimentation in the receiving waters. <p>2. Drinking Water System Discharges</p> <ul style="list-style-type: none"> a. Plan shall include the estimated flow rate and volume of all proposed discharges to surface waters, including discharges to storm drains. All receiving waters shall be clearly identified. b. Contractor shall track all discharges directly to a surface water body or a storm drain system that drains to a surface water body. A record consisting of discharge locations and volumes shall be submitted to the Engineer prior to Contract Acceptance. c. A monitoring program is required for drinking water system discharges greater than 325,850 gallons in conformance with Attachment E, Monitoring and Reporting Program, of the General Drinking Water Discharges Permit, when the water will be discharged either directly into a surface water body or a storm drain system that drains to a surface water body. A record consisting of discharge locations, volumes and Water Quality (WQ) data shall be submitted to the Engineer. The Planned Discharge Tracking Form, attached to the end of this section, may be used to fulfill this requirement. All monitoring results shall be submitted to the Engineer prior to Contract Acceptance. <p>1. Contractor shall notify the Engineer, at least one week prior to the start of a planned discharge equal to or greater than 325,850 gallons, of the following:</p> <ul style="list-style-type: none"> a) The discharge start date; b) The discharge location and the applicable receiving water; c) The flow rate and volume to be discharged; and d) The reason(s) for discharge. <ul style="list-style-type: none"> d. Contractor shall dechlorinate all drinking water system discharges to achieve a total chlorine residual concentration of < 0.1 mg/L measured with a handheld chlorine meter utilizing a US EPA approved method and provide effective erosion & sediment control to achieve a visual turbidity concentration of ≤ 100 NTU by implementing BMPs which meet the District minimum standards (see Figure 1 attached to the end of this section) or better. e. Instead of discharging to surface waters, where feasible, Contractor shall beneficially reuse water derived from drinking water systems as defined in the General Drinking Water Discharges Permit. Potential reuse strategies include, but are not limited to, landscape irrigation, agricultural irrigation, dust control, and discharge to stormwater capture basins or other groundwater recharge systems. Contractor shall do so without impacting property or the 			

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	<p>environment. Contractor shall provide a record of reuse location(s) and volume(s) and submit it to the Engineer prior to Contract Acceptance.</p> <p>f. Contractor shall ensure that the pH level of any discharges shall not be depressed below 6.5, nor elevated above 8.5. If there is potential for discharges to be below 6.5 or above 8.5, Contractor shall employ pH adjustment best management practices to ensure discharges are within the range of 6.5 and 8.5. Contractor shall conduct onsite field measurements for pH per quality assurance and quality control (QA/QC) protocol that conform to U.S. EPA guidelines, or procedures approved by the American Water Works Association or other professional drinking water industry association. Contractor shall submit all monitoring results to the Engineer prior to Contract Acceptance.</p> <p>3. Non-Stormwater Discharges</p> <p>a. Plan shall describe measures for containment, handling, treatment (as necessary), and disposal of discharges such as groundwater (if encountered), runoff of water used for dust control, stockpile leachate, tank heel water, wash water, sawcut slurry, test water and construction water or other liquid that has been in contact with any interior surfaces of District facilities. Contractor shall provide the Engineer with containment, handling, treatment and disposal designs and a sampling & analysis plan for approval before commencing the Work. Sampling and analysis shall be in conformance with Sections 1.3 (K) Analytical Test Results and 3.1 SAMPLING AND ANALYSIS.</p> <p>4. Sanitary Sewer Discharges</p> <p>a. It is District policy to send superchlorinated discharges from pipeline disinfection to the sanitary sewer system. Plan shall include a sampling and analytical program for superchlorinated discharges in conformance with the Sanitary Sewer Discharge Permit. All monitoring results shall be submitted to the Engineer prior to the end of the Work.</p> <p>b. Obtain and provide to the Engineer documentation from the agency (e.g., wastewater treatment plant, local sewer owner) having jurisdiction, authorizing the Contractor to dispose of the liquid and describing the method of disposal. Discharges destined for the District's main wastewater treatment plant in Oakland can reference Special Discharge Permit (SDP) #50333261, issued to the District's Regulatory Compliance Office, when obtaining authorization from the pertinent local jurisdiction that owns the sewers to be used. Contractor shall, prior to the end of the Work, report to the Engineer the volumes of all discharges performed pursuant to the said SDP along with copies of any profile forms and/or correspondence between Contractor and disposal facility.</p> <p><i>Section 1.3.C, Construction and Demolition Waste</i></p> <p>C. Construction and Demolition Waste Disposal Plan</p> <p>1. Prepare a Construction and Demolition Waste Disposal Plan and submit a copy of the plan for the Engineer's acceptance prior to disposing of any material (except</p>			

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	<p>for water wastes which shall be addressed in the Water Control and Disposal Plan).</p> <ol style="list-style-type: none"> The plan shall identify how the Contractor will remove, handle, transport, and dispose of all materials required to be removed under this contract in a safe, appropriate, and lawful manner in compliance with all applicable regulations of local, state, and federal agencies having jurisdiction over the disposal of removed materials. The Contractor shall procure the necessary permits required by the local, state, and federal agencies having jurisdiction over the handling, transportation, and disposal of construction and demolition waste. Include a list of reuse facilities, recycling facilities and processing facilities that will be receiving recovered materials. Identify materials that are not recyclable or not recovered which will be disposed of in a landfill (or other means acceptable by the State of California and local ordinance and regulations). Identify how the Contractor will comply with The California Department of Toxic Substances Control's (DTSC) Alternative Management Strategies (AMS) when handling and disposing of treated wood waste (TWW) in compliance with 22 CCR 66261.9.5. TWW records including but not limited to manifests, bills of lading should be submitted to the Engineer within 5 working days of off-haul. Records should include: (1) name and address of the TWW facility to which the TWW was sent; (2) estimated weight of TWW, or the weight of the TWW as measured by the receiving TWW facility; and (3) date of the shipment of TWW. (Cal. Code Regs., tit. 22, §§ 67386.8(a) and (e)(1)). List the permitted landfill, or other permitted disposal facilities, that will be accepting the disposed waste materials. Identify each type of waste material to be reused, recycled or disposed of and estimate the amount, by weight. Plan shall include the sampling and analytical program for characterization of any waste material, as needed, prior to reuse, recycle or disposal. <ol style="list-style-type: none"> Materials or wastes shall only be recycled, reused, reclaimed, or disposed of at facilities approved of by the District. Submit permission to reuse, recycle, reclaim, or dispose of material from reuse, recycling, reclamation, or disposal site owner along with any other information needed by the District to evaluate the acceptability of the proposed reuse, recycling, or disposal site and obtain acceptance of the Engineer prior to removing any material from the project site. All information pertinent to the characterization of the material or waste shall be disclosed to the District and the reuse, recycling, reclamation, or disposal facility. Submit copies of any profile forms and/or correspondence between the Contractor and the reuse, recycling, reclamation, or disposal facility. 			

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p>5. Submit name and Environmental Laboratory Accreditation Program Certificate number of laboratory that will analyze samples for suspected hazardous substances. Include statement of laboratory's certified testing areas and analyses that laboratory is qualified to perform. Submit prior to any laboratory testing.</p> <p><i>Section 1.3.D, Spill Prevention and Response Plan</i></p> <p>D. Spill Prevention and Response Plan</p> <ol style="list-style-type: none"> 1. Submit plan detailing the means and methods for preventing and controlling the spilling of known hazardous substances used on the jobsite or staging areas. The plan shall include a list of the hazardous substances proposed for use or generated by the Contractor on site, including petroleum products, and measures that will be taken to prevent spills, monitor hazardous substances, and provide immediate response to spills. Spill response measures shall address notification of the Engineer and appropriate agencies including phone numbers; spill-related worker, public health, and safety issues; spill control, and spill cleanup. 2. Submit a Safety Data Sheet (SDS) for each hazardous substance proposed to be used prior to delivery of the material to the jobsite <p><i>Section 1.3.E, Dust Control and Monitoring Plan</i> (Details as listed under Impact Air Quality a)</p> <p>EBMUD's Standard Construction Specification 01 35 24, Project Safety Requirements</p> <p><i>Section 1.3.B, Project Health and Safety Plan</i></p> <p>B. Project Health and Safety Plan</p> <ol style="list-style-type: none"> 1. Submit a Project Health & Safety Plan for the Work to be performed prior to start of the Notice to commence field work (NTCFW) and/or prior to any limited notice to commence field work (LNTCFW). 2. The Project Health & Safety Plan shall implement applicable Title 8, California Code of Regulations for the work performed. <p><i>Section 1.3.J, Electrical Safety Plan</i></p> <ol style="list-style-type: none"> 1. Submit a detailed electrical safety plan that is in accordance with NFPA 70E Article 110. The plan shall include at a minimum: <ol style="list-style-type: none"> a. Electrical hazard potential b. Electrical safety program principles per Annex E.1 of NFPA 70E c. Electrical safety program controls per Annex E.2 of NFPA 70E d. Electrical safety program procedures per Annex E.3 of NFPA 70E e. Risk assessment and risk control procedures per Annex F of NFPA 70E f. Job briefing and planning checklists per Annex I of NFPA 70E g. Auditing effectiveness of project electrical safety program <p>EBMUD's Standard Construction Specification 02 82 13, Asbestos Control Activities</p> <p><i>Section 1.5.B, Plan of Action</i></p> <ol style="list-style-type: none"> 1. Asbestos Abatement: 			

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p>a. Submit a detailed plan of the procedures proposed for use in complying with the regulations included in this specification. The plan shall include the location and layout of decontamination areas, the sequencing of asbestos work, the interface of trades involved in the performance of work, disposal plan including location of approved disposal site, and a detailed description of the methods to be employed to control pollution. Expand upon the use of portable HEPA ventilation system, method of removal to prohibit visible emissions in work area, and packaging of removed asbestos debris. Include asbestos abatement in the Construction and Demolition Waste Disposal Plan, in accordance with Section 01 35 44.</p> <p>EBMUD's Standard Construction Specification 02 83 13, Lead Hazard Control Activities <i>Section 1.4, Submittals (Pre-Job)</i> (Details as listed under Impact Air Quality a) EBMUD's Engineering Standard Practice 514, Identifying Buried Conflicts <i>Section V, Requirements and Guidelines of Planning, Design, and Construction</i> Procedure 711, Hazardous Waste Removal</p>			
Hazards and Hazardous Materials c): Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<p>EBMUD's Standard Construction Specification 01 35 24, Project Safety Requirements <i>Section 1.3.B, Project Health and Safety Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a) EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 1.3.D, Spill Prevention and Response Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a)</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Hazards and Hazardous Materials f): Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<p>EBMUD's Standard Construction Specification 01 55 26, Traffic Regulation <i>Section 1.2, Submittals</i></p> <p>A. Submit at least 15 calendar days prior to work a detailed traffic control plan, that is approved by all agencies having jurisdiction and that conforms to all requirements of these specifications and the most recently adopted edition of the California Manual on Uniform Control Devices. Traffic Control Plan shall include:</p> <ol style="list-style-type: none"> 1. Circulation and detour plans to minimize impacts to local street circulation. Use haul routes minimizing truck traffic on local roadways to the extent possible. 2. A description of emergency response vehicle access. If the road or area is completely blocked, preventing access by an emergency responder, a contingency plan must be included. 3. Procedures, to the extent feasible, to schedule construction of project elements to minimize overlapping construction phases that require truck hauling. 4. Designated Contractor staging areas for storage of all equipment and materials, in such a manner to minimize obstruction to traffic. 5. Locations for parking by construction workers. 	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
Hydrology and Water Quality				
Hydrology and Water Quality a): Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 1.3.A.2, Storm Water Pollution Prevention Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a) <i>Section 1.3.B, Water Control and Disposal Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a) <i>Section 1.3.D, Spill Prevention and Response Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a)	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Hydrology and Water Quality c): Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: i. Result in substantial erosion or siltation on- or off-site; ii. substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site; iii. create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or iv. impede or redirect flood flows?	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 1.1.B, Site Activities</i> (Details as listed under Impact Geology and Soils b) <i>Section 1.3.A.2, Storm Water Pollution Prevention Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a) <i>Section 1.3.B, Water Control and Disposal Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a) <i>Section 1.3.D, Spill Prevention and Response Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a)	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
Hydrology and Water Quality e): Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 1.3.A.2, Storm Water Pollution Prevention Plan</i> (Details as listed under Impact Hazards and Hazardous Materials a)	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Noise				
Noise a): Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements <i>Section 1.3, Submittals</i> G. Noise Control and Monitoring Plan 1. Submit a plan detailing the means and methods for controlling and monitoring noise generated by construction activities, including demolition, alteration, repair or remodeling of or to existing structures and construction of new structures, as well as by items of machinery, equipment or devices used during construction activities on the site for the Engineer's acceptance prior to any work at the jobsite. The plan shall detail the equipment and methods used to monitor compliance with the plan. <i>Section 3.7, Noise Control</i> A. Comply with sound control and noise level rules, regulations and ordinances as required herein and in the CEQA documents which apply to any work performed pursuant to the contract. B. Contractor is responsible for taking appropriate measures, including muffling of equipment, selecting quieter equipment, erecting noise barriers, modifying work operations, and other measures as needed to bring construction noise into compliance. C. Each internal combustion engine, used for any purpose on the job or related to the job, shall be equipped with a muffler of a type recommended by the manufacturer. No internal combustion engine shall be operated on the project without said muffler. D. Best available noise control techniques (including mufflers, intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds) shall be used for all equipment and trucks, as necessary. E. Truck operations (haul trucks and concrete delivery trucks) will be limited to the daytime hours specified in Section 01 14 00. F. Stationary noise sources (e.g., chippers, grinders, compressors) shall be located as far from sensitive receptors as possible. If they must be located near receptors, adequate muffling (with enclosures) shall be used. Enclosure opening or venting shall face away from sensitive receptors. Enclosures shall be designed by a registered engineer regularly involved in noise control analysis and design.	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p>G. Material stockpiles as well as maintenance/equipment staging and parking areas (all on-site) shall be located as far as practicable from residential receptors.</p> <p>EBMUD's Standard Construction Specification 01 14 00, Work Restrictions</p> <p><i>Section 1.7, Construction Noise</i></p> <p>A. Noise-generating activities greater than 90 dBA (impact construction such as concrete breaking, concrete crushing, tree grinding, etc.) shall be limited to the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday.</p> <p>Procedure 600, Public Outreach and Community Relations</p>			
Noise b): Generation of excessive groundborne vibration or groundborne noise levels?	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements</p> <p><i>Section 1.3.H, Vibration Control and Monitoring Plan</i></p> <p>H. Vibration Control and Monitoring Plan</p> <p>1. Submit a plan detailing the means and methods for controlling and monitoring surface vibration generated by demolition and other work on the site for the Engineer's acceptance prior to any work at the jobsite. The plan shall detail the equipment and methods used to monitor compliance with the plan.</p> <p><i>Section 3.6, Vibration Control</i></p> <p>A. Limit surface vibration to no more than 0.5 in/sec Peak Particle Velocity (PPV), measured at the nearest residence or other sensitive structure. See Section 01 14 00.</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
Transportation				
Transportation a): Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?	<p>EBMUD's Standard Construction Specification 01 55 26, Traffic Regulation</p> <p><i>Section 1.2, Submittals</i> (Details as listed under Impact Hazards and Hazardous Materials f)</p> <p><i>Section 3.4, Temporary Traffic Control</i></p> <p>A. All traffic control devices shall conform to the latest edition of the MUTCD, and as amended by the latest edition of the MUTCD California supplement. Electronic signage board with changeable message shall be placed on a street in both direction 2 weeks in advance.</p> <p>B. The Contractor shall replace within 72 hours, all traffic signal loop detectors damaged during construction. Any work that disturbs normal traffic signal operations and ensure proper temporary traffic control (lane shifts, lane closures, detours etc.) shall be coordinated with the agency having jurisdiction, at least 72 hours prior to commencing construction.</p> <p>C. A minimum of twelve (12) foot travel lanes must be maintained unless otherwise approved.</p> <p>D. Access to driveways will be maintained at all times unless other arrangements are made.</p> <p>E. All traffic control devices shall be removed from view when not in use.</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p>F. Before leaving a work area, ensure the area is left orderly. Trenches must be backfilled or plated during non-working hours.</p> <p>G. Sidewalks for pedestrians will remain open if safe for pedestrians. Alternate routes and signing will be provided if pedestrian routes are to be closed.</p>			
<p>Transportation c): Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?</p>	<p>EBMUD's Standard Construction Specification 01 55 26, Traffic Regulation <i>Section 2.1, Traffic Control Devices</i></p> <p>A. Traffic signs, flashing lights, barricades and other traffic safety devices used to control traffic shall conform to the requirements of the most recently adopted edition of the MUTCD and the agency having jurisdiction.</p> <ol style="list-style-type: none"> 1. Portable signals shall not be used unless permission is given in writing by the agency having jurisdiction. 2. Warning signs used for nighttime conditions shall be reflectorized or illuminated. "Reflectorized signs" shall have a reflectorized background and shall conform to the current State of California Department of Transportation specification for reflective sheeting on highway signs. 	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction
<p>Transportation d): Result in inadequate emergency access?</p>	<p>EBMUD's Standard Construction Specification 01 55 26, Traffic Regulation <i>Section 1.2, Submittals</i> (Details as listed under Impact Hazards and Hazardous Materials f) <i>Section 3.0, Execution</i> 3.1 GENERAL</p> <ol style="list-style-type: none"> A. Except where public roads have been approved for closure, traffic shall be permitted to pass through designated traffic lanes with as little inconvenience and delay as possible. B. Install temporary traffic markings where required to direct the flow of traffic. Maintain the traffic markings for the duration of need and remove by abrasive blasting when no longer required. C. Convenient access to driveways and buildings in the vicinity of work shall be maintained as much as possible. Temporary approaches to, and crossing of, intersecting traffic lanes shall be provided and kept in good condition. D. When leaving a work area and entering a roadway carrying public traffic, the Contractor's equipment, whether empty or loaded, shall in all cases yield to public traffic. E. Provide temporary signs as required by the traffic control plan and remove signs when no longer required. F. Haul routes for each construction phase shall be provided to all trucks serving the site during the construction period. G. For complete road closures, immediate emergency access to be provided if needed to emergency response vehicles. H. A minimum of twelve (12) foot travel lanes must be maintained unless otherwise approved. 	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
	<p>3.2 ALTERNATING ONE-WAY TRAFFIC</p> <p>A. Where alternating one-way traffic has been authorized, the following shall be posted at each end of the one-way traffic section at least one week prior to start of work:</p> <ol style="list-style-type: none"> 1. The approximate beginning and ending dates that traffic delays will be encountered. 2. The maximum time that traffic will be delayed. <p>B. The maximum delay time shall be approved by the agency having jurisdiction.</p> <p>3.3 FLAGGING</p> <p>A. Provide flaggers to control traffic where required by the approved traffic control plan.</p> <ol style="list-style-type: none"> 1. Flaggers shall perform their duties and shall be provided with the necessary equipment in accordance with the current "Instructions to Flaggers" of the California Department of Transportation. 2. Flaggers shall be employed full time on traffic control and shall have no other duties. <p>3.4 TEMPORARY TRAFFIC CONTROL (Details as listed under Impact Transportation a)</p>			
Tribal Cultural Resources				
<p>Tribal Cultural Resources a): Would the Project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:</p> <p>i. Listed or eligible for listing in the California Register of Historical</p>	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements</p> <p><i>Section 3.9, Protection of Cultural and Paleontological Resources</i> (Details as listed under Impact Cultural Resources b)</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
<p>Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or</p> <p>ii. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe</p>				
Utilities and Service Systems				
<p>Utilities and Service Systems d and e):</p> <p>Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals, or comply with federal, state, and local management and reduction statutes and regulations related to solid waste??</p>	<p>EBMUD's Standard Construction Specification 01 35 44, Environmental Requirements</p> <p><i>Section 1.3.C, Construction and Demolition Waste</i> (Details as listed under Impact Hazards and Hazardous Materials a)</p>	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

Impact Area	EBMUD Practices and Procedures ¹	Responsibility for Implementation	Responsibility for Monitoring and/or Enforcement	Timing of Implementation
Wildfire				
Wildfire a): Substantially impair an adopted emergency response plan or emergency evacuation plan?	EBMUD's Standard Construction Specification 01 55 26, Traffic Regulation <i>Section 1.2, Submittals</i> (Details as listed under Impact Hazards and Hazardous Materials f)	EBMUD and EBMUD's Contractor	EBMUD	Prior to and During Construction

NOTES:

1 In EBMUD Standard Specifications, "District" = EBMUD; "Engineer" = EBMUD Engineer; "Contractor" = EBMUD Contractor; "Work" = Scope of Work for the Project



AGENDA NO. 11.
MEETING DATE February 22, 2022

TITLE ADOPT THE DIVERSITY, EQUITY, AND INCLUSION STRATEGIC PLAN

TYPE	<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
ACTION	<input checked="" type="checkbox"/> MOTION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION

Adopt the District's Diversity, Equity, and Inclusion Strategic Plan (DEISP).

SUMMARY

Staff seeks the approval and adoption of the DEISP, presented at the January 25, 2022 DEISP Workshop. During the workshop, staff received comment and feedback from the Board which have been incorporated into the final DEISP.

DISCUSSION


The DEISP is the District's five-year strategy to cultivate diversity, advance equity, and maintain an inclusive work culture. The plan's strategic approach is grounded in three key principles: employee involvement and engagement, use of equity toolkits, and commitment to continuous improvement. These principles are applied to the plan's five strategic pillars: 1) Leadership Accountability, 2) Workforce Diversity, 3) Inclusive Culture, 4) Supplier Diversity, and 5) Social Responsibility. The five pillars contain 11 goals, 36 objectives, and 114 actionable items over the next two years.

The DEISP is a five-year plan; however, the plan will be reviewed annually for the first two years and biennially thereafter. Staff will provide updates to the Legislative/Human Resources Committee and semi-annual updates to the full Board, as needed.

SUSTAINABILITY

Economic

The FY22 adopted operating budget includes funding for the first year of this multi-year project. Funding for second year of this project will be considered as part of the FY23 mid-cycle budget review and funding for the additional years will be considered as part of the associated budget development process.

Funds Available: FY22	Budget Coding: various/various	Contract Equity Forms? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Originating Department	Department Director or Manager	Approved
Office of Diversity, Equity, and Culture	Derry L. Moten	 General Manager
Attachment(s): Diversity, Equity, and Inclusion Strategic Plan		

Social

This DEISP addresses both internal and external equity issues and methods for their resolution.

ALTERNATIVE

Do not adopt the plan. This alternative is not recommended because this would delay implementation of actions in the DEISP identified to address diversity, equity, and inclusion at the District.

Diversity, Equity, and Inclusion Strategic Plan

EBMUD Diversity, Equity, and Inclusion Plan
February 2022

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II. Introduction

A. Message from the Senior Management Team

The Bay Area is one of the most diverse communities in the United States, and our local communities have served as the epicenter for many iconic movements for equity, inclusion, freedom, and justice. As an organization that provides water and wastewater services necessary for the well-being of the community, it is essential that we cultivate diversity and advance equity within our organization and to our external partners and customers. We also have a responsibility to build an inclusive workforce of highly talented people of all races, genders, and backgrounds from our community and create opportunities for them to contribute to the success of EBMUD.

Diversity in its broadest sense is everything that makes us who we are and represents all the ways we are unique from everyone else. Diversity is not just limited to categories such as race or gender, but is also about diversity of thought, ideas, backgrounds, and experiences. A diverse organization sparks creative insights, better solutions, and ultimately, greater efficiencies. But making an organization more diverse is not enough. Diversity without equity and inclusion will not yield the true benefits of diversity. Accordingly, we must take a more critical view and emphasize our focus on the concepts of equity and inclusion.

Equity is the delivery of equal outcomes across diverse groups in our everyday business practices. It is our ability to identify barriers and inequities and address them when identified. Inclusion is creating an environment and culture that ensures people have a sense of belonging, are valued for their differences, and are empowered to participate in and contribute to achieving our mission.

Understanding diversity, equity, and inclusion (DEI) also means that we must be prepared to acknowledge that there have been historic inequities that have created challenges for individuals in our communities and workforce. As a values-based organization, our goal is to identify, call out, and address inequities; and to create an equitable atmosphere where a person's characteristics do not become a predictor of their outcomes.

The kind of change necessary to create a truly diverse, equitable, and inclusive workplace begins with our willingness to be open to truths about ourselves, being uncomfortable in challenging conversations, and adjusting the way we think and act. All of us at every level must see DEI as essential to EBMUD's regular business functions and operations. When viewed in this light, every employee can apply DEI to their everyday responsibilities.

Clifford Chan, General Manager

Derry Moten, Special Assistant to the General Manager for Diversity, Equity, and Culture
Senior Management Team

B. About EBMUD

The East Bay Municipal Utility District (EBMUD or District) is a water and wastewater utility serving customers in Alameda and Contra Costa Counties. Founded in 1923, the District has a proud history of providing reliable, high-quality water service to its nearly 1.4 million customers. The District's award-winning wastewater treatment protects the San Francisco Bay and serves 740,000 customers.

EBMUD's mission is, "To manage the natural resources with which the District is entrusted; to provide reliable, high-quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations."

To effectively achieve the District's mission, there must be an acknowledgement of the history of EBMUD, the water and wastewater agencies that came before it, and the history of the land in which EBMUD now operates.

1. Historical Background

Between 1849 and 1855, the Gold Rush led to the rapid population explosion of California (CA), and in 1852 a growing area called Contra Costa Village was incorporated under the new name of Oakland. In the late 1860s, CA and the East Bay experienced another growth spurt because of immigration from the United States Civil War. The growing water needs of the city of Oakland and the surrounding areas were met by a series of creeks and local wells, but in 1858, state law encouraged the formation of independent water companies to meet the growing demand of communities.

From 1858 to 1920, there were a series of independent water companies attempting to meet the residents' need for safe and reliable water. In 1921 the state approved the CA Municipal Utility District (MUD) Act, which allowed for a public agency to be formed to provide water and sewer services. In 1923, the MUD Act resulted in the formation of the East Bay Municipal Utility District (EBMUD). Since its inception, EBMUD has taken its role seriously as the steward of vital natural resources. Despite the challenges of holding such a great responsibility, we continue to provide safe drinking water while ensuring environmental protections.

EBMUD's history and our past and current DEI efforts are deeply rooted in CA's history. The admission of CA as a state and the local growth of the East Bay area from the Gold Rush and the Civil War held both intentional and unintentional consequences for three primary groups: Indigenous Californians, African Americans migrating West post-slavery, and Asian (Chinese)

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immigrants.¹ These consequences were perpetuated through individual acts of bias and/or racism, but on a larger scale and more impactfully, they were reinforced through legislation. These laws formalized systems and structures which created resource and opportunity gaps, the harmful impacts of which are still being experienced by marginalized communities today.

The following is a brief synopsis of the three impacted groups mentioned above. Dozens of indigenous tribes originally lived with the land in CA. Colonizers from Spain (and later other countries) severely impacted the Indigenous Californians' way of life, including stripping them of their territories, separating families, and murdering and/or enslaving them.² Later, as prospectors and settlers flooded into CA, they forced even more displacement and subsequent further mistreatment of the Indigenous Californians whose land was taken through property rights claims. Thereafter, the Compromise of 1850 (the legislative act that admitted CA as a free state) reinforced the Fugitive Slave Act, which allowed the capture and return of fugitive slaves.³ This in turn significantly discouraged the migration of free African Americans into CA and other new territories because of the threat of being apprehended and seized as slaves.

The admission of CA as a free state, and its subsequent limiting effect on the migration of African American laborers into the western territories, opened the door for the immigration of Chinese laborers to CA. They became instrumental in the development of infrastructure in CA, including construction of the water and wastewater infrastructure, the legacy of which is so pertinent to EBMUD today. However, the influx of Chinese immigrants led to the Chinese Exclusion Act of 1882 and the Geary Act of 1892, which suspended Chinese immigration and blocked Chinese immigrants from obtaining citizenship. In 1902, Chinese immigration was made permanently illegal. The impacts of these legislative acts were significant – not only did they normalize racism against Asian communities in CA and across the United States, but also, as the legislation had intended, the Chinese population sharply declined due to the Acts.⁴

EBMUD is not directly responsible for the displacement of Indigenous Californians from tribal lands, the banning of African Americans from settlement migration, or the legislation banning Chinese immigrants and laborers from United States citizenship. However, it's important to emphasize that Indigenous Californians still exist today and are an important part of our Bay

¹ We recognize there have been other marginalized groups that were impacted throughout CA's history. For the purpose of this synopsis, we are highlighting the three primary groups linked to the history of CA's growth and water/wastewater. This in no way minimizes the lived and historical experience of all other groups.

² Source: [California Indian History – State of California Native American Heritage Commission](#)

³ Source: [Compromise of 1850 - HISTORY](#)

⁴ Source: [Chinese Exclusion Act - 1882, Definition & Purpose - HISTORY](#)

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Area community, as are the African American and Chinese populations. These and other marginalized groups played a significant role in CA history, and will continue to have critical roles in EBMUD's future success.

We acknowledge that the aforementioned individual and governmental acts resulted in many long-lasting, adverse impacts on marginalized communities who built the foundation for EBMUD to thrive and be successful today. Accordingly, we have a responsibility to identify and correct any systemic issues that might compromise our ability to deliver equitable services to the communities that we serve. That commitment is embedded in this DEI Strategic Plan.

2. DEI-Related Programs

Through the years EBMUD has strived for and achieved excellence in fulfilling its mission and commitment to DEI. Over the last four decades, EBMUD has supported DEI internally and externally through Equal Employment Opportunity (EEO) and workforce development programs, the Contract Equity Program (CEP), Affinity Groups, and public outreach for projects. In 1975, the EBMUD Board of Directors adopted the Affirmative Action (AA) Program. The EEO Program is currently managed by the Diversity and Inclusion Office (DIO). The adoption of the AA/EEO Program over 45 years ago demonstrates that EEO compliance has always been a top priority for EBMUD. The DIO is responsible for ensuring that all employees can work in a discrimination and harassment-free environment.

For the last 30 years, EBMUD has worked with community partners to provide high school and post-secondary special employment and internship programs – leading to employment opportunities for individuals from underserved communities and those seeking to work in the water and wastewater industry.

In 1983, the District established its award-winning Contract Equity Program (CEP) to proactively enhance equal opportunities for business owners of all races, ethnicities, and genders to enter business partnership with the District. This program is focused on raising the overall economic health of the East Bay through the reinvestment of rate payer dollars back into the communities that we serve.

In the 1990's, EBMUD launched two employee-driven Affinity Groups (AG) – the Black History Committee (now known as Black Employee Network or BEN) and the Asian Pacific Employees Association (APEA). Over the years, employees also formed the Latin Heritage Committee (now known as Fuerza Latina), the Raining PRIDE Committee, and most recently, the Disability Advocacy Rights Team (DART) AGs. Two more groups are currently in discussions and/or are in

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the process of being formed: the Veterans and Women's AGs. All of the AGs are employee-driven programs that are supported by the District, promote allyship, and cultivate a sense of belonging and inclusion for all.

Historically, EBMUD has incorporated social responsibility practices for the community by conducting public outreach on projects and implementing corrective measures/mitigations resulting from project impacts. We recognize that as an agency servicing nearly 1.4 million customers over an expansive service area, our operations have significant impacts externally and EBMUD has a responsibility to solicit input, especially from underrepresented communities.

The programs mentioned above demonstrate how EBMUD has integrated DEI in its business operations. However, we recognize that all programs can be improved and we want to ensure that the District maintains and exceeds its commitment to DEI in the future. Accordingly, planned enhancements to these programs have been incorporated into this Strategic Plan.

C. EBMUD's Diversity, Equity, and Inclusion Leadership

Leadership is the individual and collective power of influence, and influence is strongest with a shared vision. The EBMUD Board of Directors (BOD) provided a vision for a Diversity, Equity, and Inclusion (DEI) Strategic Plan which would align the District's current DEI efforts and create a vision and a path forward. The development of this Strategic Plan and the future implementation of the Plan will be the individual and collective work of the EBMUD BOD, Senior Management Team (SMT), Equity Core Team, Diversity Committee, Values Advocates, the Office of Diversity, Equity, and Culture (ODEC), and all employees. The Equity Core Team, Diversity Committee, and Values Advocates all represent a cross section of District employees based on occupation, geographic location, department, race, and gender. Each group proactively advises the District on matters related to DEI.

1. Board of Directors

Ward 1 Lesa R. McIntosh

Ward 2 John A. Coleman (Vice President)

Ward 3 Marguerite Young

Ward 4 Andy Katz

Ward 5 Doug Linney (President)

Ward 6 William B. Patterson

Ward 7 Frank Mellon

2. Senior Management Team

Clifford Chan, General Manager

Andrew Lee, Director of Customer and Community Services

Andrew Levine, Chief Information Officer

David Briggs, Director of Operations and Maintenance

Derek McDonald, General Counsel

Derry Moten, Special Assistant to the General Manager for Diversity, Equity, and Culture

Eileen White, Director of Wastewater

Janetta Johnson, Assistant to the General Manager

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Jimi Yoloye, Director of Engineering and Construction

Kelly Zito, Special Assistant to the General Manager for Communications

Marlaine Dumaine, Special Assistant to the General Manager for Inter-Governmental Affairs

Mike Ambrose, Manager of Maintenance and Construction

Mike Tognolini, Director of Water and Natural Resources

Rischa Cole, Secretary of the District

Sophia Skoda, Director of Finance

Winnie Anderson, Interim Director of Human Resources

3. Equity Core Team

Alice Towey, Manager of Water Conservation

Antonio Martinez, Manager of Distribution Maintenance and Construction

Barry Gardin, Internal Auditor Supervisor

Chad Thigpen, Senior Human Resources Analyst

Dan Gil, Superintendent of Water Treatment/Distribution/Quality

David Rehnstrom, Engineering Manager

Debra Skeaton, Water Distribution Supervisor (Retired)

Florence Wedington, Senior Civil Engineer

George Cleveland, Information Systems Specialist III

Gina Jenkins, Manager of Maintenance Support

Gistand Williams, Assistant Construction and Maintenance Superintendent

Howard Fortson, Senior Human Resources Analyst

Jack Flynn, Customer Services Manager

Jaisha White, Senior Diversity and Inclusion Analyst

Jessica Deplazes, Water Distribution Plumber III

Jose Lopez, Assistant Engineer

Jose Setka, Environmental Affairs Officer

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Juanita Ison, Customer Services Supervisor

Laura Salangsang, Senior Human Resources Analyst

Marc Carradine, Construction and Maintenance Superintendent

Nalani Heath-Delaney, Carpenter Supervisor

Rischa Cole, Secretary of the District

Sanna Garcia, Associate Civil Engineer

Serge Terentieff, Engineering Manager

Sue Leiga, Interim Manager of Budget

Teri Dean Alderson, Customer Services Manager

Vincent Pon, Superintendent of Aqueduct

4. Diversity Committee

i) Diversity Committee Staff

Chair: Jennella Sambour-Wallace, Diversity and Inclusion Officer

Co-Chair: Steven Currie, Workforce Development Analyst II

Producer: Courtney Carlson, Human Resources Technician

ii) Department Representatives

Customer and Community Services Department: Latrice King, Customer Services Manager

Engineering Department: Michiko Mares, Engineering Manager

Finance Department: Barry Gardin, Internal Auditor Supervisor

Human Resources Department: Richard Jung, Manager of Recruitment and Classification

Information Systems Department: Sue Leiga, Interim Manager of Budget

Maintenance and Construction Department: Antonio Martinez, Manager of Distribution, Maintenance, and Construction

Office of Diversity Equity and Culture: Jaisha White, Senior Diversity and Inclusion Analyst

Wastewater Department: Douglas Higashi, Manager of Wastewater Engineering

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Natural Resources Department: Scott Hill, Manager of Watershed and Recreation, and Virginia Northrop, Senior Ranger/Naturalist

iii) Affinity Group Representatives

Asian Pacific Employees Association (APEA): Lilian Leung, Associate Civil Engineer

Black Employee Network (BEN): Rischa Cole, Secretary of the District, and Dorothy Collier, Executive Assistant II

Fuerza Latina: Jose Lopez, Assistant Engineer

Raining PRIDE Committee: George Cleveland, Information Systems Specialist III, and Danny Pham, HRIS Analyst II

Disability Advocacy Rights Team (DART): Max Fefer, Associate Civil Engineer

iv) Interdepartmental Committees/Clubs Representatives

Art Committee: Charmin Baaqee, Assistant Engineer

Sustainability Committee: Chandra Johannesson, Manager of Environmental Compliance, and Alice Towey, Manager of Water Conservation

Toastmasters: Dawn Benson, Executive Assistant II and Stella Tan, Associate Civil Engineer

Utility District Employees' Association (UDEA): Dorothy Collier, Executive Assistant II

Values Advocates: Sean Barrow, Construction and Maintenance Superintendent, and Delorean Johnson, Water Distribution Crew Foreman

5. Values Advocates

Adrian Gonzales, Automotive Mechanic B

Adrian Robinson, Meter Reader Mechanic

Angelee Strawder, Wastewater Control Representative

Bruce Moog, Grounds Maintenance Specialist II

David Correa, Material Storage Foreman

Dawn Benson, Executive Assistant II

Delorean Johnson, Water Distribution Crew Foreman

Devina Ojascastro, Executive Assistant II

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Diane Eggering, Accounting Technician
Dillon Cowan, Superintendent of Pardee
Elliott Johnson, Construction and Maintenance Scheduler
Eric Larsen, Wastewater Plant Operator II
Gabriel Silva, Carpenter
Gary Walters II, Engineering Designer II
Geoffrey Snyder, Electrical Technician
Gilbert Loredó, Water Distribution Plumber III
Han Barrett-Liu, Ranger Supervisor
James Porter, Heavy Equipment Operator
Joey Smith, Water Conservation Technician
Joseph Pangelinan, Electrical Technician
Juanita Ison, Customer Services Supervisor
Kari Walters, Senior Administrative Clerk
Kasie Evans, Customer Services Representative II
Kellie Volek, Senior Administrative Clerk
Kerry Blackwell, Ranger Naturalist II
Lori Work, Senior Civil Engineer
Matthew Hoeft, Senior Civil Engineer
Max Low, Information System Administrator II
Michael Condon, Plant Maintenance Mechanic
Mortay Mendoza, Management Analyst I
Nathalie Bogatirsky, Senior Software Engineer
Navneet Virk, Senior Software Engineer
Nicholas Farrell, Assistant Construction and Maintenance Superintendent
Nicole Douglas, Field Services Representative II
Phoebe Grow, Supervising Wastewater Control Representative

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Randy Hernandez, Plant Maintenance Mechanic
Rick Hu, Principal Management Analyst
Sean Barrow, Construction and Maintenance Superintendent
Shary Zamaroni, Assistant Engineer
Sonia Perez, Administrative Assistant
Syed Rahman, Network Analyst II
Tiffany Chan, Human Resources Analyst I
Tina Kwan, Senior Administrative Clerk
Tony Boitano, Pardee Water and Wastewater Supervisor
Tony Martin, Truck Driver II
Tori Hirata, Senior Administrative Clerk
Traci Anchors, Water Distribution Plumber III
Tracie King, Senior Administrative Clerk
Victor Zarich, Automotive Mechanic B
Vivian Ling, Senior Software Engineer

6. Diversity, Equity, and Inclusion Planning Team

Jennella Sambour-Wallace, Diversity and Inclusion Officer
Beverly Johnson, Contract Equity Administrator
Jaisha White, Senior Diversity and Inclusion Analyst
Steven Currie, Workforce Development Analyst II
Desiree Scott, Human Resources Technician
Courtney Carlson, Human Resources Technician
Martina Wilson, Office Assistant for the Office of the General Manager

7. Acknowledgements

In addition to the contributions of the employees listed in this DEI Leadership section, EBMUD would also like to acknowledge the work of the other countless employees who have taken

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active but informal leadership roles in discussing, contributing, reviewing, and supporting the DEI Strategic Plan and its related actions. Thank you all for taking the time to ensure EBMUD fulfills its commitment to our DEI responsibilities while also empowering us as an organization to strive to be the best it can be.

D. Why Diversity, Equity, and Inclusion (DEI) Matters

1. For EBMUD

The fundamental mission of the District is to protect public health and the environment. To achieve this mission, we must develop long-term strategic plans, continually work on improving how we do our work and its associated processes, and grow and develop our work culture.

Our evolving understanding of the historical impacts of individualized bias and racism have provided us more clarity on how systems created through bias may also continue the legacy and impact of inequities even when the individualized bias is no longer present. With a transparent and honest scope, we must first acknowledge, then identify and investigate how our longstanding systems, policies, and practices, unintentionally or not, have created and continue to maintain inequity. Then we must commit to implementing actions to change our culture to one where a person's characteristics do not become a predictor of their outcomes.

As stated above in the Senior Management Team's message, the commitment required from all employees will not be an easy road and will begin with all of us being open to real feedback about ourselves and our actions and being willing to change our current mindsets to evolve with ever-changing DEI practices and principles. However, it must be emphasized that EBMUD employees have shown that they are ready and committed for these challenges.

For example, our employees have openly demonstrated and voiced their support for DEI and the changes that will come with implementation of the DEI Strategic Plan. Through various employee engagement measures, including but not limited to surveys/environmental scans, core/focus/pilot program groups, briefings, etc., employees have consistently provided input, feedback, and recommendations. Throughout the course of the development process, not only have employees actively engaged and shown their support for DEI initiatives, but they have also expressed their excitement of and the longstanding need for such changes. The participation, input, and dedication shown from EBMUD employees highlights how important DEI is to our organization.

Accordingly, the DEI Strategic Plan seeks not only to change how our business practices, policies, and procedures can be implemented equitably, but also how to maintain an inclusive culture – one where employees can engage and work respectfully and productively together, while learning and understanding how our differences not only help to promote good and respectful communications, but also growth in all of us.

2. For the Community and External Partners

The impact of EBMUD on the community cannot be understated. As a water and wastewater utility serving the 1.4 million residents of the East Bay, we have a unique responsibility to intentionally and strategically address inequity to ensure that the District is a model of fairness and equity, and that all the communities that we serve are partners in the successful implementation of our mission on their behalf.

Because of EBMUD's expansive reach, including the infrastructure that goes even beyond our service area, we acknowledge that we have a responsibility to not just our ratepayers/customers, but also to the greater external communities who are impacted by our business operations. Given that the demographics of the region that EBMUD covers is diverse in so many ways, including diversity of ethnicity, income levels, and languages, it is critical that the District solicits and considers these many different viewpoints of our partner communities through enhanced public involvement efforts.

From small businesses and vendors that historically have been disadvantaged when seeking business opportunities, to communities that have not traditionally been engaged nor given opportunities to voice their concerns when organizations make decisions that directly, and oftentimes, adversely impact them; EBMUD recognizes the work that needs to be done to improve our external community engagement in this DEI Strategic Plan. Through the DEI Strategic Plan, EBMUD plans to conduct inclusive public engagement that solicits feedback from potentially impacted groups, with a targeted focus on outreach to underrepresented groups and businesses, ensuring that we can incorporate their important and meaningful input into our overall business decision-making processes.

3. For Other Organizations

EBMUD is not engaging in this work alone but is engaged with other public agencies. Given our nation's pervasive legacy of racism and discrimination, it is imperative that organizations work collaboratively to disrupt patterns of inequality and examine how their business practices may further disadvantage marginalized groups and communities.

To further our capacity to make a meaningful impact in dismantling structural inequities and creating equitable outcomes for all, the District has joined the [Governmental Alliance of Racial Equity](#) (GARE)⁵. GARE is a joint effort of [Race Forward](#) and [The Othering and Belonging Institute](#)

⁵ EBMUD is a member of GARE.

[at UC Berkeley](#). It is a national network of over 350 governmental jurisdictions that are working to achieve racial equity through enacting sustainable, systemic policy changes at the state, federal, and local levels. Through leveraging GARE’s “collective impact” approach to building pathways for increased engagement, EBMUD is committing to establishing mutually beneficial partnerships with other network members in order to build community, exchange information and resources, share best practices and lessons learned, and collaborate to identify solutions to racial equity challenges.

In addition to GARE, the District is an active member of [California Urban Water Agencies](#) (CUWA) DEI Committee. CUWA’s DEI Committee members are early adopters that are focused on devising solutions to addressing systemic racism, promoting equity, advancing environmental justice goals, and catalyzing change for marginalized communities throughout the water community. EBMUD is also a part of [BAYWORK](#), a workforce collaborative group representing water and wastewater industries in the Bay Area. Through our participation in BAYWORK’s Racial Equity Diversity and Inclusion (REDI) Initiative, we are actively sharing and learning strategies and efforts as it relates to DEI.

Through GARE and our existing relationships with partner agencies, EBMUD will continue to research DEI best practices, including measures that have been either highly successful or need improvement. We recognize that many agencies are starting on the DEI journey along with us, providing opportunities for us to continue to learn from each other as we move forward in the initial implementation of DEI initiatives in our respective organizations. We aim to continue to build our DEI agency network and enhance currently existing partnerships so that we will not only be a resource for others, but also in turn be able to rely on other agencies as sources from which we can use to inform our evolving DEI Strategic Plan.

E. Defining Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion are key elements of our work culture, and should be reflected in our strategies and work design and implementation.

- ***Diversity*** is the many characteristics, dimensions, and traits that define who we are to others and ourselves (e.g., race, ethnicity, gender, age, sexual orientation, life and professional experience, occupation). Every person represents diversity.
- ***Equity*** is the delivery of equal outcomes across diverse groups in everything we do. It is our ability to identify inequities and address them when identified. Equity is for ALL people.

- **Inclusion** is creating an environment and culture that ensures people have a sense of belonging, are valued for their differences, and are empowered to participate and contribute. Everyone has the right to be included.

Foundational to the District's DEI Strategic Plan is the application of an equity lens to all District policies, procedures, projects, and activities. The equity lens starts with a focus on racial equity and extends to all elements of diversity and systemic inequities.

F. Understanding Racial Equity

1. Leading with Race

In a racially equitable society, the distribution of society's benefits and burdens would not be skewed by race. At EBMUD this applies to our systems and practices around hiring, promotions, contracting, project planning and design, and engagement with the communities we serve. Racial equity holds society to a higher standard and demands that we pay attention not just to individual-level discrimination but to overall social outcomes.

GARE emphasizes that local governments and jurisdictions should lead with race as a focus point for cultivating equity, with the recognition that the creation and perpetuation of racial inequities has been baked into government, and that racial inequities are deep and pervasive. Focusing on racial equity provides the opportunity to introduce a framework, tools and resources that can also be applied to other areas of marginalization. This is important because:

- To have maximum impact, focus and specificity are necessary. Strategies to achieve racial equity differ from those to achieve equity in other areas. "One-size-fits all" strategies are rarely successful.
- A racial equity framework that is clear about the differences between individual, institutional, and structural racism, as well as the history and current reality of inequities, has applications for other marginalized groups.
- Race can be an issue that keeps other marginalized communities from effectively coming together. An approach that recognizes the inter-connected ways in which marginalization takes place will help to achieve greater unity across communities.

As EBMUD deepens its ability to address racial inequity, it will be better equipped to transform systems and institutions impacting other marginalized groups.

2. Why Working for Racial Equity Benefits Everyone

The goal of achieving equitable outcomes for our employees, vendors, and customers must be beyond closing the gap; we must establish appropriate benchmarks that lift all populations while paying close attention to those often excluded. Advancing equity moves us beyond just focusing on disparities. The goal is not to just “close the gap” but to increase the success opportunities for all groups. Per GARE, “Racial equity develops strategies, goals, and outcomes that will result in improvements for all groups, but the strategies are targeted based on needs of a particular group. Systems that are failing communities of color, are actually failing all of us. Targeted universalism will increase our collective success *and* be cost effective.” In other words, targeted strategies to benefit marginalized groups will actually benefit all.

G. Applying an Equity Lens

1. What is an Equity Lens and When Do We Need to Use it?

An equity lens is a process for analyzing or diagnosing the impact of the design and implementation of policies, procedures, or practices on underserved and marginalized individuals and groups, and to identify and potentially eliminate barriers. Using an equity lens means that we are thoughtful and inclusive in our decision-making process as it pertains to the District’s policies, procedures, practices, programs, and budgets. For example, given that we have an obligation to use funding from our ratepayers responsibly, an equity lens should be applied to decisions around how funding is allocated, and how programs are planned and implemented. It also means that we partner with stakeholders and communities to set goals and strive for processes and outcomes that promote well-being for all.

There are four foundational questions for addressing equity issues:

1. Who benefits? Who is burdened?
2. Who is missing?
3. How do we know?
4. How do we address or mitigate negative/adverse/unintended consequences?

The method for applying an equity lens is to ask a series of questions referred to as an Equity Toolkit.

2. Purpose of an Equity Toolkit

An Equity Toolkit is both a product and a process, used to operationalize equity. The organizational process for applying an Equity Toolkit is:

1. **Visualize** what equity would and should look like,
2. **Normalize** the concepts of equity and our ability to openly talk about them,
3. **Organize** staff and leadership to act, and
4. **Operationalize** these concepts into concrete policy and practice that is measurable.

EBMUD will use an Equity Toolkit to advance equity as a Districtwide priority to identify, reduce, and prevent disparities in our policies, procedures, practices, engagement, and interaction with and service to the community.

An Equity Toolkit includes probing into the following issues:

1. **Benefits and Burdens:** Who would benefit or be burdened by a policy, proposal, program, or project?
2. **Understanding Data:** What does the data tell us about who is affected? Specifically, look at race, income, language, ability, gender, and neighborhood.
3. **Community Engagement:** How do we engage those who are not often represented in decision-making or most impacted by inequities? Do we engage people early enough in the process to have an impact?
4. **Decision-Making:** Who sits at and is missing from the decision-making table? Who has the power to invite or participate? Whose interests are being prioritized?
5. **Implementation:** How can we advance equity through the goals of a policy, proposal, procedure, program, or project?
6. **Unintended Consequences:** What unintended consequences might be produced?
7. **Accountability and Communications:** How will we be accountable to and communicate with the community?

3. Areas Where EBMUD Can Apply an Equity Lens and Toolkit

The District's Equity Core Team has begun testing the Equity Toolkit with five pilot projects comprised of employees representing various departments across the District:

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1. Hiring and Recruitment
2. Promotion and Retention
3. Contracts and Procurement
4. Capital Improvement Projects
5. Community Engagement

As the teams pilot and refine the Toolkit for EBMUD usage, the final EBMUD-specific Toolkits will be used to guide our work in identifying and addressing equity issues in the following areas:

1. District Policies and External Policy Proposals
2. EBMUD Strategic Plan
 - a. Long Term Water Supply (Climate Change, Environmental Justice)
 - b. Water Quality and Environmental Protection (Water Reliability, Watershed, Land Acknowledgment)
 - c. Infrastructure (Capital Improvement Projects)
 - d. Financial (Budget Development, Contracts and Purchasing)
 - e. Customer Service (Water Affordability – Customer Assistance Program, Language Assistance Measures, Service Scheduling)
 - f. Workforce Development (Hiring and Promotion Practices and Processes)
3. Department and Division-Level Projects
 - a. Policy and Procedure Reviews
 - b. Internal Communications
 - c. Community Outreach and Engagement

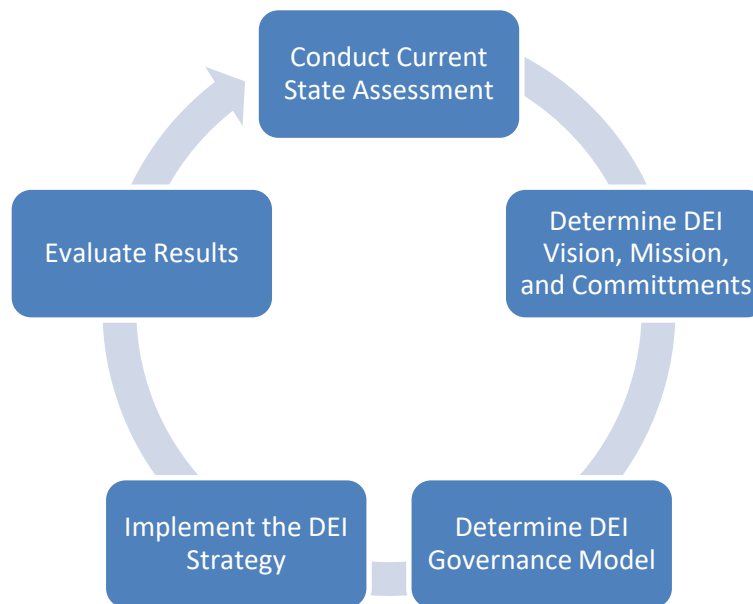
This list will be enhanced as the District continues to operationalize the Equity Toolkit.

H. Strategic Plan Approach

The five-year DEI Strategic Plan was developed based on two District-sponsored research studies (Cultural Audit [2021] and Women in the Trades Environmental Scan [2020]), the District's annual Affirmative Action Plan (AAP, [2021]), and recommendations from the District's Diversity Committee, Affinity Groups, and Equity Core Team. Once implemented, the Plan will be reviewed annually the first two years for effectiveness and necessary modifications. After year three, the Plan will be reviewed every two years, and maintain a five-year outlook.

The DEI Strategic Plan has been developed using a five-stage approach:

1. Conduct assessment of the current state of DEI at EBMUD.
2. Determine DEI vision, mission, and commitments.
3. Determine DEI governance model.
4. Implement the DEI Strategy.
5. Evaluate results.

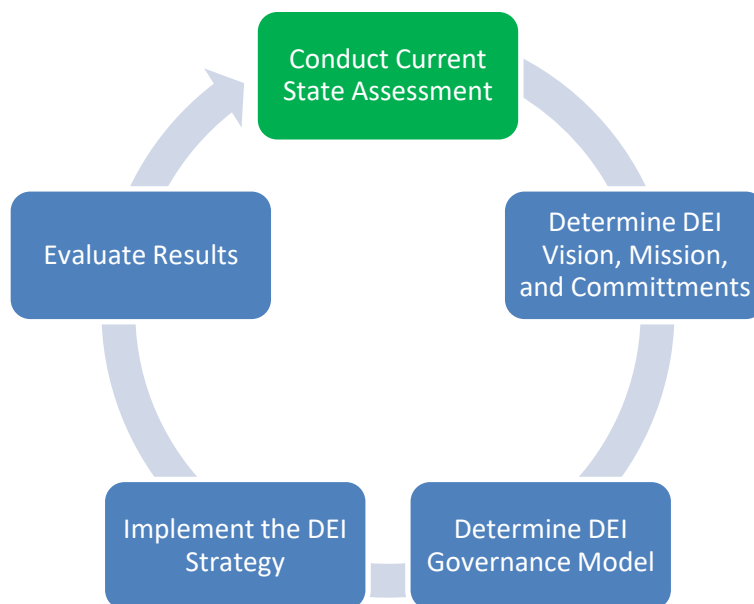


III. Stage 1: Current State Assessment

The development of strategic approach to DEI requires a thorough understanding of the organization's current state including an analysis of existing programming, Human Resources data, and employee experiences. The District engaged two third-party consultants, reviewed Human Resources data, and gathered internal feedback from employees to provide an analysis of the District's current state of DEI.

Seven data sources were used to inform the current state assessment:

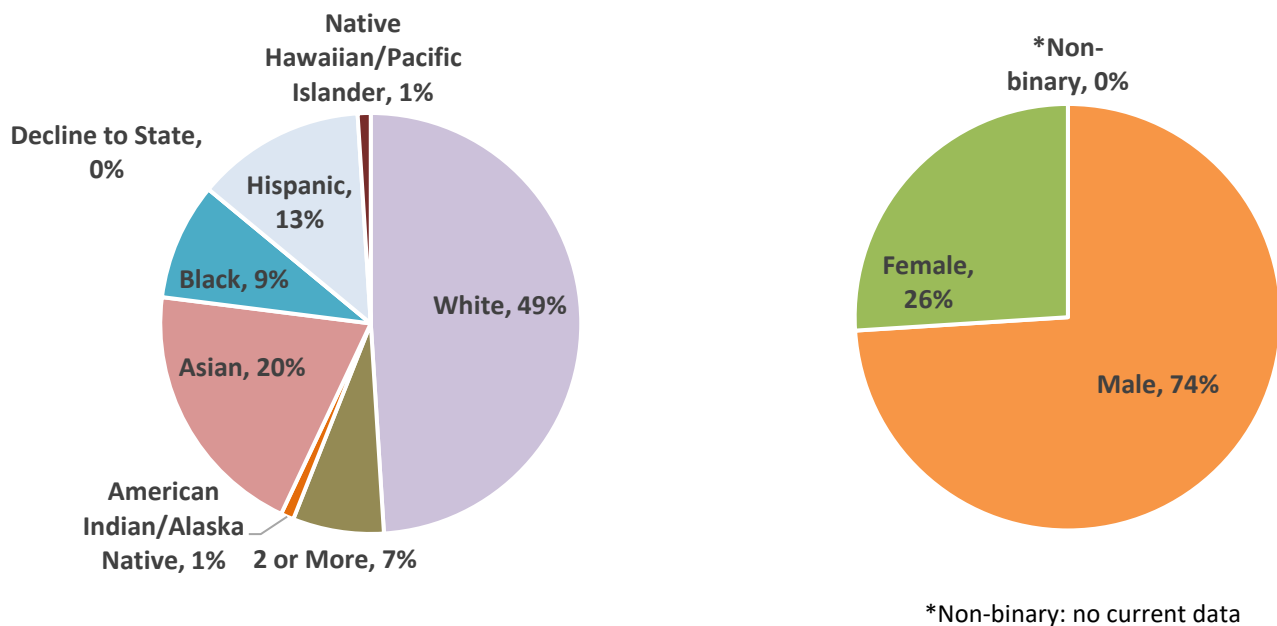
1. EBMUD Workforce Demographics
2. EBMUD Board Resolutions
3. Winters Group, Inc. Cultural Audit
4. Focus Groups
5. Women in the Trades Environmental Scan
6. Gender Expression and Identity Initiative
7. Employee and Board of Directors' Feedback



A. EBMUD Workforce Demographics

1. Overall District Workforce by Race and Gender

The District has nearly 2,000 employees. 51 percent are racial minorities and 49 percent are white/non-Hispanic. Of the 51 percent of minorities, 20 percent self-identify as Asian, 13 percent Hispanic/Latinx, 9 percent Black/African Americans, 7 percent “Two or more races,” just over 1 percent Native Hawaiian/Pacific Islanders, and just under 1 percent as Indigenous or American Indian/Alaskan Native.

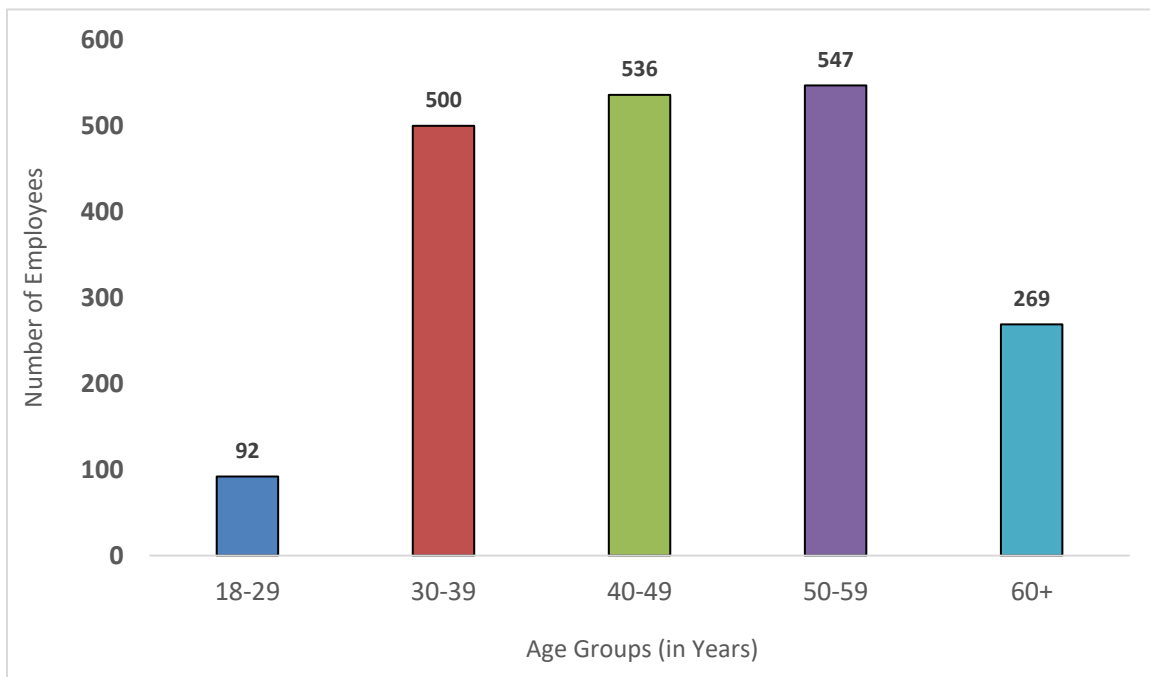


Approximately 74 percent are male, and 26 percent are female. The District currently only collects sex and gender data for our workforce in terms of male and female. However, a broader perspective on gender-identity (that includes non-binary and transgender individuals) would be more inclusive and aligned with DEI best practices. The District’s DEI staff is currently engaging with our Raining PRIDE Committee (LGBTQIA+) Affinity Group to discuss how to best address these gaps and other related inclusion issues.

2. Workforce by Age

The average age of an EBMUD employee is 47 years old, with an average service tenure of 11 years. The following shows the number of employees by age group at the District:

- 18-29: 92 Employees
- 30-39: 500 Employees
- 40-49: 536 Employees
- 50-59: 547 Employees
- 60+: 269 Employees



B. Informing Documents

1. Racial Equity Resolutions by the EBMUD Board of Directors

On June 23, 2020, the EBMUD Board of Directors authorized a resolution in response to the killing (murder) of George Floyd.⁶ This resolution outlined a series of Racial Equity and Justice (REJ) Strategies that EBMUD has included in the development of the DEI Strategic Plan. This resolution was then followed by additional Board Resolutions denouncing hatred against Asian-American and Pacific Islanders, and anti-transgender legislation. Per the initial intent of the creation of the resolutions and the REJ strategies, they have been incorporated into the DEI Strategic Plan objectives and actions. Accordingly, the DEI Strategic Plan and its updates will be informing on all REJ strategies moving forward.

2. The Winters Group, Inc. Cultural Audit

The Winters Group, Inc. (Winters) is a global minority/women-owned diversity, equity, inclusion, and justice (DEIJ) consulting and culture transformation firm, with almost 40 years of experience developing and implementing sustainable DEIJ business solutions. In 2020, Winters was retained by EBMUD in support of its DEI efforts.

i) Methodology Overview

In the Spring of 2020, Winters conducted a current state evaluation (Cultural Audit)⁷ to gain insight into the perceptions of DEI amongst leaders and individual contributors, measure leadership capacity to effectively bridge across cultural differences, and identify gaps and areas for improvement. The Cultural Audit included data collected from employee focus groups, key stakeholder interviews, Human Resources (HR) data, review of existing HR policies and procedures, and two DEI surveys (Inclusion Insights Survey™ and the Intercultural Development Inventory™).

The Cultural Audit Included:

1. Exploration of senior leadership's current level of cultural competence as measured by the Intercultural Development Inventory™ (IDI™).
2. Assessment of key stakeholder sentiments about DEI at EBMUD through interviews.

⁶ EBMUD Board Resolutions - Appendix 1.

⁷ The Winters Group, Inc. Cultural Audit Executive Summary - Appendix 2.

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3. Analysis of demographic group experiences with focus groups. Using questions from the Winters focus group, EBMUD conducted additional focus groups to gather data from employee groups not adequately represented in the Winters data (LGBTQIA+, white and Asian males, and individuals identifying as two or more races).
4. Discovery of employee attitudes and perceptions of DEI across the firm via Winters' Inclusion Insights Survey™.
5. Analysis of employee demographic information to uncover potential opportunities to enhance utilization of historically underrepresented groups.
6. Review of select policy, practice, and procedure documents, and the District's Civil Service rules to provide recommendations for equitable changes and inclusive language.

The Cultural Audit was followed by the establishment of a cross-functional Equity Core Team, currently engaged in five pilot projects using a Racial Equity Toolkit (RET) developed by O&G Racial Equity, a subcontractor of the Winters Group, Inc. O&G provided the Core Team with racial equity training and coaching on the use of the RET to launch the pilot project groups to apply the RET to: Hiring and Recruitment, Promotion and Retention, Contracts and Procurement, Capital Investment, and Community Engagement.

ii) Cultural Audit Results

The Cultural Audit identified the following strengths in our organization:

1. The Inclusion Insights Survey™ revealed a relatively high level of job satisfaction overall.
2. Affinity Groups were mentioned repeatedly in focus groups and interviews as meaningful and positive.
3. Recent actions to support DEI by leadership, particularly the General Manager and the Board, have been well-received and are an indicator of progress.
4. Many employees see DEI as a strength and are committed to contributing to a better workplace.
5. There were many creative and innovative DEI recommendations shared in the focus groups and interviews, which may indicate a willingness to contribute and continue learning about DEI.
6. The few mentions of pay or benefits were all positive. This is an indicator that employees are satisfied with compensation and feel the compensation is fair.

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7. People of color are being hired at rates higher (55 percent) than their current representation in the EBMUD workforce (49 percent).
8. People of color and women are being promoted at rates consistent with current representation. Promotion rates are expected to increase for people of color in the coming years.
9. Policies clearly amplify and underscore various mental and physical health conditions that may qualify for various accommodations.

Opportunities for improvement were also identified as follows:

1. Overall representation of women is low at the organization, at just 26 percent.
2. Hiring rates for veterans (5 percent) are significantly lower than their representation at EBMUD (34 percent), though this number may be skewed as only 60 percent of respondents shared their veteran status.
3. Employees with disabilities were disproportionately likely to be discharged (terminated involuntarily before contract ends) compared to employees who report having no disability.
4. People of color represented 62 percent of involuntary terminations on average in the past five years, even though they only make up 49 percent of the workplace.
5. When examining voluntary terminations, white employees were more likely to reach retirement at EBMUD than people of color. People of color were more likely to resign.
6. Millennials experienced a five-year average of 49 percent of involuntary terminations, though they currently only represent 23 percent of the workforce.
7. White men, Baby Boomers, and Gen X generally indicated a lower level of both awareness and support around DEI, with some exceptions. A number of these groups expressed hostility towards DEI. Since these identity groups are also represented at leadership and management levels, this unsupportive attitude should be addressed for DEI efforts to move forward successfully.
8. Women were less likely to feel that DEI efforts were sufficient.
9. There is not an organization-wide understanding of diversity, inclusion, equity, or justice.
10. Reports of nepotism or an insider/outsider dynamic have contributed to many employees feeling excluded and may be related to patterns of bias in promotion shared

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by participants.

11. Multiple instances of racial and gender bias were shared in focus groups and interviews, signifying that these patterns may be widespread. Relatedly, there appears to be a lack of psychological safety for people of color, especially Black employees. Many described feelings of isolation and being systematically excluded.
12. A lack of diversity, specifically race and gender in management and leadership roles was described as a concern in the interviews.
13. Mental health conditions specified in various policies are described in outdated language that may stigmatize those with mental illnesses.

iii) Winters Recommendations

Based on the Cultural Audit, Winters made the following recommendations for the DEI Strategic Plan:

1. Build a five-year DEI strategy.
2. Continue and build on leadership support of DEI.
3. Invest in DEI education.
4. Build management competency around DEI.
5. Design and implement accountability systems.
6. Audit and improve the promotion process.
7. Audit and improve the hiring process.
8. Increase support for Affinity Groups.
9. Revise employee policies and procedures.

3. EBMUD Focus Group Data

In reviewing the initial draft of the Winters' Cultural Audit Report, the District identified demographic groups that were either underrepresented or not represented in the focus group data. As a result, adequate qualitative data specific to the experiences of the following demographic groups was lacking for employees identifying as:

1. LGBTQIA+
2. Asian and Pacific Islander Males

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3. White Males
4. Biracial and/or Multiracial

From June 2021 through August 2021, the Office of Diversity, Equity, and Culture (ODEC) conducted a series of focus groups. The focus groups were designed to give voice to employees regarding their opinions, perspectives, and experiences, and to gather information specific to their thoughts and views about the District's DEI efforts and the areas for improvement.

i) Methodology Overview

The sessions were 90 minutes in length and participants were asked to respond to open-ended questions that were developed by the Winters Group, Inc. With the exception of one focus group that was conducted in-person,⁸ all sessions were conducted virtually.

Focus groups had the following makeups:

- LGBTQIA+ Employees: 18 participants
- Asian and Pacific Islander Male Employees: 12 participants
- White Male Employees: 17 participants
- Biracial and Multiracial Employees: 19 participants

The focus group participants were asked to share their thoughts on the following questions:⁹

1. What is it like to be an employee at the District? What is the best thing about your experience? What do you like least?
2. What one word describes the climate at the District?
3. How would you define diversity and what it means at the District?
4. What is inclusion? Is it different from diversity? How?
5. How would you define equity and what it means at the District?
6. How would you define justice and what it means at the District?
7. How is diversity/equity/justice valued in your day-to-day experience (e.g., with your interactions with managers and other employees)?
8. What are the District's strengths in creating an inclusive culture? What are specific

⁸ In-person session complied with the COVID-19 guidelines in effect at the time.

⁹ Focus group questions were developed by The Winters Group, Inc.

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actions, policies, behaviors that tell you diversity, equity, inclusion, and justice are valued?

9. What is it like to be _____ (LGBTQIA+/an Asian/Pacific Islander male/a White Male/Biracial or Multiracial) at the District? How are differences addressed? Are there specific barriers for your group? If so, what are they?
10. How good a job is District leadership doing in ensuring that it creates an inclusive environment for staff and stakeholders?
11. What recommendations do you have for the District to enhance diversity, equity, inclusion, and justice?

ii) Key Themes

As with the focus groups conducted in late 2020 by The Winters Group, Inc., the focus groups' goal was to ascertain employee perspectives on the DEI climate at EBMUD. Overall, the vast majority of the participants' responses indicated that DEI is a critical business imperative and that the District is moving in the right direction as it pertains to creating an inclusive culture that engages, supports, and meets the diverse needs of its employees. This is consistent with some of the sentiments expressed from the focus groups facilitated by The Winters Group, Inc. Additionally, participants shared insightful ideas and proposed recommendations for improving and advancing DEI at the District.

iii) Key Takeaways, Strengths, and Opportunities for Improvement

1. Continuous learning and unlearning – provide DEI educational opportunities to employees that translates to their roles and responsibilities.
2. Affinity Groups (both as a strength and opportunity for improvement).
3. Improve communication and outreach internally and externally.
4. Enhance promotional pathways and job-shadowing opportunities.
5. DEI and District Values alignment.
6. EBMUD is slow to change and reticent to adopt new processes.
7. EBMUD is politically driven and bureaucratic.
8. Some departments feel siloed.
9. Make the recruitment and hiring process more inclusive – identify and remove barriers to the recruitment and hiring process.

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10. More engagement with K-12 and post-secondary institutions.
11. Good work-life balance.
12. Great salary, benefits, and employment security.
13. EBMUD feels like a family.
14. Lack of faith in the DIO/EEO process.
15. Create pathways to amplify employee voices and ensure they are being listened to.
16. Leadership support, development, and accountability.
17. Consistent messaging that promotes the understanding that advancing DEI is a shared responsibility and everyone must do their part to move this work forward.

iv) Notable Responses from the Focus Groups¹⁰

Biracial/Multiracial Focus Group Participants

1. "District leadership is doing a reasonable job to be inclusive."
2. "We see the commitment and would like to see the results."
3. "Resources are being made available to create a model of inclusion."
4. "Employees are treated differently based on their job classifications."
5. "The process for diverse hiring panels has not been codified."
6. "Tokenism in hiring panel participation is not acceptable."
7. "The District has a lot of opportunity to improve in the area of customer-focused equity and justice."
8. "Diversity is not welcome in some parts of the District."
9. "There are still undercurrents and settings where the District's values are not put into practice."
10. "Diversity, equity, and justice are not yet part of the culture."
11. "Justice must include accountability."
12. "District employees need training on how to have conversations about race and talk about their backgrounds."

¹⁰ All comments have been transcribed directly as provided and/or stated by focus group participants.

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13. “Some customers have more challenges interacting with District systems than others and need more support.”

Asian American and Pacific Islander Male Focus Group Participants

1. “The climate around diversity is shifting toward the forefront at the District.”
2. “Inclusion does not include field and AMC employees.”
3. “The District is investing resources but follow through is needed.”
4. “The General Manager (GM) is setting the tone from the top down.”
5. “Having an Asian American GM is inspirational.”
6. “Having an accent sometimes affects the respect that an Asian American receives.”
7. “The District needs to explain the ‘why’ for DEI in order to get supervisors and managers to buy in.”
8. “Leadership needs to be open to different ideas and opinions that could improve the District’s performance.”
9. “More outreach is needed to the AAPI community to make sure their voices are heard.”
10. “There is little justice in the hiring process because it seems arbitrary.”
11. “Extra effort is needed to bring fairness into the process for contractors.”
12. “Some people are devalued based on their job classification and level.”

LGBTQIA+ Focus Group Participants

1. “Some managers do not value DEI efforts and are not incentivized to do so.”
2. “DEI values are not ingrained at the lower levels of management.”
3. “DEI should align with the values.”
4. “GM is doing a great job—it is a new era for the District.”
5. “The Senior Management Team (SMT) is slow to implement parts of the Board Resolution.”
6. “Management is not LGBTQIA+ or Latinx diverse.”
7. “Reduce barriers to hiring at the entry level, including arbitrary tests.”
8. “Utilize Women in Trades data for recruitment.”

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9. "Training for mid-level supervisors so they have a better understanding of what DEI is and what it means to the District."
10. "DEI trainers need to be diverse."
11. "Affinity groups are micromanaged in terms of governance, budget, and time."
12. "Unisex bathrooms could be implemented."
13. "Need more opportunities for direct communications from the GM and SMT directly to staff."
14. "A disability focus group is needed."
15. "A Women-in-Engineering focus group is needed."

White Male Focus Group Participants

1. "Walking on eggshells – having to be careful about what you say and do because of heightened sensitivity."
2. "Interview process is not fair – they choose people because they fit into a category as opposed to choosing the most qualified person."
3. "Supervisors need to take more time to make sure all employees feel included."
4. "I don't associate the District with justice."
5. "We give deference to wealthier communities and provide more services and attention to them, like addressing issues with some of our facilities."
6. "District focuses more on punishing employees as opposed to correcting the behavior."
7. "We are starting to discuss issues related to diversity, equity, and justice (DEJ) more."
8. "I don't know what the goal is in terms of diversity, equity, and inclusion."
9. "The cultural celebrations like the Latin Heritage, or Fuerza Latina, event I attended seemed sincere and special to me and it seems like the District was proud of this event."
10. "There is a real effort to be inclusive, it feels like an inclusive culture."
11. "There is a perception against white males with regard to diversity."
12. "Feels like white males are going to be in the back of the line."
13. "I missed out on a promotion...and I'm certain it was because they wanted a woman in the position."

14. “I’ve always felt like I have been treated fairly.”
15. “Don’t let up on the efforts to increase diversity, equity, and inclusion.”
16. “Organizational communications don’t seem to recognize older and experienced white male workers. I feel overlooked.”
17. “This is the most diverse place I’ve worked.”
18. “Some workgroups have a lot of difficulty talking about these topics. These workgroups need help and support for how to talk about DEJ and inclusiveness. We have asked for help, but we haven’t gotten it yet.”
19. “We need to get recommendations to enhance diversity, equity, inclusion, and justice from people most negatively impacted – who are not feeling seen and respected and/or who feel dismissed.”

4. Women in the Trades Environmental Scan

In 2019, the District engaged the services of Dr. Lorraine Giordano to conduct a study of current conditions and factors relating to women working in the trades at EBMUD and potential approaches to support retention of the existing female workforce and outreach to increase of women in the construction trades.

The Women in the Trades (WIT) Environmental Scan¹¹ was designed to:

1. **Identify current conditions** regarding gender diversity, and workplace experiences for women in the trades.
2. **Express and understand the different perspectives** – internal and external – that inform research participants’ understanding of opportunities for and challenges to improving gender diversity at EBMUD.
3. **Develop a set of recommendations** that will guide the expansion of an effective pipeline of potential women candidates in the trades and non-traditional occupations and identify obstacles to and opportunities for improving workplace culture for women in the trades.

The environmental scan helped to determine what institutional, environmental, and physical barriers exist that impact the hiring and retention of women in the trades and non-traditional occupations and provided formal and specific recommendations to achieve the District’s goal of

¹¹ Women in the Trades Environmental Scan Executive Summary – Appendix 2.

greater gender diversity within the trades.

i) Methodology Overview

Research was conducted using primary and secondary source material as outlined below:

1. **Interviews:** 18 in-depth interviews with trades women and female and male supervisors, superintendents, managers, and directors, and in-depth interviews with three community partners.
2. **Internal Surveys:** Survey questionnaires of women and men in the trades. 305 survey questionnaires were returned based on a sample including all tradeswomen, and a stratified sample of male trades workers.
3. **External Surveys:** Survey questionnaires targeting EBMUD's 137 community partners who receive email notification of employment opportunities.
4. **Focus Groups:** Three focus groups of tradeswomen, managers, and supervisors.
5. **Secondary Sources:** External materials on women in the trades and workplace gender discrimination were used to understand the levels of gender bias women in the trades and "non-traditional" occupations experience on the job, and to understand the extent to which these experiences may similarly be found at EBMUD. Also, this report analyzed current District workforce development practices against best practices in the field to identify existing strengths and opportunities for change.

This multi-pronged approach was designed to document the barriers to and opportunities for EBMUD tradeswomen to achieve success, as well as to increase the number of tradeswomen at the District. Using different research methods allowed for the capture of nuances in understanding, experiences, and perspectives while also providing opportunities to find commonalities within and between groups as well as to uncover significant differences.

ii) Environmental Scan Recommendations

The changes recommended in the WIT Environmental Scan were focused on making investments in the District's workforce development infrastructure, rather than a specific program to increase gender diversity. Broadly, the recommendations include:

1. **Outreach, Recruitment, and Hiring Practices:** Identify and implement best practices for community outreach and engagement to cast a wider net by partnering with community organizations and expanding the recruitment of women in the trades. Update and re-

design selection and testing procedures and tools to reflect needed skills and knowledge while minimizing opportunities for bias.

2. **Succession Planning and Staff Training:** Expand intra-agency capacity to improve gender diversity and career advancement for women into the trades at EBMUD through succession planning.
3. **Workplace Culture:** Support improvements in workplace culture through the employer-based (core) value of respect.

5. Raining PRIDE Committee Gender Expression and Identity Initiative

The Gender Expression and Identity Initiative was drafted by members of the Raining PRIDE Committee Affinity Group¹² and seeks to improve the District's culture regarding gender expression and gender identity. Lack of awareness among employees regarding gender expression and identity creates an unwelcome culture for non-binary and non-cisgender employees since most employees incorrectly assume gender is binary and unknowingly use gender-based language in their everyday communications. For example, assuming gender and gender pronouns is a common workplace practice and make non-binary and non-cisgender employees feel disrespected and excluded.

This initiative recommends implementing the following strategies:

1. Allow use of pronouns (or lack thereof) within the District's communication systems to show every employee's pronouns (or lack thereof) on People and Places, Microsoft Outlook emails, and Microsoft Teams meetings.
2. Incorporate any gender identity into the new Human Resources Information System (HRIS) coordinating with the HRIS Replacement project. In the current HR system, only Male or Female are available choices.
3. Provide gender identity and gender expression training to the District Board, management, and staff.
4. Partner with the District's Values campaign to improve adoption of gender expression and identity awareness into the District's culture.
5. Encourage all employees to share their pronouns (or lack thereof) at the beginning of meetings. For example, some employees do not want others using pronouns to refer to

¹² This effort was spearheaded by Max Fefer, former Vice President of Raining PRIDE Committee and current President of Disability Advocacy Rights Team (DART).

the employee.

6. Establish at least one universal bathroom at all staffed District facilities to allow all District customers and employees access to a bathroom they can safely use.

C. Employee and Board of Directors' Feedback

Employees and the Board of Directors (BOD) have been actively updated and engaged in the development of the DEI Strategic Plan, particularly in the initial foundational stage. In the year 2020, in response to the murder of George Floyd, Asian American Pacific Islander (AAPI) hatred, and legislation against Transgender Individuals, the BOD adopted a series of resolutions that reinforced the District's commitment to DEI and the launching of the Racial Equity and Justice project.

Teams of employees were formed to advise on REJ Strategies 1, 6, 7, and 8.¹³ Strategy 1 specifically was to "Listen to the voices of Black and African American employees at the District, in the external community, and other impacted individuals and provide space to engage in safe and productive conversations about dealing with and overcoming individual and systemic racism." The Black Employee Network (BEN) Affinity Group developed listening sessions due to this strategy, which they continue to hold today. Using this model, staff facilitated trainings on conducting listening sessions for other Affinity Groups.

Staff regularly provided updates to the BOD initially on the REJ Strategies, and then later, on the DEI Strategic Plan's progress. The Board's feedback was included in this Plan. As stated previously, the REJ strategies have been incorporated into the DEI Strategic Plan objectives and actions and this Plan will be informing on all REJ strategies moving forward.

Around the same time that the Board resolutions were being issued, and in response to the increased racial injustices, escalating violence in the communities, and the challenges and stressors employees faced during the COVID-19 pandemic, Employee and Organizational Development sponsored three "Strengthening Resilience and Enhancing Wellness Sessions." All sessions were facilitated by Claremont EAP clinicians. The primary focus of these sessions, held once a month from June-August 2021, was to support individual employee wellness and also to strengthen the inclusive community. Providing these spaces demonstrated EBMUD's commitment to investing resources in employee well-being, responding to injustices, and creating a culture of care.

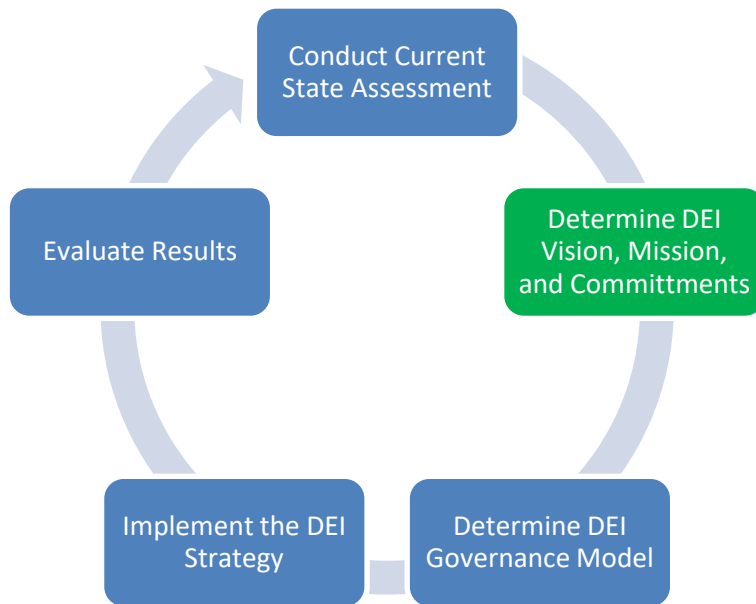
¹³ For more information on the REJ strategies, see EBMUD Board Resolutions - Appendix 1.

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The employee voice on DEI matters was captured through the Cultural Audit, WIT Environmental Scan, and focus groups, where approximately 1,300 employees were engaged. Additionally, employees were also engaged throughout the Strategic Plan development process through various presentations from the ODEC team, including to departments, AGs, and unions upon request, the Diversity Committee, at SMT and Management Team meetings, and at Equity Core Team meetings. ODEC hosted 90-minute briefings on each Strategic Pillar to collect feedback from employees on the first DEI Strategic Plan draft. Briefings were also recorded and provided to employees who were unable to attend. ODEC staff also collected input for incorporation into the Plan through the five pilot project teams and, more informally, through questions and comments from ODEC's Inclusive Leadership forums. The IAMDEI@ebmud.com email was also publicized and provided through all briefings and meetings to employees as another avenue to provide feedback on DEI.

IV. Stage 2: DEI Vision, Mission, and Commitments

For the success of our DEI efforts, it is imperative that leaders, employees, suppliers, vendors, and our community know and understand our vision, mission, and commitment to DEI. The District's DEI vision, mission, and five Strategic Pillars provide strategic direction for our efforts and are foundational to our DEI work. Our commitments are acknowledgements of the importance of this work and the roles that our organization and every employee will play in successfully moving forward.



A. Vision and Mission for Diversity, Equity, and Inclusion

1. Vision

Our vision is that “EBMUD is an organization where our workforce reflects the diversity of the communities that we serve; where all employees, contractors, and customers are valued, included, and have a voice in our long-term success; and where a person’s identity does not determine their outcomes or successes.”

2. Mission

EBMUD’s DEI mission is to “Cultivate Diversity, Advance Equity, and Work Inclusively.”

B. DEI Strategic Pillars

The DEI Strategic Plan is built on five strategic pillars which frame our goals, objectives, and actions.

1. **Leadership Commitment** – Leaders view the accomplishment of DEI goals and objectives as an important part of their management and oversight responsibilities and are seen as DEI change agents.
2. **Workforce Diversity** – Intentional and focused effort is made to attract and retain applicants from diverse and underrepresented groups to achieve and maintain a workforce that is equitably representative across levels and functions.
3. **Inclusive Culture** – Every employee is intentional in creating and maintaining a work environment where all have a sense of belonging, purpose, value, and voice; and are engaged in the successful fulfillment of the District’s mission.
4. **Supplier Diversity** – EBMUD is a leader in helping its community by promoting economic growth and wellbeing, developing, and nurturing underrepresented suppliers, and addressing income inequality for groups that have been historically disadvantaged.
5. **Social Responsibility** – EBMUD has the social responsibility to ensure the fair and equitable distribution of environmental, economic, or social benefits for all people, regardless of race, age, culture, income status, or geographic location.

C. DEI Commitments

The following are our organizational and individual commitments to fully embrace DEI.

1. Organizational Commitment Points

1. We acknowledge that:
 - a. Members of our workforce are at various points along the continuum of awareness, understanding, and engagement in anti-racism and anti-bias work.
 - b. Bias and racism can be conscious or unconscious and are negatively impactful even when there is no intentional effort to harm.
 - c. Institutional racism is embedded in the global culture and its social systems and institutions, meaning that no one is exempt from its forces and impacts.
 - d. Among us are individuals that have been negatively impacted or traumatized by these issues, and we have a responsibility to be an ally/upstander for them to support and empower their voices.
 - e. Our efforts to address bias, racism, and discrimination will require intentionality, discomfort, accountability, courage, empathy, and compassion.
2. We commit to open dialogue between all stakeholders including employees, customers, and the communities we serve, and we are committed to maintaining transparency in our DEI processes.
3. We commit to our District Values of Stewardship, Integrity, Respect, and Teamwork, understanding that DEI is embedded in their application.
4. We commit to building an intentionally inclusive and culturally competent environment that stands against all forms of bias, exclusion, and hatred; where all employees are safe, regardless of their identity; and where our efforts and focus go well beyond compliance requirements.
5. We commit to applying an equity lens to our planning, decision-making, and implementation practices – especially those elements relating to EBMUD’s Strategic Plan.

2. Personal Commitments for Positive Change

DEI is a journey of making and maintaining a personal commitment to:

1. **Appreciate Differences:** Value and appreciate the uniqueness of every person, and find common ground with others not like us.
2. **Learn and Grow:** Be open to continuous learning, growth, and development of

emotional intelligence and cultural competency to treat all people with dignity and respect.

3. **Support Others:** Be proactive in using the proper channels to address any inequality or inequity that we see and be an ally/upstander for anyone we see being ignored, mistreated, or disrespected.

Everyone can start on the DEI journey by first asking yourself: What is one thing that I will commit to (today, this week, this month, or this year) that will promote the principles of DEI?

D. DEI is Anchored in the District's Values

The District's Values help to shape the organizational culture. DEI is anchored and embedded in each of the values.

1. **Stewardship:** As public stewards we are responsible for equal, fair, and legal access to our services for the communities we serve. As stewards we should proactively address any impediments or inequities identified as hindering that responsibility to our customers.
2. **Integrity:** The District's policies and procedures around DEI are only as good as our integrity in committing to complying with and upholding those policies and procedures even when it is uncomfortable or inconvenient.
3. **Respect:** Respect only exists in environments where diversity is appreciated and honored, people have a sense of connection and inclusion, and all are empowered to create equity.
4. **Teamwork:** The best teams are ones where every team member has a sense of belonging and is appreciated and valued for their unique contribution to the team.

E. Commonly-Used DEI Terms¹⁴

Ally: Someone who supports a group other than one's own (in terms of multiple identities such as race, gender, age, ethnicity, sexual orientation, religion, etc.). An ally acknowledges oppression and actively commits to reducing their own complicity, investing in strengthening their own knowledge and awareness of oppression.

Anti-Racism: An active and consistent process of change to eliminate individual, institutional, and systemic/structural racism. Because racism occurs at all levels of society and can function to produce and maintain exclusionary "levels," anti-racism education/activism is necessary in all aspects of society. It does not happen exclusively in the workplace, in the classroom, or in selected aspects of our lives. Anti-racism theory analyzes/critiques racism and how it operates, which provides us with a basis for taking action to dismantle and eliminate it.

Bias: A form of prejudice that results from one's need to quickly classify individuals into categories.

Cisgender: A term for people whose gender identity, expression or behavior aligns with those typically associated with their assigned sex at birth.

Diversity: Socially, it refers to the wide range of identities. It broadly includes race, ethnicity, gender, age, national origin, religion, disability, sexual orientation, socioeconomic status, education, marital status, language, veteran status, physical appearance, etc. It also involves different ideas, perspectives, and values.

Discrimination: The unequal treatment of members of various groups, based on conscious or unconscious prejudice, which favors one group over others on differences of race, gender, economic class, sexual orientation, physical ability, religion, language, age, national identity, religion, and other categories.

Environmental Injustice: The disproportionate exposure of communities of color and the poor to pollution, and its concomitant effects on health and environment, as well as the unequal environmental protection and environmental quality provided through laws, regulations, governmental programs, enforcement, and policies.

Environmental Justice: Ensure the fair and equitable distribution of environmental, economic, or social benefits for all people, regardless of race, age, culture, income status, or geographic

¹⁴ An expanded glossary of DEI terms is included in Appendix 3.

location. As such, the District develops and conducts business in a manner that promotes equity and affords fair treatment, accessibility, and protection from disproportionate burdens or adverse impacts.¹⁵

Environmental Racism: Environmental racism refers to any policy, practice or directive that differentially affects or disadvantages (whether intended or unintended) individuals, groups or communities based on race or color.

Equity: The fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that prevent the full participation of some groups. The principle of equity acknowledges that there are historically underserved and underrepresented populations and that fairness regarding these unbalanced conditions is necessary to provide equal opportunities to all groups.

Equity Lens: An equity lens is a process for analyzing or diagnosing the impact of the design and implementation of policies on underserved and marginalized individuals and groups, and to identify and potentially eliminate barriers.

Gender Identity: Distinct from the term “sexual orientation,” refers to a person’s internal sense of being male, female or something else. Since gender identity is internal, one’s gender identity is not necessarily visible to others.

Inclusion: The act of creating an environment in which any individual or group will be welcomed, respected, supported, and valued as a fully participating member. An inclusive and welcoming climate embraces and respects differences.

Inclusive Language: Inclusive language acknowledges diversity, conveys respect to all people, is sensitive to differences, and promotes equitable opportunities.

Indigenous Land Acknowledgement: A land acknowledgement is a formal statement that recognizes and respects Indigenous people as traditional stewards of this land and the enduring relationship that exists between Indigenous people and their traditional territories. It is important to understand the history that has brought you to reside on the land, and to seek to understand your place within that history. Land acknowledgements do not exist in a past tense, or historical context: colonialism is a current ongoing process, and we need to build our mindfulness of our present participation.

¹⁵ For more information on EJ, refer to EBMUD Sustainability and Resilience Policy 7.05.

Institutional Racism: Institutional racism refers specifically to the ways in which institutional policies and practices create different outcomes and opportunities for different groups based on racial discrimination.

Intersectionality: A term coined by law professor Kimberlé Crenshaw in the 1980s to describe the way that multiple systems of oppression interact in the lives of those with multiple marginalized identities. Intersectionality looks at the relationships between multiple marginalized identities and allows us to analyze social problems more fully, shape more effective interventions, and promote more inclusive advocacy amongst communities.

LGBTQIA+: An inclusive term for those who identify as lesbian, gay, bisexual, transgender, queer, intersex, and asexual. The “plus” symbol is used to represent those who do not identify with one of the letters in the acronym (for example, those who identify as pansexual or as gender-fluid).

Multicultural Competency: A process of embracing diversity and learning about people from other cultural backgrounds. The key element to becoming more culturally competent is respect for the ways that others live in and organize the world and an openness to learn from them.

Non-binary: used to describe people who feel their gender cannot be defined within the margins of gender binary. Instead, they understand their gender in a way that goes beyond simply identifying as either a man or woman. Some non-binary people may feel comfortable within trans communities and find this is a safe space to be with others who don’t identify as cis, but this isn’t always the case.

Racism: The systematic subordination of people from marginalized racial groups based on their physical appearance, ethnic or ancestral history, or cultural affiliation. Racism is considered a deeply pervasive, systemic issue perpetuated by members of the privileged racial group holding dominant social power over others. Discrimination, prejudice, or xenophobia may be more accurate terms for describing individual acts of oppression. While these individual acts likely stem from systemic racism, at the individual level the power dynamics that enable racism are not at play in the same way.

Sex: Separate from gender, this term refers to the cluster of biological, chromosomal, and anatomical features associated with maleness and femaleness in the human body. Sexual dimorphism is often thought to be a concrete reality, whereas in reality the existence of Intersex individuals points to a multiplicity of sexes in the human population. Sex is often used synonymously with gender in this culture. Although the two terms are related, they should be

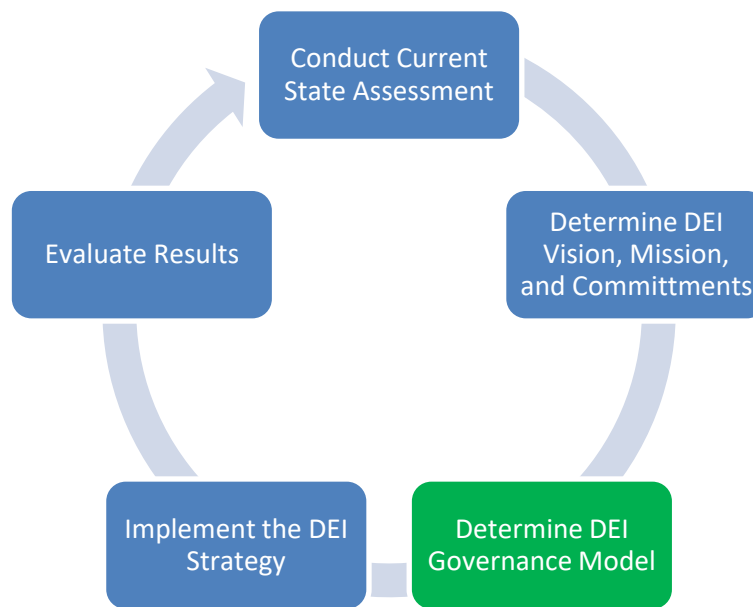
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defined separately to differentiate the biological (“sex”) from the sociocultural (“gender”).

Transgender or Trans: a person whose biological sex assigned at birth does not match their gender identity.

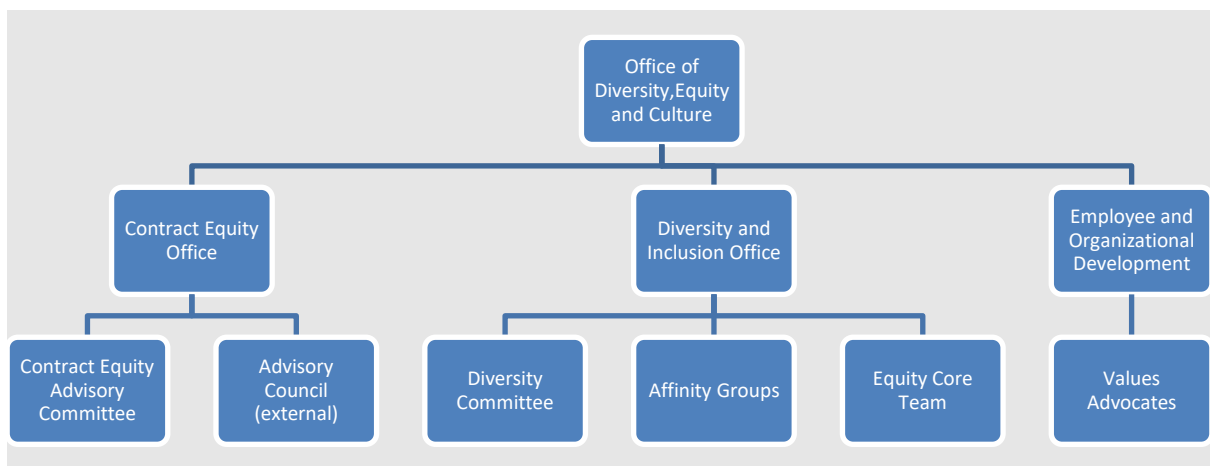
V. Stage 3: Governance Model

As a reflection of the importance of DEI for the District, special attention has been given to building a governance model which provides visible support and structure to the DEI strategy and practice. The model includes teams, committees, Affinity Groups, and dedicated staff to effectively implement DEI.



A. DEI Governance Model

In July 2021, EBMUD established the new Office of Diversity, Equity, and Culture (ODEC). Derry Moten, Special Assistant to the General Manager for Diversity, Equity, and Culture reports directly to the General Manager. The Special Assistant is part of the Senior Management Team under the General Manager. ODEC is comprised of three divisions: Diversity and Inclusion Office (DIO), Contract Equity Office, and Employee and Organizational Development (EOD). Each of the three divisions manage, coordinate, and support DEI efforts through internal employee and external advisory groups. Employees in the internal advisory groups represent various departments across the District.



Further detail on each advisory group is provided below. Each group has either been engaged in the development of the District’s DEI Strategic Plan and/or are to be engaged in the implementation. Input from the employee groups, which engages approximately 238 employees, have already been incorporated into the DEI Strategic Plan. During implementation, it is anticipated that each group will continue to provide feedback on the Plan’s goals, objectives, and actions. Since the DEI Strategic Plan is evolving and will change, input from each of these integral groups on improvements and actions is not only helpful, but necessary.

1. Diversity Committee

The Diversity Committee (DC) is an advisory body to the Diversity and Inclusion Office (DIO) and Senior Management Team on DEI strategy, programs, and issues. It consists of diverse employees from all levels of the organization, including subject matter experts, representatives from departments across the District, and the District’s Clubs¹⁶ and Affinity Groups. The DC has

¹⁶ See Section II.C on DEI Leadership for a full list of Clubs and Affinity Groups included in the Diversity Committee.

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three subcommittees to advise the District on:

1. Civil Service Process
2. Test Preparation Content and Resources, and
3. Outreach Event Strategy

As the DEI Strategic Plan is implemented, the responsibilities and objectives of the DC may be modified.

2. Affinity Groups

Affinity Groups (AGs) assist the District in promoting diversity and inclusion by serving as the common voice for employees who identify themselves with a particular diversity dimension(s) and for employees who wish to learn about other cultures. An AG can provide practical support as well as inspiration, motivation, and fun. Additionally, AGs act as internal and external advocates for the diverse and welcoming work environment of the District, thus enhancing its image to all stakeholders. AGs also act as outreach ambassadors to encourage by volunteering for various recruitment and retention task forces and/or activities that help the organization achieve recruitment and retention goals. AGs are sponsored by the DIO in support of the District's Strategic Plan goal of creating an environment that attracts, retains, and engages a high performing diverse workforce in support of the District's mission and core values, and will also support in the District's DEI efforts.

Existing Groups	Future or In Development
Asian Pacific Employees Association (APEA)	Veteran's Affinity Group
Black Employee Network (BEN)	Women's Affinity Group
Fuerza Latina (Latin Heritage Committee)	
Raining PRIDE Committee	
Disability Advocacy Rights Team (DART)	

3. Equity Core Team

The Equity Core Team is the primary leadership team responsible for designing, coordinating, and organizing racial equity plans and activities that are committed to equitable systems change. The Core Team serves as the engine for change, leading the way, and building

organizational capacity to cultivate equitable outcomes across the District. The Core Team is a cross-functional group of employees focused on the application of racial equity principles and practices on five pilot projects, designed to launch the District forward in the work of advancing equity at EBMUD.

4. Contract Equity Program (CEP) Advisory Groups

The Contract Equity Office oversees the internal Contract Equity Advisory Committee and the external Advisory Council. As part of the DEI Strategic Plan, both groups will support the Contracting and Procurement pilot project. The Contract Equity Advisory Committee will assist in determining possible CEP enhancements, identifying improvements in contracting processes, and coordinating outreach and training. The Advisory Council will assist with external data collection, marketing, outreach, and general community engagement that targets the business community.

5. Values Advocates

Values Advocates are employees from a variety of classifications and locations who have volunteered to promote the values by enhancing communication across the District so we can work better. The Advocates focus on achieving this goal through:

1. Breaking down silos to support better communication and teamwork across departments.
2. Lead grassroots efforts to actively shape culture.
3. Build two-way feedback for continual improvements.
4. Accelerate values throughout the organization.

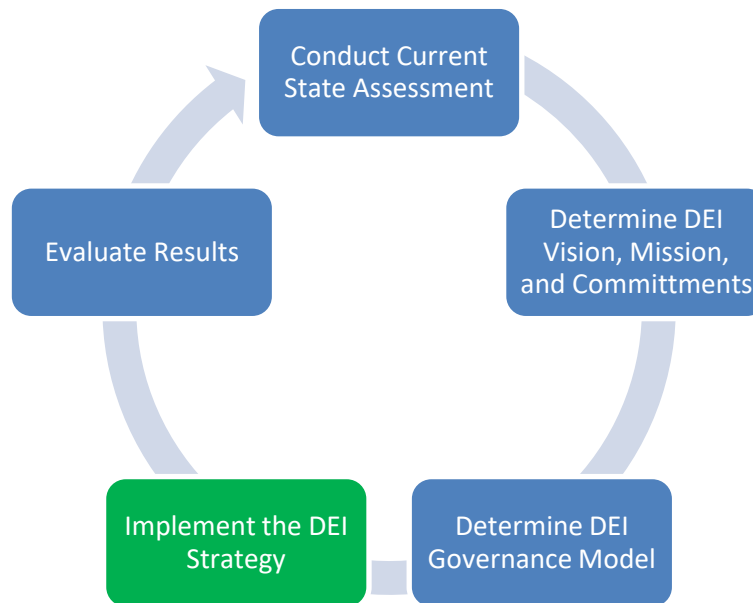
The Values Advocates will advise the District on issues related to inclusion, workplace communications, and employee engagement.

VI. Stage 4: Implement the DEI Strategy

A two-pronged approach is necessary to ensure a successful DEI implementation and application. While it is critical for the District to focus on fixing and remediating issues, we must also identify long-term outcomes to guide our ongoing actions and measure our successes. The five-year objectives provide that strategic focus, while the two-year actions guide our organizational steps to achieve our vision for DEI.

Each **Strategic Pillar** contains:

1. **Strategic Goals**
2. **Five-Year Objectives**
3. **Key Desired Outcomes** (the foundation of success measures)
4. **All Key Actions** (for the next two years)



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To understand how to read the charts that will appear in this section, the following outlines how the five-year objectives connect to the two-year actions:

1. Strategic Plan Strategies and Objectives

Strategic Pillar	Strategic Goals	Five-Year Objectives	Key Desired Outcomes
Leadership Commitment	1. Commitment and Accountability: Ensure leadership demonstrates its commitment and accountability for modeling behavior that advances DEI.	1.1 Leadership Competency: Build leadership and individual skills and awareness of a culture of inclusion and educate all employees on the importance of diversity, equity, and inclusion and their impact to organizational success. 1.2 DEI Accountability: Create accountability measures for ongoing progress of the organizational DEI practices and performance.	All EBMUD leaders take responsibility for building a diverse and inclusive organization and are willing and able to address inequities when identified.
	2. Organizational Process: Develop process for continuous review of EBMUD policies, procedures, and practices to consider opportunities to promote DEI and advance the District's Equity Strategy.	2.1 Equity Toolkit: Development of an EBMUD Equity Toolkit and Equity Lens guidelines. 2.2 Equity Toolkit Implementation: Implement the EBMUD Equity Toolkit for review of District policies and procedures, budget planning, external policy proposals, and departmental planning.	The elimination of systemic barriers to equity for all employees, vendors, suppliers, customers, and ratepayers.
	3. Performance Management: Utilize consistent, fair, and equitable process for performance, behavioral, and conduct issues.	3.1 Performance Management Process: Improve the process for ongoing management of performance for all employees, to create opportunities for enhancing employee engagement, employee relationships, and productivity. 3.2 Discipline Process: Create a clear, equitable, and accountable process for disciplinary actions with an emphasis on restoring an employee to productivity.	Ensure our performance management processes are bias free and designed and executed to align and maximize our employees' performance with the goals of the organization.

Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Commitment and Accountability	1.1 Leadership Competency: Build leadership and individual skills and awareness of a culture of inclusion and educate all employees on the importance of DEI and their impact to organizational success.	Develop behavioral and DEI related competency-related framework that aligns and support an inclusive workforce.	FY22 – Q3
		Explore option for all employees to take a self-assessment on cultural competency and emotional intelligence followed up by training or action planning to reinforce strengths and close skills gaps.	FY22 – Q3
		Provide cultural competency, racial, diversity, and equity trainings and other continuous education opportunities for all employees.	FY22 – Q3/4, Ongoing
		Update all Manager and Supervisor Trainings (MAST) to include inclusive leadership practices and create a culture of engagement leadership assessment.	Ongoing
	1.2 DEI Accountability: Create accountability measures for ongoing progress of the organizational DEI practices and performance.	Develop the Office of Diversity Equity and Culture to guide the future Diversity, Equity, and Inclusion work of the District.	FY22 – Q1
		Integrate DEI competencies into the performance plans of managers and supervisors.	FY23 – Q1
		Identify key DEI metrics for Talent Acquisition, Talent Development, Workplace Culture, and	FY22 – Q3/4

A. DEI Strategic Plan Five-Year Objectives

The DEI Strategic Plan outlines the five-year strategic goals, objectives, and key desired outcomes as guided by the findings of the current state assessment. The strategic approach of this plan is grounded in three key principles:

1. **Employee Involvement and Engagement** – The work of the Strategic Plan is a series of team efforts from the Equity Core Team, Diversity Committee, and Values Advocates. The continued work will engage all employees in continuous dialogue regarding DEI issues.
2. **Use of Equity Toolkits** – The Equity Toolkits are consistent and repeatable processes for using a data informed approach to identify systemic inequities and address them in partnership with those that are most impacted.
3. **Continuous Improvement** – The Plan is intended to create an evergreen process for embedding an equity lens into systems and processes of the District to ensure that EBMUD maintains a focus on continuously improving our service to our communities.

These key principles will be applied to the five Strategic Pillars of the Strategic Plan.

1. **Leadership Commitment** – Leaders view the accomplishment of DEI goals and objectives as an important part of their management and oversight responsibilities and are seen as DEI change agents.
2. **Workforce Diversity** – Intentional and focused effort is made to attract and retain applicants from diverse and underrepresented groups to achieve and maintain a workforce that is equitably represented across all levels and functions.
3. **Inclusive Culture** – Every employee is intentional in creating and maintaining a work environment where all have a sense of belonging, purpose, value, and voice; and are engaged in the successful fulfillment of the District’s mission.
4. **Supplier Diversity** – EBMUD is a leader in helping its community by promoting economic growth and wellbeing, developing, and nurturing underrepresented suppliers, and addressing income inequality for groups that have been historically disadvantaged.
5. **Social Responsibility** – EBMUD has the social responsibility to ensure the fair and equitable distribution of environmental, economic, or social benefits for all people, regardless of race, age, culture, income status, or geographic location.

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1. Strategic Plan Strategies and Objectives

Strategic Pillar	Strategic Goals	Five-Year Objectives	Key Desired Outcomes
Leadership Commitment	1. Commitment and Accountability: Ensure leadership demonstrates its commitment and accountability for modeling behavior that advances DEI.	1.1 Leadership Competency: Build leadership and individual skills and awareness of a culture of inclusion and educate all employees on the importance of diversity, equity, and inclusion and their impact to organizational success. 1.2 DEI Accountability: Create accountability measures for ongoing progress of the organizational DEI practices and performance.	All EBMUD leaders take responsibility for building a diverse and inclusive organization and are willing and able to address inequities when identified.
	2. Organizational Process: Develop process for continuous review of EBMUD policies, procedures, and practices to consider opportunities to promote DEI and advance the District's Equity Strategy.	2.1 Equity Toolkit: Development of an EBMUD Equity Toolkit and Equity Lens guidelines. 2.2 Equity Toolkit Implementation: Implement the EBMUD Equity Toolkit for review of District policies and procedures, budget planning, external policy proposals, and departmental planning.	The elimination of systemic barriers to equity for all employees, vendors, suppliers, customers, and ratepayers.
	3. Performance Management: Utilize consistent, fair, and equitable process for performance, behavioral, and conduct issues.	3.1 Performance Management Process: Improve the process for ongoing management of performance for all employees, to create opportunities for enhancing employee engagement, employee relationships, and productivity. 3.2 Discipline Process: Create a clear, equitable, and accountable process for disciplinary actions with an emphasis on restoring an employee to productivity.	Ensure our performance management processes are bias free and designed and executed to align and maximize our employees' performance with the goals of the organization.

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Strategic Pillar	Strategic Goals	Five-Year Objectives	Key Desired Outcomes
Workforce Diversity	<p>4. Talent Acquisition: Attract, recruit, hire, and onboard a diverse, high-performing, and culturally competent workforce.</p>	<p>4.1 Hiring and Recruitment Pilot Project: Equity Core Team will implement the Equity Toolkit six-step process to identify hiring and recruitment systemic inequities.</p> <p>4.2 Diversify Recruiting, Outreach, and Marketing Efforts: Diversify and expand recruiting, outreach, and marketing efforts to increase the diversity of our workforce.</p> <p>4.3 Learning and Knowledge Building: Create learning opportunities that support and reaffirm the District's commitment to compliant, inclusive, and culturally responsive recruiting, hiring, and onboarding.</p> <p>4.4 Cultural Competence and Emotional Intelligence in Hiring: Create opportunities to assess cultural competence and emotional intelligence throughout the hiring process.</p> <p>4.5 Continuous Improvement: Develop and implement a continuous improvement process to ensure access, fairness, equity, and equality are embedded in District recruitment, hiring, and onboarding policies, practices, protocols, and procedures.</p> <p>4.6 Expand Entry-level Career Opportunities: Expand the variety, total number, and frequency of internships, entry-level/trainee positions, and other short-term work-based learning opportunities at the District (e.g. formal job shadowing, structured mentorship, facility/site visits, informational interviews, and invitations to selected in-house trainings).</p>	<p>EBMUD hiring and recruitment processes and practices result in a diverse and highly-talented EBMUD workforce that represents our community demographics.</p>
	<p>5. Talent Development and Mobility: Strengthen promotion and retention of the incumbent District workforce through intentional efforts and strategies and meeting the needs of all employees so they are more informed and empowered to develop and advance their careers.</p>	<p>5.1 Promotion and Retention Pilot Project: Equity Core Team will implement the Equity Toolkit six-step process to identify promotion and retention systemic inequities.</p> <p>5.2 Improve and expand equitable access to Professional Development Resources and Opportunities: Provide more accessibility to training and developmental opportunities and increase our outreach efforts regarding these opportunities.</p> <p>5.3 Workforce Planning and Development: Expand employee mobility to create non-traditional pathways for career growth.</p> <p>5.4 Succession Planning: Develop a process to capture institutional knowledge, cultivate applicant pools for future vacancies, and ensure that all employees have access to creating a career development plan.</p>	<p>All employees have equitable access to opportunities for development and promotion in traditional and nontraditional career pathways.</p>

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Strategic Pillar	Strategic Goals	Five-Year Objectives	Key Desired Outcomes
Inclusive Culture	6. Organizational Culture of Belonging: Cultivate an intentional culture of inclusion and belonging in the workplace so that every employee feels respected, valued, and engaged to bring their personal best every day.	6.1 Inclusive Culture: Build an inclusive culture where all employees feel safe, comfortable, and supported. 6.2 Affinity Groups: Leverage existing District groups to promote culture of belonging or to inform on elements of the DEI Strategic Plan. 6.3 Gender Expression and Identity: Cultivate an atmosphere for safe gender identify and expression of all employees. 6.4 Work and Personal Life Balance and Harmony: Provide resources and support toward having a workforce of individuals who are able to perform at their best mentally, physically, and emotionally.	Increase the percentage of employees who indicate that we have a positive work environment, as measured by employee feedback.
	7. Proactive EEO: Establish proactive processes and best practices for reducing EEO-related incidences and complaints.	7.1 Alternative Dispute Resolution: Design and implement alternative dispute resolution (ADR) opportunities and a business process mapping and procedure. 7.2 EEO Care Services: Create a menu of options for restorative care before, during, and after EEO investigations to ensure that the workplace is restored to a healthy environment. 7.3 Selection Concurrence: Develop compliance review process to identify trends through the recruitment and selection process. 7.4 External EEO Investigations: Develop process for investigating potential EEO violations between employees and other parties and follow-up actions.	EEO issues are addressed in a timely manner and impacted workgroups are restored to health and productivity.
	8. DEI Communications: Enhance internal employee communications to build awareness of the District's commitment to DEI.	8.1 DEI Communication Plan: Develop internal communication plan to ensure consistent messaging on all DEI related activities to build an inclusive workplace. 8.2 Employee Feedback: Establish channels that leverage employees' input into decision-making processes by gathering employee feedback.	DEI becomes a two-way dialogue throughout the organization.

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Strategic Pillar	Strategic Goals	Five-Year Objectives	Key Desired Outcomes
Supplier Diversity	9. Contracts and Procurement: Increase utilization of small, local, minority, LGBTQIA+, disabled veteran, women-owned business enterprises.	<p>9.1 Implement an EBMUD Equity Toolkit Pilot Project: To enhance the District's Contracting and Procurement processes.</p> <p>9.2 Diversify Community Outreach and Marketing Efforts: Develop a community engagement plan that promotes an inclusive approach to contracting and procurement and is primarily focused on increasing the number of Black/African American and Latinx owned businesses that provide EBMUD with goods and services.</p> <p>9.3 Contract Equity Education: Provide training and other learning opportunities to meet contracting objectives/goals and engagement plan.</p> <p>9.4 Continuous Improvement: Develop and implement a continuous improvement process to ensure access, fairness, equity, and equality are embedded in the District's contracting and procurement policies, practices, protocols, and procedures.</p>	EBMUD encourages and promotes entrepreneurship and economic development in underserved, underrepresented communities, which in-turn creates jobs, wealth, better health, and education in those historically disadvantaged communities.

Strategic Pillar	Strategic Goals	Five-Year Objectives	Key Desired Outcomes
Social Responsibility	10. Community Engagement: Ensure that EBMUD fulfills its social responsibility by embodying District values and commitment to public service.	<p>10.1 Implement an EBMUD Equity Toolkit Pilot Project: To enhance the District's Community Engagement processes.</p> <p>10.2 External Community Engagement Plan: Develop external community engagement plan to ensure the District is engaging and consulting with our community partners to learn more about their needs, interests, concerns, and expectations.</p> <p>10.3 Indigenous/Tribal Communities Engagement: Explore opportunities for enhanced partnerships to aid in the cultural sensitivity for our current work processes.</p>	Those most impacted by current or historical social challenges or inequities have a say in designing and implementing solutions.
	11. Environmental Justice: Ensure the fair and equitable distribution of environmental, economic, or social benefits for all people, regardless of race, age, culture, income status, or geographic location. As such, the District develops and conducts business in a manner that promotes equity and affords fair treatment, accessibility, and protection from disproportionate burdens or adverse impacts.	<p>11.1 Implement an EBMUD Equity Toolkit Pilot Project for the Capital Improvement Program (CIP): Develop an equity-informed process to incorporate EJ and social responsibility principles into CIP.</p> <p>11.2 Environmental Justice: Develop an equity-informed process to standardize Environmental Justice (EJ) decisions being made across the District.</p> <p>11.3 Climate Action Plan: Review of EBMUD's overall Climate Action Plan and Policy to ensure that underrepresented communities impacted by climate-related actions are informed and participating in the Climate Action Plan decision-making process.</p>	Customers, rate payers, and citizens are connected and informed of environmental benefits and risks in their communities and are engaged in public decision-making processes.

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B. Two-Year Action Plan

During FY22-23, EBMUD staff will actively engage in the following actions. It is anticipated that the DEI Strategic Plan's two-year actions will require discussion regarding available resources and their impact on the timing of implementation. Resources may include staff, technology, and/or additional funding for the implementation of projects.

1. Strategic Pillar 1: Leadership Commitment

Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Commitment and Accountability	1.1 Leadership Competency: Build leadership and individual skills and awareness of a culture of inclusion and educate all employees on the importance of DEI and their impact to organizational success.	Develop behavioral and DEI related competency-related framework that aligns and support an inclusive workforce.	FY22 – Q3
		Explore option for all employees to take a self-assessment on cultural competency and emotional intelligence followed up by training or action planning to reinforce strengths and close skills gaps.	FY22 – Q3
		Provide cultural competency, racial, diversity, and equity trainings and other continuous education opportunities for all employees.	FY22 – Q3/4, Ongoing
		Update all Manager and Supervisor Trainings (MAST) to include inclusive leadership practices and create a culture of engagement leadership assessment.	Ongoing
	1.2 DEI Accountability: Create accountability measures for ongoing progress of the organizational DEI practices and performance.	Develop the Office of Diversity Equity and Culture to guide the future Diversity, Equity, and Inclusion work of the District.	FY22 – Q1
		Integrate DEI competencies into the performance plans of managers and supervisors.	FY23 – Q1
		Identify key DEI metrics for Talent Acquisition, Talent Development, Workplace Culture, and Contract Equity.	FY22 – Q3/4
		Create a DEI Dashboard for ongoing tracking of key DEI metrics.	FY23 – Q1

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Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Organizational Process	2.1 Equity Toolkit: Development of an EBMUD Equity Toolkit and Equity Lens guidelines.	Develop an EBMUD Equity Toolkit to apply standardized equity principles across all areas of the District Strategic Plan.	FY22 – Q3
		Engage Equity Core Team as Equity Strategists in leading their represented departments on implementing EBMUD Equity Toolkit.	FY22 – Q4
		Office of Diversity, Equity, and Culture to provide education and guidance to various departments on implementing Equity Toolkit and how to measure the impacts of policy changes.	FY22 – Q4 to FY23 – Q1
		Review and implement third-party recommendations for Human Resources policies and Civil Service rules.	FY22 – 23
	2.2 Equity Toolkit Implementation: Implement the EBMUD Equity Toolkit for review of District policies and procedures, budget planning, external policy proposals, and departmental planning.	Review current Internal Audit forms/process for opportunities to integrate equity lens and language.	FY22 – Q2
		Research equity-based budgeting practices.	FY22 – Q4
		Research equity-based external policy proposals process.	FY22 – Q4
		Develop a process for determining community impacts from District projects and operations and ensure that affected underrepresented communities' input is included in the decision-making process.	Ongoing
Performance Management and Discipline and Separations	3.1 Performance Management Process: Improve the process for ongoing management of performance for all employees, to create opportunities for enhancing employee engagement, employee relationships, and productivity.	Research online performance management systems to optimize and streamline the performance management process.	FY23
		Establish consistent performance management expectations for managers and employees.	FY23
		Establish internal support system to provide proactive guidance to managers on how to serve as success coaches to address and correct behaviors, and how to approach employees with critical performance improvement conversations.	FY23
		Enhance current management training on how to give fair, unbiased, and objective performance evaluations.	FY22 – Q4
	3.2 Discipline Process: Create a clear, equitable, and accountable process for disciplinary actions.	Monitor current disciplinary actions to identify trends and patterns to ensure that similar violations receive equitable discipline.	FY23
		Research progressive discipline best practices.	FY23
		Document process for developing effective Performance Improvement Plans (PIPs) to help employees improve and get back on the right track.	FY23

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2. Strategic Pillar 2: Workforce Diversity

Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Talent Acquisition	4.1 Hiring and Recruitment Pilot Project: Identify and address any systemic barriers to recruiting and hiring diverse candidate pools at all levels for District employment.	Equity Core Team will implement the Equity Toolkit six-step process to identify hiring and recruitment systemic inequities: Step 1) Identify Desired Results and Outcomes Step 2) Gather and Interpret Relevant Data on the Issue Step 3) Engage Communities and Stakeholders Step 4) Who benefits from or will be burdened by the proposal? Step 5) Develop a plan for implementation. Step 6) How will you ensure accountability, communicate, and evaluate results?	Steps 1-3: FY22 – Q1/2 Steps 4-6: FY22 – Q3/4
	4.2 Diversify Recruiting, Outreach, and Marketing Efforts: Diversify and expand recruiting, outreach, and marketing efforts to increase the diversity of our workforce.	Develop and enhance recruiting partnerships with a variety of external community partners and education institutions including Historically Black Colleges and Universities (HBCUs), the Hispanic Association of Colleges and Universities (HACU)/Hispanic-Serving Institutions (HSIs), local community colleges, community-based/nonprofit workforce training programs, the public workforce development system, and others.	FY22 – Q2
		Expand and improve current outreach program to engage and leverage our diverse community partners through bilateral referrals and promotional communications that highlight EBMUD as an employer committed to building an inclusive, safe, and welcoming work environment and diverse, accessible career pathways.	Ongoing
		Engage a diverse pool of current and retired employees in storytelling to brand EBMUD as a destination employer.	FY22 – Q4
		Enhance social media outreach and explore other avenues of publicizing recruitments.	FY22 – Q3
	4.3 Learning and Knowledge Building: Create learning opportunities that support and reaffirms the District’s commitment to compliant, inclusive, and culturally responsive recruiting, hiring, and onboarding.	Develop a system of DEI trainings and reminders that is embedded into District hiring and recruitment processes for each recruitment. This system should ensure that anyone involved in hiring and recruitment processes and decisions will understand accessibility/assistive technology, inclusive language, and biases that may influence the hiring process; will possess an understanding of what it means for EBMUD to be an equal opportunity employer; and will recognize the importance of DEI-related hiring practices. More intensive, ongoing, professional development will be provided to ensure deeper DEI competency and capacity for those who serve as interview panel members.	FY22 – Q3

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Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Talent Acquisition (Continued)	4.3 Learning and Knowledge Building (Continued)	Include DEI training and messaging as a featured component of new employee orientation and onboarding.	FY22 – Q3
		Develop a DEI Recruitment, Hiring, and Onboarding Toolkit that includes tips, strategies, and best practices for recruiting, hiring, and onboarding a diverse, high-performing, and culturally competent workforce.	FY22 – Q3
		Evaluate the quality and efficacy of training courses through surveys and consultations with supervisors, managers, and other personnel that have a role in the recruiting, hiring, and onboarding processes.	Ongoing
	4.4 Cultural Competence and Emotional Intelligence in Hiring: Create opportunities to assess cultural competence and emotional intelligence throughout the hiring process.	Establish DEI awareness, cultural competency, emotional intelligence, and growth mindset, as required managerial competencies for all classifications and ensure these requirements are expressly stated in all job descriptions and recruitment marketing materials.	FY22 – Q4
		Develop a repository of DEI informed interview and supplemental questions that are appropriate for each classification level and designed to assess a candidate’s ability to apply culturally competent and emotionally intelligent practices in the workplace.	FY22 – Q4
	4.5 Continuous Improvement: Develop and implement a continuous improvement process to ensure access, fairness, equity, and equality are embedded in District recruitment, hiring, and onboarding policies, practices, protocols, and procedures.	Apply an equity lens and quality improvement principles in the review of policies, procedures, and practices to identify opportunities to improve outcomes in recruiting, hiring, and onboarding a diverse, high-performing, and culturally competent workforce.	Ongoing
		Develop procedures and processes to communicate at various points consistently and clearly along the recruitment and hiring pathway, EBMUD efforts and commitments to advancing DEI in our workforce.	FY23
		Conduct an external organizational assessment to review the Human Resources Department’s policies, processes, systems, delivery of services, and organizational structure.	FY23
		Develop and implement a proactive communication process that allows and encourages candidates, in a timely manner, to correct and/or provide additional information regarding their minimum qualifications (MQs) before their candidacy is formally eliminated from further consideration.	FY22 – Q4

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Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Talent Acquisition (Continued)	4.6 Expand Entry-level Career Opportunities: Expand the variety, total number, and frequency of internships, entry-level/trainee positions, and other short-term work-based learning opportunities at the District (e.g. formal job shadowing, structured mentorship, facility/site visits, informational interviews, and invitations to selected in-house trainings).	Engage relevant internal and external partners to assess opportunities for expanded internships and trainee positions within each District department.	FY22 – Q2
		Develop and implement a budget, project plan, and timeline for each new/expanded internship/trainee program.	FY23
		Develop and implement an ongoing series of work-based learning events and/or programs to encourage diverse community candidates to pursue District careers. These events/programs may include facility/site visits, informational interviews, formal job shadowing, structured group/individual mentorship, and/or invitations to selected in-house District trainings.	FY23
Talent Development and Employee Mobility	5.1 Promotion and Retention Pilot Project: Identify and address institution barriers hindering the promotion and retention of diverse populations at the District.	Equity Core Team will implement the Equity Toolkit six-step process to identify promotion and retention systemic inequities: Step 1) Identify Desired Results and Outcomes Step 2) Gather and Interpret Relevant Data on the Issue Step 3) Engage Communities and Stakeholders Step 4) Who benefits from or will be burdened by the proposal? Step 5) Develop a plan for implementation. Step 6) How will you ensure accountability, communicate, and evaluate results?	Steps 1-3: FY22 – Q1/2 Steps 4-6: FY22 – Q3/4
		Develop a job shadowing and mentoring program. Employees would gain awareness and understanding of new potential opportunities through direct exposure to the work and tasks of different workgroup occupations.	FY22 – Q3
	5.2 Improve and expand equitable access to Professional Development Resources and Opportunities: Provide more accessibility to training and developmental opportunities and increase our outreach efforts regarding these opportunities.	Improve access to District career ladder information (i.e., placing enhanced career information materials on jobs page of ebmud.com and SplashPad).	FY22 – Q3
		Provide “Career Conversations” sessions – career development events with opportunities for employees to better understand District career opportunities.	FY22 – Q4
		Offer more professional development opportunities for individual contributors.	FY22 – Q4
		Explore options to expand the Educational Assistance Program to go beyond the Tuition Reimbursement Program.	FY22 – Q3

EBMUD Diversity, Equity, and Inclusion Plan
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Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Talent Development and Employee Mobility (Continued)	5.3 Workforce Planning and Development: Expand employee mobility to create non-traditional pathways for career growth.	Conduct an analysis of the District's future employment needs and create workforce plans to address needs.	FY22 – Q2
		Identify classifications with limited employee career paths and evaluate systematic options for expanded career mobility opportunities (e.g., professional development, career pathways, work out of class assignments, etc.).	FY23
		Review practices for evaluating minimum qualifications.	FY22 – Q2
		Implement Leadership Academies (group development) to cultivate pools of potential candidates for future leadership opportunities.	FY23
	5.4 Succession Planning: Develop a process to capture institutional knowledge, cultivate applicant pools for future vacancies, and ensure that all employees have access to creating a career development plan.	Conduct an environmental scan to assess the current state of the District and anticipate where the future state of the organization will be in the next 2-4 years (i.e., drought impacts, workforce changes, process improvements, organizational culture).	FY22 – Q3
		Identify and document key competencies and skills needed by employees in the future state of the organization.	FY23
		Conduct a risk analysis of key positions likely to be impacted.	FY22 – Q2
		Design development programming to support employee preparation.	FY22 – Q3

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3. Strategic Pillar 3: Inclusive Culture

Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Organizational Culture of Belonging	6.1 Inclusive Culture: Build an inclusive culture where all employees feel safe, comfortable, and supported.	Provide diversity training(s) on maintaining a respectful work environment emphasizing and reinforcing the District Values and policies.	FY22 – Q3
		Review elements of and update the Employee Recognition Program and explore opportunities for individual and team-based recognition.	FY22 – Q3
		Enhance trainings on prevention of abusive conduct.	FY22 – Q4
		Modify policy related to potential violations of abusive conduct behavior.	FY23
	6.2 Affinity Groups: Leverage existing District groups to promote culture of belonging or to inform on elements of the DEI Strategic Plan	Bolster Affinity Groups and their events to promote culture of belonging by providing leadership training for AG leaders on their roles and responsibilities and how they approach professional development and promote and support each other's events.	FY22 – Q3
		Support the formation and promotion of new Affinity Groups.	Ongoing
		Engage Diversity Committee (D.C.) and Equity Core Team as strategic business partners to advise and educate on DEI matters and also serve as advisors on the application of the Equity Toolkit.	Ongoing
		Explore options through the Values Advocate Program to expand our core values to include those which affirm our commitment to DEI.	FY23
	6.3 Gender Expression and Identity: Cultivate an atmosphere for safe gender identify and expression of all employees.	Explore opportunities to allow employees and members of the public the option to provide their pronoun usage (or lack thereof) in written and/or personal communications.	FY22 – Q2
		Modify Human Resources Information System (HRIS) to include non-binary options of gender identification.	FY23
		Research and evaluate options for creating universal restrooms and changing facilities at staffed District facilities and worksites.	FY22 – Q4
	6.4 Work and Personal Life Balance and Harmony: Provide resources and support toward having a workforce of individuals who are able to perform at their best mentally, physically, and emotionally.	Develop tools, training, and resources to incorporate psychological safety, stress management in our wellness and health and safety plan.	FY22 – Q3
		Explore expansions of flexible work schedule (remote/hybrid) and equity and fairness in process for approval/denial.	FY22 – Q3
		Research Claremont EAP to see what services are provided beyond crisis management.	FY22 – Q3
		Evaluate opportunities for on-site childcare at District facilities or subsidy at local childcare facilities.	FY23

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Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Proactive EEO	7.1 Alternative Dispute Resolution: Design and implement alternative dispute resolution (ADR) opportunities and a business process mapping and procedure.	Research potential options to apply ADR to the District.	FY22 – Q3
		Define protocols for different types of ADR.	FY22 – Q4
		Implement an ADR pilot project including providing options for resolving interpersonal issues and resources for employees who have been impacted by an EEO concern.	FY22 – Q4
	7.2 EEO Care Services: Create a menu of options for restorative care before, during, and after EEO investigations to ensure that the workplace is restored to a healthy environment.	Research and create options, including trauma-informed support services and care for individuals and teams, based on need.	FY22 – Q3
		Create a post-EEO follow-up assessment to be implemented after an investigation.	FY22 – Q3
	7.3 Selection Concurrence: Develop compliance review process to identify trends through the recruitment and selection process.	Training for all employees involved in the interview process, unconscious biases, diversity of panel.	FY22 – Q4
		Develop and implement pilot of a concurrence process in which DIO reviews job applications through each phase of the recruitment life cycle.	FY22 – Q4
	7.4 External EEO Investigations: Develop process for investigating potential EEO violations between employees and other parties and follow-up actions.	Convene an internal stakeholder meeting to develop a procedure for how to address potential EEO incidences involving employees and other parties.	FY22 – Q4
Internal Communications	8.1 DEI Communication Plan: Develop internal communication plan to ensure consistent messaging on all DEI related activities to build an inclusive workplace.	Develop an Inclusive Language Guide to educate employees of the importance and shared responsibility of using inclusive language and the consequences of using language that can potentially harm and/or exclude employees.	FY22 – Q3
		Launch “I am DEI” campaign to educate employees that DEI is for all employees, and that all employees have a role in advancing the principles of DEI.	FY23 – Q3
		Partner with internal stakeholders on how to message DEI on our internal employee platforms in a way that resonates with our diverse audiences.	FY22 – Q4
		Develop an internal stakeholder engagement plan on how to develop and implement DEI initiatives and gather feedback from employees.	FY22 – Q3

EBMUD Diversity, Equity, and Inclusion Plan
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Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Internal Communications (Continued)	8.2 Employee Feedback: Establish channels that leverage employees' input into decision-making processes by gathering employee feedback.	Implement standardized exit interviews process and develop a standardized, Districtwide assessment process to survey and/or interview employees voluntarily leaving (e.g., employees who are resigning).	FY22 – Q3
		Conduct periodic stay interviews to capture the current employee experience and maintain a central data repository of this information to be able to track trends.	FY23
		Conduct employee engagement/work culture survey to measure the employee perceptions and experience regarding their working relationships and contributions to the culture of the organization.	FY23
		Explore options for establishing a process for continuous employee feedback.	FY23

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4. Strategic Pillar 4: Supplier Diversity

Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Contracts and Procurement	9.1 Contracting and Procurement Pilot Project: Identify and make improvements to the District’s contracting and procurement process to increase local, small business, and minority own business participation.	Contract and Procurement Pilot Team will implement the Equity Toolkit six-step process to identify contracting and procurement systemic inequities and make recommendations for change. Step 1) Identify Desired Results and Outcomes Step 2) Gather and Interpret Relevant Data on the Issue Step 3) Engage Communities and Stakeholders Step 4) Who benefits from or will be burdened by the proposal? Step 5) Develop a plan for implementation. Step 6) How will you ensure accountability, communicate, and evaluate results?	Steps 1-3: FY22 – Q1/2 Steps 4-6: FY22 – Q3/4
	9.2 Diversify Community Outreach and Marketing Efforts: Develop a community engagement plan that promotes an inclusive approach to contracting and procurement and is primarily focused on increasing the number of Black/African American and Latinx owned businesses that provide EBMUD with goods and services.	Examine outreach efforts to mitigate barriers to participation, identify outreach gaps, and establish outreach goals. <ul style="list-style-type: none"> a. Leverage participation on various diversity focused Advisory Councils and Board of Directors such as American Indian Chamber of Commerce Corporate Advisory Committee, Construction Resource Center Industry Advisory Committee and the University of California Small and Diverse Business Advisory Council to minimize outreach gaps. b. Access Elsie (<i>new financial information system</i>) capabilities for improving matching of contract opportunities to the right businesses. c. Conduct more in-depth business forums with hands-on-training such as writing proposals, preparing for a professional services interview panel, and providing drafting or legal services and more prime contractors matchmaking sessions. 	FY22 – Q3
		Maximize partnerships with business assistance organizations such as local ethnic chambers of commerce, minority and women construction contractors’ associations, and California’s Public Utilities Commission and Department of General Services to facilitate and/or sponsor workshops on the certification process, eligibility requirements, and business development.	Ongoing
		Implement targeted publicity and outreach by developing marketing materials and use communication channels that are most effective and appropriate for the intended audience(s).	FY22 – Q4

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Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Contracts and Procurement (Continued)	9.3 Contract Equity Education: Provide training and other learning opportunities to meet contracting objectives/goals and engagement plan.	Create pathways to share program success stories and increase employee awareness of the value-added benefits of increasing supplier diversity.	FY22 – Q3
		Integrate presentations into the MAST and New Employee Orientation (NEO) that explains the purpose and benefits of contract equity.	FY22 – Q3
		Enhance the Contract Equity Internal Advisory Committee’s role and visibility to educate departments and advocate on the contracting process and equity goals.	FY22 – Q4
		Expand <i>The Equalizer Newsletter</i> to be a learning tool in addition to a listing of upcoming contract opportunities.	FY22 – Q4
	9.4 Continuous Improvement: Develop and implement a continuous improvement process to ensure access, fairness, equity, and equality are embedded in the District’s contracting and procurement policies, practices, protocols, and procedures.	Apply an equity lens and quality improvement principles in the review of policies, procedures, practices, and procedures to identify opportunities to improve supplier diversity outcomes.	Ongoing
		Contract with a consultant to conduct an organizational assessment to review applicable contract equity policies, processes, systems, delivery of services, and the program’s organizational structure.	FY22 – Q4
		Proactively identify ways to integrate diverse businesses into the District’s sourcing opportunities.	Ongoing
		Continue to explore whether policy changes would assist in for promoting utilization of local and/or diverse businesses.	FY23
		Revitalize the External Contract Equity Committee to provide guidance on ways to advance the District’s contract equity goal achievements.	FY22 – Q4
		Identify technological solutions to collect and track data, ensure compliance, and simplify and/or streamline the contracting and procurement process.	FY23

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5. Strategic Pillar 5: Social Responsibility

Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Community Engagement	10.1 Community Engagement Pilot Project: Conduct a pilot project to integrate an Equity Toolkit practices into the District's Community Engagement processes.	Equity Core Team will implement the Equity Toolkit six-step process to identify systemic inequities around community engagement. Step 1) Identify Desired Results and Outcomes Step 2) Gather and Interpret Relevant Data on the Issue Step 3) Engage Communities and Stakeholders Step 4) Who benefits from or will be burdened by the proposal? Step 5) Develop a plan for implementation. Step 6) How will you ensure accountability, communicate, and evaluate results?	Steps 1-3: FY22 – Q1/2 Steps 4-6: FY22 – Q3/4
	10.2 External Community Engagement Plan: Develop external community engagement plan to ensure the District is engaging and consulting with our community partners to learn more about their needs, interests, concerns, and expectations.	Review of District's current community engagement plan and practices and past historical efforts to determine how EBMUD currently engages with the underrepresented communities with EBMUD service area.	FY23
		Develop or enhance external community engagement plan to standardize public participation process for all departments to ensure that underrepresented communities are being included in EBMUD's decision-making processes.	FY23
		Research current language assistance efforts at the District for opportunities to develop a Language Assistance Plan.	FY23
		Partner with internal stakeholders on messaging EBMUD DEI efforts to the public/customers via all media platforms, including social media.	FY22 – Q4
	10.3 Indigenous/Tribal Communities Engagement: Explore opportunities for enhanced partnerships to aid in the cultural sensitivity for our current work processes.	Research and partner with local indigenous/tribal communities to explore respectful and appropriate incorporation of practices such as land acknowledgement into land acquisitions/projects, public meetings, and other District forums/meeting.	FY22 – Q4

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Strategic Goals	Five-Year Objectives	Two-Year Actions	Projected Timeline
Community Engagement (Continued)	10.4 Career Awareness Programming: Promote Water and Wastewater Career Awareness and interest among communities and groups that are under-represented in Science, Technology, Engineering, Arts, and Math (STEAM) education pathways.	Identify opportunities to coordinate efforts between the District's current K-12 education plan and Affirmative Action Program Action-Oriented Plan, especially for those occupations and job groups with diversity challenges/goals.	FY22 – Q3
		Develop and implement a targeted educational outreach strategy to attract and encourage K-12 and post-secondary students who are historically underrepresented in STEAM and other occupations relevant to water/wastewater.	FY22 – Q3
Environmental Justice	11.1 Capital Improvement Program (CIP) Pilot Project: Conduct a pilot project to integrate an equity-informed process into CIP projects to incorporate EJ and social responsibility principles and practices.	Equity Core Team will implement the Equity Toolkit six-step process to identify opportunities to incorporate environmental justice principles and practices. Step 1) Identify Desired Results and Outcomes Step 2) Gather and Interpret Relevant Data on the Issue Step 3) Engage Communities and Stakeholders Step 4) Who benefits from or will be burdened by the proposal? Step 5) Develop a plan for implementation. Step 6) How will you ensure accountability, communicate, and evaluate results?	Steps 1-3: FY22 – Q1/2 Steps 4-6: FY22 – Q3/4
	11.2 Environmental Justice Process: Develop an equity-informed process to standardize Environmental Justice (EJ) decisions being made across the District.	Tailor EBMUD Equity Toolkit for applicable departments when making EJ and socially responsible decisions.	FY22 – Q3
		Office of Diversity, Equity, and Culture to consult with internal stakeholders during the project planning process to ensure EJ project decisions are made consistently across District and that public involvement strategies are also consistent with Community Engagement Plan.	FY23
	11.3 Climate Action Plan: Review of EBMUD's overall Climate Action Plan and Policy to ensure that underrepresented communities impacted by climate-related actions are informed and participating in the Climate Action Plan decision-making process.	Apply an equity lens framework to the District's Climate Change Monitoring and Response Plan to ensure future planning efforts for the District's water supply assesses the impacts on underrepresented communities.	FY22 – Q4

VII. Stage 5: Evaluation

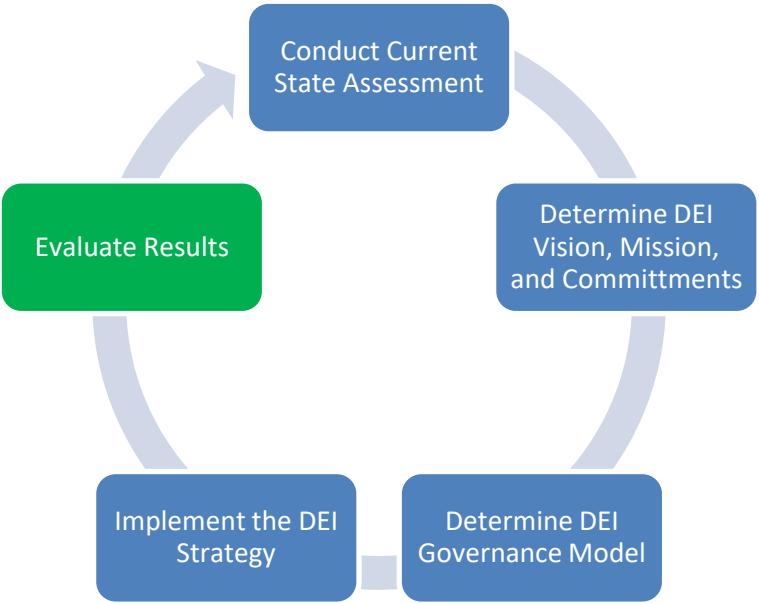
Ongoing evaluation will be a focus of the District's DEI efforts. As the District's first Strategic Plan for DEI, we recognize that trial and error will be a part of the implementation, and accordingly, the DEI Strategic Plan will change over time and require modifications as it is evaluated.

A key element to the evaluation process is the implementation of the DEI Dashboard as referenced in the Leadership Accountability Strategic Pillar. The DEI Dashboard will be an evolving tool intended to guide management in making business decisions with an equity lens. Development and implementation of the DEI Dashboard is one of our two-year action items and is currently underway. The Dashboard will include:

- **Demographic Data** – Staff have identified sixteen preliminary metrics for the first iteration of the dashboard. Gender, race, age group, salary grade and years of service are some of the data points that will be provided.
- **Success Measures** – The baseline to measure success will be derived from the desired outcomes for each goal listed in the DEI Strategic Plan. Levels of success will be demonstrated through the measurable outcomes and indicators.
- **Tracking Data** – The DEI Strategic Plan goals are listed in a 2-year plan format. Actions for each of the goals have projected completion dates which will be tracking in monthly reporting to the Legislative Human Resources Committee of the Board of Directors.

Because this is the District's first time formalizing DEI initiatives, our first annual evaluation will be conducted by an external program evaluator to ensure the District's progress in fulfilling goals and objectives. The evaluation approach will utilize similar methodology to the Cultural Audit performed by The Winters Group, Inc. using both quantitative and qualitative data to provide a current state assessment at the time of evaluation. Employee participation from our governance structure will be critical as part of this process, though we aim to get feedback from all employees. The target date for the first evaluation will be January 2023.

EBMUD Diversity, Equity, and Inclusion Plan
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VIII. Appendices

A. Appendix 1 – EBMUD Board Resolutions for Equity

#35190-20 – Authorizing Principles and an Action Plan for the East Bay Municipal Utility District’s Response to Racial Discrimination and Violence Against Black and African Americans as Most Recently Exemplified by the Killing of George Floyd.

#35219-21 – Resolution Condemning and Combating Racism, Xenophobia, and Intolerance Against Asian Americans and Pacific Islanders.

#35233-21 – Resolution Condemning and Combating Discrimination Intolerance, and Violence Against the Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersex, Asexual, and Other Gender and Sexual Identities Community.

RESOLUTION NO. 35190-20

AUTHORIZING PRINCIPLES AND AN ACTION PLAN FOR THE EAST BAY MUNICIPAL
UTILITY DISTRICT'S RESPONSE TO RACIAL DISCRIMINATION AND VIOLENCE
AGAINST BLACK AND AFRICAN AMERICANS AS MOST RECENTLY
EXEMPLIFIED BY THE KILLING OF GEORGE FLOYD

Introduced by Director Patterson ; Seconded by Director Mellon

WHEREAS, the Board of Directors of the East Bay Municipal Utility District (District) determines all questions of policy and has adopted policies upholding its commitment to diversity, equity, inclusion, and justice; and

WHEREAS, on May 25, 2020, the American public witnessed George Floyd being unlawfully killed by excessive force applied by police officers, and the video of his killing marked a boiling point of outrage over the recent series of events that underscore a history in which Black and African Americans have been unjustly accused, detained, or killed by citizens or police officers as a result of prejudice, abuse of power, racial bias, and racism; and

WHEREAS, these events have exposed continued patterns of abhorrent and racist behaviors that violate basic human rights, the United States Constitution, and the core values and guiding principles of the District; and

WHEREAS, in this sobering and heartbreaking moment, our eyes have been opened to the ongoing burden and the resulting inequalities that prejudice, abuse of power, racial bias, and racism in both overt and systemic forms have inflicted on the Black and African American community; and

WHEREAS, the Board of Directors realizes that this continued injustice and inequity is destructive to both the internal and external communities of the District; and

WHEREAS, the District understands that many members of the communities served by the District, as well as members of our own employee community, are hurting deeply because of these events; and

WHEREAS, the District is an organization in one of the most diverse areas of our country, and has a long-standing commitment to being a responsible partner of the community for diversity, equity and inclusion in the practices of hiring, contracting, and employee support; and

WHEREAS, starting at the local level, true leadership requires taking a critical look at our organization and identifying ways that we can do better; and

WHEREAS, in its public meeting on June 9, 2020, the Board of Directors discussed guiding principles for the District's response to address individual and systemic racism and committed to taking meaningful action, internally and externally; and

WHEREAS, the Board of Directors directed that an Ad Hoc Committee comprised of Board members, District staff, and labor union representatives be established to work collaboratively to develop the District's guiding principles and implementation strategies with input from its Black and African American employees, affinity groups, and other key constituents; and

WHEREAS, the Board of Directors determined that a resolution setting forth the District's principles and commitment to action be adopted at its next meeting, and closed its June 9 public meeting with eight minutes and forty-six seconds of silence in observance of the amount of time in which a police officer was filmed kneeling on George Floyd's neck before he died;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District stands against prejudice, abuse of power, racial bias, and racism in both overt and systemic forms, and does hereby adopt the following guiding principles:

- Recognize and acknowledge that black lives matter.
- Stand up against acts of racism, exclusion, and abuse of power in our organization and in our community.
- Provide leadership in calling out broken systems and working to fix them.
- Go beyond diversity and inclusion, and build cultural competence and address issues of racial inequity to become an anti-racist, anti-hate organization.
- Intentionally and proactively change our ways of thinking through dialogue, education, training, and engaging all District employees and contractors.
- Combat hate, discrimination and unfair treatment against all people.
- Be a resource for education and awareness for District employees and the communities we serve by regularly sharing educational resources about on-going social justice issues in America.
- Offer consistent, equitable amenities across District projects regardless of community demographics or affluence.
- Support First Amendment rights that allow freedom of speech and peaceful non-violent public protests to educate and advocate for justice and stand against injustice.
- Condemn systemic racism that sanctions police violence against people of color and especially Black and African American people.

BE IT FURTHER RESOLVED that the Board of Directors and District staff will implement the following strategies while adhering to the stated principles:

1. Listen to the voices of Black and African American employees at the District, in the external community, and other impacted individuals and provide space to engage in safe and productive conversations about dealing with and overcoming individual and systemic racism.
2. Engage a diverse cross-section of District employees and our external community, particularly Black and African Americans, to identify issues and devise solutions to the impacts of acts of prejudice, abuse of power, racial bias, or racism and barriers to diversity, equity and inclusion.
3. Review and evaluate the District's history of dealing with issues of prejudice, racial bias, and/or racism in its individual and systemic forms, and address any impacts of systemic racism on District processes (employment, management, and contracting) to identify and implement solutions to fix compromised or broken systems.
4. Review and enhance District policies and procedures to ensure the environment and workplace make no allowances for acts of prejudice, abuse of power, racial bias, or racism, and set the expectation that all District employees and contractors be reflective and willing to address any conscious or unconscious bias.
5. Through training and dialogue, build organizational cultural competence and emotional intelligence to create a sustainable environment where all District employees and communities served have a sense of inclusion and equity; training will include guidance for District employees on ways to become an ally in eliminating bias and racism in the workplace and avoid being bystanders who inadvertently help perpetuate injustice.
6. Establish protocols for following up and responding to racism by customers toward District employees, particularly those interfacing with customers in their neighborhoods, and at all District facilities.
7. Review and update the practices and procedures of our internal security force and contractor(s) to ensure that their interactions with the public are appropriate, including during public meetings or protests.
8. Engage our partnering law enforcement agencies in dialogue to express our concerns and inquire about the steps they are taking regarding issues of excessive force and/or violence by their officers.

BE IT FURTHER RESOLVED that the Board of Directors commits to supporting legislation that aligns with these principles and strategies, and promotes its commitment to combatting

racism and promoting diversity, equity, inclusion, and justice, such as California Assembly Constitutional Amendment No. 5 (ACA 5).

BE IT FURTHER RESOLVED that the Board of Directors will continue to collaboratively work with District staff to develop a formal action plan to implement these principles and strategies by way of the Legislative/Human Resources Committee.

BE IT FURTHER RESOLVED that the District will support and continue to explore additional efforts in the communities which it serves, the State of California, and nationwide to address racial inequities.

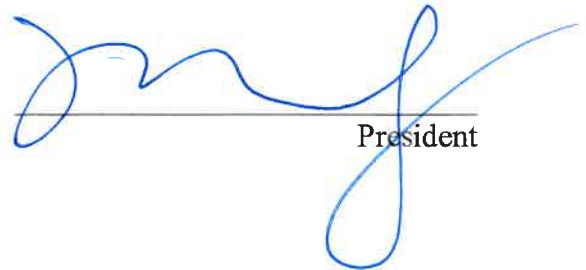
ADOPTED this 23rd day of June, 2020 by the following vote:

AYES: Directors Coleman, Katz, Linney, McIntosh, Mellon, Batterson and President Young.

NOES: None.

ABSENT: None.

ABSTAIN: None.



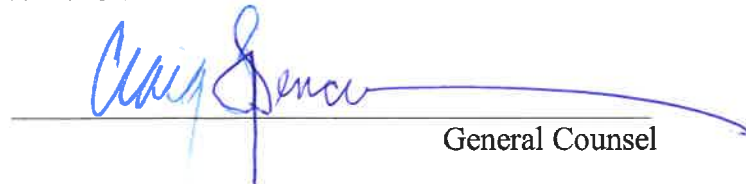
President

ATTEST:



Rosita S. Cole
Secretary

APPROVED AS TO FORM AND PROCEDURE



Craig Sencer
General Counsel

RESOLUTION NO. 35219-21

RESOLUTION CONDEMNING AND COMBATING RACISM, XENOPHOBIA, AND
INTOLERANCE AGAINST ASIAN AMERICANS AND PACIFIC ISLANDERS

Introduced by Director Patterson

; Seconded by Director McIntosh

WHEREAS, racism and scapegoating toward Asian Americans and Pacific Islanders (AAPI) have persisted since the 19th century and contributed toward policies like the Chinese Exclusion Act of 1882, which prohibited immigration of Chinese laborers, and use of the term “yellow peril,” which represented East Asians as dangerous and threatening to the United States; and

WHEREAS, despite the contribution of AAPI laborers in building the nation’s infrastructure, including systems that delivered some of the first water supplies to the East Bay, racist policies continued into the 20th century with the Immigration Act of 1924 effectively banning all immigration from Asia; and Executive Order 9066 in 1942 authorizing the incarceration of Japanese Americans during World War II; and

WHEREAS, since the outbreak of the COVID-19 pandemic, the use of anti-Asian rhetoric by influential figures due to the geographic origins of COVID-19 has resulted in increased harassment, scapegoating, and violent attacks against members of the AAPI community; and

WHEREAS, the California State University in San Bernardino’s Center for the Study of Hate and Extremism found that hate crimes against members of the AAPI community rose 149 percent since the beginning of the COVID-19 pandemic; and

WHEREAS, Stop AAPI Hate, a national coalition founded by the Asian Pacific Policy and Planning Council, Chinese for Affirmative Action, and San Francisco State University’s Asian American Studies Department to study anti-Asian discrimination due to the COVID-19 pandemic, has documented over 2,800 hate incidents targeting AAPIs in the United States since March 2020; and

WHEREAS, Stop AAPI Hate has received reports of over 700 anti-Asian hate incidents in the Bay Area alone during the COVID-19 pandemic, including at least 55 reported incidents occurring in Oakland Chinatown; and

WHEREAS, incidents that harm, exclude, insult, harass, and physically attack members of the AAPI community have disproportionately been directed towards women; and

WHEREAS, Asian American businesses, particularly those located in Oakland Chinatown have been vandalized with anti-Asian sentiment and rhetoric; and

WHEREAS, 23 million AAPI citizens of the United States comprise 7 percent of the American population and as such deserve to be respected and treated equally to all American citizens; and

WHEREAS, 23 percent of District employees identify themselves as AAPI and are an integral part of fulfilling the mission of the District; and

WHEREAS, given the increasing anti-Asian racism and rise of racially motivated attacks and hate crimes, the AAPI community and employees are concerned about their safety; and

WHEREAS, on January 26, 2021, President Biden issued a Presidential Memorandum “Condemning and Combating Racism, Xenophobia, and Intolerance Against Asian Americans and Pacific Islanders in the United States;” and

WHEREAS, the District is committed to promoting diversity, racial equity, justice, and inclusion for all District employees; and

WHEREAS, each of the District’s Affinity Groups and labor unions stand in unity to condemn violence, discrimination, bullying, and hate against the AAPI community; and

WHEREAS, District Resolution No. 35190-20, which was adopted in response to the tragic killing of George Floyd reaffirmed the District’s commitment against prejudice, abuse of power, racial bias, and racism in both overt and systemic forms;

NOW, THEREFORE, BE IT RESOLVED, the District condemns all manifestations and expressions of racism, xenophobia, discrimination, scapegoating, and intolerance against the AAPI community.

BE IT FURTHER RESOLVED, that the District supports it’s AAPI employees and the AAPI community and commits to:

1. Listening to the concerns of the AAPI community and employees to promote a sense of safety and belonging in recognition that the District is a diverse community that stands united as Americans.
2. Ensuring that all members of the AAPI community are treated with dignity, respect, and equity.
3. Encouraging the District’s internal Affinity Groups to develop cultural competence for the purpose of fostering intercultural unity and emphasizing the intersectionality of all people.
4. Providing assistance, where possible and as a member of the Oakland Chinatown community, to the AAPI community, in general, and the Oakland Chinatown Chamber of Commerce in supporting our local AAPI community and employees against anti-AAPI hate.

BE IT FURTHER RESOLVED, that the District will support and continue to explore additional efforts in the communities in which it serves, the State of California, and nationwide to curb anti-AAPI hate.


ADOPTED this 13th day of April, 2021 by the following vote:

AYES: Directors Coleman, Katz, McIntosh, Mellon, Patterson, Young and President Linney.

NOES: None.


ABSENT: None.

ABSTAIN: None.



President

ATTEST:



Secretary

APPROVED AS TO FORM



General Counsel

RESOLUTION NO. 35233-21

RESOLUTION CONDEMNING AND COMBATING DISCRIMINATION,
INTOLERANCE, AND VIOLENCE AGAINST THE LESBIAN, GAY, BISEXUAL,
TRANSGENDER, QUEER, QUESTIONING, INTERSEX, ASEXUAL, AND OTHER
GENDER AND SEXUAL IDENTITIES COMMUNITY

Introduced by Director Young

; Seconded by Director Katz

WHEREAS, the Board of Directors of the East Bay Municipal Utility District (District) determines all questions of policy and has adopted policies and resolutions upholding its commitment to diversity, equity, inclusion, and justice; and

WHEREAS, according to the United States House of Representatives Bill 5 of the 2021-2022 legislative session (also known as the “Equality Act”), lesbian, gay, bisexual, transgender, queer, questioning, intersex, asexual, and other gender and sexual identities (LGBTQIA+) people commonly experience discrimination in securing access to public services including restaurants, senior centers, stores, establishments that provide entertainment, health care facilities, shelters, government offices, youth service providers including adoption and foster care providers, and transportation; and

WHEREAS, according to the Equality Act, forms of discrimination have included the exclusion and denial of entry, unequal or unfair treatment, harassment, and violence and that such discrimination has prevented the full participation of LGBTQIA+ people in society; and

WHEREAS, according to the Equality Act, LGBTQIA+ people have been subjected to a history and pattern of persistent, widespread, and pervasive discrimination on the bases of gender expression, gender identity, and/or sexual orientation by both private sector and federal, state, and local government entities, including in employment, housing, and public accommodations, and in programs and activities receiving federal financial assistance which has inflicted a range of tangible and intangible harms including serious physical injury or death; and

WHEREAS, discrimination against the LGBTQIA+ includes the denial of access to a shared facility, including a restroom, a locker room, and a dressing room, that is in accordance with the individual’s gender identity; and

WHEREAS, according to the Human Rights Campaign, over 250 pieces of anti-LGBTQIA+ legislation have been introduced across the country since the beginning of 2021 and that in the previous year, 17 of the 79 pieces of anti-LGBTQIA+ legislation have been enacted into law; and

WHEREAS, according to a 2020 Gallup survey, LGBTQIA+ people represent about 5.6 percent of the United States population and the LGBTQIA+ demographic increases in percentage with

each generation, with 2 percent of Baby Boomers (aged 56 to 74 in 2020), 3.8 percent of Generation X (aged 40 to 55 in 2020), 9.1 percent of Millennials (aged 24 to 39 in 2020), and 15.9 percent of Generation Z (aged 18 to 23 in 2020) identifying as LGBTQIA+; and

WHEREAS, according to the Human Rights Campaign, a record number of reported fatal shootings or violent deaths of transgender or gender non-conforming people has occurred in 2021 alone and that fatal shootings or violent deaths of transgender people are too often unreported or misreported with Black or Latinx transgender women suffering the majority of the fatalities resulting from such attacks; and

WHEREAS, the Raining Pride Committee, the District's Affinity Group for the LGBTQIA+ community, seeks to increase awareness and cultural competency within the District on gender expression, gender identity, and sexual orientation; and

WHEREAS, the District is an organization in one of the most diverse areas of the United States, and has a long-standing commitment to being a responsible partner of the community for diversity, equity, and inclusion in the practices of hiring, contracting, and employee support; and

WHEREAS, each of the District's Senior Management Team members, Affinity Groups, and labor unions stand in unity to condemn violence, discrimination, bullying, and hate against marginalized groups, including transgender people and people of color; and

WHEREAS, District Resolution No. 35190-20, which was adopted in response to the tragic murder of George Floyd affirmed the District's commitment against prejudice, abuse of power, racial bias, and racism in both overt and systemic forms; and

WHEREAS, District Resolution No. 35219-21, which was adopted in response to the racism and discrimination against the Asian American Pacific Islander community affirmed the District's commitment against prejudice, abuse of power, racial bias, and racism in both overt and systemic forms;

NOW, THEREFORE, BE IT RESOLVED that the District condemns all manifestations and expressions of gender and sexual orientation discrimination, intolerance, and violence against LGBTQIA+ people and specifically transgender people.

BE IT FURTHER RESOLVED that the District supports its LGBTQIA+ employees and the LGBTQIA+ community at large and commits to:

1. Listen to the concerns of the LGBTQIA+ community and employees to promote a sense of safety and belonging in recognition that the District is a diverse community that stands united as Americans.
2. Support the LGBTQIA+ community by enacting District actions that reaffirm the District's dedication to treating LGBTQIA+ employees with dignity, respect, and equity.
3. Encourage all District employees to develop cultural competence of LGBTQIA+ issues

such as an understanding of the broad range of gender expressions, gender identities, and sexual orientations for the purpose of fostering intercultural unity and emphasizing the intersectionality of all people.

4. Include initiatives in the District's Diversity, Equity, and Inclusion Strategic Plan to support LGBTQIA+ employees.

BE IT FURTHER RESOLVED that the Board of Directors commits to supporting legislation that aligns with these principles and strategies and reaffirms its commitment to combatting discrimination and violence against marginalized people and promoting diversity, equity, inclusion, and justice.

ADOPTED this 22nd day of June, 2021 by the following vote:

AYES: Directors Coleman, Katz, McIntosh, Mellon, Patterson, Young and President Linney.

NOES: None.

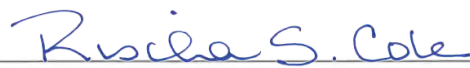
ABSENT: None.

ABSTAIN: None.



President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

A. Appendix 2 – Informing Documents

Winters Group, Inc. Cultural Audit – Executive Summary

Women in the Trades Environmental Scan – Executive Summary

Raining PRIDE Committee – Gender Expression and Identity Initiative



Diversity, Equity, Inclusion at East Bay Municipal Utility District

**Cultural Audit Report Executive Summary
April 2021**



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Executive Summary

Background & Overview

The Winters Group, Inc., a 37-year-old diversity, equity, inclusion, and justice (DEIJ) consulting and culture transformation firm, was retained by East Bay Municipal Utility District (EBMUD) in support of its DEI efforts. Leadership is committed to ensuring that it creates an environment that centers justice, creates equitable opportunities, and allows all employees to reach their full potential. To that end, The Winters Group conducted a current state evaluation to gain insight into the perceptions of DEI amongst leaders and individual contributors, measure leadership capacity to effectively bridge across cultural differences, and identify gaps and areas for improvement. This assessment included:

- Exploring senior leadership's current level of cultural competence as measured by the Intercultural Development Inventory (IDI).
- Assessing key stakeholder sentiments about DEI at EBMUD through interviews.
- Analyzing demographic group experiences with focus groups.
- Discovering employee attitudes and perceptions of DEI across the firm via The Winters Group Inclusion Insights Survey™.
- Analyzing employee demographic information to uncover potential opportunities to enhance utilization of historically underrepresented groups.
- Reviewing select policy, practice, and procedure documents to provide recommendations for equitable changes and inclusive language.

Key Findings

Overall Job Satisfaction

Overall, eighty-three percent (83%) of District employees reported satisfaction with their jobs (rated agree or strongly agree) as measured by in the Inclusion Insights Survey. Within this category, responses ranged from ninety-one (91%) percent of employees saying they would recommend the District as a good place to work to family and friends to seventy (70%) percent believing that the District is a well-run organization.



Race / Ethnicity

People of color currently represent about 49% of the workplace and have a five-year average of 55% of hires, 49.7% of promotions, and 47.6% of terminations. They are overrepresented in involuntary terminations, at 62.7%, and underrepresented in retirements.

Throughout the interviews and focus groups, multiple instances of institutional and personal bias against Black / African American, Hispanic / Latinx and Asian employees were shared. This could indicate that racial bias is widespread throughout EBMUD. Qualitative responses from people of color also showed lower levels of feelings of belonging than white respondents. This was especially true for Black / African American employees, who frequently described a workplace experience of anxiety and isolation. People of color often shared facing microaggressions, feelings of loneliness, and experiences of retaliation and judgement. When positive experiences were shared, they frequently revolved around support from other people of color, or inclusive managers with high levels of awareness.

White men were significantly more likely to express resistance to DEI work in focus groups when compared to other demographics. Most also showed lower levels of DEI awareness than others, though several were open to learning and had been engaging in self-reflection.

In the Inclusion Insights Survey, Black / African American employees indicated significantly more unfavorable ratings in that they do not feel that EBMUD is diverse, and do not think the district's policies, practices and

procedures encourage diversity and inclusion. Black employees also showed lower levels of overall job satisfaction; specifically, Black employees were significantly showed significantly lower ratings for wanting to continue working at EBMUD indefinitely.



Gender

Women represent about 27% of employees at EBMUD and have a five-year average of 28% of hires, 26.5% of promotions, and 28.5% of terminations. Projections suggest that promotion rate will decrease in the future. Women were less likely to leave EBMUD for retirement than men (64.9% vs 76.7%), and more likely to resign (34.5% vs 22.4%)

In interviews and focus groups, women described facing both personal and institutional bias. Mentions of an “old boys club” culture was common, with the result that women felt they were sometimes blocked from critical information or fair promotions. Women also shared that community and meaningful work were particularly important to them. Women of color were more likely than others to describe facing judgement about their appearance.

White men displayed a wide range of attitudes towards DEI efforts in both focus groups and interviews. A small number were supportive of DEI efforts, while more were either neutral or unsupportive.

In the Inclusion Insights Survey, women indicated a less positive experience at EBMUD, with concerns about fairness and DEI progress. However, similarities across genders for job satisfaction and supervisor commitment to DEI indicate some areas of strength.



Age / Generation

Current generation representation at EBMUD includes: Generation X, 43.9%; Baby Boomer, 30.2%; Millennials Z, 25.7%. Millennials are most likely to be hired (62% of 2020 hires, compared to 30.4% for Gen X and 8% for Baby Boomers). Millennials were also more likely to be promoted, receiving 52% of promotions in 2020, compared to about 40% for Gen X and 7.5% of Baby Boomers. Baby Boomers were most likely to leave the workforce voluntarily (mainly due to retirement), while Gen X employees were more likely to be discharged (terminated before contract ends) than other ages.

In age-specific focus groups, Millennials were more likely to see the organization as outdated and slow and were concerned about retaliation when addressing DEI. Gen X respondents described experiencing ageism, and some were hostile towards DEI efforts. Baby Boomers described high levels of belonging at work, but many demonstrated low levels of DEI awareness and even hostility towards DEI. However, they had higher levels of understanding of equity with regards to education requirements during the hiring process, indicating that they do not believe the requirements are always necessary. Many also hoped for better opportunities to pass on organizational knowledge to new hires before retiring.

In the Inclusion Insights Survey, few differences emerged based on age, though Millennials gave slightly more positive responses in several areas, including the District’s DEI progress and support.



Sexual Orientation

Data on current employees, hiring, promotions, and terminations was not analyzed for sexual orientation. Likewise, no qualitative data was collected based on sexual orientation through focus groups or interviews.

In the Inclusion Insights Survey, heterosexual employees indicated a more positive workplace experience than LGBT employees, including higher job satisfaction. LGBT employees were more likely to advocate for additional training, teambuilding, and improved DEI policies.



Disability status

Employees do not need to disclose disability status, so personnel data collected represents only 59% of the overall dataset. Employees with disabilities represent 5.1% of the workforce at EBMUD, though only 3.8% of new hires. Promotion rates are 6.1%, with termination rates at 5.2%. However, while release is the most common reason for involuntary termination in both groups (64.3% & 90.6%), employees with disabilities are much more likely to be discharged or terminated before a job contract ends (35.7% vs 4.7%). Hires of disabled individuals are projected to decrease in the future, and involuntary terminations are projected to increase.

No qualitative data was collected based on disability status through focus groups or interviews.

In the Inclusion Insights Survey, few differences emerged, though those with disabilities gave somewhat higher scores on perceptions of diversity and were less likely to think there is a need to work on DEI.



Veteran Status

Employees do not need to disclose veteran status, so personnel data collected represents only 60% of the overall dataset. Of this dataset, veterans currently represent about 32% of the workforce at EBMUD. They are being hired at a significantly lower rate (2.6% in 2020) than their representation, but promotion rates are on par at about a 37% average over 5 years. Termination rates average 12%, though veterans are much more likely to be discharged and resign, and less likely to retire than non-veterans.

No qualitative data was collected based on veteran status through focus groups or interviews.



Job Level

In the Inclusion Insights Survey, employees at the Staff and Lead/Foreman levels reported less job satisfaction, poorer perceptions of diversity and inclusion, and less positive beliefs about the inclusive policies and practices at the District compared to Supervisors, Managers, and Senior Management Team. For example, Staff (68%) and

Lead/Foreman (63%) feel that leadership is less effective compared to the Supervisors (77%), Managers (85%), and the Senior Management Team (90%).

No qualitative data was collected based on job level through focus groups or interviews.



Organizational Tenure

In the Inclusion Insights Survey, employees with the shortest tenures and between 5-10 years had more positive ratings than those working in the district longer.

No qualitative data was collected based on organizational tenure through focus groups or interviews.

Conclusions & Recommendations

Strengths

- The Inclusion Insights Survey revealed a relatively high level of job satisfaction overall.
- Affinity groups were mentioned repeatedly in focus groups and interviews as meaningful and positive.
- Recent actions to support DEI by leadership, particularly the GM and Board, have been well-received and are an indicator of progress.
- Many employees see DEI as a strength and are committed to contributing to a better workplace.
- There were many creative and innovative DEI recommendations shared in the focus groups and interviews, which may indicate a willingness to contribute and continue learning about DEI.
- The few mentions of pay or benefits were all positive. This is an indicator that employees are satisfied with compensation and feel they are fair.
- People of color are being hired at rates higher (55.0%) than their current representation in the EBMUD workforce (48.8%).
- People of color and women are being promoted at rates consistent with current representation. Promotion rates are expected to increase for people of color in the coming years.
- Policies clearly amplify and underscore various mental and physical health conditions that may be qualified for various accommodations.

Improvement Opportunities

- Overall representation of women is low at the organization, at just 26%.
- Hiring rates for veterans (5.4%) are significantly lower than their representation at EBMUD (34%), though this number may be skewed as only 60% of respondents shared their veteran status.
- Employees with disabilities were disproportionately likely to be discharged (terminated involuntarily before contract ends) compared to employees who report having no disability.
- People of color represented 62% of involuntary terminations on average in the past five years, even though they only make up 48.8% of the workplace.
- When examining voluntary terminations, white employees were more likely to reach retirement at EBMUD than people of color. People of color were more likely to resign.
- Millennials experienced a 5-year average of 48.6% of involuntary terminations, though they currently only represent 23.4% of the workforce.

- White men, Baby Boomers, and Gen X generally indicated a lower level of both awareness and support around DEI, with some exceptions. A good number of these groups expressed hostility towards DEI. Since these identity groups are also represented at leadership and management levels, this unsupportive attitude should be addressed in order for DEI efforts to move forward successfully.
- In contrast, women were less likely to feel that DEI efforts were sufficient.
- There is not yet an organization-wide understanding of diversity, inclusion, equity, or justice.
- Reports of nepotism or an insider/outsider dynamic have contributed to many employees feeling excluded and may be related to patterns of bias in promotion shared by participants.
- Multiple instances of racial and gender bias were shared in focus groups and interviews, signifying that these patterns may be widespread. Relatedly, there appears to be a lack of psychological safety for people of color, especially Black employees. Many described feelings of isolation and being systematically excluded.
- A lack of diversity, specifically race and gender in management and leadership roles was described as a concern in the interviews.
- The current Maternity leave and FMLA policies could be further improved to guarantee paid leave, and include all gender caretakers (for example, fathers or other domestic partners) to be included. The language in the policy should be changed to “parental” leave.
- Mental health conditions specified in various policies are described in outdated language that may stigmatize those with mental illnesses.

Recommendations

- Build a 5-year DEI strategy based on the results of this audit.
 - Create a dissemination plan to share key findings of the audit across the organization.
 - Build progress metrics and share regular updates organization-wide.
 - Acknowledge feedback shared, especially by marginalized groups, and demonstrate how that feedback will be used to implement positive changes.
 - Clarify who is accountable for DEI and the roles and responsibilities.
- Continue and build on leadership support of DEI.
 - Increase vocal support by GM, Board, and other leadership.
 - Demonstrate commitment by dedicating resources to DEI.
- Invest in DEI education.
 - Increase organization-wide understanding of diversity, equity, inclusion.
 - Build knowledge around racial equity, gender equity, cultural competence, and other topics.
 - Develop and internalize consistent definitions of DEI.
- Build management competency around DEI.
 - Educate management on DEI topics, as well as tangible methods to integrate DEI into their job responsibilities.
 - Build management-specific accountability systems, to ensure District-wide consistency around DEI.
 - Tie DEI results to job performance metrics.
- Design and implement accountability systems.
 - Seek further input from Women and POC who specifically addressed strong concerns during the development process.

- Integrate DEI into day-to-day work, beyond a HR requirement.
 - Increase safety of reporting systems, to prevent retaliation and traumatic experiences, especially Women and POC.
 - Implement accountability with real consequences for DEI violations.
- Audit and improve promotion processes.
 - Take steps to intentionally reduce bias.
 - Improve equitable access to internal training opportunities.
 - Build and support internal promotion pipelines for marginalized communities.
- Audit and improve hiring processes.
 - Reduce unnecessary education and testing requirements, which may be creating barriers.
 - Increase strategic, long-term outreach to diverse communities.
 - Increase access to the workplace through more paid internship and apprenticeship programs.
 - Provide support, training, and flexibility for those navigating the hiring process.
- Increase support for affinity groups.
 - Increase funding and paid work hours to organize groups and events.
 - Build a transparent process to start new affinity groups and encourage participation.
- Revise employee policies to better support expecting and new parents.
 - Include fathers/ paternal figures in leave policy.
 - Establish compensation during parental leave to improve retention of new parents.

WOMEN IN THE TRADES ENVIRONMENTAL SCAN

FINAL REPORT

SUMMARY

**Submitted by
Lorraine Giordano, Ph.D.
Lorraine Giordano Consulting**

April 28, 2020

FINAL REPORT- SUMMARY

PREFACE

This research project is designed to:

- 1) **Identify current conditions** regarding gender diversity, and workplace experiences for women in the trades.
- 2) **Express and understand the different perspectives** – internal and external – that inform research participants’ understanding of opportunities for and challenges to improving gender diversity at EBMUD.
- 3) **Develop a set of recommendations** that will guide the expansion of an effective pipeline of potential women candidates in the trades and non-traditional occupations, and identify obstacles to and opportunities for improving workplace culture for women in the trades.

METHODOLOGY

Research was conducted using primary and secondary source material.

- 1) **Interviews:** 18 in-depth interviews with trades women and female and male supervisors, superintendents, managers, and directors, and in-depth interviews with 3 community partners
- 2) **Internal Surveys:** survey questionnaires of women and men in the trades. Three hundred and five (305) survey questionnaires were returned based on a sample including all tradeswomen, and a stratified sample of male trades workers;
- 3) **External Surveys:** survey questionnaires targeting EBMUD’s 137 community partners who receive email notification of employment opportunities; and
- 4) **Focus Groups:** 3 focus groups of tradeswomen, managers, and supervisors.
- 5) **Secondary source material:** External materials on women in the trades and workplace gender discrimination were used to understand the levels of gender bias women in the trades and ‘non-traditional’ occupations experience on the job, and to understand the extent to which these experiences may similarly be found at EBMUD. Also, this report analyzed current District workforce development practices against best practices in the field to identify existing strengths and opportunities for change.

SUMMARY OF FINDINGS/ ANALYSIS

Three over-arching themes have surfaced and are incorporated within the set of findings:

- An agency at a generational crossroads
- An organizational commitment to change
- A need for resources to implement policies and programs

Among and between focus group participants, there was common agreement in terms of the challenges and barriers the District faces related to outreach, hiring, and career pathways.

Recruitment Challenges:

1. Insufficient Organizational Succession Planning in the Trades
2. Highly Competitive Recruiting Environment for Tradeswomen
3. Lack of Female Applicants
4. Outreach Efforts are Not Sufficiently Targeting Women
5. Timely Community Engagement
6. Weak Community Partnerships
7. Candidate Understanding of Application Processes
8. Outdated List for Community Recruitment Notices
9. Over-reliance on “Word of Mouth” Outreach
10. HR Staffing Limitations

Institutional Barriers/ Systemic Issues:

1. Biased Testing Processes Do Not Result in Best Candidates
2. Outdated, Inadequately Customized Tests, Don’t Measure Actual Skills and Abilities Needed for the Job
3. “Insider-Candidate” Advantages
4. Addressing Unconscious Bias
5. Addressing Workplace Behavior
6. Poor Community Reputation for Hiring and Inclusion of Women
7. Insufficient Integration between Outreach, Recruitment & Training
8. Underdeveloped Approach to Strategic Partnerships.
9. Underdeveloped Connection between District’s Education Outreach Strategy and Workforce Development/ Candidate Development Strategy
10. Insufficient Entry-Level/ Transitional Career Pathway Internships and Trainee Opportunities

RECOMMENDATIONS

The changes recommended herein are based on investment in the District's **workforce development infrastructure**, rather than a focus on a specific program to increase gender diversity. Broadly, the recommendations include:

- 1. Outreach, Recruitment, and Hiring Practices:** Identify and institutionalize best practices for community outreach and engagement that will cast a wider net to partner with community organizations and expand the recruitment of women in the trades. Update and re-design selection and testing procedures and tools to reflect needed skills and knowledge while minimizing opportunities for bias.
- 2. Succession Planning and Staff Training:** Expand intra-agency capacity to improve gender diversity and career advancement for women into the trades at EBMUD through succession planning.
- 3. Workplace Culture:** Support improvements in workplace culture through the employer-based (core) value of respect.

A. Outreach, Recruitment and Hiring Practices¹

External Recruitment Strategies

- A1:** Designate a full-time Coordinator for Workforce & Partnership Development within the Diversity and Inclusion Office (minimum HR Analyst II level).
- A2:** Expand workforce partnerships with community agencies and education institutions to collaboratively design and implement effective outreach and education strategies in order to prepare EBMUD's next generation blue-collar workforce. Coordinator for Workforce & Partnership Development increases engagement with California's education and workforce system, as well as K-12 for exposure to the trades and technical occupations, and community colleges (including its K-14 partnerships) for short- and long-term outreach, recruitment and training.
- A3:** Build long-term, inter-agency partnerships with other public entities such as AC Transit, SF MUNI, SamTrans, BART, as well as BAYWORK, as part of an investment strategy in employment, training, and recruitment for the trades. Plan a more robust collaborative process with BAYWORK, and engage and leverage this industry collaborative to further goals and efforts related to women-in-the-trades.
- A4:** Be a proactive liaison with a range of community partners, engaging in day-to-day, sustained, deep relationship building with existing partners. Seek new partners among community-based organizations, education institutions, and industry partners.
- A5:** Foster greater communication and coordination between the Recruitment & Classification Division, DIO, and hiring managers to ensure that there is ample opportunity to timely notify community partners and their constituents of anticipated job openings in the trades, so that organizations and educational institutions can adequately support candidates through the application process.
- A6:** Actively recruit the District's women trades workers to participate in community outreach. Women in the trades at EBMUD are an untapped resource.
- A7:** Develop and implement a social media outreach strategy for outreach, recruitment, and test preparation.

¹ **Final Report: Appendix-1** provides additional details on each recommendation including – Intended Results, Stakeholders, Rationale, and alignment with related recommendations.

Internal Recruitment Strategies

A8: Expand the capacity of the District’s internal career pathway pipeline to ensure the District is able to replace a blue-collar workforce that is at or near retirement.

Analytics/Metrics

A9: Capture referral data through the application process that identifies partner agencies, or other sources, including a category of referral through family and friends.

A10: Develop and propose benchmarks to achieve gender diversity, review current outreach and recruitment practices, propose recommendations for a more robust and sustained approach, and seek additional outside funds and resources for both inter- and intra-agency workforce development.

Selection and Testing Strategies

A11: Reduce potential gender bias in application and test reviews by instituting ‘blind reviews.’ Readers won’t know the name or gender of the applicant being scored to limit gender bias.

A12: Design a new approach to address unconscious bias when interviewing candidates for trades worker positions and in the workplace.

A13: Update and re-design testing procedures and tools so that they reflect needed skills and knowledge while minimizing opportunities for bias.

B. Succession Planning and Staff Training²

B1: Engage in deliberate succession planning for the trades and non-traditional occupations that will soon experience a significant loss of highly skilled workers due to retirements.

B2: Engage supervisors, managers, and trades workers in a review of past programs that the District funded and/or devoted resources for succession planning including outreach, recruitment and training to identify both lessons learned and best practices that can be incorporated in future efforts. Where appropriate, include outside community partners in discussions.

B3: Engage a neutral third party to identify roadblocks to successfully achieve recruitment, hiring and retention goals with the District and its partners.

B4: Implement career pathway internships, apprenticeships, and reinvest in Level 1 worker positions, where appropriate, to ensure adequate staffing and for opportunities for advancement in the trades. Leverage funding to provide journey-level workers for adequate oversight of apprentices, interns, and Level 1 worker positions.

C. Workplace Culture and EBMUD’s Core Values²

C1: Clearly define benchmarks for the core value of respect as an employer-based value. By doing so, it has the potential to impact workplace culture for all workers generally, and for women in the trades and non-traditional occupations specifically, and signal to the District’s employees that EBMUD stands firmly behind its values.

C2: Support a tradeswomen affinity group or caucus that can advance issues and solutions related to workplace culture, career advancement, outreach and recruitment, and other issues relevant to tradeswomen.

C3: Ensure adequate on-site restrooms are available in the field.

² **Final Report: Appendix-1** provides additional details on each recommendation including –Intended Results, Stakeholders, Rationale, and alignment with related recommendations.

CONCLUSIONS AND NEXT STEPS

The proposed recommendations provide EBMUD with a framework to design and implement practices and policies that increase workforce diversity through recruitment, hiring, and succession planning, and to adopt best practices to improve workplace culture. Importantly, strong workforce partnerships and a succession plan are critical components to expand access to the trades for women and communities of color. Proposed recommendations are intended to be components of an overall strategy that can and should be customized. They are designed to guide discussions among those impacted to arrive at policies and practices that are most likely to succeed.

Using these recommendations, each division will be able to identify specific practices, how best to implement them to achieve agreed-upon goals for the division and work units, and contribute to the overall goal of improved diversity in the trades. Importantly, strong workforce partnerships and a succession plan are critical components to expand access to the trades for women and communities of color.

As this report is being written, the nation is experiencing a major pandemic whose impact is being felt throughout the economy and will do so for quite some time. This is a critical moment for EBMUD and its partners and sister agencies to engage in discussions about preparing for federal and state investments in workforce development that are likely to be awarded. It is likely that federal programs will seek ‘shovel ready’ projects to invest in to stimulate the economy and provide much-needed relief for local and regional economies.

Gender Expression and Identity Initiative

Formatted for the [GARE Racial Equity Toolkit](#)

Step 1 - Proposal

What is the policy, program, practice, or budget decision under consideration? What are the desired results and outcomes?

The Gender Expression and Inclusion Initiative seeks to improve the District's culture regarding gender expression and gender identity.

This initiative recommends implementing the following six strategies:

- Strategy 1) Allow use of pronouns (or lack thereof) within the District's communication systems to show every employee's pronouns (or lack thereof) on People & Places, Microsoft Outlook emails, and Microsoft Teams meetings.¹
- Strategy 2) Incorporate any gender identity into the new Human Resources Information System (HRIS) coordinating with the HRIS Replacement project. In the current HR system, only Male or Female are available choices.
- Strategy 3) Provide gender identity and gender expression training to the District Board, management, and staff.
- Strategy 4) Partner with the District's Values campaign to improve adoption of gender expression and identity awareness into the District's culture.
- Strategy 5) Encourage all employees to share their pronouns (or lack thereof) at the beginning of meetings. For example, some employees do not want others using pronouns to refer to the employee.
- Strategy 6) Establish at least one universal bathroom at all staffed District facilities to allow all District customers and employees have a bathroom they can safely use.

¹ Erin and Max have already spoken with ISD and it is feasible to add pronouns to our system to show on People & Places and Microsoft Teams.

Step 2 - Data

What's the data? What does the data tell us?

The District does not have quantitative data available for evaluations since demographic information on LGBTQ+ employees is not available. However, the Raining Pride Committee has qualitative information from listening to the stories of our membership. This data tells us there is a lack of awareness among employees regarding gender expression and identity creates an unwelcome culture for non-binary² and non-cisgendered³ employees since most employees incorrectly assume gender is binary and unknowingly use gendered language in their everyday communications. For example, assuming gender and gender pronouns is a common workplace practice and make non-binary and non-cisgendered employees feel disrespected and excluded.

Step 3 - Community Engagement

How have communities been engaged? Are there opportunities to expand engagement?

The LGBTQ+ community at EBMUD is engaged via the Raining Pride Committee Affinity Group. The Raining Pride Committee holds quarterly general membership meetings to engage membership on LGBTQ+ issues such as developing this initiative, monthly officer meetings to discuss the business of the affinity group and discussion topics to bring to the general membership, and hosts Pride Month each June.

Additional opportunities for engagement which are listed below:

- 1) Create listening sessions on LGBTQ+ issues at EBMUD for District management to hear directly from employees.
- 2) Give affinity group leadership a stake in the decision-making power on diversity, equity, and inclusion at the District.

Step 4 – Analysis and strategies

Who will benefit from or be burdened by your proposal? What are your strategies for advancing racial equity or mitigating unintended consequences?

The District's LGBTQ+ current employees and prospective applications will benefit from the proposal since the strategies will increase equity and inclusion of LGBTQ+ employees. The District will also benefit from marginalized employees feeling safer at work to contribute their diverse perspectives. Diversity does not improve District performance without providing those diverse employees with a safe environment where they will be listened to by District management.

² A spectrum of gender identities that exist outside of the stereotypical gender binary (female and male genders).

³ Cisgendered: Descriptor for a person whose gender identity corresponds with their birth sex.

District management will be burdened by the proposal since they are responsible for implementing the changes. In addition, Strategy 6 will require capital investment to renovate existing District facilities to include a universal bathroom.

Strategies for advancing inclusion of gender expression and identity is included in Step 1.

Step 5 – Implementation

What is your plan for implementation?

The initiative's strategies will be implemented as part of the Diversity and Inclusion Strategic Plan. While District management will be responsible for implementing the Strategic Plan, District management should regularly meet with the Raining Pride Affinity Group to update the affinity group the status of each strategy and maintain open dialogue between management and Raining Pride's leadership.

Step 6 – Accountability and communication

How will you ensure accountability, communicate, and evaluate results?

As mentioned above, regular meetings between District management and the Raining Pride Affinity Group will ensure accountability to the District's actions regarding the Strategic Plan. The regular meetings will allow open dialogue between management and Raining Pride's leadership to exchange ideas and evaluate progress as strategies are implemented.

B. Appendix 3 – Glossary of Terms (Expanded)

The dialogue around diversity, equity and inclusion is broad and growing. This introduces the need for common vocabulary to avoid misunderstandings and misinterpretations. Words often have different meanings; depending on lived experiences words might hold different meanings for different people. The purpose of this glossary is to promote dialogue around equity and inclusion. This glossary is not meant to be exhaustive since language is continuously evolving. The main goal is to provide a basic framework around this conversation.¹⁷

Ableism: The practices and dominant attitudes in society that devalue and limit the potential of persons with disabilities. A set of practices and beliefs that assign inferior value (worth) to people who have developmental, emotional, physical, or psychiatric disabilities.

Accessibility: The design, construction, development, and maintenance of facilities, information and communication technology, programs, and services so that all people, including people with disabilities, can fully and independently use them.

Ally: Someone who supports a group other than one's own (in terms of multiple identities such as race, gender, age, ethnicity, sexual orientation, religion, etc.). An ally acknowledges oppression and actively commits to reducing their own complicity, investing in strengthening their own knowledge and awareness of oppression.

Anti-racism: An active and consistent process of change to eliminate individual, institutional, and systemic/structural racism. Because racism occurs at all levels of society and can function to produce and maintain exclusionary "levels," anti-racism education/activism is necessary in all aspects of society. It does not happen exclusively in the workplace, in the classroom, or in selected aspects of our lives. Anti-racism theory analyzes/critiques racism and how it operates, which provides us with a basis for taking action to dismantle and eliminate it.

Anti-racist: An anti-racist describes someone who is supporting an antiracist policy through their actions or expressing antiracist ideas. This includes the expression of ideas that racial groups are equals and do not need developing and supporting policies that reduce racial inequity.

Bias: A form of prejudice that results from one's need to quickly classify individuals into categories.

¹⁷ University of Washington, College of the Environment

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Bigot: A person who is obstinately devoted to their own opinions and prejudices and is intolerant towards other diverse social groups.

BIPOC: An acronym used to refer to Black, Indigenous and People of Color. It is based on the recognition of collective experiences of systemic racism. As with any other identity term, it is up to individuals to use this term as an identifier.

Cisgender: A term for people whose gender identity, expression or behavior aligns with those typically associated with their assigned sex at birth.

Cissexism/Genderism: The pervasive system of discrimination and exclusion founded on the belief that there are, and should be, only two genders and that one's gender or most aspects of it, are inevitably tied to assigned sex. This system oppresses people whose gender and/or gender expression falls outside of cis-normative constructs. Within cissexism, cisgender people are the dominant group and trans/gender non-conforming people are the oppressed group.

Color Blind(ness): The racial ideology that posits the best way to end discrimination is by treating individuals as equally as possible, without regard to race, culture, or ethnicity. The term "colorblind" de-emphasizes, or ignores, race and ethnicity, a large part of one's identity.

Conscious Bias (Explicit Bias): Operates within an individual's conscious awareness. With conscious bias, the person is very clear about their feelings and attitudes, and related behaviors are conducted with intent. This type of bias is processed neurologically at a conscious level as declarative, semantic memory, and in words. Conscious bias in its extreme is characterized by overt negative behavior that can be expressed through physical and verbal harassment or through more subtle means such as exclusion.

Corporate Social Responsibility/Corporate Citizenship: Corporate social responsibility (CSR) is a self-regulatory business model that helps an organization to be socially accountable—to itself, its stakeholders/shareholders, and the public. Through operationalizing a CSR framework, organizations demonstrate their commitment to engaging in business practices that improves communities socially, economically, and environmentally.

Cultural Appropriation: The non-consensual/misappropriate use of cultural elements for commodification or profit purposes – including symbols, art, language, customs, etc. – often without understanding, acknowledgment or respect for its value in the context of its original culture.

Cultural Humility: Cultural humility involves an ongoing process of self-exploration and self-

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critique combined with a willingness to learn from others. It means entering a relationship with another person with the intention of honoring their beliefs, customs, and values. It also leverages institutional accountability to redress oppression, discrimination, and harm individually, interpersonally, institutionally, and structurally.

Decolonize: The active and intentional process of unlearning values, beliefs and conceptions that have caused physical, emotional, or mental harm to people through colonization. It requires a recognition of systems of oppression.

Disability: In the context of the Americans with Disabilities Act (ADA), “disability” is a legal term rather than a medical one. The ADA defines a person with a disability as person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.

Diversity: Socially, it refers to the wide range of identities. It broadly includes race, ethnicity, gender, age, national origin, religion, disability, sexual orientation, socioeconomic status, education, marital status, language, veteran status, physical appearance, etc. It also involves different ideas, perspectives, and values.

Discrimination: The unequal treatment of members of various groups, based on conscious or unconscious prejudice, which favors one group over others on differences of race, gender, economic class, sexual orientation, physical ability, religion, language, age, national identity, religion, and other categories.

Dominant Culture: The cultural values, beliefs and practices that are assumed to be the norm and are most influential within a given society.

Emotional Tax: The combination of being on guard to protect against bias, feeling different at work because of gender, race, and/or ethnicity, and the associated effects on health, well-being, and ability to thrive at work.

Environmental Injustice: The disproportionate exposure of Communities of Color and low-income populations to pollution, and its concomitant effects on health and environment, as well as the unequal environmental protection and environmental quality provided through laws, regulations, governmental programs, enforcement, and policies.

Environmental Justice: Ensure the fair and equitable distribution of environmental, economic, or social benefits for all people, regardless of race, age, culture, income status, or geographic

location. As such, the District develops and conducts business in a manner that promotes equity and affords fair treatment, accessibility, and protection from disproportionate burdens or adverse impacts.¹⁸

Environmental Racism: Environmental racism refers to any policy, practice or directive that differentially affects or disadvantages (whether intended or unintended) individuals, groups or communities based on race or color.

Equality: Equality is the condition under which every individual is treated in the same way, and is granted same rights and responsibilities, regardless of their individual differences.

Equity: The fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that prevent the full participation of some groups. The principle of equity acknowledges that there are historically underserved and underrepresented populations and that fairness regarding these unbalanced conditions is necessary to provide equal opportunities to all groups.

Equity Lens: An equity lens is a process for analyzing or diagnosing the impact of the design and implementation of policies on underserved and marginalized individuals and groups, and to identify and potentially eliminate barriers.

Ethnicity: A social construct that divides people into smaller social groups based on characteristics such as shared sense of group membership, values, behavioral patterns, language, political and economic interests, history, and ancestral geographical base.

Gender Identity: Distinct from the term “sexual orientation,” refers to a person’s internal sense of being male, female or something else. Since gender identity is internal, one’s gender identity is not necessarily visible to others.

Gender Nonconforming: An individual whose gender expression is different from societal expectations related to gender.

Harassment: The use of comments or actions that can be perceived as offensive, embarrassing, humiliating, demeaning and unwelcome.

Implicit Bias: Negative associations expressed automatically that people unknowingly hold and that affect our understanding, actions, and decisions; also known as unconscious or hidden

¹⁸ For more information on EJ, refer to EBMUD Sustainability and Resilience Policy 7.05.

bias.

Inclusion: The act of creating an environment in which any individual or group will be welcomed, respected, supported, and valued as a fully participating member. An inclusive and welcoming climate embraces and respects differences.

Inclusive Language: Inclusive language acknowledges diversity, conveys respect to all people, is sensitive to differences, and promotes equitable opportunities.

Indigenous/Native American Land Acknowledgement: A land acknowledgement is a formal statement that recognizes and respects Indigenous people as traditional stewards of this land and the enduring relationship that exists between Indigenous people and their traditional territories. It is important to understand the history that has brought you to reside on the land, and to seek to understand your place within that history. Land acknowledgements do not exist in a past tense, or historical context: colonialism is a current ongoing process, and we need to build our mindfulness of our present participation.

In-group Bias: The tendency for groups to “favor” themselves by rewarding group members economically, socially, psychologically, and emotionally in order to uplift one group over another.

Institutional Racism: Institutional racism refers specifically to the ways in which institutional policies and practices create different outcomes and opportunities for different groups based on racial discrimination.

Intersectionality: A term coined by law professor Kimberlé Crenshaw in the 1980s to describe the way that multiple systems of oppression interact in the lives of those with multiple marginalized identities. Intersectionality looks at the relationships between multiple marginalized identities and allows us to analyze social problems more fully, shape more effective interventions, and promote more inclusive advocacy amongst communities.

LGBTQIA+: An inclusive term for those who identify as lesbian, gay, bisexual, transgender, queer, intersex, and asexual. The “plus” symbol is used to represent those who do not identify with one of the letters in the acronym (for example, those who identify as pansexual or as gender-fluid).

Latinx: Pronounced “La-TEEN-ex,” is a non-gender specific way of referring to people of Latin American descent. The term Latinx, unlike terms such as Latino/a, does not assume a gender binary and includes non-binary folks.

Marginalized: The process by which minority groups/cultures are excluded, ignored, or relegated to the outer edge of a group/society/community. A tactic used to devalue those that vary from the norm of the mainstream, sometimes to the point of denigrating them as deviant and regressive.

Microaggression: The verbal, nonverbal and environmental slights, snubs, insults, or actions, whether intentional or unintentional, which communicate hostile, derogatory or negative messages to target persons based solely upon discriminatory belief systems.

Multicultural Competency: A process of embracing diversity and learning about people from other cultural backgrounds. The key element to becoming more culturally competent is respect for the ways that others live in and organize the world and an openness to learn from them.

Neurodiversity: Refers to the natural and important variations in how human minds think. These differences can include autism, attention deficit hyperactivity disorder, dyspraxia, dyslexia, dyscalculia, Tourette Syndrome, and others. Like other variable human traits like race, gender, sexuality, or culture, there is no right or wrong form of diversity. The social dynamics that exert power over other forms of diversity also impact neurodivergent people. Neurodiversity is not something to be cured or corrected to fit some social norm – rather, we should celebrate different forms of communication and self-expression and promote support systems to allow neurodivergent people to thrive.

Non-binary: A gender identity which falls outside of the gender binary, meaning an individual does not identify as strictly female or male. A non-binary person can identify as both or neither male and female, or sometimes one or the other. There are several other terms used to describe gender identities outside of the male and female binary such as genderqueer, gender nonconforming, agender, and bigender. Though these terms have slightly different meanings, they refer to an experience of gender outside of the binary.

Oppression: The systemic and pervasive nature of social inequality woven throughout social institutions as well as embedded within individual consciousness. Oppression fuses institutional and systemic discrimination, personal bias, bigotry, and social prejudice in a complex web of relationships and structures.

Patriarchy: Actions and beliefs that prioritizes masculinity. Patriarchy is practiced systemically in the ways and methods through which power is distributed in society (jobs and positions of power given to men in government, policy, criminal justice, etc.) while also influencing how we interact with one another interpersonally (gender expectations, sexual dynamics, space-taking,

etc.).

Performative Allyship: Also known as *optical allyship*, this term refers to someone from a nonmarginalized group professing support and solidarity with a marginalized group but in a way that is not helpful. Worse yet, the allyship is done in a way that may actually be harmful to “the cause.” The “ally” is motivated by some type of reward.

Prejudice: A preconceived judgement or preference, especially one that interferes with impartial judgment and can be rooted in stereotypes, that denies the right of individual members of certain groups to be recognized.

Privilege: Exclusive access or access to material and immaterial resources based on the membership to a dominant social group.

Queer: An umbrella term that can refer to anyone who transgresses society’s view of gender or sexuality. The definitional indeterminacy of the word Queer, its elasticity, is one of its characteristics: “A zone of possibilities.”

Race: A social construct that artificially divides people into distinct groups based on characteristics such as physical appearance (particularly race), ancestral heritage, cultural affiliation, cultural history, ethnic classification, and the social, economic, and political needs of a society at a given period of time

Racism: The systematic subordination of people from marginalized racial groups based on their physical appearance, ethnic or ancestral history, or cultural affiliation. Racism is considered a deeply pervasive, systemic issue perpetuated by members of the privileged racial group holding dominant social power over others. Discrimination, prejudice, or xenophobia may be more accurate terms for describing individual acts of oppression. While these individual acts likely stem from systemic racism, at the individual level the power dynamics that enable racism are not at play in the same way.

Racial Justice: The systematic fair treatment of people of all races, resulting in equitable opportunities and outcomes for all. Racial justice —or racial equity — goes beyond “antiracism.” It is not just the absence of discrimination and inequities, but also the presence of deliberate systems and supports to achieve and sustain racial equity through proactive and preventative measures.

Safe Space: Refers to an environment in which everyone feels comfortable expressing themselves and participating fully, without fear of attack, ridicule, or denial of experience.

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Sex: separate from gender, this term refers to the cluster of biological, chromosomal, and anatomical features associated with maleness and femaleness in the human body. Sexual dimorphism is often thought to be a concrete reality, whereas in reality the existence of Intersex individuals points to a multiplicity of sexes in the human population. Sex is often used synonymously with gender in this culture. Although the two terms are related, they should be defined separately to differentiate the biological (“sex”) from the sociocultural (“gender”).

Sexual Orientation: An individual’s enduring physical, romantic and/or emotional attraction to another person. Gender identity and sexual orientation are not the same. Transgender people may be straight, lesbian, gay or bisexual.

Social Justice: It is both a process and a goal. Social justice constitutes a form of activism, based on principles of equity and inclusion that encompasses a vision of society in which the distribution of resources is equitable, and all members are physically and psychologically safe and secure. Social justice involves social actors who have a sense of their own agency as well as a sense of social responsibility toward and with others.

Social Responsibility: See Corporate Social Responsibility/Corporate Citizenship.

Stereotype: A form of generalization rooted in blanket beliefs and false assumptions, a product of processes of categorization that can result in a prejudiced attitude, critical judgment and intentional or unintentional discrimination. Stereotypes are typically negative, based on little information and does not recognize individualism and personal agency.

Structural inequality: Systemic disadvantage(s) of one social group compared to other groups, rooted, and perpetuated through discriminatory practices (conscious or unconscious) that are reinforced through institutions, ideologies, representations, policies/laws, and practices. When this kind of inequality is related to racial/ethnic discrimination, it is referred to as systemic or structural racism.

Supplier Diversity: Supplier diversity is a proactive business strategy that seeks to provide construction contractors, professional/general services providers, and suppliers equal access to sourcing and purchasing opportunities while addressing barriers in the contracting process. Supplier diversity programs also encourage the use of suppliers from a diverse mix of ownership (e.g., small, local, minority, LGBTQIA+, disabled veteran, women-owned business enterprises).

System of Oppression: Conscious and unconscious, non-random, and organized harassment,

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discrimination, exploitation, discrimination, prejudice, and other forms of unequal treatment that impact different groups. Sometimes is used to refer to systemic racism.

Tokenism: Performative presence without meaningful participation. For example, a superficial invitation for the participation of members of a certain socially oppressed group, who are expected to speak for the whole group without giving this person a real opportunity to speak for themselves.

Transgender or Trans: a person whose biological sex assigned at birth does not match their gender identity

Underserved communities/populations: Refers to populations sharing a particular characteristic, as well as geographic communities, who have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life.

White Supremacy: A power system structured and maintained by persons who classify themselves as white, whether consciously or subconsciously determined; and who feel superior to those of other racial/ethnic identities.

C. Glossary of Terms References

The glossary in Appendix 3 was compiled from the sources listed below.

1. American Psychological Association, [Inclusive Language Guidelines](#)
2. Bullard, R. D. (1993). The Threat of Environmental Racism. *Natural Resources & Environment*, 7(3), 23–56.
3. Center for Human Capital Innovation, [Glossary of Diversity and Inclusion Terms](#)
4. EBMUD Policies and Procedures
5. Georgetown University Library [Anti-Racism Toolkit](#)
6. Georgetown University [National Center for Culture Competence](#)
7. Harvard Human Resources [Glossary of Diversity, Inclusion, and Belonging Terms](#)
8. Maantay, J. (2002). Mapping Environmental Injustices: Pitfalls and Potential of Geographic Information Systems in Assessing Environmental Health and Equity. *Environmental Health Perspectives*, 110(suppl 2), 161–171.
9. National League of Cities, [What Does It Mean to Be an Anti-racist?](#)
10. Northwestern University, [Native American and Indigenous Initiatives, Land Acknowledgment](#)
11. Ontario Human Rights Commission, [Glossary of Human Rights Terms](#)
12. Out and Equal, [Best Practices for Non-Binary Inclusion in the Workplace](#)
13. San Bernadino Valley College, [Glossary of Diversity, Equity, and Inclusion Terms](#)
14. United States Environmental Protection Agency, [Office of Environmental Justice](#)
15. University of California, Davis, [LGBTQIA+ Glossary](#)
16. University of California, Berkeley, [Land Acknowledgment](#)
17. University of Minnesota, [Equity Lens](#)
18. University of Oregon, University Communications, [Inclusive Language](#)
19. University of South Florida, [Office of Supplier Diversity](#)
20. University of Washington, [Glossary of Equity, Diversity, and Inclusion Terms](#)
21. Wan Jan, Wan Saiful. (2006). Defining Corporate Social Responsibility. *Journal of Public*

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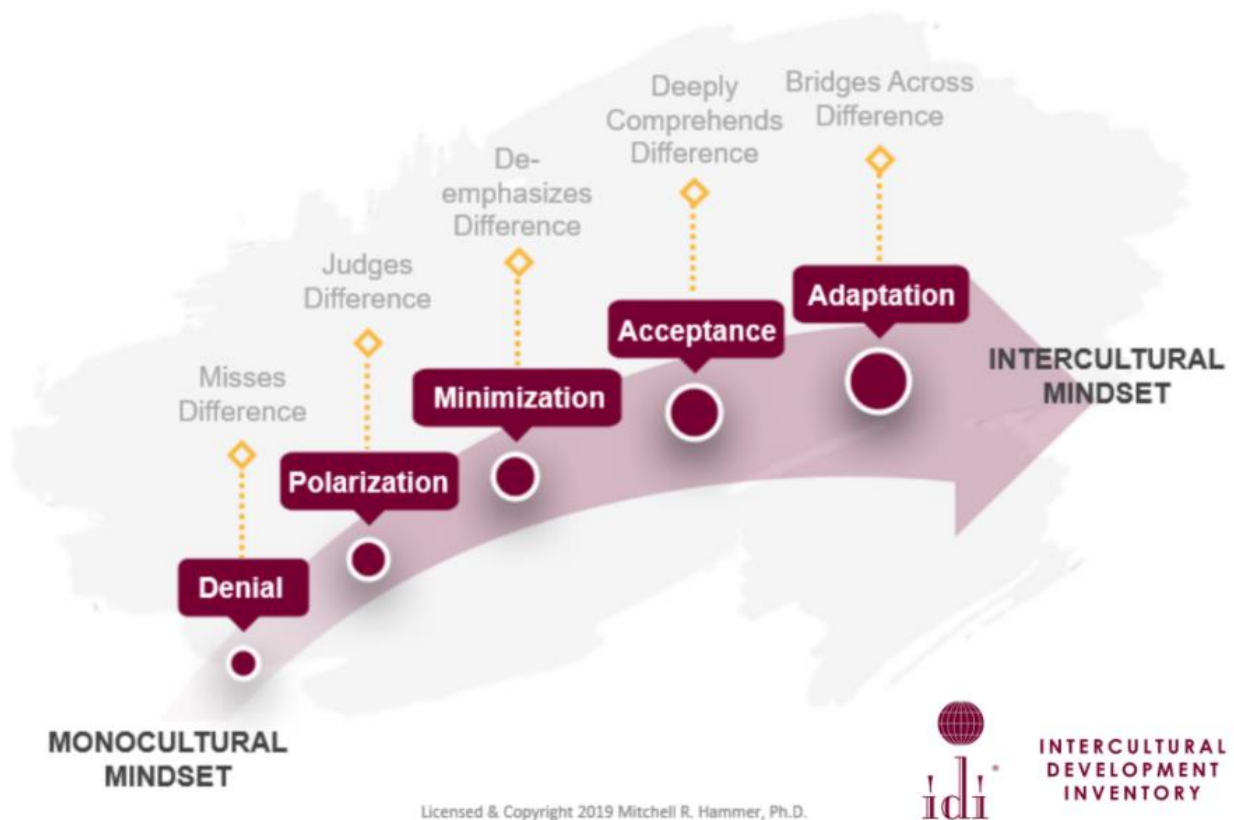
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22. Washington University in St. Louis, [Glossary of Bias Terms](#)
23. White House, [Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#)
24. White House, [Executive Order 14035: Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce](#)

D. Intercultural Development Continuum (IDC™)

The [Intercultural Development Continuum \(IDC™\)](#) describes a set of knowledge/attitude/skill sets or orientations toward cultural difference and commonality that are arrayed along a continuum from the more monocultural mindsets of Denial and Polarization through the transitional orientation of Minimization to the intercultural or global mindsets of Acceptance and Adaptation. The capability of deeply shifting cultural perspective and bridging behavior across cultural differences is most fully achieved when one maintains an Adaptation perspective. This continuum is adapted from the Developmental Model of Intercultural Sensitivity originally proposed by Milton Bennett.

Intercultural Development Continuum (IDC™)



Denial: A Denial mindset reflects a more limited capability for understanding and appropriately responding to cultural differences in values, beliefs, perceptions, emotional responses, and behaviors. Denial consists of a Disinterest in other cultures and a more active Avoidance of cultural difference. Individuals with a Denial orientation often do not see differences in perceptions and behavior as “cultural.” A Denial orientation is characteristic of individuals who have limited experience with other cultural groups and therefore tend to operate with broad stereotypes and generalizations about the cultural “other.” Those at Denial may also maintain a distance from other cultural groups and express little interest in learning about the cultural values and practices of diverse communities. This orientation tends to be associated more with members of a dominant culture as well as members of non-dominant groups who are relatively isolated from mainstream society because both may have more opportunity to remain relatively isolated from cultural diversity. By contrast, members of non-dominant groups who are more actively engaged within the larger, mainstream society are less likely to maintain a Denial orientation, because they more often need to engage cultural differences. When Denial is present in the workplace, cultural diversity oftentimes feels “ignored.”

Polarization: Polarization is an evaluative mindset that views cultural differences from an “us versus them” perspective. Polarization can take the form of Defense (“My cultural practices are superior to other cultural practices”) or Reversal (“Other cultures are better than mine”). Within Defense, cultural differences are often seen as divisive and threatening to one’s own “way of doing things.” Reversal is a mindset that values and may idealize other cultural practices while denigrating one’s own culture group. Reversal may also support the “cause” of an oppressed group, but this is done with little knowledge of what the “cause” means to people from the oppressed community. When Polarization is present in an organization, diversity typically feels “uncomfortable.”

Minimization: Minimization is a transitional mindset between the more Monocultural orientations of Denial and Polarization and the more Intercultural/Global worldviews of Acceptance and Adaptation. Minimization highlights commonalities in both human Similarity (basic needs) and Universalism (universal values and principles) that can mask a deeper understanding of cultural differences. Minimization can take one of two forms: (a) the highlighting of commonalities due to limited cultural self-understanding, which is more commonly experienced by dominant group members within a cultural community; or (b) the highlighting of commonalities as a strategy for navigating the values and practices largely determined by the dominant culture group, which is more often experienced by non-dominant group members within a larger cultural community. This latter strategy can have survival value

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for non-dominant culture members and often takes the form of “go along to get along.” When Minimization exists in organizations, diversity often feels “not heard.”

Acceptance: Acceptance and Adaptation are intercultural/global mindsets. With an Acceptance orientation, individuals recognize and appreciate patterns of cultural difference and commonality in their own and other cultures. An Acceptance orientation is curious to learn how a cultural pattern of behavior makes sense within different cultural communities. This involves contrastive self-reflection between one’s own culturally learned perceptions and behaviors and perceptions and practices of different cultural groups. While curious, individuals with an Acceptance mindset are not fully able to appropriately adapt to cultural difference. Someone with an Acceptance orientation may be challenged as well to make ethical or moral decisions across cultural groups. While a person within Acceptance embraces a deeper understanding of cultural differences, this can lead to the individual struggling with reconciling behavior in another cultural group that the person considers unethical or immoral from his or her own cultural viewpoint. When Acceptance is present in organizations and educational institutions, diversity feels “understood.”

Adaptation: An Adaptation orientation consists of both Cognitive Frame-Shifting (shifting one’s cultural perspective) and Behavioral Code-Shifting (changing behavior in authentic and culturally appropriate ways). Adaptation enables deep cultural bridging across diverse communities using an increased repertoire of cultural frameworks and practices in navigating cultural commonalities and differences. An Adaptation mindset sees adaptation in performance (behavior). While people with an Adaptation mindset typically focus on learning adaptive strategies, problems can arise when people with Adaptation mindsets express little tolerance toward people who engage diversity from other developmental orientations. This can result in people with Adaptive capabilities being marginalized in their workplace. When an Adaptation mindset is present in the workplace, diversity feels “valued and involved.”

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AGENDA NO. 12a.-12c.
MEETING DATE February 22, 2022

**TITLE MEMORANDUM OF UNDERSTANDING WITH INTERNATIONAL FEDERATION
OF PROFESSIONAL AND TECHNICAL ENGINEERS LOCAL 21**

TYPE	<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
ACTION	<input type="checkbox"/> MOTION	<input checked="" type="checkbox"/> RESOLUTION	<input type="checkbox"/> ORDINANCE	

RECOMMENDED ACTION

- Approve the 2021-2025 Memorandum of Understanding (MOU) and other special agreements between the District and the International Federation of Professional and Technical Engineers Local 21.
- Approve revisions to District salary schedules.
- Amend all existing Civil Service Rules, Policy Statements and Procedures, and other pertinent resolutions to conform to revisions contained in the MOU and in the resolution.

SUMMARY

Staff recently concluded negotiations with Local 21 resulting in a four (4) year MOU (April 26, 2021 through April 20, 2025). This resolution approves that MOU, which applies to approximately 247 employees.

DISCUSSION

Significant terms of the recently concluded MOU with Local 21 are summarized below and are effective upon Board adoption, unless otherwise specified.


- **General Salary Increases:** Provides general salary increases over the four (4) year term:

First Year: 4.0%, effective April 26, 2021.

Second Year: 4.5%, effective April 25, 2022.

Third Year: Effective April 24, 2023, CPI-W plus 0.5%. (If CPI-W plus 0.5% is below 2%, the increase shall be 2%. If the CPI-W plus 0.5% is above 6.5%, the increase shall be 6.5%).

Fourth Year: Effective April 22, 2024, CPI-W plus 0.5%. (If the CPI-W plus 0.5% is below 2%, the increase shall be 2%. If the CPI-W plus 0.5% is above 6.5%, the increase shall be 6.5%).

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

Unless specifically indicated otherwise, the monthly salaries established effective April 26, 2021 shall be effective for all such employees on the payroll on February 22, 2022 and for all such employees who retired from the District on or after April 26, 2021 up to and including February 22, 2022.

- **Equity Adjustments:** Effective at adoption for the following classifications:
 - Supervisor of Water Conservation – increase from salary grade 70 to 74
 - Facility Supervisor – increase from salary grade 71 to 72
- **Supplemental Benefits Program:** Effective January 1, 2022, the supplemental benefits program under IRS Code Section 125 will increase from \$915 to \$1,000.
- **Deferred Compensation Administrative Fees:** Increase payment of fees by the District from \$105,000 to \$150,000 annually.
- **Deferred Compensation Match for Employees Subject to the Public Employee's Pension Reform Act (PEPRA):** Effective January 1, 2023, only for eligible employees subject to PEPRA, the District shall make a matching contribution up to \$1,000 annually to participating employees' 401(k) deferred compensation account.
- **Vacation Sell Back:** Effective at adoption, the maximum number of hours any employee may choose to sell back to the District during the payroll year is increased from 120 to 200.
- **Paid Overtime Meals:** Provide a \$20 overtime meal reimbursement.
- **Safety Shoes:** Effective at adoption, increase benefit from \$215 to \$265.
- **Tuition Refund:** Effective at adoption, increases annual reimbursement from \$3,500 to \$5,000.
- **Holiday:** Effective at adoption of MOU, add Juneteenth (June 19) as a new District holiday.

Non-MOU items

- **One-time Pandemic Compensation Consideration:** Provide a one-time payment of \$1,000 to Local 21 represented employees actively employed by the District, as of February 22, 2022, as recognition of their service to the public throughout the COVID-19 pandemic. The District will issue payment on payroll on the second full pay period after adoption of the resolution.

SUSTAINABILITY

Economic

The FY22/23 adopted operating budget does not include funding for the first and second year fiscal obligations under the proposed MOU. The fiscal impact associated with this action will be absorbed within the existing budget appropriation. Funding for the additional years will be considered as part of the associated budget development process.

Social

Local 21 ratified its MOU on February 8, 2022.

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RESOLUTION NO. _____

APPROVE IMPLEMENTATION OF THE 2021-2025 MEMORANDUM OF
UNDERSTANDING AND OTHER SPECIAL AGREEMENTS WITH
INTERNATIONAL FEDERATION OF PROFESSIONAL AND
TECHNICAL ENGINEERS, LOCAL 21

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, the Board of Directors of the East Bay Municipal Utility District (District) is charged with the responsibility to determine the number and character of positions required to carry on the functions of the District, and to establish an appropriate salary, salary range or wage for each position so created; and

WHEREAS, the District and the International Federation of Professional and Technical Engineers, Local 21 (Local 21) have engaged in labor negotiations and have reached a tentative agreement on all terms contained in the Memorandum of Understanding between the District and Local 21 (Local 21 MOU); and

WHEREAS, Local 21 ratified the tentative agreement by a majority of its members on February 8, 2022; and

WHEREAS, the General Manager recommends that the Local 21 MOU be approved by the Board of Directors and that provisions of the MOU be implemented effective immediately, insofar as practicable, and made effective April 26, 2021, except as otherwise specified;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

Section 1. Ratification of MOU with Local 21

- a. The 2021-2025 MOU and other special agreements between the District and Local 21, a copy of which is attached hereto and incorporated herein as **Exhibit A**, is hereby approved.
- b. The Local 21 Salary Schedule appears as Appendix A of the Local 21 MOU, and shall be implemented with an effective date of April 26, 2021.
- c. Any interim amendments to District rules, regulations and policy statements required by the MOU shall be implemented with an effective date of February 22, 2022, except as otherwise specified herein or in Exhibit A.

Section 2. Salary Ranges—Local 21

- a. Section 4 of Board Resolution No. 35170-20 “Revise District Salary Ranges, Salaries, and Wage Rates” is amended and the monthly salaries of all employees occupying positions in classifications represented by Local 21 shall be adjusted and increased by 4% in accordance with the classifications and monthly wage rates listed in the salary schedule effective April 13, 2020, a copy of which is on file with the Secretary of the District.
- b. The following classes represented by Local 21 shall receive a salary equity adjustment on the effective date specified below:

Class Title	Percent Adjustment
Supervisor of Water Conservation	10% effective April 26, 2021
Facility Supervisor	2.5% effective April 26, 2021

- c. Unless specifically indicated otherwise, the monthly salaries established herein shall be effective April 26, 2021 for all such employees on the payroll on February 22, 2022 and for all such employees who retired from the District on or after April 26, 2021, up to and including February 22, 2022.

Section 3. One-Time Pandemic Compensation Consideration

A one-time payment of \$1,000 shall be made to members of Local 21 actively employed by the District as of February 22, 2022 as recognition of their service to the public throughout the COVID-19 pandemic. The District shall issue payment on the second full pay period after February 22, 2022.

Section 4. Personnel Policies and Benefit Plans

- a. All existing Civil Service Rules, Policy Statements and Procedures, and other pertinent Resolutions shall be and hereby are amended to conform to the provisions referred to in this Resolution. The District will execute any and all further documents and perform any and all further acts reasonably necessary in carrying out the provisions of this section.
- b. The General Manager is hereby authorized to amend any and all existing group benefit contracts in order to conform to the negotiated agreements ratified herein for the term of those agreements without further action required from the Board provided, however, that the General Manager will comply with Resolution No. 31902, Motion 026-95 and Motion 221-97, which require Board approval for any subsequent substantive changes in benefits and for any rate increase that exceeds fifteen percent (15%).

BE IT FURTHER RESOLVED that any provision in any Resolution in conflict herewith is hereby superseded.

Section 2. Salary Ranges—Local 21

- a. Section 4 of Board Resolution No. 35170-20 “Revise District Salary Ranges, Salaries, and Wage Rates” is amended and the monthly salaries of all employees occupying positions in classifications represented by Local 21 shall be adjusted and increased by 4% in accordance with the classifications and monthly wage rates listed in the salary schedule effective April 13, 2020, a copy of which is on file with the Secretary of the District.
- b. The following classes represented by Local 21 shall receive a salary equity adjustment on the effective date specified below:

Class Title	Percent Adjustment
Supervisor of Water Conservation	10% effective April 26, 2021
Facility Supervisor	2.5% effective April 26, 2021

- c. Unless specifically indicated otherwise, the monthly salaries established herein shall be effective April 26, 2021 for all such employees on the payroll on February 22, 2022 and for all such employees who retired from the District on or after April 26, 2021, up to and including February 22, 2022.

Section 3. One-Time Pandemic Compensation Consideration

A one-time payment of \$1,000 shall be made to members of Local 21 actively employed by the District as of February 22, 2022 as recognition of their service to the public throughout the COVID-19 pandemic. The District shall issue payment on the second full pay period after February 22, 2022.

Section 4. Personnel Policies and Benefit Plans

- a. All existing Civil Service Rules, Policy Statements and Procedures, and other pertinent Resolutions shall be and hereby are amended to conform to the provisions referred to in this Resolution. The District will execute any and all further documents and perform any and all further acts reasonably necessary in carrying out the provisions of this section.
- b. The General Manager is hereby authorized to amend any and all existing group benefit contracts in order to conform to the negotiated agreements ratified herein for the term of those agreements without further action required from the Board provided, however, that the General Manager will comply with Resolution No. 31902, Motion 026-95 and Motion 221-97, which require Board approval for any subsequent substantive changes in benefits and for any rate increase that exceeds fifteen percent (15%).

BE IT FURTHER RESOLVED that any provision in any Resolution in conflict herewith is hereby superseded.

BE IT FURTHER RESOLVED that the budgets for Fiscal Years 2022 and 2023 and the terms and conditions for the payment of demands as previously established by proper Resolutions of this Board, and as the same may have been from time to time amended, shall be adjusted as necessary in accordance with this Resolution.

ADOPTED this 22nd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel

{00069987;2}

PREAMBLE

This Collective Bargaining Agreement (hereinafter "Agreement") is entered into by the East Bay Municipal Utility District (hereinafter "District") and International Federation of Professional and Technical Engineers (hereinafter "Union"). The District and the Union agree that this Agreement shall be administered by the parties in a manner consistent with the District's mission; specifically, to manage the natural resources with which the District is entrusted, to provide reliable, high-quality water and wastewater services for the people of the East Bay and to preserve and protect the environment for future generations.

ARTICLE I- GENERAL PROVISIONS

A. **Recognition.** The District recognizes the Union as the exclusive bargaining representative for all employees of the District included in the unit and classifications listed in Appendix A of this Agreement. The terms and conditions of this Agreement shall be automatically applicable to any classification for which the Union has become the recognized bargaining representative during the term of this Agreement.

B. **Automatic Payroll Deduction and Remittance.** Effective June 27, 2018, upon certification by the Union that an employee has signed a deduction authorization, the District will deduct the appropriate dues from the employee's pay, as established and as may be changed from time to time by the Union and remit such dues to the Union. Employee requests to cancel or change deductions must be directed to the Union, rather than the District. Deductions will continue unless the employee mails a written revocation to the Union in accordance with the terms of the authorization form, or absent any such terms, by mailing a written revocation to the Union that is postmarked during the thirty (30) calendar day period immediately prior to the annual anniversary on which the employee signed an authorization form.

The effective date of dues deductions for employees shall be made from the pay due employees on the first payday of each calendar month following the Union's notification to the District of the dues deduction authorization. The effective date of any revocation to an existing authorization will be effective on the first pay day of the next calendar month following the Union's written notice of revocation no less than seven (7) calendar days prior to the first payday of the month. Requests to begin or revoke dues that are received with less than seven (7) calendar days prior to the first payday of each month will be processed the following month.

a. The District shall not be liable to the Union by reason of the requirements of this Section for the remittance of payment of any sum other than that constituting actual deductions made from the pay earned by the employee. In addition, the Union shall indemnify and save the District harmless from any liability resulting from any and all claims, demands, suits or any other action arising from compliance with this

Section, or in reliance on any list, notice, certification or authorization furnished under this Section. The Union agrees to refund to the District any amount paid to it in error.

C. District Rights. The rights of the District include, but are not limited to, the exclusive right to determine the missions of its constituent departments and divisions; set standards of services; determine the procedures and standards of selection for employment and promotion; direct and assign its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of District operations; determine the methods, means and personnel by which District operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work; provided, however, that the exercise of such District rights shall not conflict with the express provisions of this Agreement. Members of the bargaining unit may be required to exercise any or all of these rights on behalf of the District in the regular performance of their supervisory duties.

D. No Discrimination. There shall be no discrimination of any kind by the Union or the District against any employee, to the extent the applicable law prohibits such discrimination, harassment, or disparate treatment, because of race, color, religious creed, sex (including gender, gender identity, gender expression, transgender, pregnancy and breastfeeding) sexual orientation, marital or domestic partnership status, national origin, ancestry, age, physical or mental disability (including AIDS and HIV), medical condition (associated with cancer or history of cancer), genetic information, veteran status, political affiliation or opinion or any other status protected by state and federal laws.

To the extent applicable law prohibits, there shall be no discrimination or harassment because of lawful Union activity, Union membership, or non-membership.

E. Union Activities.

1. Union Business Leave. The District agrees to provide Union representatives with reasonable time off to conduct Union business and to represent the Union in various forums, including but not limited to meetings, hearings and Board of Directors' meetings. Employees eligible to receive overtime need to be released to attend meetings with the District or to conduct any Union business. The District and the Union will discuss and agree upon the appropriate number of representatives to attend meetings.

2. Officers and Stewards. The Union agrees to provide the District with an accurate list of its officers and stewards and to notify the District in the event officers or stewards are succeeded by different individuals.

3. Union Access.

a) Bulletin Board Postings. The District agrees to provide adequate space on

District bulletin boards to permit the posting of information and reasonable use of email to notify members of Union activities, policies and announcements of scheduled Union meetings. The Union will provide copies of the bulletin board postings and/or email notices to the Director of Employee Relations.

Notices posted by the Union on District bulletin boards and internal email notices should not contain anything which may reasonably be construed as maligning to the District or any of its employees and may not contain any political campaign recommendations or information. These privileges may be revoked in the event of repeated abuse after the Director of Employee Relations consults with representatives of the Union.

b) Work Locations. The Union shall have reasonable access to all work locations to verify that the terms and conditions of this Agreement are being carried out and for the purpose of conferring with employees, provided that access shall be subject to such rules and regulations immediately below, as well as to such rules and regulations as may be agreed to by a department and the Union. Union access to work locations will not disrupt or interfere with a department's mission and services. Arrangements for visits to District premises by accredited-non-employee representatives shall be made through the Director of Employee Relations.

c) Meeting Space. Union representatives must identify themselves upon arrival at the District. Union representatives may use department meeting space with a reasonable amount of notice, subject to availability. Nothing herein is intended to disturb existing written departmental Union access policies.

d) New Employee Orientation. A "new employee orientation" is the onboarding process of newly hired District employees when they receive information about their employment status, rights, benefits, duties, and responsibilities, and any other employment related matters.

A "new employee" includes a permanent, temporary, full-time, part-time, or seasonal employee who is represented by Local 21.

The District will provide at least 10 days' notice to the Local 21 representative of a pending new employee orientation for the representative's bargaining unit member(s).

The District may provide a shorter notice in a specific instance where there is an urgent need critical to the District's operations that were not reasonably foreseeable.

The Local 21 representative will be granted reasonable release time to travel to and from the meeting and will have 30 minutes to address the new employee(s) without management presence.

The District and Local 21 agree that notification will include location and time of the new employee orientation.

If the Local 21 representative is not available on the day of the new employee orientation, they may

arrange with the District to meet the new employee on another day during the employee's first week at work.

e) Employee Information. The District will provide Local 21 with a new employee's name, job title, department, mail stop, work, home and personal cellular telephone numbers on file with the employer (if available), and the home address of the new employee within 30 days of the employee's start date. All the information referenced in the preceding paragraph for all employees Local 21 represents will be provided on a monthly basis. Consistent with Government Code section 6254.3, employees may opt to prevent the personal contact information from being released to Local 21 by making a written request to that effect.

F. Interference With Work. The Union agrees to refrain from engaging in, encouraging, or condoning, either directly or indirectly, any strike, work stoppage, slow-down, sit-down, stay-away, picketing, or any other forms of interference with operations of the District during the term of this Agreement. The District agrees that there shall be no lock-out against employees during the life of this Agreement.

G. Indemnification.

1. Definition. The District shall defend and indemnify its employees and former employees against liability for acts or omissions committed within the scope of their employment pursuant to the California Tort Claims Act ("Act"), Government Code Sections 810 *et seq.*, unless the District determines that there exists one of the exceptions provided by the Act listing grounds for refusal to defend and/or indemnify the employee.

2. Scope. Nothing in this Section is intended to expand or limit the District's duty or discretion to defend and/or indemnify employees under the California Tort Claims Act except, however, that the District shall provide for the defense of an employee in a criminal action or proceeding brought against the employee if (a) the criminal action or proceeding is brought on account of an act or omission in the scope of their employment as an employee of the District; and (b) the District determines that the employee acted, or failed to act, in good faith, without actual malice and in the apparent interests of the District. The District will not provide a defense to an employee in a criminal action or proceeding if (a) the employee fails to reasonably cooperate in good faith in the defense of the action or proceeding; (b) the act or omission was not within the scope of their employment; (c) the employee acted, or failed to act, in bad faith and with actual malice; or (d) the defense of the action or proceeding by the District would create a specific conflict of interest between the District and the employee. For purposes of this Section, "specific conflict of interest" means a conflict of interest or an adverse or pecuniary interest for which the District is excused from providing a defense by statute or by a rule or regulation of the District. When retention of outside counsel is necessary as deemed by the District, the District will consult with the employee in the selection of outside counsel, but reserves the right to make the final determination with respect therein. The District also reserves the right to conduct the employee's defense against the criminal action or proceeding pursuant to

an agreement with the employee reserving the District's rights against the employee.

3. Interpretation. The interpretation, application and enforcement of this Section shall not be subject to the grievance and arbitration procedure of this Agreement, or the civil service grievance and hearing procedures of the District's Civil Service Personnel Rules and Regulations. Nothing in this Section shall be construed to deprive an employee of the right to petition for a writ of mandate to compel the District to perform the duties imposed by the California Tort Claims Act.

4. Employee. For purposes of this Section, the term "employee" includes any current employee of the District and any former employee who was employed by the District at the time of the act or incident for which a criminal or civil action or proceeding has been brought against that person, in their official or individual capacity, or both.

ARTICLE II - SALARIES AND OTHER PAY

A. First Year Adjustments.

1. Conversion. Effective April 26, 2021 the monthly salary rates of District employees covered by this Memorandum of Understanding shall be increased by 4.0%.

Salary Equities

Effective April 26, 2021, the District agrees to increase the salary ranges of the following classes by the amounts indicated:

Supervisor of Water Conservation – increase to Salary Range 74 (10% increase)

Facility Supervisor – increase to Salary Range 72 (2.5% increase)

The Local 21 Salary Schedule will be administered consistent with the provisions governing the "B" Salary Schedule as it existed on February 1, 1998.

2. Incumbent Salary Range Placement on System Conversion.

a) All employees transferred from Management Salary Plan (MSP) to the Local 21 Salary Schedule who are below the top step of the new range of their assigned classification will be placed at the nearest step that is not less than their current salary.

b) All employees whose salary is above the top step of the new range of their classification at the time of system conversion will continue to be paid their current salary and continue to receive all future salary increases so long as they remain in the same classification. Any employee who is assigned to a temporary LT or TC classification at the time of system

conversion and who would have a salary in their regular civil service classification that is above the top step of the new range for that classification will receive the salary, above the top step of their regular class, that they would have received had they been assigned to their regular class on system conversion, when they return to their regular civil service classification.

c) All employees who were on the "B" Salary Schedule prior to February 2, 1998, and whose salary was not equal to a salary step on the new range of their assigned classification will be placed at the nearest salary step that is not less than their current salary.

B. Second Year Adjustments. Effective April 25, 2022, the monthly salary rates of Local 21 bargaining unit employees shall be increased by 4.5% with no reopener.

C. Third Year Adjustments. Effective April 24, 2023, the monthly salary rates of Local 21 bargaining unit employees shall be increased by the February 2023 San Francisco/Oakland Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) plus 0.5%. The minimum increase shall be 2% and the maximum increase 6.5% with no reopener.

D. Fourth Year Adjustments. Effective April 22, 2024, the monthly salary rates of Local 21 bargaining unit employees shall be increased by the February 2024 San Francisco/Oakland Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) plus 0.5%. The minimum increase shall be 2.0% and the maximum increase 6.5% with no reopener.

E. Career Service Pay.

1. Eligibility. Each employee who is employed by the District prior to January 1, 2013 or who is an employee covered by the 1980 Retirement Plan shall be entitled to a salary increment following completion of twenty (20) years' continuous full-time District service. The adjustment for such employee shall be 2.75% (plus or minus no more than one dollar per month) added to the monthly salaries set forth, exclusive of overtime, night shift differential, standby pay or merit pay. Employees who receive this benefit are not eligible for the benefit listed in Section E.2 below.

2. Employees who are covered by the 2013 Retirement Plan shall be entitled to a salary increment of 3.75% (plus or minus no more than one dollar per month) following completion of twenty (20) years' continuous full-time District service. The adjustment shall be added to the monthly salaries set forth, exclusive of overtime, night shift differential, standby pay or merit pay. Employees who receive this benefit are not eligible for the benefit listed in Section E.1 above.

F. Performance Pay.

1) Program. Employees on the Local 21 Salary Schedule will be eligible to receive lump sum merit awards in accordance with the Performance Pay Program Guidelines. The performance pay monetary pool available to Local 21 represented employees for each program

year will be:

<u>Performance Pay Program Year</u>	<u>Available Monetary Pool</u>
July 1, 2020 – June 30, 2021	3.2% of FY20 monetary pool including salary increases effective April 26, 2021.
July 1, 2021 – June 30, 2022	3.2% of FY21 monetary pool including salary increases effective April 25, 2022.
July 1, 2022 – June 30, 2023	3.2% of FY22 monetary pool including salary increases effective April 24, 2023.
July 1, 2023 – June 30, 2024	3.2% of FY23 monetary pool including salary increases effective April 22, 2024.

In the event that the total amount of all recommended individual awards is below or in excess of the available agreed monetary pool for any given Performance Pay Program Year there will be a proportionate increase or reduction in individual performance awards until the total amount of all awards is equal to the available monetary pool for that year.

2) Awards. Performance pay lump sum awards will be granted based on each employee's performance rating as follows:

Unsatisfactory	0
Needs Improvement	0
Meets Expectations	2.5%
Exceeds Expectations	4.5%
Exceptional	6.5%

G. Overtime and Fair Labor Standards Act Exception. The parties agree that the employees in classifications represented by Local 21 are exempt employees under the Fair Labor Standards Act (FLSA) except for those employees in classifications in Work Group I (Appendix A).

1. Work Group I (Appendix A). Employees in classifications in Work Group I shall be provided overtime compensation (one and one-half times (1.5) their regular rate) for each hour worked beyond their regular workday or work week as established by the District.

Exception: Compressed Work Week Holiday Work. When a holiday(s) falls on the employee's nine-hour day (or other regularly scheduled workday that is longer than 8 hours), the employee may be allowed to make up the shortfall of hour(s) within the same workweek as the holiday(s), and the additional hour(s) will be paid at the employee's regular rate of pay. If the employee fails to account for the additional hour(s), the hour(s) will be charged to vacation on the employee's timesheet. If the employee does not have any available vacation accrual, the time will be unpaid.

Article II of the MOU must be read in conjunction with the Compressed Workweek Guidelines with respect to holidays only.

Employees in Work Group I are eligible to receive compensatory time in lieu of paid overtime. Compensatory time will be provided at 1.5 hours for each hour of overtime worked. Employees may receive a maximum of seventy-five (75) hours compensatory time in a payroll year. Payroll year is defined as the period beginning with the first pay period for which pay is received in January and ending with the last pay period for which pay is received in December. All overtime worked after an employee has earned 75 hours of compensatory time in a payroll year will be paid at the appropriate overtime rate. All employees who have earned compensatory time at the end of the last pay period, for which pay is received in December shall have that compensatory time carried over as compensatory time into the next (following) payroll year. All compensatory time carried over from the last payroll year to the next must be used by the end of the next payroll year or it will be paid out to the employee at the end of the next (following) payroll year at the applicable FLSA rate. Any compensatory time used in the next (following) year will first be deducted from any compensatory time that was carried over from the last payroll year, if any. Compensatory time earned after the last full pay period of the payroll year, but prior to the end of the calendar year, will be credited and included in the accrual for the following calendar year. Use of earned compensatory time off shall be scheduled and approved by the District so as not to disrupt the operation of the work unit of the District.

All employees in Work Group I are required to work in emergencies and necessary overtime situations.

2. Work Group II (Appendix A). Employees in classifications in Work Group II are salaried exempt under the FLSA. Employees in classifications in Work Group II:

a) Do not receive extra compensation on the basis of hours worked, except as authorized by the General Manager.

b) Are not subject to salary deductions except as permitted by FLSA. Vacation leave, sick leave, administrative leave, birthday holiday and floating holiday will be taken in full day increments.

c) Notify supervisors in advance of absences from work for any time missed during their regularly scheduled workday. Employees in classifications in Work Group II are required to be present at the workplace when it is necessary to carry out their responsibilities.

d) Continue to record work time for specific projects or activities for the purpose of allowing the District to allocate costs.

It is understood that tardiness or absenteeism that adversely affects work performance or District operations will continue to be grounds for disciplinary actions permitted under FLSA.

3. Management Administrative Leave - Work Group II (Appendix A). Employees who are in Work Group II and who are not eligible for overtime compensation or call back pay shall be entitled to administrative leave of seven (7) days per payroll year. Any administrative leave left in an employee's account at the end of the payroll year will be forfeited. (Employees in Work Group I do not receive management administrative leave.)

a) Administrative leave can only be taken in full day increments.

b) Employees hired by the District prior to September 30 of any calendar year in a classification in Work Group II will receive seven (7) days management administrative leave. Employees hired between October 1 and October 31 in the calendar year will receive two (2) management administrative leave days. Employees hired between November 1 and November 30 in a calendar year will receive one (1) management administrative leave day. Employees hired after November 30 in a calendar year will not receive management administrative leave.

H. Paid Standby.

1. Eligibility. Effective February 16, 1998, an employee assigned to be on paid standby shall receive compensation for standby assignments in the amount of an additional 25% of base pay for each 8-hour standby period; provided, the employee must make themselves available and respond to all calls and be available to work. Employees in Work Group I (Appendix A) who are hourly employees entitled to overtime compensation shall also receive compensation for overtime work actually performed during periods of standby. Employees in Work Group II (Appendix A) who are salaried employees and exempt from overtime requirements shall not receive overtime compensation for work actually performed during periods of standby. In no event shall this Agreement provision cause a reduction in the weekly salary of employees designated exempt from overtime under the provisions of the FLSA.

2. Process. Each work group where the District requires formal standby will create a rotational scheduling process that will utilize qualified volunteers prior to assigning standby to an employee. Employees are expected to comply with standby assignments and failure to do so shall subject an employee to appropriate discipline.

3. Supervisory Duties. It is expressly understood that this paid standby program does not relieve supervisors of the requirement to be available to perform supervisory duties on off hours as necessary or required by the District without standby compensation.

I. Call Time. The call time provisions for Work Group I (Appendix A) employees who are eligible for overtime are as follows:

1. Minimum Call Time Period. Employees called to work outside of their regularly scheduled shift shall be paid for a minimum of two and one-half (2-1/2) hours at the appropriate

overtime rate.

2. **Shift Overlap.** If the call time work assignment and the employee's regular shift overlap, the employee shall be paid at the overtime rate until they complete two and one-half (2-1/2) hours worked. The employee shall be paid for the balance of the regular shift at the straight-time rate.

The time that the minimum call time guarantee overlaps the employee's regular shift will be paid as a premium using a separate payroll code and will not affect the employee's regular shift or hours. Minimum call time overlap is a premium pay and is not subject to retirement withholding and will not be counted toward retirement service credit.

The District and employee will pay retirement contributions for the regular shift hours worked by the employee at the regular rate of pay and the employee shall receive service credit in the Retirement System for the employee's regular shift hours.

3. **Rest/M meal Break.** If an employee is called to start work less than two and one-half (2-1/2) hours before the start of their regularly scheduled shift, the employee shall be allowed a fifteen (15) minute break prior to the start of their shift. If the employee is called to start work two and one half (2-1/2) or more hours before the start of their regularly scheduled shift, they shall receive a thirty (30) minute paid meal break prior to the start of their regular shift.

J. Shift Differential. This Section applies to represented employees in Work Group I (Appendix A) who are scheduled to work shifts.

1. **Premium.**

A. Definition and Compensation for 8-Hour Shifts: Employees who work a scheduled eight (8) hour shift between the hours specified below shall receive shift differential as follows:

1. Beginning at 11:00 a.m. through 10:59 p.m. an additional 10% of their hourly rate per hour.
2. Beginning at 11:00 p.m. through 3:59 a.m., an additional 15% of their hourly rate per hour.

B. Definition and Compensation for 12-Hour Shifts: Employees in continuous operations who are scheduled to work a twelve (12) hour shift between the hours specified below shall receive shift differential as follows*:

1. Beginning at 7:00 a.m. through 7:00 p.m., no shift differential.
2. Beginning at 7:00 p.m. through 7:00 a.m., an additional 15% of their hourly rate per hour.

* Please refer to Article III.C: Days and Hours of Work

2. Continuous Operations. In continuous operations, when an employee's shift is extended by additional hours either before or after their normal shift, overtime compensation shall be based on the rate for the shift that was extended or actually worked, whichever is greater.

K. Work-Out-of-Classification

1. Definition. When an employee is designated by the District to work in a higher classification and perform the duties of that classification to temporarily replace another employee, they shall be paid the appropriate higher rate for such work retroactive to the first day the employee was assigned. In the case of work out of classification assignments replacing another employee in a higher classification and expected to last seven (7) calendar days or longer, the employee must assume the work schedule of the employee being replaced. Whenever practical, work out of class assignments to an individual will be made in increments of (five) 5 workdays or more.

The District shall make reasonable efforts to distribute work out of class on an equal and rotational basis for qualified employees. For employees in Workgroup I, assignments to perform the work of a higher classification pursuant to this Section shall be tracked by hours worked and shall not exceed 480 hours in a calendar year. By use of this Section, the District shall not attempt to avoid District Civil Service Rules and the filling of regular full-time positions.

2. Purpose. The purpose of this Section is not to restrict training opportunities but to encourage proper classification and compensation for work performed.

3. Training. Nothing herein shall prohibit the training of an employee in work of a more advanced nature without additional compensation, as long as full duties are not substantially assumed.

4. Compensation. Employees shall receive 5% Work-Out-of-Class pay or minimum of the range whichever is greater, not to exceed range maximum.

5. Process. The District will first request qualified volunteers for work-out-of-class assignments but in the event that there are no qualified volunteers, the District will assign the work- out-of-class to a qualified employee.

L. Paid Overtime Meals. Represented employees in Work Group I (Appendix A) required to continue work for two (2) or more hours prior to their shift or beyond their regular quitting time shall receive overtime meal reimbursement of twenty dollars (\$20.00). Employees shall be provided reimbursement for additional meals, as above, for every completed four (4) hour period of work thereafter. Time taken for meals furnished by the District at the work location shall be paid time. Time taken for meals eaten away from the work location shall be unpaid time.

M. Salary on Promotion. Salary on promotions will be the closest step of the new range that ensures a minimum increase of 5% provided that such increase does not exceed the top step of the range.

N. Bilingual Pay. Employees using more than one language (spoken, written or in sign language) in the course of their employment may be paid \$200/month for use of each language, including sign language, provided the following conditions are met: a) the District verifies in writing the recurring need to utilize the second language skill on the job, b) the District verifies the employee's language proficiency, and c) the District has the exclusive right to determine the need for job required usage of the second language, the number of persons receiving the pay, and which individuals will be assigned duties requiring second language proficiency. Employees on unpaid status for two consecutive pay periods, due to illness or injury, will have their bilingual premium payments discontinued until they return to work. Employees who request leave without pay (LWOP) for reasons other than illness or injury, will have their bilingual premium pay discontinued effective the first full pay period after their leave begins and the payments will be resumed once they return to work.

O. Mileage Reimbursement. The District shall reimburse employees at the rate identified by the American Automobile Association (AAA) composite per mile cost for a 6-cylinder, 4-door sedan in the 15,000 miles per year category for each mile they are authorized and required to drive their private cars within the employee's normal areas of operation in the performance of their assigned duties. Annually in July, the District shall adjust the amount to conform to the newly published rate. This information is obtained from the Annual Edition of Your Driving costs, published by the American Automobile Association, Falls Church, Virginia. In the event such publication is not available, the current rate of the IRS rate will be used, whichever is higher. Consistent with current policy, employees may select to receive mileage reimbursement at the rate designated by the Internal Revenue Service. Both rates are published annually.

P. Transportation Subsidy. The District will provide a transportation subsidy up to a value of \$145 per month to subsidize the cost of an employee's regular commute between work and home. Public transportation commuters receive the subsidy by Commuter Check Voucher, Commuter Check Prepaid MasterCard, Clipper or Chariot SF.

Q. Adjustment for Overpayments. In the event an employee is erroneously overpaid wages by the District, regardless of fault, upon obtaining written authorization from the employee to make the deductions to recoup the overpayments; the District shall recover overpayment by making the deductions from that employee's regular paycheck. Said deductions will continue for as many consecutive pay periods as necessary until full payment is recovered.

When the deductions are necessary to recoup insurance premiums or recover health and welfare or pension contributions, the District shall not commence recovery by payroll deductions until written notification has been given to the employee at least ten (10) working days in advance, which includes all the details of the overpayment, and provides employees with an opportunity to

respond before any deduction is made. If an employee disputes the overpayment, the District will meet with that employee and their chosen representative to resolve the dispute. The District shall recover overpayment by deducting from the employee's regular paycheck either the full amount of the overpayment or ten (10) percent of the employee's gross salary, whichever is less, and continue said deductions for as many consecutive pay periods as necessary until full payment is recovered. The District shall not seek written authorization to recoup insurance premiums and/or health and welfare or pension contributions from the employee.

ARTICLE III - DAYS AND HOURS OF WORK

A. Workday and Workweek Defined. The standard workday shall consist of eight (8) consecutive hours of work within a 24-hour period beginning at 12:01 a.m. The standard workweek shall consist of five (5) consecutive workdays within a seven (7) day period beginning at 12:01 a.m. Monday and ending at 12:00 midnight Sunday.

B. Compressed Work Week. Consistent with current practice, employees shall be afforded the right to work flexible work schedules as provided for in the District's Compressed Work Week Guidelines.

C. Days and Hours of Work. Work Group I (Appendix A) - In operations where work schedules are changed regularly, either annually or throughout the year, the work schedule shall be posted a minimum of one (1) week in advance of the effective date of the change. The District will not temporarily change the scheduled workday or workweek of employees for the purpose of avoiding overtime payments. These types of changes impact a work unit, rather than one or few employees. These changes are not subject to the limitations on schedule changes described in Article III.2.

1. 7-Day Per Week/Continuous Operations

a. **7 Day Per Week Operations.** In operations in which there is regularly scheduled employment for seven (7) days per week, the hours of work shall consist of eight (8) consecutive hours per workday, notwithstanding compressed work week schedules, and except during scheduled rotation or relief operations, five (5) consecutive days per work week. Employees in 7-day per week operations who are required to be at their workstations for eight (8) consecutive hours shall eat during work hours.

b. **Continuous Operations.** In operations in which there are regularly scheduled employment for twenty-four (24) hours per day, seven (7) days per week, the hours of work shall consist of eight (8) consecutive hours per workday, and except during scheduled rotation or relief operation, five (5) consecutive days per workweek (except where alternate schedules are approved by the superintendent for the work unit).

In continuous operations, except where such occurs on a regular recurring basis, as part

of rotating shift schedule, employees who are called back to work an eight (8) hour shift after being off their previous shift eight (8) or fewer hours shall be paid one (1) hour at the overtime rate in addition to their pay for such time worked.

Employees in continuous operations who are required to be at their workstations for eight (8) consecutive hours shall eat during working hours.

Seniority will be an important consideration in the assignment of shifts.

2. Changes in Days and Hours of Work. It is understood that all other provisions of this Article notwithstanding the hours of work, workday, and workweek practices in effect on the effective date of this Memorandum may be continued at the option of the District; provided, however, changes in such practices shall be subject to prior consultation with the Union.

Notwithstanding the above, the District shall be permitted to schedule shifts one (1) hour earlier than current shift starting times. This provision applies in instances when a schedule is set, but a minor change in shift is warranted for one or few employees (e.g., an employee on a regular day shift is asked to adjust their shift by one hour to accommodate a project or other work activity for a period of time). If such shift creates work in two (2) different calendar days, all time will be treated as if it were worked in the calendar day containing the majority of the workday. For example, if the start of the workday is changed from 12:00 midnight to 11:00 p.m., the employee will be paid as if all work commenced at 12:00 midnight.

The District will not temporarily change the scheduled workday or workweek of employees for the purpose of avoiding overtime payments. Employees in Work Group I shall be compensated for time worked in excess of their regularly scheduled workday or workweek as provided in Article II, Section G of this Memorandum of Understanding. Nothing herein shall be interpreted as limiting the District's right to reschedule shifts on a long-term or permanent basis as provided in this Article.

3. Fatigue Time

a. Fatigue time is paid time away from work for Local 21 Work Group I represented employees who have worked overtime without eight (8) hours off between the overtime worked and the beginning of their next regularly scheduled shift, provided that the employee worked two (2) or more consecutive hours of overtime after 10:00 p.m. fatigue time shall be calculated as follows:

1. Subtract the ending time of overtime from the beginning time of the next regular shift.
2. Subtract that figure from eight (8) hours.
3. The difference is the fatigue time due to the employee

Example: OT is worked from 1:00 a.m. until 4:00 a.m. Regular shift begins at 8:00 a.m. The difference if there are 4 hours between the end of OT and the beginning of the next regular shift (8 hrs - 4 hrs = 4 hrs of fatigue time due to the employee).

b. Local 21 Work Group 1 represented employees shall not receive fatigue time if:

1) the overtime is completed more than eight (8) hours prior to the start of their regularly scheduled shift, or 2) employees are called out to perform overtime work within four (4) hours of the start of their next regularly scheduled shift, or 3) they are assigned to continuous operations.

c. Fatigue time must be taken during the first or last part of the next regularly scheduled workday. Local 21 represented employees receiving fatigue time shall notify their immediate or after-hours supervisor at the completion of the overtime work, if possible, or a minimum of one (1) hour before the start of their next regularly scheduled shift when their fatigue time will be taken.

ARTICLE IV-LEAVE PROVISIONS

A. Holidays.

1. Legal Holidays. The following legal holidays will be granted to eligible employees:

New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
Lincoln's Birthday	February 12
Washington's Birthday	Third Monday in February
Cesar Chavez' Birthday	March 31
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Admission Day	September 9
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	
Christmas Day	December 25

Effective January 1, 2022, the following legal holidays shall be granted to eligible employees:

New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
Lincoln's Birthday	February 12
Washington's Birthday	Third Monday in February
Cesar Chavez' Birthday	March 31
Memorial Day	Last Monday in May
Juneteenth	June 19

Independence Day	July 4
Labor Day	First Monday in September
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	
Christmas Day	December 25
Day after Christmas	December 26

2. Alternate Days. When a holiday falls on Sunday, the following Monday shall be observed as the holiday. When a holiday falls on Saturday, the preceding Friday shall be observed as the holiday.

3. Diversity Floating Holiday. In recognition and appreciation of the diversity of the District population and in addition to the holidays specified above, each employee shall receive one floating holiday per calendar year. If the floating holiday is not used by the end of the payroll year, defined as the last period for which pay is received in December, it shall be forfeited for that calendar year. Use of this floating holiday after the payroll year but prior to the end of the calendar year will be charged against the following year's entitlement.

4. Eligibility. Full-time employees shall receive the above holidays off, credited at 8 hours pay when both the following conditions are satisfied:

a) The employee works or is on Authorized Leave (with or without pay) on their scheduled workday immediately before and immediately after the holiday; and

b) The employee is on a paid status for at least 8 hours of the payroll period in which the holiday falls.

It is understood by the parties that the District will change Procedure 224 Holiday Leave, to reflect this agreement.

5. Holiday Pay

a) Work Group I (Appendix A) Employees.

(1) Employees who work on an observed holiday shall receive overtime pay for hours worked in addition to their regular straight time pay.

(2) Employees whose scheduled day off falls on an observed holiday shall receive a day's pay at the straight-time rate. Such employees, who work on an observed holiday shall, in addition, receive overtime for hours worked.

(3) Eight Hour Work Schedule. Employees who work in a 24-hour continuous operation or a 7-day per week operation and are scheduled to work on a holiday and

actually work on the holiday shall receive the following:

- Eight (8) hours of regular straight time pay for the holiday worked that will be subject to retirement contributions from both the District and employee and be counted toward retirement service credit.
- Eight (8) hours of holiday pay at the straight time rate that the employee may choose either to receive as pay or add to their vacation accruals. If taken as pay, holiday pay is a premium pay and is not subject to retirement withholding and will not be counted toward service credit.
- Four (4) hours of holiday premium at the regular straight time rate that may be paid or added to compensatory time accruals. If taken as pay, holiday premium pay is not subject to retirement withholding and will not be counted toward service credit. The four hours of holiday premium pay will be reported using a separate payroll code.

Compressed Work Week Schedule. Employees who work in a 24-hour continuous operation or a 7-day per week operation and work on a compressed work week schedule and are scheduled to work on a holiday and actually work on the holiday shall receive the following:

- Nine (9), ten (10), or twelve (12) hours of regular straight time pay for the worked holiday depending on the duration of their regularly scheduled workday that will be counted toward retirement service credit and be subject to retirement contributions from both the District and employee.
- Eight (8) hours of holiday pay at the straight time rate that the employee may choose either to receive as pay or add to their vacation accruals. If taken as pay, holiday pay is a premium pay and is not subject to retirement withholding and will not be counted toward service credit.
- Holiday premium pay equal to one-half of the duration of their regularly scheduled workday at their regular straight time rate that may be paid or added to their compensatory time accruals. If taken as pay, holiday premium pay is not subject to retirement withholding and will not be counted toward retirement service credit. The holiday premium pay equal to one-half of these regularly scheduled hours worked will be reported using a new payroll code.

(4) In the event that a holiday falls on an employee's compressed day off, the employee will be credited with eight (8) hours of vacation, or the employee may choose to receive holiday pay, to be added to the eighty (80) hours of regular pay (a total of eighty-eight (88) hours at regular rate for the pay period). If the employee does not indicate that they wish to receive holiday pay, the holiday will be added to their vacation balance.

(5) In continuous operations, when a holiday falls on a Saturday or Sunday, the actual holiday will be observed rather than the District-observed holiday.

(6) Holidays that fall during a vacation shall not be charged against vacation credits.

(7) In the event that a holiday(s) falls on the employee's nine-hour day (or other regularly scheduled workday that is longer than 8 hours), the employee's ability to make up the shortfall of hour(s) shall be governed by section Article II.G.1.

b) Work Group II (Appendix A) Employees. Employees in Work Group II shall not be eligible for holiday pay.

B. Vacation.

1. Accrual. Eligible employees shall accrue vacation leave on a bi-weekly basis as follows:

Continuous Service Years	Vacation Leave Hours per Pay Period	Vacation Days per Year
1st through 4th	3.692	12
5th through 9th	4.616	15
10	5.539	18
11	5.539	18
12	5.539	18
13	5.847	19
14	6.154	20
15	6.462	21
16	6.770	22
17	7.077	23
18	7.385	24
19 and over	7.693	25

There shall be no loss of vacation leave accrual for leaves without pay of 160 hours or less in a payroll year; thereafter, there shall be no accrual of vacation leave credits for any workday of unpaid leave in the same payroll year.

2. Initial Use. At any time after completion of the initial six (6) months of service, an eligible employee may use six (6) days credited for the first six (6) months of employment.

3. Use of Vacation.

a) Employees may use vacation leave equal to the accrued vacation leave credited to their account after the first six (6) months of service.

b) Work Group I (Appendix A) employees must charge approved vacation leave against vacation credits in increments of 30 minutes.

c) Work Group II (Appendix A) employees may only charge vacation in full day increments.

d) A maximum of fifty (50) vacation leave days (400 hours) may be deferred by employees annually, unless there is specific written authorization from the General Manager to exceed such limits. Any employee with deferred vacation accrued in excess of (fifty) 50 days (400 hours) as of December 31 shall have their vacation leave balance adjusted and reduced to fifty (50) vacation days via the two following options (or combination thereof):

i. taking a vacation within the first three (3) months of the next payroll year; and/or

ii. being paid for all hours in excess of 400 hours after the first quarter of the next payroll year.

e) Any employee who confirms in writing to the Director of Employee Relations or designee that they are going retire in the current calendar year may, at their option, retain their total vacation leave accrual to the date of that retirement.

f) Whenever possible, vacations shall be scheduled for the time requested by the employee. In order to avoid undue disruption of work activities or to minimize conflicts with other employees' vacations, the Department Head or Division Manager may place reasonable seasonal or other restrictions on the use of vacation.

4. Vacation Proration on Separation. An employee eligible for vacation who is separated from District service for any reason shall receive a lump sum payment for any unused, earned vacation.

5. Vacation Sell Back. An employee may choose to sell back a maximum of two hundred (200) hours of vacation leave to the District in one-hour increments during the payroll year. Payments to employees resulting from such sell back of vacation shall not be considered "compensation" as defined in the Retirement Ordinance for the purpose of calculating terminal compensation.

C. Sick Leave.

1. Definition. Any represented employee who, through no fault of their own, is unable to be present to perform their duties due to illness, injury, medical or dental treatment, on the part of the employee or a qualifying individual under California's Paid Kincare Leave law shall be granted sick leave in accordance with the provisions of this Section.

2. Accrual. Eligible employees shall accrue four (4) hours of sick leave credit for each full bi-weekly pay period of continuous service, to a maximum of 1040 hours (130 days). There shall be no loss of sick leave accruals for leaves without pay of 160 hours or less in a payroll year; thereafter, there shall be no accrual of sick leave credits for any workday of unpaid leave in the same payroll year.

3. Sick Leave Use.

a) All sick leave used by employees in Work Group I (Appendix A) shall be deducted from the employee's sick leave credits, with the minimum chargeable time being 30 minutes.

b) Employees in Work Group II (Appendix A) may only charge sick leave in full day increments.

c) When sick leave credits are exhausted, unpaid sick leave may be granted.

4. Family Sick Leave/Kincare. In accordance with California's Paid Kincare Leave law, an employee may use their 13 days of annually accrued paid sick leave in a 12-month period for the following reasons:

a. For the employee's own diagnosis, care, or treatment of an existing health condition or preventative care.

b. For the diagnosis, care, or treatment of an existing health condition or preventative care for an employee's family member, person with whom the employee has a legal relationship, or person living in the same household, including:

- i. Child (including a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis).
- ii. Spouse or Registered Domestic Partner.
- iii. Parent (including biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child).
- iv. Grandparent.
- v. Grandchild.
- vi. Sibling.

c. To obtain any relief or services related to being a victim of domestic violence, sexual assault, or stalking including the following with appropriate certification of the need for such services:

- i. A temporary restraining order or restraining order.
- ii. Other injunctive relief to help ensure the health, safety, or welfare of themselves or their children.

- iii. To seek medical attention for injuries caused by domestic violence, sexual assault, or stalking.
- iv. To obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking.
- v. To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.
- vi. To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

In any instance where Family Sick Leave Kincare is also a qualifying FMLA/CFRA Leave, the leaves will run concurrently. This does not prohibit an employee from declining FMLA/CFRA leave. An employee shall provide reasonable advance notification of their need to use accrued paid sick leave to their supervisor if the need for paid sick leave use is foreseeable (e.g., doctor's appointment scheduled in advance). If the need for paid sick leave use is foreseeable, the employee shall provide notice of the need for the leave to their supervisor as soon as is practicable.

5. Substitution of Sick Leave for Vacation. If an employee becomes ill and takes sick leave before a scheduled vacation begins, the starting date of vacation may be postponed, or vacation rescheduled as approved by the District. If an employee becomes ill after their last workday before vacation begins or during vacation, and the illness extends more than two (2) vacation days, accumulated sick leave shall be substituted for vacation leave for each full day involved. Request for such substitution shall be made when the employee returns to work, unless they wish to extend the absence, in which case they shall contact the supervisor before they are scheduled to return to work. Documentation to support such request may be required by the employee's supervisor. Each vacation leave day that an employee was hospitalized may be converted to sick leave upon submission of satisfactory evidence of hospitalization.

6. Limitations on Sick Leave.

- a) An employee who is unable to report for work and who fails to notify their supervisor in accordance with work unit procedures, may not qualify for paid sick leave.
- b) An employee whose illness or injury arises out of non-District employment is not entitled to sick leave.
- c) All sick leave use is subject to review, verification, and approval by the District.
- d) A doctor's certificate indicating time under doctor's care, approval for return to work, and any work limitations is required if sick leave extends to ten (10) consecutive workdays or more.
- e) Upon return to work from sick leave, the employee's supervisor and

Department Director/Division Manager may require an employee to be evaluated by a District-selected physician, if there is reasonable concern about the employee's fitness for duty, or if the employee has an illness that could be contagious. These evaluations will be conducted on District time.

7. Retirement Credit. Consistent with the terms and conditions of the Retirement Ordinance, when an employee's sick leave accumulation reaches the maximum of 1040 hours, any hours which would have otherwise accrued thereafter shall be accumulated without limit.

Such hours, when added to the existing sick leave accumulation, become Service Extension Credit to be applied when computing the employee retirement allowance.

8. Service Extension Credit -Conversion. When an employee is released for return to work as shown by medical evidence satisfactory to the District, after sick leave extending for ninety (90) calendar days or more, the hours of sick leave taken shall be restored to the employee's sick leave account when requested by the employee, by deducting that number of hours from any service extension credit in the employee's account at the time of return to work to a maximum of five hundred twenty (520) hours. Such sick leave shall be credited and available for use after the employee's return to work.

9. Sick Leave Buy Back. Employees who use 18 hours or less of sick leave in a six-month period are eligible to sell back 8 hours or 16 hours of sick leave back to the District. Eligible employees may also convert 8 hours or 16 hours of sick leave to vacation hours.

10. Sick Leave Pay-Out In lieu of Service Extension Credit. Employees who separate from service due to retirement shall have the option of receiving a lump sum cash payment equal to the value of fifty percent of the accrued hours in the employee's sick leave account and Service Extension Credit account, at base rate, not including shift or other differentials or premiums, less applicable taxes, instead of and in lieu of receiving the Service Extension Credit pursuant to Article IV C 7 and the Retirement Ordinance. Such lump sum payment shall not be considered "compensation" as defined in the Retirement Ordinance for the purpose of calculating terminal compensation.

11. FMLA Leave. Eligible employees who are on paid sick leave or job injury leave will be granted simultaneous leave pursuant to the Family and Medical Leave Act (FMLA). An employee may be eligible for up to thirteen (13) consecutive workdays of protected unpaid leave at exhaustion of their approved FMLA event, where the additional time off is for the FMLA qualifying event. In order to receive the additional time off, appropriate medical documentation is required.

D. Special Leave.

1. Death in Family. In the event of death in an employee's immediate family (parents, stepparent, spouse, domestic partner, child, stepchild, sibling, grandparent, grandchild or any other

person sharing a comparable relationship resulting from marriage or registered domestic partner relationship), Work Group I employees shall be granted 40 hours of special leave. Work Group II employees shall be granted five (5) workdays of special leave. In the event of death of the employee's mother-in-law or father-in-law, Work Group I employees shall be granted twenty-four (24) hours of special leave and Work Group II employees shall be granted three (3) workdays of special leave. Leave granted for death in family may be split between the period immediately following the death and the funeral services.

2. Funeral/Service of Relative. Work Group I employees shall be granted eight (8) hours and Work Group II employees shall be granted one (1) workday of special leave to attend the funeral of a close relative not in the employee's immediate family. Close relative includes, spouse's grandparent, daughter-in-law, son-in-law, sister-in-law, brother-in-law, spouse's sister-in-law, spouse's brother-in-law, and employee's aunt, uncle, niece, nephew, and first cousin.

3. Other Deaths. An employee may request authorization by the General Manager for special leave involving deaths other than those listed in paragraphs (a) and (b) above, where the employee considers special leave justified. The decision of the General Manager is final and not subject to appeal.

4. Use of Death in Family, Funeral/Service of Relative, and Other Death Leave. Leave shall be taken immediately following the death of the person or to coincide with funeral/services unless, because of extenuating circumstances, another specified time is required, and specific written authorization is granted by the General Manager to defer such leave to another specified period of time.

5. Jury Duty. An employee shall be granted necessary special leave for jury duty as detailed in an appropriate summons or order. The employee must immediately notify the supervisor when they receive a jury duty summons and provide a copy of the instructions that they receive. Employees shall follow the instructions of the jurisdiction for which they are summoned but must report back to work in a timely manner if not required to be present for jury duty or if released from jury duty during the workday.

6. Court Appearance. An employee subpoenaed to appear before a court or other public body on any matter not related to their work, shall be granted special leave for such purposes; provided, however, that such leave shall not be granted if the employee is the plaintiff or defendant or if the court appearance is for domestic relations matters in the Family Law or Juvenile Division of the Superior Court unless otherwise provided by law.

7. Military Physical Examination. An employee shall be granted special leave to take a required military physical examination.

8. Military Leave. The District shall grant military leave in accordance with applicable laws.

9. One Day Special Birthday Float. Each employee shall be granted special leave for their birthday based on the employment status of that employee, not to exceed a total of eight (8) hours within the payroll year of their birthday. The payroll year is defined as the period that begins after the last payroll in December to the last pay period in the following December, for which pay is received in December. If the One Day Special Birthday Float is not used by the end of the payroll year, it shall be forfeited for that calendar year. Use of this birthday holiday after the payroll year but prior to the end of the calendar year will be charged against the following payroll year's entitlement.

10. Blood Donation. Consistent with District operating requirements, in Work Group I (Appendix B) employees shall be granted special leave of two (2) hours for giving blood donations to District accredited hospital or Red Cross blood banks.

ARTICLE V-INSURANCE, DEFERRED COMPENSATION AND RETIREMENT BENEFITS

A. Health Insurance. The District shall provide health plan coverage to eligible employees and dependents in one of the approved District Health Plans listed below. Employee cost share for health plan premiums are shown in the table below:

Plan	Employee Cost Share at % of Premium
Kaiser Plan (current 7002)	0% all tiers: employee only, double and family
ACWA Anthem BC Classic PPO	0% employee only tier, 15% double and family
Sutter Health Plan Plus HMO Coverage begins 1/1/2019	0% employee only tier, 15% double and family

1. Kaiser Foundation Health Plan. The District shall pay the full cost of premiums for eligible employee and eligible dependents coverage in the Kaiser Foundation Health Plan. During the life of the MOU, the following co-pays will be in effect unless a change is mandated by the provider:

- Office visit co-pay -\$20
- Prescription co-pay - \$10/\$15 for generic and brand name drug types respectively
- Emergency room visit - \$75 (waived if admitted)
- Hearing Aid Benefit - Effective January 1, 2019 a hearing aid benefit will be added in the amount of \$1,000 per ear once every three (3) years.

2. Association of California Water Agencies-Blue Cross (ACWA-BC). The District shall pay the full cost of premiums for eligible employees only. The District will pay 85% of the costs of premiums for the employee plus dependents and the remainder shall be paid by the employee by payroll deduction on a pre-tax basis. During the life of the MOU, the office visit co-pay for ACWA-BC will be \$15.00 and the prescription drug co-pay will be \$5/\$15.00 for

generic and brand name drug types, respectively, unless a change is mandated by the provider.

3. Health Net. The District shall pay the full cost for premiums for eligible employees only for Health Net California health plan. The District shall pay 85% of the costs of premiums for the employee plus dependents and the remainder shall be paid by the employee by payroll deduction on a pre-tax basis. During the life of the MOU, the following co-pays will be in effect, unless a change is mandated by the provider.

- Office visit co-pay - \$20 effective January 2017
- Prescription co-pay - \$10/\$15/\$35 effective January 2008 for generic, brand and non-formulary drug types respectively
- Emergency room co-pay - \$75 effective January 2017 (*waived if admitted*)
- Hospital inpatient co-pay - \$100 effective January 2017

Health Net California will be eliminated effective 11:59 pm on December 31, 2018.

4. Sutter Health Plus (Plan ML32 per 8/16/17 presentation). Effective January 1, 2019, the District shall pay the full cost for premiums for eligible employees only. The District will pay 85% of the costs of premiums for the employee plus dependents and the remainder shall be paid by the employee by payroll deduction. During the life of the MOU, the office visit co-pay for Sutter will be \$10 and the prescription drug co-pay will be \$5/\$20/\$40 for generic, brand name, and non-formulary drug types, respectively, unless a change is mandated by the provider. Emergency room visit is \$30 and waived if admitted. Hospital inpatient co-pay - \$0.

5. Employees without access to Kaiser Health Plan, the District will pay 100% of the medical insurance premium for the employee and dependent coverage in either of the other available District health plans (currently Health Net until December 31, 2018 ACWA Anthem Blue Cross Classic PPO or Sutter Health Plus HMO). However, if the employee should again become eligible for Kaiser, District coverage will be provided as described in paragraphs 1, 2, and 3 above.

6. If federal or state legislation is enacted which will impact the District's health plans or practices, the parties shall reopen negotiations to the extent necessary to comply with the mandatory provisions of any legislation.

7. The amount of cash-in lieu provided to employees who receive medical insurance coverage through their spouse or partner and elect not to receive District- paid medical insurance is \$500 per month.

B. Life Insurance. The District shall pay the cost of employee premiums in the existing group life insurance plan. The face value of the basic life insurance shall be one and one-half times (1.5) the employee's annual salary rounded to the nearest \$1000.00. This includes double indemnity for non-occupational accidental death and dismemberment according to scheduled benefits. Increases in costs which may occur during the term of this Agreement shall be borne

by the District.

C. **Dental Insurance.** The District shall pay the cost of premiums for those employees and eligible dependents enrolled in the group insurance plan with Delta Dental and provide 100 percent basic coverage (50 percent prosthodontics) to a maximum of three thousand dollars (\$3000) for PPO-Dentists and a maximum of two thousand five hundred dollars (\$2500) for Non-PPO-Dentists. Non-PPO-Dentists have a deductible of fifteen dollars (\$15) for the employee and eligible dependents up to a maximum of three (3) such deductions per family unit per year. Increases in costs which may occur during the term of this Agreement shall be borne by the District.

1. **Orthodontic Benefits.** The District shall provide for orthodontic benefits and coverage for all eligible employees and dependents. Such coverage shall be 50/50 coinsurance with a three-thousand-dollar (\$3000) lifetime maximum per patient with no deductible. Also, the Union agrees that any increase in orthodontic premiums will be paid for by each individual employee during the term of this Agreement notwithstanding any other language. Newly hired employees will have a one-year waiting period, without claims, for orthodontic coverage.

D. **Long-term Disability Insurance.** The District agrees to continue the existing salary continuation plan (voluntary group long-term disability insurance) and to pay the full cost per month toward the premium for each participating employee.

E. **Insurance Providers/Self-Insurance.** Except for the Kaiser Foundation Health Plan, the District may change or eliminate the carriers or providers of any of the benefits set forth in this Article or self-insure (provided that there is no decrease in benefit levels), and provide an equivalent plan under the Health Insurance, Life Insurance, Dental Insurance and Long-term Disability Insurance Sections, set forth above, provided the Union is notified in writing prior to such change. Upon written request, the District will consult with the Union concerning such change. Whenever any insurance carrier except Kaiser refuses to provide coverage for any specific benefit or proposes an increase in its premium of more than 20%, the District, after consultation with the Union, may change carriers or benefits as long as a good faith, reasonable effort is made by the District to provide comparable available benefits.

F. **State Disability Insurance (SDI)/Paid Family Leave (PFL).** Employees represented by Local 21 shall have SDI premiums deducted from their individual salaries at the rate determined by the State of California. When an employee or qualified dependent sustains an injury or illness that qualifies them to receive SDI/PFL payments, the employee will receive SDI/PFL payments from the State based on the benefit amount in effect at the time the injury or illness occurs.

1. **State Disability Insurance (SDI).** An injured or ill employee may use accrued sick leave, and after sick leave is exhausted, may use compensatory time then vacation to supplement SDI payments from the State if requested in writing provided that the combined total of the SDI payment and accrued leave payment does not exceed 100% of the employee's regular biweekly base salary.

2. Paid Family Leave (PFL). The employee may use in the following order family sick leave, compensatory time, then vacation to supplement PFL payments from the State if requested in writing provided that the combined total of the PFL payment and accrued leave payment does not exceed 100% of the employee's regular biweekly base salary.

G. Supplemental Benefits. The District will make payments for represented employees under IRS Code Section 125 in the amount of:

- \$915 effective January 1, 2019
- \$1000 effective January 1, 2022

1. Election. Eligible employees may elect during the annual election period of each calendar year, to use pre-tax Program funds for District-designated Internal Revenue Service (IRS) Code Section 125 Benefits, OR to receive Program funds in cash on a taxable basis.

2. Eligibility. Represented employees will be eligible for supplemental benefits upon hire; however.

3. Fund Availability. Program payments shall be disbursed after the second pay period each calendar year. New employees shall have payments disbursed in the month after they become benefit eligible.

4. Plan Changes. The District may, after consultation with the Union, add or delete for future calendar years any IRS Code Section 125 flexible spending approved benefits.

5. Plan Administration. A third-party administrator will administer the Program funds, including making payments or reimbursements provided for by the Program and IRS Code provisions.

6. Effective in the benefit plan year starting January 1, 2018, the District shall implement the carry over provision of IRS Code Section 125 for the Health Flexible Spending program up to the maximum amount allowable under the Code. Dependent Care Flexible Spending Accounts are not eligible for the carry over provision. The District will continue to allow for a run-out period of 90 days for all accounts in the flexible spending program in accordance with IRS Code Section 125.

H. Medical/Dependent Care.

1. Program. The District shall establish a salary reduction plan as provided by Section 125 of the IRS Code permitting employees to designate a portion of their annual salary to be withheld and subsequently used to provide pre-tax reimbursement for verified medical and dependent care expenses, subject to the rules of the IRS and governing regulations.

2. Maximum Reimbursement Amounts.

- a) The maximum annual amount that may be deducted from the employee's

annual salary for reimbursement of non-medical dependent care expenses is \$5,000 minus the District's contribution.

b) The maximum amount that may be used for reimbursement for personal and dependent medical expenses is \$5,000 plus the District's contribution.

3. IRS Compliance. All medical and dependent care expenses for which reimbursement is required must comply with the requirements of the IRS Code.

I. 401A/401K/457/Roth IRA Deferred Compensation Programs.

1. Eligibility for 401K. Employees who work in classifications represented by Local 21, are eligible to participate in the District's 401K deferred compensation program in accordance with IRS rules, regulations, and District procedures.

2. Eligibility for 457. All employees who work in classifications represented by Local 21 are eligible to participate in the District's 457 deferred compensation program in accordance with IRS rules, regulations, and District procedures.

3. Eligibility for 401A. Employees who work in classifications represented by Local 21, are eligible to participate in the District's 401A deferred compensation program in accordance with IRS rules, regulations, and District procedures.

4. Administration Fees. The District will pay up to a maximum of \$150,000 annually for District-wide administration of the 401A/401K/457 deferred compensation plans. Participants in each plan are responsible for administrative fees in excess \$150,000. Fees are a percent deduction of each participant's account balance(s) based on periodic negotiations with the Third-Party Administrator (TPA) and annual review by the Deferred Compensation Committee.

5. Deferred Compensation Matching. Effective January 1, 2023, employees hired on or after January 1, 2013 and who are not eligible for reciprocity with another California public retirement system, or who are otherwise "new employees" or "new members" as defined under the California Public Employee Pension Reform Act ("PEPRA"), and who are participating in the District's 401(K) plan shall be eligible for a matching contribution up to \$1000 annually to their 401(K) deferred compensation account.

6. Deferred Compensation Committee Participation. Local 21 shall be provided formal and equitable participation in the 401A/401K/457/Roth IRA deferred compensation committee.

7. Exclusions. Employees who participate in any District deferred compensation plan may not defer sick leave buyback payments to their deferred compensation accounts.

J. Vision Insurance. Effective January 1, 2001, the District shall pay the cost of premiums for those employees and eligible dependents enrolled in the group Vision Service Plan, Plan B with \$10 co-payment. Increases in costs which may occur during the term of this Memorandum shall be

borne by the District.

K. Employee Retirement System

1. Eligibility for the Employee Retirement System (ERS). Local 21 represented employees are eligible to participate in the District's ERS in accordance with IRS rules and regulations and the District's "Employee Retirement System Ordinance".

2. Retirement Multipliers. The District shall increase the retirement multipliers of 2.2% and 2.42% to 2.6% and 2.82% respectively, for all participants who earn District Service Credit on or after January 1, 2004.

3. Employee Contribution Rate. The following contribution rates only apply to "legacy" employees hired prior to January 1, 2013, and those hired on or after January 1, 2013 that are eligible for reciprocity with another California public retirement system.

Employees hired on or after January 1, 2013 and are not eligible for reciprocity with another California public retirement system, or who are otherwise "new employees" or "new members," as defined under the California Public Employee Pension Reform Act ("PEPRA"), will be subject to the retirement contribution required by PEPRA. As of January 1, 2013, PEPRA requires that the contribution rate shall be at least 50% of the normal cost of the pension benefit. Information regarding the retirement plan for such employees, including the current contribution rate, can be found in the EBMUD Retirement Handbook.

- Effective April 18, 2016, the employee contribution rate will be 8.75%

4. Any improvements made by the District to current retirement benefits during the life of this agreement, such as improvements to HIB and COLA, shall be made solely at the District's expense.

5. Retirement Service Credit. For all employees who are hired on or after January 1, 2004, accumulation of retirement service credit shall stop after 18 continuous months of unpaid sick leave or unpaid job injury leave. Accumulation of retirement service credit will resume if the employee returns to paid status.

ARTICLE VI-PERSONNEL PROVISIONS

A. Personnel Files.

1. Review of Employee Personnel File. Employees shall have the right to review their personnel files pursuant to applicable state law. No information shall be placed in an employee's personnel file without the employee receiving a copy of the information. The employee shall have the right to respond to any such material. Medical information shall be forwarded to an employee's

medical doctor upon written request.

2. Confidentiality. Employee personnel files shall be held in strict confidence by the District and shall be subject to inspection only by officials of the District acting on official District business, the employee, or Union officials in accordance with the employee's written instructions (which shall be filed in the personnel file), or as otherwise required by law (such as by subpoena).

In the event that a business inquirer, creditor, or other person contacts any District supervisor to obtain job reference information on any former or current District employee, the information given out shall be limited to verification of employment, length of employment, and verification of salary range, if the person inquiring first states a salary in the correct range to the District.

3. Disciplinary Documents. All disciplinary documents in an employee's personnel file (with the exception of suspension letters) will be removed from the file three (3) years after date of issuance at the request of the affected employee. Letters of suspension will be removed after three (3) years, at the request of the employee, if no additional written disciplinary action (reprimand or suspension) has been imposed within the three (3) year period following the initial suspension. There must be a three (3) year period without any documented disciplinary action before a suspension letter will be removed from the employee's personnel file.

4. Counseling Memos. Counseling memos will be removed from a supervisor's file after one (1) year unless the employee has not corrected the work performance or work behavior that led to the counseling memo and has received another counseling memo or been disciplined. Supervisors may specify time frames shorter than one (1) year for removal of counseling letters from the supervisory file.

B. Reduction in Force.

1. Reasons. An employee may be separated from District employment by reduction in force due to lack of work or funds, retrenchment, or completion of work.

2. Application. Reduction in force in a given classification shall be from all positions in the classification, District-wide.

3. Priority. Reduction in force shall first affect employees having provisional (i.e., Temporary Construction, Limited Term, Temporary) or probationary appointments in the classification in question. Thereafter, employees having permanent appointments in the classification shall be subject to reduction in force in inverse order the length of their District continuous service.

4. Demotion to Previously Held Classifications. An employee subject to separation by reduction in force may elect demotion to classifications in which they have previously held

permanent civil service status during their current period of employment. In such election, the procedures for reduction in force outlined under Priority (above) shall be applied to the employee being separated and to all others in the classification in question.

5. Voluntary Demotion. In accordance with Civil Service Rules governing demotions and transfers, an employee subject to separation may also be considered for voluntary demotion to other lower classifications or for transfer to classifications at the same salary level, if any vacancies exist. Any employee who is not transferred or demoted to a permanent position shall be offered appointment to any temporary position in their classification which is currently filled at the time of their proposed termination.

6. Layoff and Reduction List. Names of employees affected by reduction in force shall be placed on a Layoff and Reduction List in the order in which they have been laid off or demoted. Such list shall remain in effect for a period of two (2) years, during which time, when vacancies occur in the classification in which reduction in force took place, employees laid off or demoted shall be reinstated in the reverse order of layoff or demotion and receive the same salary step as at the time of layoff.

7. Severance Pay. Each permanent employee with a minimum of five (5) continuous years of District employment who is laid off due to a reduction in force shall receive twenty (20) workdays' severance compensation exclusive of any premium, overtime, standby or longevity pay.

8. Reassignment in Lieu of Lay-Offs. The parties shall meet when positions are scheduled to be eliminated or substantially changed due to District-initiated changes, including but not limited to reorganization, efficiency, automation and other technological change. All feasible steps (including training and/or transfer) shall be taken to assist employees to locate and prepare to qualify for other positions in the District civil service in lieu of reduction in force; provided that this shall not restrict the District's authority to effect economies or make organizational changes to increase efficiency in District operations.

C. Probationary Period. There shall be a twelve (12) month probationary period for all newly hired employees in classifications represented by Local 21. Employees with District civil service status who are promoted to classifications represented by Local 21 will serve a six (6) month probationary period.

D. Job Share Program. Job sharing occurs when two (2) employees equally share the work responsibilities of one (1) full-time position on a voluntary basis. The procedural guidelines, salaries, benefits, and other terms and conditions of employment governing employees who have been approved to participate in a job share agreement are set forth in the February 1991 Job Sharing Report to the General Manager.

E. Tuition Refund. In order to maintain or improve employee job performance or to assist employees in preparation for District employment opportunities, the District will reimburse

employees 100% of tuition and textbook costs upon satisfactory completion of an approved course to the maximum amount of \$ 5000, per fiscal year in accordance with Policy 6.14 (Tuition Refund for Employee Education).

F. **Computer Loan Program.** The District will provide employees interest-free loans of up to \$3500 for purchase of personal computers to promote employee skill development.

G. **Telecommuting.** Eligible employees shall be allowed to telecommute according to District telecommuting guidelines. The telecommuting guidelines are not subject to the grievance procedure.

The District and the Union agree to form a joint labor-management Telecommute committee (JLMTC) with an equal number of District and Local 21 representatives, not to exceed four (4) each. The intent of the JLMTC is to collaborate on the Telecommuting guidelines. The JLMTC shall be notified when the District intends to make any modifications to the Telecommuting guidelines and meet as needed. Nothing in this section takes away the District's rights defined in Article I.C of this MOU.

ARTICLE VII - ALTERNATIVE DISPUTE RESOLUTION/LABOR MANAGEMENT COMM/TEE

A. Alternative Dispute Resolution.

1. **Purpose.** The Alternative Dispute Resolution (ADR) process is intended to assist in resolution of interpersonal relationship issues which are negatively impacting the workplace and may have resulted or could have resulted in a grievance being filed.

2. **Process for Referral.** With agreement of the employees involved, any interpersonal relationship issue may be submitted to facilitation/mediation before a grievance is filed or during any step of the grievance process.

3. **Logistics.** The District will pay for the cost of the facilitation/mediation and will provide facilitators who are mutually agreeable to the parties involved in the mediation/facilitation process.

4. **Effect of Grievance Procedure.** If a grievance has been filed and the parties agree to use this ADR process, the grievance procedure will be suspended pending the outcome of the ADR process. If the matter is not settled through this ADR process, the grievance will continue at the appropriate step of the Standard Grievance Procedure.

B. Labor Management Committee (LMC).

1. **Scope of Committee.** The scope of the Labor Management Committee (LMC) is to discuss and resolve issues of interpretation or application of the Agreement, policies, rules or

regulations that govern Personnel Practices and Procedures, Civil Service Rules or Disciplinary Actions.

2. Procedure. Any time after a written grievance has been filed, either party may request that they grievance be discussed at the next LMC meeting.

3. Effect on Grievance Procedure. Upon request of either party to discuss the grievance at the LMC, the grievance procedure will be suspended until the LMC discusses the grievance and provides direction.

ARTICLE VIII - GRIEVANCE PROCEDURE

A. **Intent.** The District and the Union recognize the necessity for speedy and equitable adjustment of all complaints as close as possible to the point of origin. Whenever possible, grievances should be settled with supervisors in the department/division where the grievance originates. It is the intention of the District and the Union to eliminate unnecessary grievances, and to promptly and equitably adjust all those grievances which are meritorious.

B. **Definition.** A grievance is defined as any dispute which involves the interpretation or application of this Agreement, policies, rules or regulations that govern personnel practices and procedures, Civil Service Rules or disciplinary action taken against an employee.

C. Time Limits

The time limits set forth herein may be extended by agreement of the parties. Any such extension must be confirmed in writing.

If the Union fails to file a written grievance appeal within the specified timelines at any step of the appropriate grievance procedure, the grievance shall be considered withdrawn.

If the District fails to respond to a grievance within the specified timelines at any step of the appropriate grievance procedure, the Union may move the grievance to the next step.

D. Procedure Steps for Standard Grievance Procedure:

Step 1. Informal Discussion. The employee who has a grievance on a matter other than discrimination, termination or limited Civil Service examination, is encouraged, with or without the assistance of a representative to discuss the matter informally with their immediate supervisor. Grievances arising out of termination, Civil Service examinations or claims of discrimination, as described in District Procedure 227, are to be processed in accordance with Section D, paragraphs 1 or 2, respectively. Grievances, as defined in Section B above, concerning all other matters (e.g., disciplinary suspensions, etc.) are to be processed in accordance with this Standard Grievance Procedure.

Step 2. Formal Grievance. If the matter is not settled through the informal discussion, the employee must file a written grievance with their supervisor within twenty (20) working days from the initial date they knew, or reasonably could know of the act or omission causing the grievance.

The written grievance shall contain the following:

- a) statement of the grievance and all relevant facts;
- b) specific provisions of the contract, rules, regulations or personnel policies and procedures allegedly violated; and
- c) the remedy sought.

The immediate supervisor may, but is not required to, meet with the employee and their union representative to review the grievance in an effort to resolve the issue. The supervisor will provide a written response to the employee that explains the supervisor's rationale and decision within twelve (12) working days of receipt by the supervisor of the written grievance.

Step 3. Division Manager, Department Manager, Department Director Review. If the grievance is not resolved by the immediate supervisor, the employee must submit the completed grievance form to the appropriate next level manager within twelve (12) working days of receipt of the decision by the immediate supervisor.

The division manager, department manager or department director (i.e., the appropriate level) shall meet with the employee and their representative to review the grievance, investigate to the extent necessary, and provide a written response to the employee that explains the manager's rationale and decision within twelve (12) working days of receipt of the grievance.

Step 4. Binding Arbitration. If the grievance remains unresolved, the Union may submit the grievance to binding arbitration.

A request for arbitration shall be in writing and addressed to the Director of Employee Relations and must be postmarked thirty (30) calendar days after the employee's receipt of the decision. The request shall clearly state the issue to be arbitrated. The District and the Union shall jointly select an impartial arbitrator. If the parties agree to mutually select an arbitrator without a list, the arbitrator shall be selected within thirty (30) calendar days of receipt of the request for arbitration from the Union. If the District requests a list of arbitrators from either the American Arbitration Association or the California State Conciliation Service, the parties shall select an arbitrator within thirty (30) calendar days of receipt of the list.

The arbitrator shall limit their decision strictly to the interpretation, application and enforcement of the provisions of this Agreement, or the interpretation or application of rules or regulations governing personnel practices or working conditions. In cases of suspension or

discharge, the arbitrator shall limit their decisions strictly to the issue of cause.

The arbitrator's hearing shall be formal and conducted in accordance with usual administrative practices, including recording of proceedings by certified reporter and testimony given under oath. If a transcript of the proceedings is ordered by either party, each party shall pay for its own copies.

The arbitrator shall in no case make any recommendations:

- a) contrary to, or inconsistent with or modifying or varying in any way, the terms of this Agreement, or the terms of rules or regulations governing personnel practices or working conditions;
- b) inconsistent with the District's duties, responsibilities or obligations particularly with regard to public health and safety and including the Municipal Utility District Act or any other State or Federal law to which the District is subject;
- c) concerning the grievance of any employee who has elected to process a grievance through any other appeal procedure established by the District;
- d) ordering any wage increase or decrease;
- e) ordering the payment of back wages for more than six (6) months prior to the date a written grievance is filed;
- f) reversing, overruling, or otherwise modifying any District decision or omission except after finding (a) the District decision violated some express provision of the Agreement or rules and regulations governing personnel practices or working conditions; or (b) the District decision or omission was under the circumstances arbitrary, capricious or discriminatory.

Each party shall make arrangements for and pay the expenses of witnesses who are called by them. The District shall have no obligation to compensate employees, with the exception of the aggrieved in other than suspension or discharge cases, for time lost during arbitration proceedings, except when any employee is requested by the District to participate in such arbitration proceedings.

The expenses of the arbitrator and certified court report (if used) shall be shared equally by the District and the Union or employee, as appropriate.

E. Procedural Steps for Expedited Grievance Processes.

1. Expedited Process for Employment Termination Grievances.

Step 1. The employee whose employment has been terminated may file a formal

grievance with the Department Manager/Department Director within fifteen (15) calendar days of notice of termination.

Step 2. The appropriate level manager shall meet with the employee and their representative to review the grievance, investigate the grievance to the extent necessary and provide a written response to the employee that explains the manager's rationale and decision within seven (7) working days of receipt by the manager of the written grievance.

Step 3. If the grievance is unresolved, the Union may request binding arbitration within thirty (30) calendar days in accordance with Section C.

2. Expedited Process Limited Civil Service Examination Grievance.

Step 1. The Union may file a Limited Civil Service Examination Grievance on behalf of a current employee or group of current employees by submitting a written grievance to the Manager of Human Resources within the following time limit:

- a) Disqualification from examination - Within seven (7) calendar days of notice of disqualification and prior to the administration of the examination.
- b) Examination results - Within seven (7) calendar days of notice of examination results.
- c) Other grievances pertaining to recruitment, examination, or selection as stated in the Civil Service Rules - Within seven (7) calendar days from the initial date they knew, or reasonably could know, of the act or omission causing the grievance.

The Director of Human Resources shall provide a written answer to the Union setting forth their decision and rationale within seven (7) calendar days of receipt of the grievance.

Step 2. If the Union is not satisfied with the Director of Human Resources response, the Union may request a meeting with the Director of Human Resources or designee to review and attempt to resolve the grievance within seven (7) calendar days of receipt of the Director of Human Resources for response. The Director of Human Resources or designee will schedule a meeting with the Union within seven (7) calendar days of receipt of the Union's request for the meeting.

Step 3. If the Union desires to appeal the District's response to the grievance, it shall notify the Director of Human Resources in writing within seven (7) calendar days from the time of the meeting that it desires to submit the grievance to expedited arbitration. The expedited arbitration process for Limited Civil Service Examination Grievances shall be as described below and shall be the exclusive means for the resolution of such disputes:

- a) Selection of Arbitrator and Scheduling of Hearing: Within seven (7) calendar days of the Union's notice to the Director of Human Resources, an impartial arbitrator shall be

jointly selected by the District and Union. If the parties cannot agree on an arbitrator, then the Director of Human Resources will request a list of five (5) arbitrators from the California State Mediation and Conciliation Service and the parties shall select an arbitrator by mutual agreement or alternately striking names.

b) The hearing shall be held within fourteen (14) calendar days of the arbitrator's selection. If the arbitrator has no available date within fourteen (14) calendar days, another arbitrator shall be selected until an arbitrator can be found who is available within the fourteen (14) calendar days' time limit.

c) The District and the Union shall each submit five (5) calendar days prior to the hearing a pre-hearing statement to the arbitrator with a copy to the other party, outlining its position and appending whatever exhibits it wishes to present.

d) Unless the parties mutually agree to the contrary, each party shall have up to two (2) hours to present its case, but may reserve up to one-half (1/2) hour of such time to respond to the other party's presentation. The presentation may be made by way of statement by the party's representative, presentation of witnesses or both, but the hearing shall be informal and rules of evidence shall not apply. No transcript or recording shall be kept.

e) The arbitrator shall issue a written award within five (5) calendar days after the close of the hearing. During this period, the arbitrator may convene the parties for up to an additional two hours if the arbitrator wishes to raise additional questions. The award shall be final and binding.

f) The fee and expenses of the arbitrator shall be shared equally by the parties.

F. EEO Discrimination/Harassment Complaint Procedure. An employee who believes that they have been discriminated against based on an EEO protected category may file a grievance in accordance with District Procedure 227.

Step 1. Procedural Violations – If an employee involved in District Procedure 227 believes that the procedure has not been followed, they shall file an appeal to the Diversity and Inclusion Office in accordance with Procedure 227, Step 5. On the procedural matter, they may file a grievance using the Standard Grievance Procedure, specified in Section C.

Step 2. Arbitration – If the complainant is unsatisfied with the determination made in the case, the Union may file for binding arbitration in accordance with Section C.

F. Election of Remedies. It is specifically and expressly understood and agreed that taking a grievance appeal to arbitration constitutes an election of remedies and a waiver of any and all rights by the appealing employee, the Union, and all persons it represents, to litigate or otherwise contest the appealed subject matter through the District Complaint Procedure or the District Civil Service

Procedure. Litigation or any other contest of this subject matter in any court or other available forum shall constitute an election or remedies and a waiver of the right to utilize this grievance procedure or to arbitrate the matter. This paragraph is not intended to bar an employee from pursuing any cause of action which has been established by statute.

G. Waiver of Steps and Time Limits. Except when otherwise provided, all steps of the grievance procedure shall be utilized unless a waiver of one or more steps is mutually agreed upon in writing. If the employee or the Union fails to process a grievance within specified time limits, the grievance shall be deemed concluded on the basis of the last decision reached, unless an extension of time limits is mutually agreed upon by the parties in writing. If the District fails to respond within specified time limits, the grievant may appeal to the next step, within the specified time limits.

H. Suspension of Grievance Procedure. If this Agreement is violated by the occurrence of a strike, work stoppage, other interruption or impending disruption of work, no grievance shall be processed while such violation continues. The grievance procedure outlined herein shall not be applicable to grievances arising in the period between the termination of this Agreement and the effective date of its successor. However, if the parties, despite the termination of the Agreement, are continuing to meet and confer in good faith and an impasse in the negotiations has not been reached, the grievance procedure shall continue to be applicable.

ARTICLE IX -DISCIPLINARY PROCEEDINGS

A. Eligibility. An employee who has successfully passed a probationary period may be disciplined for cause by written warning, suspension or termination. Such disciplinary action(s) shall be subject to appeal through the Grievance Procedure provided for in Article VIII of this Agreement.

B. Employee Notification. When the District is considering imposing major discipline (defined as a suspension of five days or more, or termination), it will notify the employee and the Union in writing of the pending disciplinary action and will provide copies of any known written materials, reports or documents upon which action is based to the employee and their representative before the scheduled pre-disciplinary meeting. The employee will be given the right to respond informally -- either orally, in writing or both -- to the proposed charges. The District is not precluded from using information obtained in the pre-disciplinary meeting in any subsequent meeting or hearing in the event discipline is imposed. The District is also not precluded from using information obtained in investigating information and statements presented at the pre-disciplinary meeting in subsequent meetings or hearings if the discipline is imposed.

C. Union Notification. An employee ordered to leave their place of work for disciplinary reasons shall, before leaving the District premises, have the right to consult with their Union representative. Consultation with a Union representative will not be required in instances in which the supervisor removes an employee from the premises in cases involving violence,

willful destruction of property, or to prevent injury to the employee or others. The supervisor shall promptly notify the Union of the action taken, the reasons for and duration of the suspension.

D. Right to Appeal. The employee, with or without their designated representative, shall have the right to appeal a suspension or discharge either in accordance with the Grievance Procedure provided for in Article VIII of this Agreement or in accordance with Civil Service Rule XIII, APPEALS, but in no case under both.

E. Administrative Leave.

1. Notification. If it is necessary to place an employee on Paid Administrative Leave, the District shall notify the employee and Union. The notification shall include:

- a) The reason why the employee was placed on Paid Administrative Leave.
- b) The steps to be taken during the time the employee is on Paid Administrative Leave.
- c) Anticipated length of the Paid Administrative Leave.

2. Leave Extension. If the anticipated length of the Paid Administrative Leave needs to be extended, the District shall notify the employee and the Union of the reasons for the change.

ARTICLE X - SAFETY AND HEALTH

A. Definition. The District shall devote every effort to see that District operations are conducted in a safe and healthful manner consistent with the requirements of the work to be performed.

B. Medical Tests on Employees. The District recognizes that medical information about individual employees pertaining to accidents or injuries is confidential. The District also recognizes that in the event employees are exposed to carcinogens or other harmful substances which exceed Cal-OSHA Permissible Exposure Limits, Ceiling Limits and Short-Term Exposure Limits, medical monitoring shall be made available at no cost to the employee but may be required when legally mandated.

C. Results of Government Inspections. Upon receipt, the District shall provide the Union with notices, postings, accident investigation reports, hearing decisions and other documents received from Cal/OSHA or other regulatory agencies which by law require the District to take action.

D. Accident Reports. The District shall provide the Union with a copy of its monthly safety summaries. The District will also provide the Union with copies of Cal/OSHA 200 reports.

- E. **List of Substances and Processes.** The District, in compliance with the State of California General Safety Orders, shall maintain Material Safety Data Sheets on special hazardous substances and processes. Upon request of the Union, the District shall supply the Union with a list of all chemicals, etc. for which it has such data sheets. In addition, upon request, the District shall also provide the Union with specific Material Safety Data Sheets.
- F. **Report of Safety Violations.** Employees are obligated to report all known safety violations at the time they occur or as soon thereafter as is practical to their immediate supervisor.
- G. **No Smoking.** The present "no smoking" policy in effect for District buildings and vehicles shall remain in full force and effect.
- H. **Rest Periods.** Employees shall be granted an uninterrupted eight (8) hour period of time off in the event they are required to work for sixteen (16) consecutive hours.

ARTICLE XI. UNIFORMS/SAFETY SHOES

- A. **Uniforms.** With the approval of the appropriate department manager, employees in supervisory classifications who are required to wear coveralls to perform their job duties shall be provided overalls at no cost to the employee.
- B. **Safety Shoes.** With the approval of the appropriate department manager, the District shall provide a safety shoe allowance for District approved safety shoes for employees in supervisory classifications who are required to wear safety shoes in the course of performing their job duties.

The District shall provide a safety shoe allowance of two hundred and sixty-five dollars (\$265) on receipt of evidence of the purchase of District approved safety shoes and other shoe-related items (inserts, laces, etc.). Employees shall procure their District provided safety shoes at District identified vendors under a purchase order program. Employees can visit the selected vendors and select their shoes from the vendors provided that: 1) the shoes meet the ASTM-F2413-05 safety standards and 2) the after-tax cost for the shoes does not exceed two hundred and sixty-five dollars (\$265). Costs for shoes in excess of this amount shall be paid by the employee. Safety shoes shall not be purchased on District work time and an employee identification badge must be shown to the contract supplier to verify District employment.

ARTICLE XII. CONTRACTING AND SUBCONTRACTING

- A. **Right to Contract.** The right to contract and subcontract are vested exclusively in the District; provided, however, if such contracting or subcontracting work would result in the layoff of an employee in a classification set forth in Appendix "A", the District shall consult with the Union, prior to such contracting or subcontracting, in an attempt to avert, by transfer or other reasonable

means, the layoff of such employee.

B. Meeting. In addition to current practice, the District and Union representatives shall meet by department to review contract work and other work that is customarily performed by Union members that the District intends to contract out during the fiscal year. The District shall provide the Union with summary information on the projects and services planned for contracting out at least five (5) workdays prior to the annual contracting out meetings.

C. Union Review. The Union shall be offered the opportunity to review and provide comments on the District's Five-Year Plan prior to its consideration by the Board of Directors.

D. Training. When the District is required to contract out work because District employees lack specific expertise or specialized equipment, the District shall make reasonable efforts to provide training to the affected employees.

ARTICLE XIII. SAVINGS CLAUSE AND FUTURE NEGOTIATIONS/SCOPE OF AGREEMENT/TERM

A. Savings Clause and Future Negotiations. Should any part of this Agreement or any provision contained herein, be rendered or declared invalid by reason of any existing or subsequently enacted legislation, or by any decree of any court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions thereof. The remaining portions or parts shall remain in full force and effect. It is mutually agreed upon that upon any such invalidation, the District and the Union will meet and confer with reference to the parts and provisions thus invalidated.

B. Scope of Agreement. Except as otherwise specifically provided herein, this Agreement fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire Agreement between the parties on any and all matters contained in this Agreement. Neither party shall, during the term of this Agreement, demand any change therein; provided, however, that nothing herein shall prohibit the parties from changing the terms of this Agreement by mutual agreement.

1. The parties shall exclude from the scope of Agreement (Article XII B), and separately negotiate any revisions to the Civil Service Rules and District Policies and Procedures not contained in the MOU, during the term of this Contract.

C. Term. Subject to approval by the Board of Directors, the terms of this Agreement shall become effective at 12:01 a.m., April 26, 2021, and remain in effect until midnight, April 20, 2025. If at least ninety (90) days prior to April 20, 2025 either party shall not have served written notice by registered mail upon the other that it desires revision or modification of any designated provision or provisions contained herein or termination of all such provisions, this Agreement shall be automatically renewed for successive periods of one (1) year.

IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have executed the Agreement dated the _____, of _____, 2022.

EAST BAY
MUNICIPAL UTILITY DISTRICT

LOCAL 21
INTERNATIONAL FEDERATION OF
PROFESSIONAL, TECHNICAL ENGINEERS

JEFFREY BAILEY Date
Chief Negotiator

ANGELA LONG Date
Chief Negotiator

WINNIE ANDERSON Date
Interim Director of Human Resources

MARC CARRADINE Date
Negotiating Team Member

CRISTINA HARMAN Date
Negotiating Team Member

JOHN HAYDEN Date
Negotiating Team Member

ALICIA CHAKRABARTI Date
Negotiating Team Member

THEODORE LAM Date
Negotiating Team Member

JOSE RIOS Date
Negotiating Team Member

BENJAMIN RICKETTS-MANN Date
Negotiating Team Member

CHARLES WHITES Date
Negotiating Team Member

ANTHONY UKENA Date
Negotiating Team Member

LOCAL 21 SALARY SCHEDULE**EFFECTIVE APRIL 26, 2021****WORKGROUP I**

2598	Assistant Wastewater Shift Supervisor	70	9,845	10,337	10,854	11,397
5490	Dispatch Center Supervisor	65	8,702	9,137	9,594	10,074
8114	Hydroelectric Power Plant Supervisor	72	10,339	10,856	11,399	11,969
7732	Janitor Supervisor	60	7,686	8,070	8,474	8,898
2563	Maintenance Shift Supervisor	69	9,605	10,085	10,589	11,118
8128	Pardee Water/Wastewater Supervisor	74	10,866	11,409	11,979	12,578
8551	Pipeline Welding Supervisor	70	9,845	10,337	10,854	11,397
8112	Power Plant Supervisor	74	10,866	11,409	11,979	12,578
8260	Power, Treatment & Transmission Maint Supervisor	72	10,339	10,856	11,399	11,969
4700	Public Affairs Specialist	61	7,884	8,278	8,692	9,127
7343	Ranger Supervisor	70	9,845	10,337	10,854	11,397
2550	Security Shift Supervisor	69	9,605	10,085	10,589	11,118
2516	Senior Supervisor of Maintenance Shift Operations	76	11,417	11,988	12,587	13,216
4672	Technical Training Analyst	69	9,605	10,085	10,589	11,118
2594	Wastewater Operations Coordinator	70	9,845	10,337	10,854	11,397
2596	Wastewater Shift Supervisor	76	11,417	11,988	12,587	13,216
8122	Water Distribution Supervisor	76	11,417	11,988	12,587	13,216
8124	Water Treatment Supervisor	76	11,417	11,988	12,587	13,216

WORKGROUP II

5210	Accounting Systems Supervisor	77	11,702	12,287	12,901	13,546
2332	Administrative Services Supervisor	61	7,884	8,278	8,692	9,127
2515	Assistant Const/Maint Superintendent	76	11,417	11,988	12,587	13,216
4332	Assistant Land Surveyor Supervisor	74	10,866	11,409	11,979	12,578
2543	Assistant Superintendent, Aqueduct/Pardee	76	11,417	11,988	12,587	13,216
2572	Assistant Superintendent, Water Trtmt/Dist	76	11,417	11,988	12,587	13,216
8708	Building Tenant Services Supervisor	69	9,605	10,085	10,589	11,118
4719	Business Development Representative	69	9,605	10,085	10,589	11,118
8611	Carpenter Supervisor	74	10,866	11,409	11,979	12,578
4708	Community Affairs Representative I	61	7,884	8,278	8,692	9,127
4702	Community Affairs Representative II	69	9,605	10,085	10,589	11,118
2513	Construction and Maintenance Supt.	82	13,233	13,895	14,590	15,320
2314	Customer Services Supervisor	70	9,845	10,337	10,854	11,397
4343	Drafting Supervisor	70	9,845	10,337	10,854	11,397
8633	Electrical Supervisor	74	10,866	11,409	11,979	12,578
2580	Equipment Superintendent	76	11,417	11,988	12,587	13,216
8523	Equipment Supervisor	72	10,339	10,856	11,399	11,969
8702	Facility Supervisor	72	10,339	10,856	11,399	11,969
8219	General Pipe Supervisor	72	10,339	10,856	11,399	11,969
4321	Graphic Design Supervisor	68	9,371	9,840	10,332	10,849
2325	Information Services Supervisor	81	12,910	13,555	14,233	14,945
4900	Information Systems Administrator	73	10,600	11,130	11,687	12,271
4905	Information Systems Administrator II	77	11,702	12,287	12,901	13,546

2534	Instrument Maintenance Supervisor	74	10,866	11,409	11,979	12,578
8835	Instrument Supervisor	74	10,866	11,409	11,979	12,578
5225	Internal Auditor	69	9,605	10,085	10,589	11,118
4411	Laboratory Supervisor	79	12,290	12,905	13,550	14,228
4331	Land Surveyor Supervisor	80	12,599	13,229	13,890	14,584
2581	Maintenance Superintendent	82	13,233	13,895	14,590	15,320
4810	Management Analyst I	65	8,702	9,137	9,594	10,074
4805	Management Analyst II	69	9,605	10,085	10,589	11,118
8450	Material Storage Foreman	64	8,489	8,913	9,359	9,827
2527	Material Storage Supervisor	70	9,845	10,337	10,854	11,397
4380	Materials Testing Supervisor	70	9,845	10,337	10,854	11,397
8232	Mechanical Supervisor	74	10,866	11,409	11,979	12,578
8578	Meter Reading & Maintenance Supervisor	70	9,845	10,337	10,854	11,397
8581	Meter Repair and Testing Supervisor	72	10,339	10,856	11,399	11,969
2535	Plant Electrical Maintenance Supervisor	74	10,866	11,409	11,979	12,578
8521	Plant Maintenance Superintendent	84	13,905	14,600	15,330	16,096
2537	Plant Mechanical Maintenance Supervisor	74	10,866	11,409	11,979	12,578
2539	Plant Structures Maintenance Supervisor	74	10,866	11,409	11,979	12,578
4705	Public Information Representative I	65	8,702	9,137	9,594	10,074
4703	Public Information Representative II	69	9,605	10,085	10,589	11,118
4706	Public Information Representative III	73	10,600	11,130	11,687	12,271
4660	Purchasing Contract Supervisor	74	10,866	11,409	11,979	12,578
4410	Quality Assurance Officer	76	11,417	11,988	12,587	13,216
4717	Risk Management Analyst	73	10,600	11,130	11,687	12,271
5240	Senior Accounting and Financial Systems Analyst	77	11,702	12,287	12,901	13,546
4110	Senior Civil Engineer	82	13,233	13,895	14,590	15,320
4106	Senior Control System Engineer	82	13,233	13,895	14,590	15,320
4135	Senior Corrosion Control Engineer	82	13,233	13,895	14,590	15,320
4150	Senior Electrical Engineer	82	13,233	13,895	14,590	15,320
4140	Senior Mechanical Engineer	82	13,233	13,895	14,590	15,320
4657	Stores Supervisor	76	11,417	11,988	12,587	13,216
2542	Superintendent of Aqueduct Section	82	13,233	13,895	14,590	15,320
2540	Superintendent of Pardee Section	82	13,233	13,895	14,590	15,320
2570	Superintendent of Water Treatment/Dist/SWQ	82	13,233	13,895	14,590	15,320
4173	Supervising Administrative Engineer	80	12,599	13,229	13,890	14,584
4352	Supervising Construction Inspector	75	11,133	11,690	12,275	12,889
7337	Supervising Fisheries/Wildlife Biologist	73	10,600	11,130	11,687	12,271
4330	Supervising Hydrographer	71	10,086	10,590	11,120	11,676
4351	Supervising Plant Inspector	75	11,133	11,690	12,275	12,889
2323	Supervising Systems Programmer	83	13,564	14,242	14,954	15,702
4389	Supervising Wastewater Control Inspector	73	10,600	11,130	11,687	12,271
4387	Supervising Wastewater Control Representative	75	11,133	11,690	12,275	12,889
4655	Supervisor of Purchasing	80	12,599	13,229	13,890	14,584
4743	Supervisor of Water Conservation	74	10,866	11,409	11,979	12,578
4671	Technical Training & Writing Administrator	73	10,600	11,130	11,687	12,271
2593	Wastewater Treatment Superintendent	84	13,905	14,600	15,330	16,096

ITEM 13

CORONAVIRUS UPDATE

WILL BE PROVIDED
AS AN ORAL REPORT

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ITEM 13

WATER SUPPLY UPDATE

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AS AN ORAL REPORT

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