



**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 13, 2024

11:00 a.m.

Boardroom

375 11th Street

Oakland, CA 94607

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

ROLL CALL:

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

ANNOUNCEMENT OF CLOSED SESSION AGENDA:

1. Existing litigation pursuant to Government Code section 54956.9(a):
 - a. *Saji Pierce, et al. v. East Bay Municipal Utility District, et al.*
USDC, N.D. Cal., Case No. 3:21-cv-04325-AGT
 - a. *Jaynie Campana v. East Bay Municipal Utility District*
Alameda County Superior Court, Case No. RG21115040
 - b. Protest of East Bay Municipal Utility District to Water Rights Application
by Orinda Country Club
State Water Resources Control Board, Application No. A033345

(The Board will discuss Closed Session agenda items in Conference Room 8.)

REGULAR BUSINESS MEETING
1:15 p.m.

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

ROLL CALL:

BOARD OF DIRECTORS:

- Update 2024 Board Assignments for Committees, Joint Powers Authorities and Associations

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 7 recommendations)

1. Approve the Regular Meeting Minutes of January 9, 2024, and the Special Meeting Minutes and Regular Meeting Minutes of January 23, 2024.
2. File correspondence with the Board.
3. Award a contract to the lowest responsive/responsible bidder, Certified Coatings Company, in an amount not to exceed \$15,281,498 for the construction of the Recoat Mokelumne Aqueduct No. 1 Phase 13 – Gully Crossings Project under Specification 2156.
4. Authorize the purchase of Jira software and Service Management software beginning on or after February 13, 2024 from Carahsoft for one year for a total amount not to exceed \$146,000. This purchase will be made under State of California contracts available for use by local governments.
5. 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, fees, taxes, liens, real estate and bankruptcy, and litigation involving such matters in an additional amount not to exceed \$100,000.
6. Authorize actions related to the agreement with Government.Jobs.com dba NEOGOV (NEOGOV) for the continuous work of providing online recruitment and onboarding services.
 - 6.1. Ratify the extension of the agreement with NEOGOV authorized under Board Motion No. 041-18 to February 12, 2024 and the total payment of \$45,750 to NEOGOV for the continuous work of providing online recruitment and onboarding services rendered between April 11, 2023 and February 12, 2024.
 - 6.2. Authorize an agreement beginning on or after February 13, 2024 with NEOGOV through June 30, 2026 in an amount not to exceed \$154,155 for online recruitment and onboarding services.

CONSENT CALENDAR: (Continued)

7. Authorize actions related to the agreement with DataBank IMX LLC (Databank) for software maintenance services and for annual maintenance, service, and software upgrades to OnBase by Hyland software.
 - 7.1. Ratify the extension of the agreement with DataBank authorized under Board Motion No. 014-15 to February 12, 2024 and the total payment of \$42,947 to Databank for the continuous work of providing software maintenance services to OnBase by Hyland Software (OnBase) rendered between January 1, 2020 and February 12, 2024.
 - 7.2. Authorize an agreement beginning on or after February 13, 2024 with DataBank through December 31, 2028, in an amount not to exceed \$85,000 for annual maintenance services, file scanning, staff training, and software upgrades to OnBase software.

DETERMINATION AND DISCUSSION:

8. Legislative Update.
 - Receive Legislative Report No. 01-24 and consider positions on the following bill: S. (TBD) (Padilla) The Low-Income Household Water Assistance Program (LIHWAP) Establishment Act
 - Update on Legislative Issues of Interest to EBMUD
9. Discuss options outlined in the Municipal Utility District Act for the Board of Directors to fill a vacant Board seat. The discussion will include an option to appoint an Ad Hoc Committee of the Board to facilitate an appointment process.
10. Adopt a resolution in observance of the life and public service of former Richmond Mayor Irma Anderson.
11. General Manager's Report.
 - Credit Ratings of Water and Wastewater System Revenue Bonds
 - Water Supply Update - Water production; precipitation to date; reservoir storage; and forecasted supply conditions for the remainder of water year 2024
 - General Manager's Monthly Report – January 2024

REPORTS AND DIRECTOR COMMENTS:

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

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, February 27, 2024.

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.

W:\Board of Directors - Meeting Related Docs\Agendas 2024\02132024_regular agenda.doc

BOARD CALENDAR

Meeting dates, times, and locations are subject to change

Date	Meeting	Time/Location	Topics
Tuesday, February 13	Planning Committee	9:00 a.m. Boardroom	Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line
	Legislative/Human Resources Committee	10:00 a.m. Boardroom	- Campaign Finance Reform Ordinance - Diversity, Equity, and Inclusion Strategic Plan Update - Legislative Update
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	- Closed Session - Regular Meeting
Monday, February 19	Presidents Day Holiday Observed		Offices Closed
Tuesday, February 27	Finance/Administration Committee	TBD Boardroom	
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	- Closed Session - Regular Meeting
Tuesday, March 12	Planning Committee	TBD Boardroom	
	Legislative/Human Resources Committee	TBD Boardroom	
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	- Closed Session - Regular Meeting

2024 Board Committee Members

Finance/Administration	Katz {Chair}, Chan, Patterson
Legislative/Human Resources	Coleman {Chair}, McIntosh, Patterson
Planning	Young {Chair}, Chan, Linney
Sustainability	Linney {Chair}, Katz, Young



**Closed Session and Regular Business Meetings
11:00 a.m. and 1:15 p.m.**

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

Online*

<https://ebmud.zoom.us/j/97065086667?pwd=eUdZSGh5SG82akZiRDZlUDg2b0IyUT09>

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/j/adMXn1VnPP>

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

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

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

In person

- Fill out and submit a blue speaker card which is available in the meeting room.

Via Zoom

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

Submitting written comments or materials

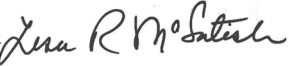
- Email written comments or other materials for the Board of Directors to SecOffice@ebmud.com
- Please indicate the meeting date and agenda item number or non-agenda item topic in the subject line of the email. Contact information is optional.
- **Please email by 4 p.m. the day prior to the scheduled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

To view the livestream of Board meetings, please visit:
<https://www.ebmud.com/about-us/board-directors/board-meetings/>

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 13, 2024

MEMO TO: Board of Directors

FROM: Lesa R. McIntosh, President 

SUBJECT: Proposed updates to 2024 Assignments for Committees, Joint Powers Authorities, and Associations

Listed below are proposed updates to assignments for Board committees, joint powers authorities, and associations for calendar year 2024. The Board will consider approving the updates at its February 13, 2024 meeting.

Planning

Director Young, Chair
Director Chan
Director Linney

2nd Tuesday of the month at 9:15 a.m.
Administration Center Building

Legislative/Human Resources

Director Patterson, Chair
President McIntosh
Director Young

2nd Tuesday of the month at 10:15 a.m.
Administration Center Building

Finance/Administration

Director Katz, Chair
Director Chan
Director Patterson

4th Tuesday of the month at 10:00 a.m.
Administration Center Building

Sustainability

Director Linney, Chair
Director Katz
Director Young

4th Tuesday, quarterly, time to be determined
Administration Center Building

DSRSD/EBMUD Recycled Water Authority (DERWA)

Director Chan
Director Young

1st Monday in Feb.;
3rd Monday in May;
4th Monday in March, July, Sept., and Nov.
meets at 6:00 p.m.
Contact: Florence T. Wedington
Tel: 510-287-1625

Freeport Regional Water Authority

Director Patterson
Director Katz

2nd Thursday, quarterly at 10:00 a.m.,
location to be announced

**Los Vaqueros Reservoir Joint Powers
Authority**

Director of Water and Natural
Resources Tognolini
Director Linney, Alternate

*2nd Wednesday of the month at 9:30 a.m.,
location to be determined*

Contact: Grace W. Su
Tel: 510-287-7013

Retirement Board

Director Chan
Director Young

3rd Thursday odd numbered months at 9:00 a.m.

Administration Center Building
Contact: Valerie Weekly
Tel: 510-287-0760

**Upper Mokelumne River Watershed
Authority**

Director Patterson
Director Katz, Alternate

4th Friday, quarterly at 1:30 p.m.

McLean Hall, Pardee Center

Business Forum (Ad Hoc)

Director Linney
President McIntosh
Director Patterson

*Meeting dates, times, and location to be
determined*

EBMUD/EBRPD Liaison

Director Katz
Director Chan
Director Young, Alternate

*Meeting dates, times, and location to be
determined*

Oakland Chamber of Commerce

Director Linney
Director Patterson, Alternate

Special Districts Association of Alameda County/Special Districts Selection Committee

Director Chan, Member
Director Katz, Alternate
Director Patterson, Alternate

Special Districts Association of Contra Costa County

Director Young, Member
Director Katz, Alternate

MINUTES

**Tuesday, January 9, 2024
East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California**

Regular Closed Session Meeting

President Andy Katz called to order the Regular Closed Session Meeting of the Board of Directors at 11:07 a.m. in the Administration Building Boardroom.

ROLL CALL

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

Staff participants included General Manager Clifford C. Chan and General Counsel Derek T. McDonald.

PUBLIC COMMENT

- Addressing the Board were the following: 1) George Cleveland, EBMUD Retiree commented on information presented during the Employees' Retirement System Board Health Insurance Benefit Study update to the Legislative/Human Resources Committee earlier in the day; 2) Eric Larsen, President, AFSCME Local 444 commented on security concerns for staff that work solo and asked the District to evaluate solo worker assignments due to heightened security and safety risks; and 3) Ivette Rivera commented on a document she provided to the Board, data on the ethnic makeup of District employees, and comments on employee discipline by her and other public comment speakers.

BROWN ACT BRIEFING

General Counsel Derek T. McDonald presented the annual Brown Act briefing and ethics update. Mr. McDonald reviewed each section of District Policy 6.04 – Ethics of the EBMUD Board of Directors and specified which sections are being developed as separate policies to be considered by the Board at a later date; amendments to the Brown Act regarding remote appearances (AB 2449 in 2022 and AB 557 in 2023); the Political Reform Act and clarifications on how provisions of the Levine Act, which is more expansive than the District's Campaign Finance Reform Ordinance, apply to both appointed and elected officials; clarifications from the Fair Political Practices Commission on the Levine Act; and updates to Government Code section 1090 concerning contractor conflicts of interest. Mr. McDonald responded to questions from the Board on whether the Office of General Counsel provides oversight of other District departments; confirmation that Board approval is still required when a Board member requests to participate in meetings remotely under the provisions in AB 2449; whether provisions of the Levine Act apply to District employees wishing to contribute to a Board candidate's campaign; whether non-incumbent candidates for a Board seat can seek campaign related advice from the Office of General Counsel; and an ethics policy for employees.

- Director Young left the meeting at 11:53 a.m. and returned at 11:56 a.m.

- Addressing the Board were the following: 1) Ivette Rivera commented on the District's policy regarding employees receiving gifts from District contractors or vendors; and 2) Eric Larsen, President, AFSCME Local 444 commented on the General Manager's authority to intervene in disciplinary proceedings and asked the General Manager to intervene in the current investigation of a Local 444 member.

The Board asked staff to publish the District's policies and procedures on the District's website and to develop an intranet page with hyperlinks to District policies, procedures, and other guidelines regarding ethical behavior for employees.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Katz announced the closed session agenda and the Board convened to Administration Building Conference Room 8 for discussion.

Regular Business Meeting

President Andy Katz called to order the Regular Business Meeting of the Board of Directors at 1:18 p.m. in the Administration Building Boardroom.

ROLL CALL

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

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 Katz led the Pledge of Allegiance.

Election of President of the Board

President Katz opened the floor for nominations for President of the Board for 2024.

- Motion by Director Chan, seconded by Director Patterson, to nominate Director Lesa R. McIntosh for President of the Board of Directors for 2024.

President Katz called for additional nominations, and none came forward.

- Motion by Director Patterson, seconded by Director Chan, to elect Lesa R. McIntosh as President of the Board for 2024 carried (7-0) by the following voice vote: AYES (Chan, Coleman, Linney, McIntosh, Patterson, Young, and Katz); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 001-24 – Elected Director Lesa R. McIntosh as President of the Board of Directors for 2024.

Director Katz thanked the Board for their trust and support during his tenure in 2023 and said it was an honor to serve and lead the organization during the District's Centennial year. He also acknowledged the Board's previous discussion on each member serving as Board President for one year and the Board accomplished what was discussed with the election of President McIntosh.

Election of Vice-President of the Board

President McIntosh opened the floor for nominations for Vice-President of the Board for 2024.

Motion by President McIntosh, seconded by Director Young, to nominate Director William B. Patterson for Vice-President of the Board of Directors for 2024.

President McIntosh called for additional nominations, and none came forward.

Motion by Director Katz, seconded by Director Linney, to elect Director William B. Patterson as Vice-President of the Board for 2024, carried (7-0) by the following voice vote: AYES (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAINED (None); ABSENT (None).

Motion No. 002-24 – Elected Director William B. Patterson Katz as Vice-President of the Board of Directors for 2024.

Vice-President Patterson thanked the Board and commented on critical issues facing the District and for the Board to work together in harmony to overcome obstacles that lie ahead.

- Motion by Director Katz, seconded by Director Linney, to close the nomination periods for President and Vice-President of the Board for 2024 carried (7-0) by the following voice vote: AYES (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 003-24 – Closed the nomination periods for President and Vice-President of the Board for 2024.

Committee Assignments

President McIntosh announced the Board received a memo at their places requesting 2024 Committee, Joint Powers Authorities, and Association assignment preferences and asked Board members to submit their preferences to the Secretary by January 12. Assignments will be presented for Board consideration at the January 23 meeting.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PRESENTATION

General Manager Clifford C. Chan announced the District was awarded Civicorps' Conservation Champion Award during Civicorps' 40th anniversary celebration on November 2, 2023. The award recognizes the District's dedication to corpsmember employment and Civicorps' conservation and community efforts. The District has partnered with Civicorps for 39 years to deliver fuel reduction and hazardous fuels removal services critical to the maintenance and resilience of the forestland in our East Bay community. Mr. Chan highlighted Civicorps' history and services and the District's partnership to

provide opportunities for corpsmembers to gain employment at the District as well as at other partner agencies. In 2022, EBMUD developed a Community Trainee Program (CTP), a one-year employment program to provide training and work experience for trainees referred from community-based, job-training programs such as Civicorps. He acknowledged Judith Verdin, a Civicorp trainee who is currently working as a part time Ranger/Naturalist I with the District. He introduced Tessa Nicholas, Civicorps' Executive Director who thanked the Board and staff for their support and Monique Williams, Civicorps' Conservation Program Coordinator who recounted her experience in the District's Special Employment Program and expressed gratitude for the District's support. Director Katz accepted the award on behalf of the Board and thanked Civicorps for the honor, their contributions to the community, and their partnership with the District.

PUBLIC COMMENT

- Addressing the Board were the following: 1) Justin Young, EBMUD Associate Electrical Engineer and 1st Vice-President, AFSCME Local 2019 commented on the District using consultants to complete design work for various capital improvement projects, examining how the District has used consultants on past projects, and having a third-party audit of costs for a capital improvement project; 2) Ivette Rivera commented on documents she provided to the Board, Eric Larsen's remarks during the closed session public comment period, her remarks during the Legislative/Human Resources Committee public comment period earlier in the day; and rescinding the service award for the previous General Counsel; and 3) Lonna Coleman commented on withdrawing the appeal of her court decision, the discussion during the Board's Brown Act briefing earlier in the day, and Contra Costa Water District's Retirement Handbook.

CONSENT CALENDAR

- Item 4 was pulled from the Consent Calendar for separate discussion.
 - Motion by Director Linney, seconded by Director Patterson to approve the recommended actions for Items 1-3, 5, and 10.a-10.b, on the Consent Calendar carried (7-0) by the following voice vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 004-24** – Approved the Regular Meeting Minutes of December 12, 2023.
 2. The following correspondence was filed with the Board: **1)** Presentation entitled, "Federal Legislative Update – Presented to Board of Directors of East Bay Municipal Utility District," dated January 9, 2024; **2)** Presentation entitled, "Board Committees and Workshops (January 2024 – June 2024)," dated January 9, 2024; **3)** Presentation entitled, "Water Supply Update," dated January 9, 2024; **4)** Presentation entitled, "Annual Ethics Policy Review and Brown Act Update," dated January 9, 2024; **5)** Memo dated January 9, 2024 to Board of Directors from Andy Katz, President regarding 2024 Assignment Preferences for Committees, Joint Powers Authorities, and Associations; **6)** Document titled Organizational Display, Exhibit 1 as of June 30, 2014; **7)** Email dated January 8, 2024 from Ivette Rivera to multiple recipients titled Now that the retaliatory mediation directive has been finally rescinded, today on 1/8/24, please stop harassing and retaliating against me; and **8)** Memo dated January 9, 2024 to Board of Directors from Derek McDonald, General Counsel regarding Reference Documents for the Annual Brown Act and Ethics Update Presentation.

3. **Motion No. 005-24** – Authorized an agreement beginning on or after January 9, 2024, with Amazon Web Services, Inc. for four years for an amount not to exceed \$1,700,000 for cloud computing services.
4. **Authorize an agreement beginning on or after January 9, 2024, with Fields EAM, Inc for two years for a total amount not to exceed \$935,573 for professional services to develop prototyped processes of a Computerized Maintenance Management System (CMMS) for the District's Computerized Maintenance Management Software project.**

Director Coleman asked if there would be additional costs after the prototype is developed and tested. General Manager Clifford C. Chan confirmed that once testing concluded under this agreement, staff would present another contract for full implementation of a CMMS for Board consideration. Chief Information Officer Orlando Leon discussed the testing processes proposed under the agreement and said it would be two to three years before staff presents the contract for full implementation of a CMMS for Board consideration.

- Motion by Director Coleman, seconded by Director Patterson to approve the recommended actions for Item 4 carried (7-0) by the following voice vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 012-24 – Authorized an agreement beginning on or after January 9, 2024, with Fields EAM, Inc for two years for a total amount not to exceed \$935,573 for professional services to develop prototyped processes of a Computerized Maintenance Management System for the District's Computerized Maintenance Management Software project.

5. **Motion No. 006-24** – Authorized an agreement beginning on or after January 9, 2024 with Frontier Energy, Inc. in an amount not to exceed \$371,515 for a systemwide assessment and master plan for the District's zero-emission vehicle (ZEV) needs to procure ZEVs and install infrastructure to support the ZEV fueling requirements.
6. **Motion No. 007-24** – Authorized an agreement beginning on or after January 9, 2024 with Integrated Power Services, LLC, in an amount not to exceed \$390,000 for equipment upgrades on uninterruptible power supplies for the wastewater system.
7. **Motion No. 008-24** – Authorized a direct award contract beginning on or after January 9, 2024 to PureAir Filtration, LLC, for supplying and maintaining two carbon adsorber air filtration units for Danville Reservoir for three years, with an option to renew for an additional two-year period for a total cost, after the addition of taxes, including option years, not to exceed \$420,000.
8. **Motion No. 009-24** – Authorized an agreement beginning on or after January 9, 2024, with SLR International Corporation in an amount not to exceed \$118,122 for performing a proof of concept for acoustical inspections of sanitary sewers to identify sources of inflow and infiltration, as required by the Wet Weather Consent Decree.
9. **Motion No. 010-24** – Authorized an agreement beginning on or after January 9, 2024 with Pacific Gas and Electric Company for five years in an amount not to exceed \$350,000 for the continuation of a cooperative weather modification program in the Mokelumne River watershed.

- 10a.- **Motion No. 011-24** – Authorized amendments to the agreements previously authorized under Board
10b. Motion No. 118-23 with Bay Line Cutting & Coring, Inc.; Concrete Demo Works, Inc.; Concrete Wall Sawing Co., Inc.; Fine Line Sawing and Drilling, Inc.; and Penhall Company, to increase the aggregate amount by \$500,000 to a total amount not to exceed \$2,765,000 for asphaltic cement and concrete saw cutting services without change to the July 11, 2024 expiration date; and authorized additional agreements for asphaltic cement and concrete saw cutting services, on an as-needed basis and subject to the total aggregate amount authorized by the Board for such services on January 9, 2024, 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.

DETERMINATION AND DISCUSSION

11. Legislative Update.

Legislative/Human Resources Committee Chair Lesa R. McIntosh announced that due to time constraints, the Committee did not receive an update on the federal priorities or the State legislative priorities and did not have a recommendation for the Board on these items. Manager of Intergovernmental Affairs Kathy Viatella provided an overview of the current federal climate and summarized the proposed federal priorities for 2024 which focus on climate change resiliency; infrastructure and other funding assistance; water quality; and water supply reliability and natural resources protection. Ms. Viatella introduced Eric Sapirstein of ENS Resources Inc. who reviewed the 2023 political climate, the Budget and Fiscal Responsibility Act, current congressional leadership, community project funding, and key legislative issues for the second session of congress including: appropriations and community project funding; the Water Resources Development Act 2024; western water legislation; low-income ratepayer assistance; and PFAS superfund liability. Mr. Sapirstein and Ms. Viatella responded to Board questions on using the Environmental Protection Agency's Superfund program to address PFAS; how continuing resolutions work for the federal budget; and providing information to congress about infrastructure needed to address nutrients. Staff was asked to present the District's federal priorities for 2024 at the January 26 Upper Mokelumne River Watershed Authority Board meeting. Next, Ms. Viatella reviewed the proposed State legislative priorities for the 2024 legislative year focused on climate change; customer assistance; diversity, equity, and inclusion; water quality; and water supply reliability and resiliency and an update on state legislative activities. Staff was asked to confirm which group in the State Department of Toxic Substances Control is leading PFAS mitigation.

– Director Chan left the meeting at 2:10 p.m.

- Motion by Director Coleman, seconded by Director Linney to approve the recommended actions for the federal priorities for 2024 carried (6-0) by the following voice vote: (Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Chan).

Motion No. 013-24 – Approved the following federal priorities for 2024: 1) Climate Change Resiliency – Actively assess and seek opportunities to engage in climate change policies and potential funding opportunities that promote EBMUD priorities to ensure safe, reliable, and resilient water and wastewater services; 2) Infrastructure and Other Funding Assistance – Advance EBMUD's funding needs through relevant programmatic funding opportunities and congressionally directed spending, if available; 3) Water Quality – Monitor the development of relevant water quality and pollution prevention related legislation and policies at the federal level

and work to ensure EBMUD's interests are effectively communicated, including through appropriate national associations; and 4) Water Supply Reliability and Natural Resources Protection – Advance EBMUD's interests in water supply reliability and supporting the Mokelumne River fishery.

- Motion by Director Young, seconded by Director Katz to approve the recommended actions for the State legislative priorities for the 2024 legislative year carried (6-0) by the following voice vote: (Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Chan).

Motion No. 014-24 – Approved the following State legislative priorities for the 2024 legislative year: 1) Climate Change – Advance EBMUD's interests related to climate change, including wildfire and forest resilience in the context of providing reliable water and wastewater service; 2) Customer Assistance – Seek constructive ways to advance EBMUD's interests as the administration and the legislature consider ways to provide assistance to water and wastewater customers to address customer affordability; 3) Diversity, Equity, and Inclusion – Advance EBMUD's DEI interests in workforce development and diversity as the legislature and administration continue to consider DEI issues in the context of policy development; 4) Water Quality – Advance EBMUD's interests in legislative and policy discussions on water quality issues; and 5) Water Supply Reliability and Resiliency – Protect and advance EBMUD's interests in the context of water supply reliability and resiliency, including water rights modernization, water management, and the Mokelumne River fishery.

12. **Consider and approve an increase to the Board of Directors' salary by an amount not to exceed 5 percent effective February 1, 2024.**

President McIntosh announced the Board would consider an increase to its salary by an amount not to exceed five percent. If approved, the increase would be effective February 1, 2024. General Manager Clifford C. Chan said in accordance with the Municipal Utility District (MUD) Act, the Board could consider an increase to its salary of up to 5 percent. The Board considered its salary increases based on staff's general salary increase; the last general salary increase for staff was 5.4 percent which is more than the 5 percent allowed by the MUD Act. Director Linney said he would support a five percent increase to the Board's salary because it is important to make the offices accessible to people who may not have the means to hold office and said he would move the item. Director Coleman explained why he would be voting "no" on this item.

- Motion by Director Linney, seconded by Director Patterson, to approve the recommended actions for Item 12 carried (5-1) by the following voice vote: (Katz, Linney, Patterson, Young, and McIntosh); NOES (Coleman); ABSTAIN (None); ABSENT (Chan).

Motion No. 015-24 – Approved a five percent increase to the Board of Directors' salary to be effective February 1, 2024.

13. **Authorize an amendment to the Agreement for Employment of General Manager Clifford C. Chan, to provide for a merit pay increase of five percent to the base salary, effective January 15, 2024.**

President McIntosh announced that pursuant to Government Code Section 54953(c)(3), the Board of Directors is providing an oral report prior to taking action on the salary, salary schedule, and compensation paid in the form of fringe benefits to the General Manager. In accordance with

the employment agreement with the General Manager, the Board may authorize base salary increases for the General Manager based on annual performance evaluations conducted by the Board. As such, it is recommended that the General Manager receive a five percent increase in his base salary effective January 15, 2024. There are no other changes recommended to the employment agreement at this time. The July 22, 2026 agreement end date will remain unchanged.

- Addressing the Board was Ivette Rivera who expressed opposition to the General Manager receiving a raise and a contract extension.
- Motion by Director Katz, seconded by Director Linney, to approve the recommended actions for Item 13 carried (5-1) by the following voice vote: (Katz, Linney, Patterson, Young, and McIntosh); NOES (Coleman); ABSTAIN (None); ABSENT (Chan).

Resolution No. 35378-24 – Authorizing Second Amendment To General Manager Employment Agreement (*effective January 15, 2024*).

14. **Authorize an amendment to the Agreement for Employment of General Counsel Derek T. McDonald to provide for a merit pay increase of eight percent to the base salary effective January 15, 2024 and to extend the agreement for an additional one-year term through July 4, 2025.**

President McIntosh announced that pursuant to Government Code Section 54953(c)(3), the Board of Directors is providing an oral report prior to taking action on the salary, salary schedule and compensation paid in the form of fringe benefits to the General Counsel. In accordance with the employment agreement with the General Counsel, the Board may authorize base salary increases for the General Counsel based on annual performance evaluations conducted by the Board. As such, it is recommended that the General Counsel receive a merit pay increase of eight percent to his base salary effective January 15, 2024 and an extension of his employment agreement for an additional one-year term through July 4, 2025.

- Addressing the Board were the following: 1) Ivette Rivera expressed opposition to the General Counsel receiving a raise and a contract extension and read an excerpt from the Rules of Conduct for attorneys; and 2) George Cleveland commented on the proposed salary increase for the General Counsel, the need to reopen union negotiation discussions regarding PEPR, and concern regarding a settlement for the Shaunte Scott lawsuit.
- Director Patterson left the meeting at 3:16 p.m. and returned at 3:19 p.m.
- Motion by Director Katz, seconded by Director Linney, to approve the recommended actions for Item 14 carried (4-1) by the following voice vote: (Katz, Linney, Young, and McIntosh); NOES (Coleman); ABSTAIN (None); ABSENT (Chan and Patterson).

Resolution No. 35379-24 – Authorizing First Amendment To General Counsel Employment Agreement (*effective January 15, 2024*).

15. **Six-Month Forecast of Board Committee and Workshop Topics for 2024 and Summary of 2023 Committee and Workshop Topics.**

General Manager Clifford C. Chan said this information was being presented based on feedback received during the Board's retreat on November 3, 2023. He reviewed the proposed topics and schedules for committee meetings and Board workshops and said staff is seeking feedback from the Board. Board members commented on the proposed workshops scheduled for October which is also when the District holds the annual Pardee BBQ. There was additional discussion by the Board regarding the schedules and the workshops proposed in the fall. Mr. Chan said Board members can provide feedback at any time regarding the workshop schedules and said he would begin reviewing committee topics with committee chairs once committee assignments are established by the Board. Staff was asked to prioritize scheduling the Cost of Service and Rate Structure workshops in the fall and to consider scheduling the Infrastructure Workshop in September or deferring it. Staff was also asked to include information on new recycled water laws and regulations at the upcoming Recycled Water Master Plan workshop.

16. **General Manager's Report.**

Speakers Bureau Topics for 2024

General Manager Clifford C. Chan highlighted the District's community outreach and messaging in 2023. He asked the Board to review the staff report and provide feedback on additional outreach opportunities, topics of interest, and ward briefing dates and locations to the Community Affairs Representatives by January 23 so that the outreach plan can be finalized for the year.

Water Supply Update

Director of Operations and Maintenance David A. Briggs presented the update on Water Year 2023 which ended September 30, 2023 and the following data as of January 3: gross water production; precipitation in the East Bay (4.92 inches) and in the Mokelumne (12.23 inches); the snow depth (25 inches) and snow water content (3.37 inches) at Caples Lake; and the District's total system storage (617 thousand acre-feet). He reviewed snowpack levels and snow water equivalent in the Sierras as of January 4 and precipitation forecasts across the states for January through March 2024. In response to a Board question on whether Forecast Informed Reservoir Operations (FIRO) modeling could be used at Pardee Reservoir, staff advised this topic would be discussed at the Climate Action Plan Workshop scheduled for January 23, 2024.

General Manager's Monthly Report – December 2023

General Manager Clifford C. Chan announced the monthly report had been provided in the agenda materials and he was available to answer questions from the Board.

REPORTS AND DIRECTOR COMMENTS

17. **Committee Reports.**

- Filed with the Board were the Minutes for the December 12, 2023 Planning and Legislative/Human Resources Committee meetings.

- Planning Committee Chair Doug A. Linney reported the Committee met earlier in the day and received reports on Accessory Dwelling Units and the Walnut Creek Water Treatment Plant Pretreatment Project Update.
- Legislative/Human Resources Committee Chair Lesa R. McIntosh reported the Committee met earlier in the day and received updates on the Employees Retirement System Board Health Insurance Benefit Study and Proposed Revisions to EBMUD's Campaign Finance Reform Ordinance. Due to time constraints, the update on federal priorities for 2024 and State legislative priorities for 2024 legislative year was held over to the Regular Board meeting.
- DERWA representative John A. Coleman reported the DERWA Board met on December 11, 2023 and approved meeting minutes and the Treasurer's Reports and Quarterly Investment Report; accepted the Independent Auditor's Report; discussed a proposed DERWA Cash Reserves Policy; approved the appointment of Richard G. Sykes as Interim Authority Manager and authorized an agreement for interim services; and discussed the recruitment for Authority Manager.

18. Other Items for Future Consideration.

None.

19. Director Comments.

- Director Coleman reported on plans to attend the UMRWA Board meeting in Pardee on January 26; the Lafayette Presbyterian Church water talk in Lafayette on February 1; the DERWA Board meeting in Dublin on February 5; and the East Bay Leadership Group Board meeting (remote) on February 16.
- Director Patterson commented on the crime rates in the state and Bay Area and on staff's comments regarding worker safety. He commended General Manager Clifford C. Chan and General Counsel Derek T. McDonald for their work.
- Directors Chan, Katz, Linney, Young, and President McIntosh had no reports.

ADJOURNMENT

President McIntosh adjourned the meeting at 3:49 p.m.

SUBMITTED BY:

Rischa S. Cole, Secretary of the District

APPROVED: February 13, 2024

Lesa R. McIntosh, President of the Board

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MINUTES

Tuesday, January 23, 2024

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

Special Meeting

President Lesa R. McIntosh called to order the Special Meeting of the Board of Directors at 9:30 a.m. in the Administration Building Boardroom. The Board met in workshop session to receive a presentation on updates to the District's Climate Action Plan, the state of the science related to climate change, relevant regulations and laws, and specific actions the District is taking to achieve carbon neutrality and adapt to climate change.

ROLL CALL

Directors April Chan, John A. Coleman, Doug A. Linney, William B. Patterson, Marguerite Young (remote), and President Lesa R. McIntosh were present at roll call. Director Andy Katz arrived at 9:43 a.m.

Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Director of Operations and Maintenance David A. Briggs, Director of Wastewater Amit K. Mutsuddy, Engineering Manager Elizabeth Z. Bialek, Environmental Affairs Officer Alice E. Towey, and Secretary of the District Rischa S. Cole.

Public Comment. Addressing the committee was Ivette Rivera who commented on three documents she provided to the Committee.

Presentations/Documentation. 1) Presentation entitled "Climate Action Plan Workshop," dated January 23, 2024; 2) Charge of Discrimination document regarding EEOC Charge No. 555-2023-02181, dated January 17, 2024; 3) Document titled Rules of Professional Conduct; and 4) Spreadsheet titled Liebert Cassidy Whitmore (undated).

General Manager Clifford C. Chan introduced the workshop. Director of Operations and Maintenance David A. Briggs introduced the workshop speakers and said the Draft 2024 Climate Action Plan Update includes a review of the science on how climate change may affect the District's operations and customers; identifies mitigation actions to meet greenhouse gas reduction goals; and describes adaptation plans to ensure resilience of District services over time. He reviewed state and federal policies and regulations on climate change mitigation and adaptation; actions the state is taking and investments being made to meet its climate change goals; and current District policies that are relevant to the workshop discussion. Mr. Briggs and Mr. Chan responded to Board questions on the District's ability to adapt if there are shifts in federal policies after the November 2024 elections or potential judicial actions around climate change, and the District's dependency on federal policies or subsidies.

Environmental Affairs Officer Alice E. Towey discussed findings from the Intergovernmental Panel on Climate Change Sixth Assessment report; the US Fifth National Climate Assessment (NCA5); predicted impacts of climate change; and observed impacts at the District level around water supply variability, runoff patterns, and sea level rise.

Mr. Briggs highlighted the District's mitigation goals and efforts to reduce greenhouse gas emissions (GHG) and achieve carbon neutrality by 2030 as well as the District's historical and projected GHG emissions from 2010 to 2040. The District's 2022 emissions goal was 24,611 Metric Tons of Carbon Dioxide equivalent (MT CO_{2e}) and actual 2022 emissions were 23,968 MT CO_{2e}. Some mitigation actions and projects include purchasing low or emissions-free energy; minimizing energy use; developing renewable energy projects; and transitioning to renewable diesel. He reviewed the timeline to convert the District's light duty/passenger and medium- and heavy-duty vehicles to zero-emissions vehicles (ZEVs). The District currently has 14 ZEVs in service and nine on order. Staff successfully piloted the use of an electric front-end loader and are continuously reviewing the market and vendors for new products as well as the opportunity to pilot additional medium- or heavy-duty equipment. Mr. Briggs discussed some challenges and impacts to fully converting the District's fleet and noted federal support could also affect the availability of ZEVs and California's ability to set independent emission standards. Additionally, maintaining ZEVs will require new equipment, training, and service contracts. There was Board discussion about the need for the District to still purchase gas powered vehicles for its fleet. Manager of Maintenance and Construction/Water Operations Crystal J. Yezman and Manager of Fleet and Construction Support Steven A. Kekki responded to Board questions about the continued need to purchase gas powered vehicles and the immediate availability of electric medium- or heavy-duty equipment. The Board asked about plans for charging infrastructure upcountry and the potential use of solid-state batteries. Staff was asked to consider accepting local food waste to reduce methane GHG emissions and to provide additional information on the District's replacement plan for light duty/passenger vehicles.

Next, Ms. Towey discussed the District's adaptation activities. Some key actions include diversification of water supply development; advancements in forecasting and reservoir operations by funding research and providing technical assistance for advanced quantitative precipitation information; installing high-definition radar on Rocky Ridge in the East Bay hills; evaluating ways to optimize flood control operations at Pardee and Camanche reservoirs; improving predictions of intensity and runoff from individual atmospheric rivers to support daily operations; improving predictions of seasonal runoff from snowpack and rainfall to support water supply planning; and ongoing efforts to protect wildlife and natural resources through adaptive management, habitat restoration, temperature management on the lower Mokelumne River, and fire management plans for the East Bay and Mokelumne watershed.

Engineering Manager Elizabeth Z. Bialek discussed how climate change can impact water quality. She highlighted the District's five-year Capital Improvement Program which includes about \$613 million for projects or portions of projects that directly help the District adapt to climate change; how the District is analyzing new probable maximum flood conditions to assess capacity of District dam spillways; and other adaptation strategies.

Director of Wastewater Amit K. Mutsuddy reviewed sea level rise effects on wastewater infrastructure and actions the District is taking to address sea level rise. He explained how reducing inflow/infiltration can assist with managing atmospheric river events; the benefits of ensuring District facilities have reliable power supplies; and developing processes to reduce nutrient discharges in the San Francisco Bay.

Ms. Towey discussed financial resilience, use of the District's Green Bond Guidance for four Green Bond issuances for the Water System and one for the Wastewater System, and upcoming Green Bond issuances for both systems planned in 2024. The District's Investments Policy (Policy 4.07) includes primary investment objectives for safety, liquidity, yield, and diversification, with the intent to align District investment decisions with its policies, mission, and values. She closed out with an overview of research and innovation activities, a summary of mitigation and adaptation activities that are completed, planned or in progress and said staff will continue to monitor the science of climate change. Uncertainty remains around the timing of climate change impacts and while the District has mitigation and adaptation plans, much work remains. Staff will highlight additional costs that may need to be budgeted during Fiscal Years 2026/2027 budget discussions.

- Addressing the Board was Ivette Rivera who commented on grant funding for fire mitigation on the watersheds.

ADJOURNMENT

President McIntosh adjourned the Special Meeting at 11:17 a.m.

SUBMITTED BY:

Rischa S. Cole, Secretary of the District

APPROVED: February 13, 2024

Lesa R. McIntosh, President of the Board

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MINUTES

Tuesday, January 23, 2024
East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California

Regular Closed Session Meeting

President Lesa R. McIntosh called to order the Regular Closed Session Meeting of the Board of Directors at 11:21 a.m. in the Administration Building Boardroom.

ROLL CALL

Directors April Chan, John A. Coleman, Andy Katz, Doug A. Linney, William B. Patterson, Marguerite Young (remote) and President Lesa R. McIntosh were present at roll call.

Staff participants included General Manager Clifford C. Chan and General Counsel Derek T. McDonald.

PUBLIC COMMENT

- Addressing the Board were the following: 1) Justin Young read a quote by John W. McFarland from “Its Name Was MUD”; and 2) Ivette Rivera commented on the document she submitted to the Board related to an EEOC charge filed against EBMUD and a Public Records Act request for litigation records.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President McIntosh announced the closed session agenda and the Board convened to Administration Building Conference Room 8 for discussion.

Regular Business Meeting

President Lesa R. McIntosh called to order the Regular Business Meeting of the Board of Directors at 1:18 p.m. in the Administration Building Boardroom.

ROLL CALL

Directors April Chan, John A. Coleman, Andy Katz, Doug A. Linney, William B. Patterson, Marguerite Young (remote) and President Lesa R. McIntosh were present at roll call.

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 McIntosh led the Pledge of Allegiance.

Director Coleman announced he had been offered an unexpected career opportunity as Manager of Natural Resources with Calaveras County Water District and said he would be resigning from the EBMUD Board of Directors and as CEO of Bay Planning Coalition. His resignation from the Board of Directors is to be effective in late February or early March 2024. He recounted his many years representing the District in State water and wastewater communities, and his involvement with establishing the Freeport Regional Water Authority, Dublin-San Ramon Services District/EBMUD Recycled Water Authority, and the Upper Mokelumne River Watershed Authority. He expressed gratitude and appreciation for his 33 years with the District and offered thanks to all who have supported him during his tenure.

Committee Assignments

President McIntosh announced the proposed 2024 assignments for Board committees, joint powers authorities, and associations were up for consideration and asked if the decision to approve the assignments could be deferred to a later meeting. Director Linney put forth a recommendation for the Board to vote on the proposed assignments; otherwise, President McIntosh would remain on committees to which she was assigned in 2023. There was additional discussion regarding committee assignments and Director Linney announced he would move the item.

- Motion by Director Linney, seconded by Director Katz, to approve the 2024 assignments for Board committees, joint powers authorities, and associations, carried (7-0) by the following roll call vote: AYES (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 016-24 – Approved the following 2024 Board Committee assignments:

Planning

Director Young, Chair
Director Chan
Director Linney

2nd Tuesday of the month at 9:15 a.m.

Administration Center Building

Legislative/Human Resources

Director Coleman, Chair
President McIntosh
Director Patterson

2nd Tuesday of the month at 10:15 a.m.

Administration Center Building

Finance/Administration

Director Katz, Chair
Director Chan
Director Patterson

4th Tuesday of the month at 10:00 a.m.

Administration Center Building

Sustainability/Energy

Director Linney, Chair
Director Katz
Director Young

4th Tuesday, quarterly, time to be determined

Administration Center Building

**DSRSD/EBMUD Recycled
Water Authority (DERWA)**

Director Chan
Director Coleman
Director Young, Alternate

1st Monday in Feb.;
3rd Monday in May;
4th Monday in March, July, Sept.,
and Nov. meets at 6:00 p.m.

**Freeport Regional Water
Authority**

Director Coleman
Director Patterson
Director Katz, Alternate

2nd Thursday, quarterly at 10:00 a.m.,
location to be announced

**Los Vaqueros Reservoir Joint
Powers Authority**

Director of Water and Natural
Resources Tognolini
Director Linney, Alternate

2nd Wednesday of the month at
9:30 a.m., location to be determined

Retirement Board

Director Chan
Director Young

3rd Thursday odd numbered months at 8:30 a.m.
Administration Center Building

**Upper Mokelumne River Watershed
Authority**

Director Coleman
Director Katz, Alternate
Director Patterson, Alternate

4th Friday, quarterly at 1:30 p.m.
McLean Hall, Pardee Center

Business Forum (Ad Hoc)

Director Linney
President McIntosh
Director Patterson

Meeting dates, times, and location to be determined

EBMUD/EBRPD Liaison

Director Katz
Director Chan
Director Young, Alternate

Meeting dates, times, and location to be determined

Oakland Chamber of Commerce

Director Linney
Director Patterson, Alternate

Special Districts Association of Alameda County/Special Districts Selection Committee

Director Chan, Member
Director Katz, Alternate
Director Patterson, Alternate

Special Districts Association of Contra Costa County

Director Young, Member
Director Coleman, Alternate

ANNOUNCEMENTS FROM CLOSED SESSION

President McIntosh said there were no announcements required from closed session. Prior to the meeting being adjourned, General Manager Derek T. McDonald announced the Board met in closed session this morning and approved by a unanimous roll call vote of all Board members present the initiation of litigation against one party. The particulars and parties shall be disclosed once the action is commenced, upon request of any party. There were no other announcements required from closed session.

PUBLIC COMMENT

- Addressing the Board were the following: 1) Butch Carter, Chairman of the Camanche Mobile Home Parks homeowners association, commented on the 12.5 percent annual rent increase for mobile home park residents, the impact the increase would have on the residents, and asked the Board to consider authorizing an amendment to the formula for calculating the rent increases to cap the annual increase at 5 percent to be effective January 2024; and 2) Ivette Rivera congratulated Director Coleman and commented on the EEOC charge that she filed and plans to comment on the contract for litigation services on the Consent Calendar.

There was considerable Board discussion and questions regarding Mr. Carter's request and concerns. The Board asked if the 12.5 percent annual rent increase could be deferred until the matter could be discussed at a future Finance/Administration Committee meeting and Board meeting. General Manager Clifford C. Chan reported the Board had received an information memo last week regarding this matter and that the increase is part of the fees included in the Fiscal Years 2024/2025 budget adopted by the Board. Mr. Chan explained staff would typically present this type of information during the mid-cycle budget update to the Board in May. There was additional discussion by the Board about calendaring this topic for an upcoming committee meeting and Mr. Chan said the item would be included on the February 27, 2024 Finance/Administration Committee agenda. Staff confirmed that until the Board met to discuss this matter, the 12.5 percent annual rent increase would go into effect on February 1, 2024.

CONSENT CALENDAR

- Items 3, 5, 6, 8 and 10 were pulled from the Consent Calendar for separate discussion.
 - Motion by Director Katz, seconded by Director Linney to approve the recommended actions for Items 1-2, 4, 7, 9, and 11-12 on the Consent Calendar carried (7-0) by the following roll call vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).
1. The following correspondence was filed with the Board: **1)** Presentation entitled, "Water System Revenue Bonds, Series 2024A and 2024B; Wastewater System Revenue Bonds, Series 2024A," dated January 23, 2024; **2)** Presentation entitled, "Water Supply Update," dated January 23, 2024; **3)** Presentation entitled, "Wastewater Nutrient Compliance Update," dated January 23, 2024; **4)** Presentation entitled, "Walnut Creek Water Treatment Plant Pretreatment Project: Contract for Pre-Design Services," dated January 23, 2024; **5)** Memo dated January 23, 2024 to Board of Directors from Lesa R. McIntosh, Board President regarding Proposed 2024 Assignments for Committees, Joint Power Authorities and Associations; **6)** Speakers' Bureau and Outreach Record CY24 dated January 23, 2024; **7)** Email dated January 23, 2024 to Board of Directors and General Manager from Justin Young titled Quote from Its Name Was MUD - Public Forum; **8)** Document titled Collier vs. EBMUD Case No. RG 10497512 dated January 13, 2012; **9)** Email with attachments dated January 22, 2024 to Board of Directors et al from Ivette

Rivera titled Rivera EEOC 555-2023-02181-EEOC Charge; **10)** Email with attachments dated January 13, 2024 to Board of Directors et al from Ivette Rivera regarding Mediation Services; **11)** Email dated February 27, 2023 to Board of Directors from Ivette Rivera titled Please take immediate correction action to ensure David Carlson and Tony Montano cease retaliation against me; and **12)** Presentation entitled, “Service Award Recipients (October 2023 – December 2023),” dated January 23, 2024.

2. **Motion No. 017-24** – Awarded a contract beginning on or after January 23, 2024 to the lowest responsive/responsible bidder, Carbon Supply Inc., for supplying activated carbon for the District’s Main Wastewater Treatment Plant for one year, with two options to renew for additional one-year periods for a total cost, after the addition of taxes, including option years, not to exceed \$569,751 under Request for Quotation No. 2401.

3. **Award a sole source contract beginning on or after January 23, 2024 to G3 Engineering Inc., for supplying one Morris replacement pump for the Main Wastewater Treatment Plant Returned Activated Sludge system for a total cost, after the addition of taxes, not to exceed \$295,000.**

- Addressing the Board was Ivette Rivera who voiced a general objection to any kind of contracting out at the District.

- Motion by Director Linney, seconded by President McIntosh, to approve the recommended actions for Item 3 carried (7-0) by the following roll call vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 022-24 – Awarded a sole source contract beginning on or after January 23, 2024 to G3 Engineering Inc., for supplying one Morris replacement pump for the Main Wastewater Treatment Plant Returned Activated Sludge system for a total cost, after the addition of taxes, not to exceed \$295,000.

4. **Motion No. 018-24** – Awarded a sole source contract beginning on or after January 23, 2024 to MISCO Water for supplying a fixed acid feed system for the Camanche South Shore Water Treatment Plant for a total cost, after the addition of taxes, not to exceed \$141,741.

5. **Authorize an agreement beginning on or after January 23, 2024 with Carollo Engineers, Inc. in an amount not to exceed \$11,215,126 for pre-design services for the Walnut Creek Water Treatment Plant Pretreatment Project.**

- Addressing the Committee was Justin Young, EBMUD Associate Electrical Engineer and 1st Vice-President, AFSCME Local 2019 who commented on meeting with the Director of Engineering and Construction and Director of Human Resources regarding capital improvement projects and contracting out services, expressed concerns with the District contracting out work for water treatment plants, and commented on a third-party audit to compare the cost for staff to complete a project versus contracting out. Director Linney remarked Mr. Young also commented on this project at the Planning Committee meeting earlier in the day. Director of Engineering and Construction Olujimi O. Yoloye provided a presentation on the project and explained staff’s approach to the planning and design process for design contracts and how staff evaluates and ranks projects. Mr. Yoloye discussed projects where consultants who specialize in specific areas are needed and the planned, phased approach for the Walnut Creek Water Treatment Plant Pretreatment

Project. The Board asked questions about the option to complete aspects of the project using a combination of staff and consultants; staff's role in the first phase of the project; language in the project work plan that clarifies the project elements to be completed by staff; costs for preliminary design of the project and how much of the preliminary design will be completed by staff; adequate staffing to support District projects that are currently in progress; the resource loading model used by Engineering and Construction staff to determine resources needed to complete projects; balancing work between District staff along with consultant support; and scheduling work on interrelated District projects. There was additional Board discussion and staff was asked to discuss the resource loading model used when planning Capital Improvement Program with the Unions and to include support staff when analyzing resource allocations.

- Motion by Director Linney, seconded by Director Young, to approve the recommended actions for Item 5 carried (7-0) by the following roll call vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 023-24 – Authorized an agreement beginning on or after January 23, 2024 with Carollo Engineers, Inc. in an amount not to exceed \$11,215,126 for pre-design services for the Walnut Creek Water Treatment Plant Pretreatment Project.

6. **Authorize an agreement beginning on or after January 23, 2024 with Peralta Colleges Foundation for \$465,000 for three years, with one option to renew for an additional two-year period for a total amount, including option years, not to exceed \$775,000 to cover administrative costs and provide stipends to District interns participating in a variety of internship programs as guided by the long-term workforce development strategy.**

- Addressing the Board was Ivette Rivera who commented on previous, similar programs at the District, career ladders, and District support for promotional opportunities.
- Director Coleman left the meeting at 2:28 p.m. and returned at 2:30 p.m.

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

Motion No. 024-24 – Authorized an agreement beginning on or after January 23, 2024 with Peralta Colleges Foundation for \$465,000 for three years, with one option to renew for an additional two-year period for a total amount, including option years, not to exceed \$775,000 to cover administrative costs and provide stipends to District interns participating in a variety of internship programs as guided by the long-term workforce development strategy.

7. **Motion No. 019-24** – Authorized an 87-month lease with Senator Seagate, LP, commencing on March 1, 2024, for a 2,183 square foot office suite in the Senator Building located at 1121 L St Suite 809, Sacramento, CA 95814. The term of the lease is March 1, 2024, through May 31, 2031. The base monthly rent is \$7,968 with an annual three percent increase beginning one year after the lease commences.
8. **Authorized the Office of General Counsel to continue the employment of the law firm of Liebert Cassidy Whitmore for specialized legal services related to labor and employment law and litigation matters in an additional amount not to exceed \$75,000.**

- Addressing the Board was Ivette Rivera who commented on a request she made for invoices for all litigation covering issues she has raised and the District's hiring of outside counsel. Ms. Rivera asked the Board to consider holding off on approving the contract.

The Board requested a response from the General Counsel. General Counsel Derek T. McDonald responded the Office of General Counsel and the District have a duty to defend the District against claims. He explained claims are evaluated to determine if they have merit and the options for resolving a claim. Mr. McDonald said the Board was being asked to approve the agreement as the firm provides employment law support for various matters in the Office of General Counsel. The Board requested a list of contracts and associated costs for legal services from the last four years. Staff was also asked to include the costs the District has incurred on the legal cases regarding Director Coleman.

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

Motion No. 025-24 – Authorized the Office of General Counsel to continue the employment of the law firm of Liebert Cassidy Whitmore for specialized legal services related to labor and employment law and litigation matters in an additional amount not to exceed \$75,000.

9. **Motion No. 020-24** – Authorized an amendment to the contract previously awarded under Board Motion No. 066-23 with Fluid Conservation Systems Inc. to increase the contract amount by \$281,535 to a total amount not to exceed \$428,177 for supplying handheld leak detection equipment.
10. **Authorize an amendment to the agreement previously authorized under Board Motion No. 059-23 with Cupertino Electric, Inc. to increase the total amount of the agreement by \$250,000 for a total amount not to exceed \$600,000 for as-needed electrical maintenance for wastewater facilities.**
 - Addressing the Board was Eric Larsen, President, AFSCME Local 444 who said the union objected to contracting out wastewater electrical maintenance work. He commented on understaffing in the Wastewater Department, previous requests to flexibly staff Local 444 positions to address understaffing, and the delay in the recruitment process to hire staff to perform electrical maintenance. Director of Wastewater Amit K. Mutsuddy discussed the status of the recruitment and said the District's goal is to fill the vacant positions by spring. He noted the amended agreement is needed to complete a backlog of work until new staff is hired.
 - Motion by Director Coleman, seconded by Director Patterson, to approve the recommended actions for Item 10 carried (7-0) by the following roll call vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 026-24 – Authorized an amendment to the agreement previously authorized under Board Motion No. 059-23 with Cupertino Electric, Inc. to increase the total amount of the agreement by \$250,000 for a total amount not to exceed \$600,000 for as-needed electrical maintenance for wastewater facilities.

11. **Motion No. 021-24** – Approved the November and December 2023 Monthly Investment Transactions Reports.
12. **Resolution No. 35380-24** – Authorizing And Approving East Bay Municipal Utility District's Application To Modify The Contractor's Service Area Described In Its Central Valley Project Repayment Contract With The United States Bureau Of Reclamation To Include The Annexation Of The 4949 Happy Valley Road Parcels Approved By The Contra Costa County Local Agency Formation Commission.

DETERMINATION AND DISCUSSION

13. **Adopt a resolution to confirm Standby Officers for the East Bay Municipal Utility District Board of Directors for Calendar Year 2024.**

President McIntosh asked Board members to inform the Secretary of potential candidates to fill vacant Standby Officer positions in their wards. President McIntosh noted she informed the Secretary's Office of a candidate for Standby Officer No. 1 in Ward 1. Secretary of the District Risha S. Cole commented the District needs to receive information to review and confirm the candidate's eligibility to serve as a Standby Officer. Director Young commented on challenges finding people willing to serve as a Standby Officer in Ward No. 3 and asked for a discussion at a future Planning Committee meeting on the requirement to have three Standby Officers per ward.

- Motion by Director Katz, seconded by Director Coleman, to approve the recommended actions for Item 13 carried (7-0) by the following roll call vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Resolution No. 35381-24 – Confirming Appointment Of Standby Officers For The Board Of Directors Under The Emergency Succession Plan For The Board Of Directors.

- 14.1. **Authorize And Approve The Issuance Of Not To Exceed \$525 million Aggregate Principal Amount Of East Bay Municipal Utility District Water System Revenue Bonds, Series 2024A And Water System Revenue Refunding Bonds, Series 2024B; Approve The Form, And Authorize The Execution, Of Certain Documents In Connection With The Issuance, Securing And Sale Of Such Bonds; And Approve Certain Actions Relating Thereto.**

General Manager Clifford C. Chan announced the Finance/Administration Committee met earlier and unanimously voted to support the recommended action. Treasury Manager Robert L. Hannay provided the presentation regarding the proposed actions for Agenda Items 14.1 and 14.2. The proposed Water System Revenue Bonds, Series 2024A and the proposed Wastewater System Revenue Bonds, Series 2024A would provide funding for the District's Capital Improvement Program. The District is planning to issue these bonds as "Green Bonds" based on the District's Guidance for Issuing Green Bonds approved by the Board in March 2022. The Water System Revenue Refunding Bonds, Series 2024B (together with the 2024A Bonds) are being proposed to refund all or a portion of the District's \$213 million in outstanding, callable Water System Series 2014A, 2014B and 2014C bonds. The District will only refund these bonds if net present value savings is at least 3 percent of the refunded par. Based on current market conditions, the full amount of the callable 2014 Bonds meets that savings threshold. Bond proceeds will be used to pay the cost of issuance of the 2024 Water System and Wastewater System Revenue Bonds. The total amount of Water System Revenue Bonds issued under Series 2024A and 2024B is expected not to exceed \$525 million, with \$275 million of this amount representing funding for new

capital. The total amount of Wastewater System Revenue Bonds planned for issuance is not to exceed \$30 million with \$25 million of this amount representing funding for capital projects. The final maturity for both issuances would be not later than June 1, 2054 and at a true interest cost to the District of not more than 5.75 percent per annum. Mr. Hannay discussed proposed amendments to the Bond Indentures under which the District's Water System and Wastewater System Revenue Bonds are issued and said the Board is being asked to consider authorizing and approving the bond issuance and execution of the related bond documents.

– Director Chan left the meeting at 2:50 p.m. and returned at 2:56 p.m.

- Motion by Director Coleman, seconded by Director Patterson, to approve the recommended actions for Item 14.1 carried (6-0) by the following roll call vote: (Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Chan).

Resolution No. 35382-24 – Authorize And Approve The Issuance Of Not To Exceed \$525 million Aggregate Principal Amount Of East Bay Municipal Utility District Water System Revenue Bonds, Series 2024A And Water System Revenue Refunding Bonds, Series 2024B; Approve The Form, And Authorize The Execution, Of Certain Documents In Connection With The Issuance, Securing And Sale Of Such Bonds; And Approve Certain Actions Relating Thereto.

14.2. **Authorize And Approve The Issuance Of Not To Exceed \$30,000,000 Aggregate Principal Amount Of East Bay Municipal Utility District Wastewater System Revenue Bonds, Series 2024A; Approve The Form And Authorize The Execution Of Certain Documents In Connection With The Issuance, Securing And Sale Of Such Bonds; And Approve Certain Actions Relating Thereto.**

- Motion by Director Coleman, seconded by Director Patterson, to approve the recommended actions for Item 14.2 carried (6-0) by the following roll call vote: (Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Chan).

Resolution No. 35383-24 – Authorize And Approve The Issuance Of Not To Exceed \$30,000,000 Aggregate Principal Amount Of East Bay Municipal Utility District Wastewater System Revenue Bonds, Series 2024A; Approve The Form And Authorize The Execution Of Certain Documents In Connection With The Issuance, Securing And Sale Of Such Bonds; And Approve Certain Actions Relating Thereto.

15. **General Manager's Report.**

Water Supply Update – Water production; precipitation to date; reservoir storage; and forecasted supply conditions for the remainder of the water year 2024

Director of Operations and Maintenance David A. Briggs provided an update on the District's current water supply, the State's water supply, and water supply projections. He highlighted the following data which had been updated after the January 17 data depicted in the presentation: gross water production; precipitation in the East Bay (9 inches) and in the Mokelumne (18.6 inches); the snow depth (46 inches) and snow water content at Caples Lake; and the District's total system storage (621 thousand acre-feet). He reviewed snowpack levels and snow water equivalent in the Sierras as of January 18 and water supply data for northern California reservoirs

as of January 17. Staff was asked to share Advanced Quantitative Precipitation Information data as part of the next update.

- President McIntosh left the meeting at 2:56 p.m. and returned at 2:59 p.m.

Nutrient Discharge Compliance Update

Manager of Wastewater Technical and Emerging Issues Donald M. Gray provided the presentation. Currently, Publicly Owned Treatment Works (POTWs) discharge about two-thirds of annual nitrogen loads to the San Francisco Bay. The San Francisco Regional Water Quality Control Board (RWQCB) is expected to impose stringent nitrogen discharge limits on POTWs in its next nutrient watershed permit, effective July 1, 2024. Mr. Gray discussed funding spent to date by members of Bay Area Clean Water Agencies on the scientific study of nutrients; how nitrogen discharges from wastewater treatment plants are regulated; how the severity of the August 2022 harmful algal bloom (HAB) that spread throughout the San Francisco Bay (SF Bay) and caused a massive fish kill was attributed to nitrogen discharged from wastewater treatment plants; costs to either build a mainstream nitrogen removal facility at the Main Wastewater Treatment Plant (MWWTP) or update current sidestream treatment processes; and the results of the in-house biological nitrogen removal (BNR) treatment process that could remove nitrogen at a significantly lower cost than the over \$2 billion cost of the MWWTP Master Plan-recommended mainstream nitrogen removal facility. Staff began investigating options to address nitrogen loads in 2018-2019, testing the BNR process in 2020, and by 2021, was able to control the BNR process to remove both ammonia and nitrite/nitrate to achieve up to 73 percent total inorganic nitrogen (TIN = ammonia + nitrite + nitrate) removal. In summer 2023, staff operated the District's BNR process to treat 50 percent of the District's wastewater flow and removed about 60-65 percent TIN in the BNR battery. The result was the District's lowest TIN discharge since monitoring for TIN began in 2012. The impact from this dramatic reduction of TIN from District discharges can eliminate the need to build a new mainstream nitrogen removal facility. Staff plans to treat 75 percent of MWWTP flow with the District BNR process this summer, and 100 percent of the MWWTP flow next year, potentially reducing 65 percent of the District's TIN discharge to the SF Bay. Staff will continue working with the RWQCB to adopt fair nitrogen limits, studying algae responsible for the 2022 HAB, and evaluating near-term alternatives to control HABs. Board members commended staff for this work and Mr. Gray confirmed the BNR process can be replicated by others. In response to questions from the Board, Mr. Gray acknowledged upgrades are needed at the MWWTP, some of which are not currently included in the District's Capital Improvement Program and explained how vendors are disposing of blood waste previously processed at the MWWTP.

Service Award Recipients – October through December 2023

Manager of Employee and Organizational Development Chad R. Thigpen presented an overview of the District's Employee Recognition Program under which staff receives service awards for every five years of service. The Board congratulated the following service award recipients in attendance: Willie Wells, Water Distribution Plumber III, 35 years; David Carlson, Maintenance Superintendent, 25 years; Juan Valencia, Gardener Foreman, 25 years; Michelle Workman, Manager of Fisheries and Wildlife, 25 years; and Dave Gonzalez, Assistant Maintenance and Construction Superintendent, 25 years. Mr. Thigpen highlighted the years of service of staff depicted in the presentation.

2023 Interdepartmental Committees Annual Reports

General Manager Clifford C. Chan announced the 2023 Interdepartmental Committees Annual Reports were provided in the agenda materials. These standing District committees report their accomplishments for the past year and plans for the upcoming year.

REPORTS AND DIRECTOR COMMENTS

16. Committee Reports.

- Filed with the Board were the Minutes for the January 9, 2024 Planning and Legislative/Human Resources Committees.
- President Lesa R. McIntosh reported the Board met earlier in the day for the Climate Action Plan workshop where staff reviewed updates to the District's Climate Action Plan and provide a presentation on the state of the science related to climate change, relevant regulations and laws, and specific actions the District is taking to achieve carbon neutrality and adapt to climate change.
- Finance/Administration Committee Chair William B. Patterson reported Director Coleman chaired the Committee meeting earlier in the day which received updates on the Monthly Investment Transactions Reports; Quarterly Payroll, Disbursement and Real Estate Summary, and Investment Reports for the Water and Wastewater Systems for the Quarter Ended December 31, 2023; and EBMUD Series 2024A and 2024B Water System Revenue Bonds and EBMUD Series 2024A Wastewater System Revenue Bonds.
 - Director Young left the meeting at 3:30 p.m.

17. Other Items for Future Consideration.

None.

18. Director Comments.

- Director Chan congratulated Director Coleman and said he will be missed.
- Director Coleman reported plans to attend the East Bay Leadership Group dinner in Concord on January 25; UMRWA Board meeting at Pardee on January 26; DERWA Board meeting in Dublin on February 5; and the East Bay Leadership Group Board meeting (remote) on February 16.
- Director Linney congratulated President McIntosh on presiding over her first full meeting.
- Director Patterson announced the recent passing of his oldest sister, recounted her background and some of her accomplishments, and thanked those who called or sent cards of condolence.
- Directors Katz, Young, and President McIntosh had no reports.

ADJOURNMENT

President McIntosh adjourned the meeting at 3:38 p.m.

SUBMITTED BY:

Rischa S. Cole, Secretary of the District

APPROVED: February 13, 2024

Lesa R. McIntosh, President of the Board



BOARD ACTION

Agenda Number:	3.	Meeting Date:	February 13, 2024
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TITLE	RECOAT MOKELUMNE AQUEDUCT NO. 1 PHASE 13 – GULLY CROSSINGS PROJECT
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Award a contract to the lowest responsive/responsible bidder, Certified Coatings Company, in an amount not to exceed \$15,281,498 for the construction of the Recoat Mokelumne Aqueduct No. 1 Phase 13 – Gully Crossings Project (Project), under Specification 2156.
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SUMMARY	This project involves replacing deteriorated coating systems on aboveground portions of Mokelumne Aqueduct No. 1, Mokelumne Aqueduct No. 2, Mokelumne Aqueduct Surge Line, and San Joaquin Wasteway Piping. Recoating will provide protection from exterior corrosion and maintain the aqueduct's reliability and longevity.
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DISCUSSION	This project is the final phase of a long-term recoating program that began in 2001 to recoat the aboveground sections of the Mokelumne Aqueducts. The recoating program was developed based on findings from a field inspection of the aboveground sections of the Mokelumne Aqueducts conducted in 1994. The work in this action includes abrasive blasting and recoating 18,869 linear feet (LF) of 65-inch diameter Mokelumne Aqueduct No. 1, 22 LF of 68-inch Mokelumne Aqueduct No. 2, 203 LF of 65-inch Mokelumne Aqueduct Surge Line, and 74 LF of 62-inch Wasteway Pipe, including appurtenances, at 57 sites in Calaveras, San Joaquin, and Contra Costa Counties between Walnut Creek and Campo Seco; and performing related required work. This work supports the District's Long-Term Infrastructure Investment Strategic Plan goal.
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BID RESULTS	Bid documents were posted on the District's website and issued to 22 resource organizations and nine prospective bidders. Four bids were received, ranging from \$15,281,498 to \$32,617,756. The bid summary is attached. The engineer's estimate for this work is \$18,538,570. The lowest responsive/responsible bid was lower than the engineer's estimate possibly due to the bidder's prior experience working on the District's recoating projects of similar scope.
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The lowest responsive/responsible bidder, Certified Coatings Company, is licensed to perform work in California, and is not on the State Department of Industrial Relations (DIR) debarment list. Certified Coatings Company and its listed subcontractors are properly registered with the State DIR.

Originating Department: Engineering and Construction	Department Director or Manager: Olujimi O. Yoloye	CEP Forms? Yes	Board Action Type: Construction
Funds Available: FY2024/2025, Award #7000155, Page #59	Budget Coding: 11-570-2013285-2013289:25-7000155		Approved: 
Attachment(s): Bid Summary; Location Map; P-035; P-061			

Title:	Recoat Mokelumne Aqueduct No. 1 Phase 13 – Gully Crossings Project	Meeting Date:	February 13, 2024
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In the past five years, Certified Coatings Company has not filed a Government Code Claim nor initiated any litigation against the District.

SUSTAINABILITY**Economic**

Funding for this work is available in the FY 2024 / FY 2025 adopted capital budget for Mokelumne Aqueducts Recoating.

Social

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

Locals 444, 2019, and 21 were notified of this contract on October 16, 2019, and did not raise any specific issues related to this contract.

Environmental

California Environmental Quality Act (CEQA) Notices of Exemption were filed with San Joaquin County Clerk on September 17, 2019, Calaveras County Clerk on September 18, 2019, and Contra Costa County Clerk on October 15, 2019. The project is exempt from the requirements of CEQA under Guideline 15301 because the work falls within Class 1 activities including maintenance of existing public structures.

ALTERNATIVES

Do not complete the project. This alternative is not recommended because failure to recoat the aqueducts will result in corrosion of the steel pipelines at these aboveground locations.

Perform the work with District forces. This alternative is not recommended because the scope and complexity of the required work is beyond District in-house capabilities.

I:\Sec\2024 Board Related Items\021324 Board Agenda Items\ECD - Recoat Mok Aq Phase 13.docx

EAST BAY MUNICIPAL UTILITY DISTRICT

SPECIFICATION 2156

Recoat Mokelumne Aqueduct No. 1 Phase 13 – Gully Crossings

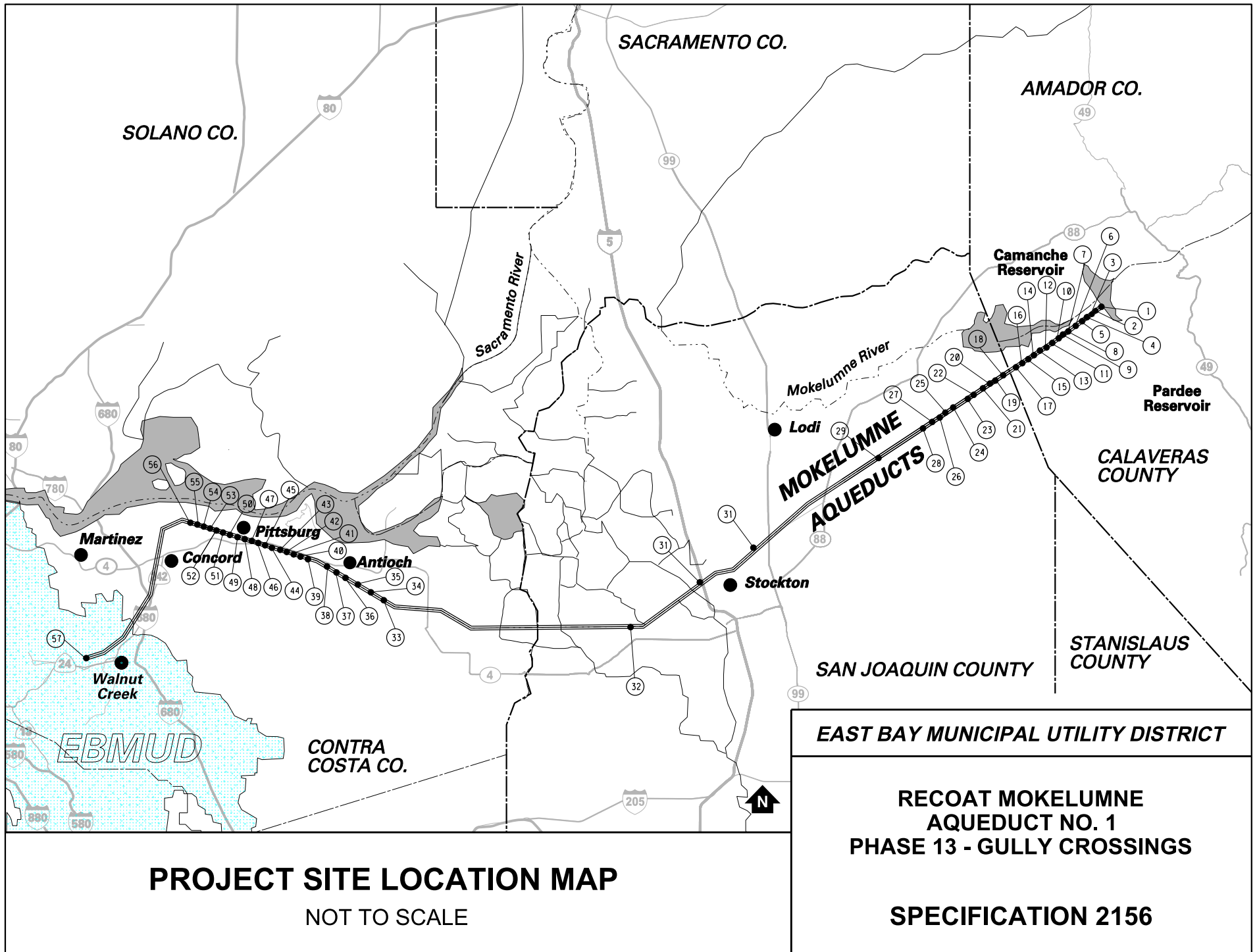
Bids Opened January 10, 2024

	BIDDER	TOTAL AMOUNT BID
1.	Certified Coatings Company 2320 Cordelia Rd. Fairfield CA 94534 (707) 639-4414	\$15,281,498
2.	JMB Construction, Inc. 132 S. Maple Ave. South San Francisco, CA 94080 (650) 267-5300	\$24,484,000
3.	Mountain Cascade Inc. 555 Exchange Ct. Livermore, CA 94550 (925) 373-8370	\$32,050,100
4.	Farr Construction Corporation dba Resource Development Company 1050 Linda Way Sparks, NV 89431 (775) 356-8004	\$32,913,306 ^{1,2}

Engineer's Estimate: \$18,538,570

¹ Contractor entered \$8,393,620 on Bid Item No. 2; calculated total is actually \$8,689,170

² Contractor entered \$32,617,756





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.: 2156 Recoat Mokelumne Aqueduct No. 1 Phase 13 - Gully Crossings					DATE: January 23, 2024						
CONTRACTOR: Certified Coatings Company Fairfield, CA					PERCENTAGE OF CONTRACT DOLLARS						
					Availability Group		Contracting Objectives		Participation		
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP		White Men		25%		99.6%			
		Ethnicity	Gender	White Women		9%		0.4%			
\$15,281,498 *		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: Certified Coatings Company		\$10,220,073	White	X		66.9%					
SUBS: KB1 Engineering, Inc		\$4,125,000	White	X		27.0%					
Carboline Company		\$250,000	White	X		1.6%					
Blastone		\$490,000	White	X		3.2%					
Eimage		\$56,425	White		x		0.4%				
Enviro Pros, LLC		\$140,000	White	x		0.9%					
TOTAL		\$15,281,498				99.6%	0.4%	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:		110		3		71		184			
Percent of Total Employees:		59.8%		1.6%		38.6%					
MSA Labor Market %:		32.3%		27.8%		39.9%					
MSA Labor Market Location:		California									
COMMENTS											
Contract Equity Participation : 99.6% White Men and 0.4% White Women participation. Contract Duration : NA *Total not to exceed: \$15,281,498											
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: Recoat Mokelumne Aqueduct No. 1 Phase 13 - Gully Crossings		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.: 2156	DATE: 1/23/2024	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	4	67	-	-	71	38.6%	48.4%
Certified Coatings Company David Morris-Gooding 2320 Cordelia Road Fairfield, CA 94534 707-639-4414		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	1	0	0	0	0.0%	
		Clerical/Skilled	4	62	0	0	66	41.0%	
		Semi/Unskilled	0	4	0	0	4	20.0%	
		Bay Area	4	67	0	0	71	38.6%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		8/22/2017		
		Co. Wide MSA:	California		# Employees-Co. Wide:		184	Bay Area:	184
S	WM: SBE	Company Wide	-	-	1	-	1	33.3%	13.9%
KB1 Engineering Shane Brennan 1742 Sanromo Drive Greenwood, CA 95635 916-724-9351		Manager/Prof	0	0	0	0	-	NA	
		Technical/Sales	0	0	0	0	-	NA	
		Clerical/Skilled	0	0	0	0	-	NA	
		Semi/Unskilled	0	0	1	0	1	33.3%	
		Bay Area	-	-	-	-	-	-	NA
		Co. Wide MSA:	El Dorado		# Employees-Co. Wide:		3	Bay Area:	0
S	WM	Company Wide	85	46	8	5	144	14.5%	27.2%
Carboline Global Inc. Jeff Anderson 2150 Schuetz Rd St. Louis, MO 63146 314-644-1000		Manager/Prof	23	11	2	0	36	14.3%	
		Technical/Sales	17	10	2	0	29	11.5%	
		Clerical/Skilled	10	5	3	3	21	11.7%	
		Semi/Unskilled	35	20	1	2	58	18.7%	
		Bay Area	-	-	-	-	-	-	NA
		Co. Wide MSA:	USA		# Employees-Co. Wide:		994	Bay Area:	0
S	WM	Company Wide	1	1	1	4	7	6.8%	27.2%
Blastone Shelly Fuller 10225 Greenleaf Ave Santa Fe Springs, CA 90670 614-476-3000		Manager/Prof	0	1	1	1	0	7.5%	
		Technical/Sales	1	0	0	1	0	8.7%	
		Clerical/Skilled	0	0	0	1	0	3.2%	
		Semi/Unskilled	0	0	0	1	0	11.1%	
		Bay Area	-	-	0	-	0	0.0%	39.9%
		Co. Wide MSA:	USA		# Employees-Co. Wide:		103	Bay Area:	33
S	WW	INFORMATION NOT PROVIDED							
Eimage Andrew Linda 210 Montcalm St. San Francisco, CA 94110 415-282-9829									
S	WM	Company Wide	-	100	-	-	100	50.0%	54.0%
Enviro Pros VSA LLC Bruce Westcott 1801 Briar Brook Court Altwater, CA 95301 209-628-8032		Manager/Prof	0	100	0	0	100	50.0%	
		Technical/Sales	0	0	0	0	-	NA	
		Clerical/Skilled	0	0	0	0	-	NA	
		Semi/Unskilled	0	0	0	0	-	NA	
		Bay Area	-	-	-	-	-	-	NA
		Co. Wide MSA:	Merced		# Employees-Co. Wide:		200	Bay Area:	0

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



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Recoat Mokelumne Aqueduct No. 1 Phase 13 - Gully Crossings		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.: 2156	DATE: 1/23/2024	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 %
P	WW	Company Wide	2	35	1	-	38	52.8%	47.9%
JMB Construction Margaret Burke 132 South Maple Ave South San Francisco, CA 94080 650-267-5300		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	0	0	0	-	0.0%	
		Clerical/Skilled	0	5	0	0	5	23.8%	
		Semi/Unskilled	2	30	1	0	33	91.7%	
		Bay Area	2	35	1	-	38	52.8%	39.9%
		Co. Wide MSA: San Mateo	# Employees-Co. Wide: 72				Bay Area: 72		
P	WM	Company Wide	-	65	1	4	70	47.3%	30.9%
Farr Construction Corporation dba Resource Development Company Kali Mashek 1050 Linda Way Sparks, NV 89431 775-356-8004		Manager/Prof	0	1	1	1	0	13.0%	
		Technical/Sales	0	0	0	1	1	25.0%	
		Clerical/Skilled	0	0	0	1	1	3.7%	
		Semi/Unskilled	0	64	0	1	3	69.1%	
		Bay Area	-	-	-	-	-	NA	39.9%
		Co. Wide MSA: Nevada	# Employees-Co. Wide: 148				Bay Area: 0		
P	WM: LBE	Company Wide	3	131	1	3	138	50.2%	53.9%
Mountain Cascade, Inc. Desiree Arslanian 555 Exchange Court Livermore, CA 94550 925-373-8370		Manager/Prof	0	7	0	0	7	16.7%	
		Technical/Sales	0	2	0	0	2	22.2%	
		Clerical/Skilled	0	5	1	3	9	60.0%	
		Semi/Unskilled	3	117	0	0	120	57.4%	
		Bay Area	3	131	1	3	138	50.2%	39.9%
		Co. Wide MSA: Alameda	# Employees-Co. Wide: 275				Bay Area: 275		

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

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BOARD ACTION

Agenda Number:	4.	Meeting Date:	February 13, 2024
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TITLE	JIRA AND SERVICE MANAGEMENT SOFTWARE
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Authorize the purchase of Jira software and Service Management software beginning on or after February 13, 2024 from Carahsoft for one year for a total amount not to exceed \$146,000. This purchase will be made under State of California contracts available for use by local governments.
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SUMMARY	The District uses Jira Software to track a variety of work requests across all departments and uses Jira Service Management to track work requests handled by the District's Service Desk.
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DISCUSSION	The District has relied on Jira Software for approximately 17 years and Jira Service Management for approximately two years. This software facilitates the creation, tracking, fulfillment, and documentation of work requests related to internal IT services and other types of work requests such as Finance and Human Resources. This software also serves as a knowledge base of solutions to past issues which is used to assist in the resolution of current issues. The District has configured the software to support internal business processes and work practices. The Atlassian Software License Agreement contains an indemnity clause requiring the District to indemnify the underlying software vendor, Atlassian, against any claims brought against Atlassian arising from the District's use of the software. The General Manager has reviewed this clause with Risk Management and the Office of General Counsel and has determined that the need for the software outweighs the low risk presented by the indemnity provision, and thus recommends Board authorization of the purchase. This item supports the District's Long-Term Financial Stability Strategic Plan goal.
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VENDOR SELECTION	Under Public Contract Code, Section 10298, agencies such as the District may purchase products and services directly via State of California contracts without pursuing separate competitive bidding. The State of California, Department of General Services has certified contract CMAS #3-12-70-2247E for this software purchase.
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SUSTAINABILITY	Economic Funding for this purpose is available in the FY 2024/FY 2025 adopted operating budget.
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Originating Department: Information Systems	Department Director or Manager: Orlando W. Leon	CEP Forms? Yes	Board Action Type: Materials and Supplies
Funds Available: FY 2024/FY 2025	Budget Coding: 11.251.1765.8876700.4008767.52430		Approved: 
Attachment(s): P-035; P-061			

Title:	Jira and Service Management Software	Meeting Date:	February 13, 2024
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ALTERNATIVES

Do not purchase the software licenses. This alternative is not recommended because the District would no longer have the ability to efficiently manage project and incident workflows.

Select an alternative product. This alternative is not recommended because implementing another product would require major rework and training without providing additional benefits to the District.

I:\Sec\2024 Board Related Items\021324 Board Agenda Items\ISD – Jira and Service Management Software.docx



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 Agreement Jira and Service Management Software					DATE: January 22, 2024						
CONTRACTOR: Carahsoft Reston, VA					PERCENTAGE OF CONTRACT DOLLARS						
State Contract/ Direct Award					Availability Group		Contracting Objectives		Participation		
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP			White Men		25%		100.0%		
		Ethnicity		Gender	White Women		6%		0.0%		
\$146,000 *		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: Carahsoft		\$146,000	White	x		100.0%					
SUBS: None											
TOTAL		\$146,000			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:			INFORMATION NOT PROVIDED								
Percent of Total Employees:											
MSA Labor Market %:											
MSA Labor Market Location:											
COMMENTS											
Contract Equity Participation - 100% White Men participation. Contract Duration : One year *Total not to exceed: \$146,000											
Workforce Profile & Statement of Nondiscrimination Submitted					Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended		
NA					NA						



BOARD ACTION

Agenda Number:	5.	Meeting Date:	February 13, 2024
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TITLE	AUTHORIZE CONTINUED EMPLOYMENT OF BEST, BEST & KRIEGER, LLP, FOR SPECIALIZED LEGAL SERVICES
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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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, fees, taxes, liens, real estate and bankruptcy, and litigation involving such matters in an additional amount not to exceed \$100,000.
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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, fees, 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.
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SUSTAINABILITY	Economic Funding for this item is included in the FY 2024/FY 2025 adopted operating budget.
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Originating Department: Office of General Counsel	Department Director or Manager: Derek McDonald	CEP Forms? Yes	Board Action Type: Professional Services
Funds Available: FY 2024/FY 2025	Budget Coding: 11-130-8851100-52310-000000	Approved: 	
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 Authorize Continued Employment of Best, Best & Krieger, LLP for Specialized Legal Services					DATE: January 30, 2024						
CONTRACTOR: Best, Best & Krieger, LLP Riverside, CA 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:		117		148		173		438			
Percent of Total Employees:		26.7%		33.8%		39.5%					
MSA Labor Market %:		39.0%		33.7%		27.2%					
MSA Labor Market Location:		United States									
COMMENTS											
Contract Equity Participation: 100% White Men participation. Contract Duration: NA *Total not to exceed: \$100,000											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							



BOARD ACTION

Agenda Number:	6.1.-6.2.	Meeting Date:	February 13, 2024
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TITLE

RATIFY EXTENSION OF AGREEMENT AND AUTHORIZE AGREEMENT FOR ONLINE RECRUITMENT AND ONBOARDING SERVICES

ACTION

☒ Motion:

☐ Resolution:

☐ Ordinance:

RECOMMENDED ACTION

- Ratify the extension of the agreement with GovernmentJobs.com dba NEOGOV (NEGOV) authorized under Board Motion No. 041-18 to February 12, 2024 and the total payment of \$45,750 to NEOGOV for the continuous work of providing online recruitment and onboarding services rendered between April 11, 2023 and February 12, 2024.
- Authorize an agreement beginning on or after February 13, 2024 with NEOGOV through June 30, 2026 in an amount not to exceed \$154,155 for online recruitment and onboarding services.

SUMMARY

This agreement will allow the District to continue using NEOGOV's applicant tracking and new hire onboarding services. On April 10, 2018, the Board authorized an agreement with NEOGOV under Board Motion No. 041-18 for an amount not to exceed \$191,000 (including base fees and one-time implementation and consulting costs) with three options to renew for an additional one-year period. The agreement expired on April 10, 2023.

DISCUSSION

NEGOV is the public sector market and technology leader for hiring, onboarding and performance evaluation processes. The software is used by over 6,000 public agencies. The District uses NEOGOV's applicant tracking service, which allows job applicants to apply for positions online and staff to track applications, exam results, and placement on a certified list for future hiring. The District also uses NEOGOV's module for onboarding new hires, which includes accessibility to electronic forms with digital signatures, new hire checklists, informational items for the pre-hire process, and the ability to communicate other information such as videos on the District's values. With this onboarding portal, a majority of the pre-hire work can be completed online.

The requested ratification would authorize the online recruitment and onboarding services rendered by NEOGOV between April 11, 2023 and February 12, 2024. The agreement renewal was delayed because of protracted contract amendment discussions with the vendor.

The provided authorization of a new agreement would secure online recruitment and onboarding services through June 30, 2026. These services help meet the District's Strategic Plan Workforce Planning and Development goal.

Originating Department: Human Resources	Department Director or Manager: Cindy R. Charan	CEP Forms? Yes	Board Action Type: General Services
Funds Available: FY 2024/FY 2025	Budget Coding: 11.364.1770.8859500.52310	Approved: 	
Attachment(s): P-035; P-061			

Title:	Ratify Extension of Agreement and Authorize Agreement for Online Recruitment and Onboarding Services	Meeting Date:	February 13, 2024
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**SERVICE PROVIDER
SELECTION**

This item is being recommended as a direct award. Staff's research has shown that there are no viable competitors for governmental recruiting process products similar to NEOGOV currently in the market. NEOGOV is currently providing critical services that support the District's recruitment and onboarding processes.

SUSTAINABILITY**Economic**

The FY 2024/FY 2025 adopted operating budget includes funding for the first two years of this multi-year agreement. Funding for the additional years will be considered as part of the associated budget development process.

The cost of services increases by approximately two percent per year.

Social

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

Environmental

The use of electronic forms and electronic document-sharing in the NEOGOV onboarding service decreases the amount of paper used to process new hires.

ALTERNATIVE

Do not authorize an agreement. This alternative is not recommended because the District's current recruitment and pre-hire processes are reliant upon the NEOGOV services.

I:\Sec\2023 Board Related Items\021324 Board Agenda Items\HRD-Ratify Extension of Agreement and Authorize New Agreement for Online Recruitment.docx



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 Online Recruitment and Onboarding Services						DATE: January 31, 2024						
CONTRACTOR: GovernmentJobs.com dba NEOGOV El Segundo, CA				Direct Award		PERCENTAGE OF CONTRACT DOLLARS						
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP				Availability Group		Contracting Objectives		Participation		
\$62,308 /yr.*		Ethnicity		Gender		White Men		25%		100.0%		
		White		Men		White Women		6%		0.0%		
						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: GovernmentJobs.com dba NEOGOV		\$62,308	White	X		100.0%						
SUBS: None												
TOTAL		\$62,308				100.0%	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:		144		133		159		436				
Percent of Total Employees:		33.0%		30.5%		36.5%						
MSA Labor Market %:		28.0%		23.6%		48.4%						
MSA Labor Market Location:		California										
COMMENTS												
Contract Equity Participation: 100% White Men participation. Contract Duration: Three years and 2.5 months Total not to exceed: \$199,905												
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.

[illegible]

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



BOARD ACTION

Agenda Number:	7.1.-7.2.	Meeting Date:	February 13, 2024
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TITLE	RATIFY EXTENSION OF AGREEMENT AND AUTHORIZE AGREEMENT FOR MAINTENANCE AND SUPPORT OF HUMAN RESOURCE DOCUMENT MANAGEMENT SYSTEM
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	• Ratify the extension of the agreement with DataBank IMX, LLC (Databank) authorized under Board Motion No. 014-15 to February 12, 2024 and the total payment of \$42,947 to Databank for the continuous work of providing software maintenance services to OnBase by Hyland Software (OnBase) rendered between January 1, 2020 and February 12, 2024. • Authorize an agreement beginning on or after February 13, 2024 with DataBank through December 31, 2028, in an amount not to exceed \$85,000 for annual maintenance services, file scanning, staff training, and software upgrades to OnBase software.
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SUMMARY	The District uses OnBase under a software license agreement for secure human resources, employee personnel, and East Bay Municipal District Employees' Retirement System (ERS) record retention. The product was originally purchased in 2003 and installed by DataBank, the authorized provider for OnBase. Since that time, DataBank has been the District's primary source for maintenance and support of the software. Each year, the District signs a new invoice inclusive of an annual service agreement with DataBank for the annual support and maintenance of the OnBase software.
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DISCUSSION	OnBase is a confidential records management software used by staff in Human Resources to store electronic employee personnel files and retiree data files, as well as confidential recruitment and employee relations files. The last authorization to renew the agreement with Databank was in January 2015 under Board Motion No. 014-15 for a total amount of \$70,000; the agreement expired on December 31, 2019. Nonetheless, from January 2020 to January 2023, the District continued to pay the annual service fee for a total amount of \$42,947 in excess of the \$70,000 authorization. The ratification request includes \$42,947 paid between 2020 and 2023, and \$85,000 for payments expected to be made during the agreement term between 2024 through 2028. This amount includes annual maintenance service fees, \$8,000 for additional services for file scanning and staff training, and \$5,400 for a software upgrade to be performed in 2024. Staff are currently implementing a Pension Administration System and will soon replace other core Human Resource and Payroll systems. While some records retention needs will shift
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Originating Department: Human Resources	Department Director or Manager: Cindy R. Charan	CEP Forms? Yes	Board Action Type: Professional Services
Funds Available: FY 2024/FY 2025	Budget Coding: 11.365.1730.8851100.52310	Approved: 	
Attachment(s): P-035; P-061			

Title:	Ratify Extension of Agreement and Authorize Agreement for Maintenance and Support of Human Resource Document Management System	Meeting Date:	February 13, 2024
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during these various technology upgrades, there continues to be a long-term need for record storage related to the ERS. If a different software is selected for record storage as other Human Resource technology upgrades are completed, staff would not renew the service agreement with Databank.

These services support the District's Workforce Planning and Development Strategic Plan goal.

**CONSULTANT
SELECTION**

This item is being recommended as a direct award because Databank is the only third-party provider of the OnBase system in the San Francisco Bay Area capable of providing maintenance and support. Databank was selected in 2003 in a competitive bid process.

SUSTAINABILITY**Economic**

The FY 2024/FY 2025 adopted operating budget includes funding for the first two years of this multi-year agreement. Funding for the additional years will be considered as part of the associated budget development process.

The agreement amount of \$85,000 includes an expected seven percent annual increase to the maintenance service fees.

Social

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

ALTERNATIVES

Do not authorize the agreement. This alternative is not recommended because this service is needed to maintain and upkeep the District personnel and ERS records platform.

Discontinue paying for the Databank annual service. This alternative is not recommended because the District needs access to maintenance and support of the OnBase software as long as it continues to be used for Human Resources files.



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 Ratify Payment and Authorize Agreement for Maintenance and Support of Human Resource Document Management System						DATE: February 6, 2024					
CONTRACTOR: DataBank IMX, LLC Huntingdon Valley, PA						PERCENTAGE OF CONTRACT DOLLARS					
						Availability Group		Contracting Objectives		Participation	
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP		White Men		25%		0.0%			
		Ethnicity	Gender	White Women		6%		0.0%			
\$127,947 *				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: DataBank IMX, LLC		\$127,947	Foreign								
SUBS:											
TOTAL		\$127,947			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)											
		White Men		White Women		Ethnic Minorities		Total Employees			
No. of Employees:		182		207		214		603			
Percent of Total Employees:		30.2%		34.3%		35.5%					
MSA Labor Market %:		39.0%		33.7%		27.2%					
MSA Labor Market Location:		United States									
COMMENTS											
Contract Equity Participation: Zero Contract Equity participation. Firm is foreign owned. Contract Duration: January 1, 2020 through December 31, 2028 *Total not to exceed: \$127,947 = \$42,947 (Ratify payment) + \$85,000 (New agreement)											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 8, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager *CCC*

FROM: Kathy Viatella, Manager of Legislative Affairs *KV*

SUBJECT: Legislative Report No. 01-24

The following issue is being referred to the Legislative/Human Resources Committee for review and recommendation to the Board of Directors for action, as appropriate, on February 13, 2024.

RECOMMENDED ACTION

Approve a support position on the following bill: S. (TBD), the Low-Income Household Water Assistance Program (LIHWAP) Establishment Act.

FEDERAL LEGISLATION

RECOMMENDED POSITION

**S. (TBD)
(Padilla)** **The Low-Income Household Water
Assistance Program (LIHWAP)
Establishment Act**

SUPPORT

The LIHWAP Establishment Act would permanently establish LIHWAP to award grants to eligible entities (states or tribes) to provide funds to owners and operators of public water systems or treatment works to assist low-income households in paying arrearages and other rates charged to such households for drinking water or wastewater services. The LIHWAP Establishment Act is intended to build upon the existing temporary LIHWAP created and funded through various federal COVID-19 relief packages in 2021. Although the initial LIHWAP expired September 30, 2023, the deadline to apply for financial assistance through LIHWAP was extended to March 31, 2024. The LIHWAP Establishment Act would permanently establish such a program at the federal level.

Background

The Consolidated Appropriations Act, 2021, signed on December 27, 2020, included \$638 million in funding with instructions for the U.S. Department of Health and Human Services (U.S. HHS) to administer LIHWAP grants. On March 11, 2021, the American Rescue Plan Act of 2021 appropriated an additional \$500 million to LIHWAP. The initial program provided funds for

assisting low-income households with water and wastewater bills through grants made available to states, the District of Columbia, U.S. territories, and federally and state-recognized Indian tribes and tribal organizations that received fiscal year 2021 Low Income Household Energy Assistance Program (LIHEAP) grants.

In California, the LIHWAP administering agency is the Department of Community Services and Development (CSD). CSD works with a network of local service providers to disburse LIHWAP benefits to eligible households to pay down their residential water and wastewater utility bills. California's program started accepting applications from customers in July 2022. As of January 31, 2024, a total of 1,818 eligible EBMUD customers have received over \$2.2 million in LIHWAP benefits.

Separately from LIHWAP, the Infrastructure Investment and Jobs Act (IIJA), signed into law on November 8, 2021, contained provisions for the U.S. Environmental Protection Agency (U.S. EPA) to conduct a needs assessment for water assistance in rural and urban low-income communities nationwide. Additionally, the IIJA directed the U.S. EPA to implement a Rural and Low-Income Assistance Pilot Program that would provide up to 40 grants each year. The results of the needs assessment and the pilot program will likely inform the development of future water and wastewater rate assistance programs nationwide. Neither the needs assessment nor the pilot project has been completed to date.

The LIHWAP Establishment Act (Act)

Senator Padilla's bill is intended to permanently establish a federal low-income household water assistance program, similar to the initial program created in 2021. A summary of major provisions is provided below:

The Act directs the U.S. HHS Secretary in consultation with the U.S. EPA Administrator to establish LIHWAP to award grants to eligible entities (states and tribes) to provide funds to owners and operators of public water systems or treatment works to assist low-income households in paying arrearages and their drinking water or wastewater bills.

The Act allows eligible entities to use up to 15% of funds to offset the cost of administering, determining eligibility of, and conducting outreach to low-income households, and sets aside 3% of award funding to provide grants to nonprofits in rural or underserved areas or for tribes.

The Act defines eligibility for the program, including individuals who are receiving benefits under a number of social service programs, as well as various state or local area median income level qualifications.

The Act requires the transfer of LIHWAP administration to the U.S. EPA Administrator from the U.S. HHS Secretary upon the completion of the results of the Rural and Low-Income Water Assistance Pilot Program (established by the IIJA, mentioned above). It is unclear at this time,

what, if any, impacts a transfer from U.S. HHS to U.S. EPA might mean for California's administration of the program and what those impacts could be to EBMUD and its customers.

While the Act specifies that appropriation of funds to carry out the requirements of the bill is authorized, no funding source or funding amount is referenced.

Based on the initial LIHWAP established by the federal government in 2021, The Act would likely benefit eligible EBMUD customers by complementing EBMUD's long-standing Customer Assistance Program that provides ongoing rate assistance for qualified customers. EBMUD previously advocated in support of federal funding to provide financial assistance to low-income water and wastewater utility customers as part of COVID-19 relief package efforts in 2020 and 2021.

Support

Consistent with other federal measures, there is no official support and opposition list for The LIHWAP Establishment Act. According to Senator Padilla's office, the following groups and individuals have endorsed the bill:

American Business Water Coalition	Metropolitan Water District
American Water Works Association	Monterey One Water
Association of California Water Agencies	National Association of Clean Water Agencies
Association of Metropolitan Water Agencies	National Association of Water Companies
California Rural Water Association	National League of Cities
City of Los Angeles Mayor Bass	Palmdale Water District
City of Pasadena Mayor Gordo	San Francisco Public Utilities Commission
City of Rohnert Park Mayor Hollingsworth Adams	Santa Clara Valley Water District
City of San Diego Mayor Gloria	Solano County Water Agency
Community Water Center	Soquel Creek Water District
Eastern Municipal Water District	South Coast Water District
Elsinore Valley Municipal Water District	Water Agency Leaders Alliance
Inland Empire Utilities Agency	West Basin Municipal Water District
Jurupa Community Services	Western Municipal Water
Los Angeles Department of Water and Power	

CCC:KCV:DM/JW

Attachment

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118TH CONGRESS
1ST SESSION

S. _____

To authorize the Low-Income Household Water Assistance Program, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. PADILLA introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To authorize the Low-Income Household Water Assistance
Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Low-Income House-
5 hold Water Assistance Program Establishment Act”.

6 **SEC. 2. LOW-INCOME HOUSEHOLD WATER ASSISTANCE**
7 **PROGRAM.**

8 (a) **DEFINITIONS.**—In this section:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(2) **ELIGIBLE ENTITY.**—The term “eligible entity” means a State, or Indian tribe, that is eligible to receive or previously received a grant under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

9 (3) HOUSEHOLD.—The term “household”
10 means any individual or group of individuals who
11 are living together as 1 economic unit.

(4) LOW-INCOME HOUSEHOLD.—The term “low-income household” means a household—

14 (A) in which 1 or more individuals are re-
15 ceiving—

(i) assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(ii) supplemental security income pay-
ments under title XVI of the Social Secu-
rity Act (42 U.S.C. 1381 et seq.);

(iii) supplemental nutrition assistance
program benefits under the Food and Nu-

1 trition Act of 2008 (7 U.S.C. 2011 et
2 seq.);

3 (iv) payments under—

4 (I) section 1315, 1521, 1541, or
5 1542 of title 38, United States Code;
6 or

7 (II) section 306 of the Veterans'
8 and Survivors' Pension Improvement
9 Act of 1978 (38 U.S.C. 1521 note;
10 Public Law 95-588); or

11 (v) assistance under the Low-Income
12 Home Energy Assistance Act of 1981; or

(B) that has an income that, as determined by the State or Indian tribe, does not exceed the greater of—

16 (i) an amount equal to 150 percent of
17 the poverty level;

(ii) an amount equal to 60 percent of the State median income for that State or the State in which the Indian tribe is primarily located; or

(iii) an amount equal to 60 percent of the area median income for the area in which the household is located.

1 (5) POVERTY LEVEL.—The term “poverty
2 level” means the poverty line determined pursuant
3 to section 673 of the Community Services Block
4 Grant Act (42 U.S.C. 9902).

5 (6) PUBLIC WATER SYSTEM.—The term “public
6 water system” has the meaning given the term in
7 section 1401 of the Safe Drinking Water Act (42
8 U.S.C. 300f).

9 (7) QUALIFIED NONPROFIT ORGANIZATION.—
10 The term “qualified nonprofit organization” includes
11 a nonprofit organization described in section
12 680(a)(3)(B) of the Community Services Block
13 Grant Act (42 U.S.C. 9921(a)(3)(B)).

14 (8) SECRETARY.—The term “Secretary” means
15 the Secretary of Health and Human Services.

16 (9) STATE.—The term “State” means any of
17 the 50 States, the District of Columbia, the Com-
18 monwealth of Puerto Rico, Guam, the United States
19 Virgin Islands, American Samoa, and the Common-
20 wealth of the Northern Mariana Islands.

21 (10) TREATMENT WORKS.—The term “treat-
22 ment works” has the meaning given the term in sec-
23 tion 212 of the Federal Water Pollution Control Act
24 (33 U.S.C. 1292).

25 (b) ESTABLISHMENT.—

1 (1) IN GENERAL.—The Secretary, in consulta-
2 tion with the Administrator, shall establish the Low-
3 Income Household Water Assistance Program to
4 award grants, in accordance with paragraph (2), to
5 eligible entities to provide funds to owners and oper-
6 ators of public water systems or treatment works to
7 assist low-income households in paying arrearages
8 and other rates charged to such households for
9 drinking water or wastewater services.

10 (2) FORMULA.—In awarding grants under this
11 subsection to eligible entities, the Secretary shall—

12 (A) allot amounts made available for
13 grants under this subsection to an eligible enti-
14 ty that is a State or Indian tribe based on—

15 (i) the percentage of households in the
16 State, or under the jurisdiction of the In-
17 dian tribe, with income equal to or less
18 than 150 percent of the poverty level; or

19 (ii) the percentage of households in
20 the State, or under the jurisdiction of the
21 Indian tribe, that spend more than 30 per-
22 cent of monthly income on housing; and

23 (B) reserve up to 3 percent of amounts
24 made available for grants under this subsection
25 to eligible entities that are Indian tribes.

1 (c) RURAL, UNDERSERVED, AND INDIAN TRIBE AC-
2 CESS GRANTS.—The Secretary shall provide grants to
3 qualified nonprofit organizations to assist owners or oper-
4 ators of public water systems or treatment works, in rural
5 or underserved areas or in the jurisdiction of an Indian
6 tribe, in accessing funds through the Low-Income House-
7 hold Water Assistance Program.

8 (d) APPLICATIONS.—Each eligible entity seeking a
9 grant under subsection (b), and each qualified nonprofit
10 organization seeking a grant under subsection (c), shall
11 submit an application to the Secretary at such time, in
12 such manner, and containing such information as the Sec-
13 retary shall require.

14 (e) LIMITATIONS.—A recipient of a grant under sub-
15 section (b) or (c)—

16 (1) shall not use the funds from the grant to
17 supplant any other funds for any program that as-
18 sists low-income households in maintaining access to
19 affordable drinking water or wastewater services;
20 and

21 (2) may use the funds from the grant to supple-
22 ment or otherwise enhance any such program that
23 satisfies the requirements under this section.

24 (f) TECHNICAL ASSISTANCE FOR ELIGIBILITY RE-
25 QUIREMENTS.—The Secretary shall provide technical as-

1 sistence to eligible entities receiving a grant under sub-
2 section (b) for such eligible entities to establish data shar-
3 ing agreements to streamline categorical eligibility re-
4 quirements for low-income households.

5 (g) TRANSFER TO THE ENVIRONMENTAL PROTEC-
6 TION AGENCY.—

7 (1) IN GENERAL.—On the date on which the
8 final report described in section 50109(d) of the In-
9 frastructure Investment and Jobs Act (42 U.S.C.
10 300j-19a note; Public Law 117-58; 135 Stat. 1148)
11 is submitted to Congress under such section, the
12 Secretary, in coordination with the Administrator,
13 shall transfer the Low-Income Household Water As-
14 sistence Program established under this section to
15 the Environmental Protection Agency for adminis-
16 tration of such program by the Administrator in ac-
17 cordance with this section.

18 (2) ADMINISTRATION.—

19 (A) IN GENERAL.—Beginning on the date
20 described in paragraph (1)—

21 (i) the Administrator shall carry out
22 all functions of the Secretary under this
23 section; and

24 (ii) for purposes of administering the
25 program established under this section,

1 each reference in subsection (b)(2), (c),
2 (d), and (f) to the Secretary shall be
3 deemed a reference to the Administrator.

4 (B) GRANTS PREVIOUSLY AWARDED.—

5 Notwithstanding paragraph (1) and subpara-
6 graph (A), the Secretary shall continue, after
7 the transfer under paragraph (1), administering
8 each grant awarded under this section prior to
9 such transfer until the expiration of the term of
10 such grant.

11 (3) UNOBLIGATED BALANCES.—On the date de-
12 scribed in paragraph (1) and subject to section 1531
13 of title 31, United States Code, the Secretary shall
14 transfer all unobligated balances of appropriations,
15 authorizations, allocations, or other funds available
16 to the Low-Income Household Water Assistance
17 Program established under this section (except for
18 any such balances related to grants awarded prior to
19 the transfer under paragraph (1)) to the Adminis-
20 trator. The amounts of any such unobligated bal-
21 ances so transferred shall be used only for the pur-
22 poses for which the amounts were originally author-
23 ized and appropriated.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated such sums as may be
3 necessary to carry out this section.

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 13, 2024

MEMO TO: Board of Directors

FROM: Clifford C. Chan, General Manager 

SUBJECT: Options for Filling a Vacant Board Seat

SUMMARY

During the January 23, 2024 Board meeting, Director John A. Coleman announced his resignation as Director of EBMUD Ward 2. In a February 1, 2024 information memo, staff provided an overview of the options in the Municipal Utility District (MUD) Act for filling a Board vacancy. This memo includes timelines for each option which staff will present at the February 13, 2024 meeting to assist the Board with selecting the process to fill the vacancy.

DISCUSSION

Director Coleman's resignation will be effective in early March 2024. Under MUD Act section 11865 *et seq.*, the Board may fill a vacancy by Board appointment or through a special election called by the Board. The Board must exercise one of these options within 60 days of the effective date of Director Coleman's resignation (no later than early May 2024). If the Board does not exercise one of these options, the Contra Costa County Board of Supervisors would have until early June to either fill the vacancy by appointment or order EBMUD to call a special election.

Fill Vacancy by Appointment

A notice of the vacancy must be posted in three or more conspicuous places in the District at least fifteen (15) days before the appointment is made. The Board can also provide broader notice by publishing display ads in local newspapers and by posting information at locations in the ward, and on the District's website and social media platforms.

The Board should establish a process to evaluate applicants and can appoint an Ad Hoc Committee of less than a quorum to assist with the process. The Ad Hoc Committee is not required to meet in public. The full Board would then act on the Committee's recommendation at a regular public Board meeting. The appointment is made by the Board by a majority vote. The appointed person would fill the vacancy until the November 2024 general election. The person elected to the office in the November 2024 general election would serve the remainder of Director Coleman's term (until December 31, 2026).

Fill Vacancy by Special Election

The Board may also call a special election to fill the vacancy. If the Board chooses this option, they must call a special election no later than early May 2024. The earliest that a special election could be held is August 27, 2024 (an election date established by the county in accordance with Government Code section 1780). The person elected in the special election would serve the remainder of Director Coleman's term (through December 31, 2026).

There are currently 147,971 registered voters in Ward 2. A standalone special election would cost approximately \$1,331,739 to \$2,071,594 (\$9 to \$14 per voter). This cost is significantly higher than the cost for the November 2024 general election. Additional costs for a special election would include translating, printing, and handling ballot materials, and District advertisements and mailings.

Do Not Take Action and Allow Contra Costa County Board of Supervisors to Act

A third option in the MUD Act is if the EBMUD Board does not appoint a person or call for a special election. In this case, the Contra Costa County Board of Supervisors would have until early June to either fill the vacancy by appointment or order EBMUD to call a special election. If the Board of Supervisors fails to act by this date, the MUD Act requires the EBMUD Board to call a special election to fill the vacancy.

NEXT STEPS

At the February 13, 2024 Board meeting, staff will present information to assist the Board with selecting a process to fill the vacancy in Ward 2.

CCC:RSC

- Attachments:
1. Options for Filling a Board Vacancy
 2. Outreach and Selection Steps for Consideration
 3. Appointment Process Considerations

Options for Filling Board Vacancy

Option 1 – Appointment	Board appoints through majority vote within 60 days of resignation	Early March 2024 – Director Coleman resigns	April 8, 2024 – Last day to post Notice of Vacancy (15 days before the appointment date)	April 23, 2024 – Last Regular Board meeting available to appoint before the 60 day period expires (May 7, 2024)	<i>Appointee would serve until next general election on November 5, 2024</i>	
Option 2 – Special Election	Board calls for a special election through majority vote within 60 days of resignation	Early March 2024 – Director Coleman resigns		April 23, 2024 – Last Regular Board meeting available to call for a special election before the 60-day period expires (May 7, 2024)	<i>Seat remains vacant until first available date for special election - August 27, 2024</i> <i>Elected person would serve until end of Director Coleman’s term (December 31, 2026)</i>	
Option 3 – Board takes no action	Board does not appoint or call for a special election within 60 days of resignation	Early March 2024 – Director Coleman resigns			After early May 2024, Contra Costa County Board of Supervisors may appoint OR direct EBMUD to call a special election within 90 days of vacancy (early June 2024)	Early July 2024 – If Contra Costa County Board of Supervisors takes no action to appoint or call a special election , EBMUD Board must call for special election <i>The position would have to be filled during the November 5 general election because EBMUD would have had to notify the county 130 days before the August 27, 2024 – special standalone election</i>

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Outreach and Selection Steps for Consideration

Appoint a Successor

- Post a notice of vacancy and information on the application process at the Oakland Administration Building, Contra Costa County Clerk-Recorder's office, on the District's website and social media platforms, in local newspapers (Oakland Tribune, Contra Costa Times, and San Ramon Times), and the Lafayette Library.
- Provide notices of vacancy to interested parties with approximately two weeks to respond.
- Send all candidates an information packet providing application information and background materials about EBMUD.
- Require candidates to submit a letter of no more than 2 pages expressing their interest and qualifications, a resume and three letters of reference. (All materials submitted would be made available for public inspection.)
- Ad Hoc Committee would review applicant materials, interview candidates, and recommend finalists at a public meeting.
- Board interviews finalists, selects a candidate and makes appointment at a public meeting.

Board Calls a Special Election

- Post a notice of vacancy and information on the special election process at the Oakland Administration Building, Contra Costa County Clerk-Recorder's office, on the District's website and social media platforms, in local newspapers (Oakland Tribune, Contra Costa Times, and San Ramon Times), and the Lafayette Library.
- Provide notices of vacancy to interested parties.
- Send all interested individuals a packet providing information on declaring their candidacy and background materials about EBMUD.
- Staff responds to questions regarding EBMUD's Campaign Finance Reform Ordinance.
- Contra Costa County holds Special Election.
- Board certifies election.
- Newly elected Board member takes office.

There are currently 147,971 registered voters in Ward 2. Costs for a special election could be approximately \$1,331,739 to \$2,071,594 based on Contra Costa County fees of \$9 to \$14 per voter. In addition, there would be costs for translating, printing, and handling ballot materials related to the election. Other costs – for District advertisements and mailings – would be equivalent for an appointment or an election.

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Appointment Process Considerations¹

Notice of Vacancy Distribution

1. The District will post a notice of vacancy including information about the application process at:
 - EBMUD Administration Building
 - District website (www.ebmud.com)
 - Contra Costa County Clerk-Recorder's Office
 - Lafayette City Offices
2. *Are there other locations where the District should post the notice of vacancy?*
3. *Should the District print the notice of vacancy in local newspapers?*
4. *Should the District post the notice of vacancy on social media platforms?*
5. *Should the District mail the notice of vacancy to any specific groups or individuals?*
6. *Should the District mail the notice of vacancy in response to requests?*

Candidate Information Packet

1. The District will provide all interested candidates an information packet that will include the application process and background information on EBMUD (hyperlinks to budget documents, public information materials, board meeting materials, and publications).
2. *Are there other materials that should be included in the information packet?*

Application Process

1. Shall the District require candidates to submit:
 - A letter expressing interest and qualifications (no more than 2 pages)
 - A resume
 - Three letters of reference
2. *Are there other materials the Board would like to receive as part of the application process?*

Screening Applications

1. The Office of the Secretary will conduct the initial screening of all application materials submitted by the deadline for completeness. Applications that are late or incomplete will not be considered.
2. *If there are more than ten applicants, shall the full Board or an ad hoc committee of the Board select a short list of finalists for the Board appointment consideration? If the process is needed, is the Board available to meet between April 2 and April 4?*

Appointment Process

1. *Shall the Board or an ad hoc committee of the Board develop a list of questions to be used in interviewing applicants? Shall the Board provide the questions to applicants in advance of the interview process?*

¹ Staff will need Board direction on these items if the Board selects an appointment process.

ATTACHMENT 3

2. *Shall the Board conduct applicant interviews during a regular Board meeting or a special meeting of the Board of Directors? Shall the interviews be conducted in the Main Administration Building or at a public location in Ward 2?*
3. *If the Board chooses to hold a special meeting of the Board of Directors, is the Board available on April 16 or April 17 to interview the applicants?*



BOARD ACTION

Agenda Number:	10.	Meeting Date:	February 13, 2024
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TITLE	RECOGNITION OF THE LIFE AND SERVICE OF IRMA ANDERSON
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ACTION	☐ Motion:	☒ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Adopt a resolution in observance of the life and public service of former Richmond Mayor Irma Anderson.
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DISCUSSION	On January 28, 2024, Irma Anderson passed away peacefully at home at the age of 93. The attached resolution recognizes Ms. Anderson's legacy as a trailblazing community leader who served the East Bay for over 30 years. Ms. Anderson made history in 1993 as the first Black councilwoman in the City of Richmond and in 2001 as the first Black woman to serve as Mayor of a major California city. Ms. Anderson served as a mentor and trained many community leaders, including some EBMUD employees. This resolution recognizes the contributions of women in leadership, community action, and service to the East Bay.
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I:\Sec\2024 Board Related Items\021324 Board Agenda Items\OGM-Irma Anderson.docx

Originating Department: Office of the General Manager - Communications	Department Director or Manager: Kelly A. Zito	CEP Forms? N/A	Board Action Type: Administrative
Funds Available: N/A	Budget Coding: N/A		Approved: 
Attachment(s): Resolution			

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RESOLUTION NO. _____

RESOLUTION RECOGNIZING IRMA L. ANDERSON

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, Irma Anderson was the second Black woman to attend and graduate Cornell School of Nursing and went on to receive a master's degree from the University of California, Berkeley School of Public Health; and

WHEREAS, Irma Anderson was employed by the Contra Costa County Health Department as a staff Public Health Nurse, worked in every classification, and advanced to the highest level as Director of Public Health Nursing, becoming the first Black Assistant Director and first Black Director of Public Health Nursing in Contra Costa County; and

WHEREAS, Irma Anderson was the first Black woman elected to the Richmond City Council, receiving the highest number of votes in the history of council elections, and served as Councilperson from 1990 to 2023, and

WHEREAS, Irma Anderson became the City of Richmond's first Black woman mayor, providing leadership in policy and economic development and representing the City of Richmond in ceremony and policy bodies at the regional, state, national, and international level; and

WHEREAS, Irma Anderson served on the Metropolitan Transportation Commission from 2003 to 2007 as Vice Chair of the Programming and Allocations Committee, presiding over the transformation of downtown Richmond into a model of transit-oriented development for the region; and

WHEREAS, Irma Anderson was instrumental in developing a historic partnership with the West Contra Costa Unified School District dubbed "Kids First", which secured over \$1.8 million dollars to pilot after-school programs in the City of Richmond; and

WHEREAS, in 2010, Irma Anderson successfully lobbied to secure transportation funding for the City of Richmond, which included \$12 million from the State of California for a Richmond Ferry Service; and

WHEREAS, Irma Anderson passed away on Sunday, January 28, 2024 at the age of 93, having dedicated a lifetime to public health and public service, influencing, mentoring, and training a host of community members and civic leaders, and becoming a role model and mentor for Black women throughout the Bay Area;

NOW, THEREFORE, BE IT RESOLVED that the East Bay Municipal Utility District Board of Directors hereby expresses its gratitude to the family of Irma Anderson for her lifetime

commitment to serving the community. May her life's work shine brightly and be an inspiration to public service.

ADOPTED this 13th day of February, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 13, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Credit Ratings of Water System and Wastewater System Revenue Bonds

SUMMARY

On January 26, 2024, S&P Global Ratings and Moody's Investors Service assigned AAA and Aaa ratings, respectively, to the District's Water System Revenue Bonds, Series 2024A (Green Bonds) and Water System Revenue Refunding Bonds, Series 2024B and affirmed the District's AAA and Aaa ratings on outstanding Water System revenue bonds. The District remains the only water agency in California rated Aaa by Moody's.

Also on January 26, 2024, S&P and Moody's assigned AAA and Aa1 ratings, respectively, to the District's Wastewater System Revenue Bonds, Series 2024A (Green Bonds) and affirmed the District's AAA and Aa1 ratings on outstanding Wastewater System revenue bonds. Staff will present the credit ratings assigned to the District's 2024 issuance of Water System and Wastewater System revenue bonds at the February 13, 2024 Board meeting.

DISCUSSION

The AAA/Aaa designation is the highest long-term debt market rating and represents the very strong credit quality of the District's bonds. The Aa1 on the Wastewater System bonds at one notch below Aaa is also an extremely highly rated credit. Per S&P and Moody's, credit strengths of both systems include healthy, stable financial operations, sound management with long-term planning practices, strong adopted policies, regular rate increases and robust capital investments supporting system reliability. Their reports noted areas of potential credit weakness including elevated debt levels and challenges related to discharge permits and consent decree requirements for the Wastewater System.

The ratings carry a "stable outlook" expressing expectations that financial metrics will remain consistent during the next several years, even if the District experiences drought or economic contraction. Moody's has also assigned the District an Environmental, Social, and Governance (ESG) credit impact score (CIS) of CIS-2 indicating that ESG considerations do not have a material impact on the current rating. Per Moody's, their score is based on a qualitative assessment of ESG considerations in light of other credit considerations.

The AAA/Aaa rating reflects the position that the District has a very strong capacity to repay its debts and consequently has a very low risk of default amongst municipal borrowers. These ratings are based on the District's strong financial position and overall sound management. These ratings further reflect the strong oversight of the Board and their ongoing support for long-term financial stability, which allows the District to borrow at low interest rates for the benefit of our ratepayers.

CCC:SDS:rlh

- Attachments:
1. Presentation on Water and Wastewater System Credit Ratings
 2. EBMUD 2024 Water Bonds - S&P Report
 3. EBMUD 2024 Wastewater Bonds - S&P Report
 4. EBMUD 2024 Water Bonds - Moody's Credit Opinion Report
 5. EBMUD 2024 Wastewater Bonds - Moody's Credit Opinion Report



Credit Ratings of Water System & Wastewater System Revenue Bonds

Board of Directors
February 13, 2024

Highest Ratings and Stable Outlook

Assigned to 2024 and outstanding revenue bonds

	Water	Wastewater
S&P	AAA	AAA
Moody's	Aaa	Aa1
Fitch*	AA+	AA+

*Certain outstanding bond series only.

Credit Ratings Scale –
Investment Grade

S&P & Fitch	Moody's
AAA Highest quality, minimal risk	Aaa
AA+, AA, AA- High quality, very low risk	Aa1, Aa2, Aa3
A+, A, A- Upper medium-grade, low risk	A1, A2, A3
BBB+, BBB, BBB- Medium-grade, moderate risk	Baa1, Baa2, Baa3

EBMUD is the only Aaa rated water agency in California by Moody's.

Credit Strengths

Of Water & Wastewater systems include:

- Healthy, stable financial operations
- Sound management with long-term planning practices
- Strong adopted policies
- Regular rate increases
- Robust capital investments supporting system reliability
- Expectation that metrics will remain consistent through drought or economic contraction

Credit Concerns

Water and Wastewater systems includes:

- Elevated debt levels

Specific to Wastewater System includes:

- Discharge permit renewal and requirements
- Possible challenges in meeting consent decree requirements

Environmental, Social, and Governance (ESG) Considerations

Reflect that key environmental vulnerabilities have been reasonably incorporated into risk and asset management planning

- S&P views the District's ESG factors as neutral
- Moody's credit impact score (CIS) of CIS-2 indicates ESG considerations do not have a material impact on the current rating
 - Factored into this score is a G-1 rating for Governance

In Summary

- Ratings reflect S&P and Moody's views of the District's overall management and the finances of the District as well as the strong oversight of the Board and ongoing support for long-term financial stability all which allow the District to borrow at low interest rates for the benefit of our ratepayers.

S&P Global
Ratings

MOODY'S
INVESTORS SERVICE

Questions?



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RatingsDirect®

Summary:

East Bay Municipal Utility District, California; CP; Water/Sewer

Primary Credit Analyst:

Chloe S Weil, San Francisco + 1 (415) 371 5026; chloe.weil@spglobal.com

Secondary Contact:

Chelsy Shipman, San Francisco 2148711417; chelsy.shipman@spglobal.com

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Credit Highlights

Outlook

Credit Opinion

Related Research

Summary:

East Bay Municipal Utility District, California; CP; Water/Sewer

Credit Profile		
US\$245.28 mil wtr sys rev bnds (Green Bonds) ser 2024A due 06/01/2054		
Long Term Rating	AAA/Stable	New
US\$182.125 mil wtr sys rev rfdg bnds ser 2024B due 06/01/2044		
Long Term Rating	AAA/Stable	New

Credit Highlights

- S&P Global Ratings assigned its 'AAA' long-term rating to East Bay Municipal Utility District (EBMUD), Calif.'s anticipated \$248.3 million series 2024A water system revenue bonds (green bonds) and \$184.1 million series 2024B water system revenue refunding bonds.
- At the same time, S&P Global Ratings affirmed its 'AAA' long-term rating and underlying rating (SPUR) on the district's outstanding water system revenue bonds and its 'A-1+' short-term rating on the district's outstanding commercial paper (CP) notes (water series).
- The outlook, where applicable, is stable.

Security

The district is issuing the series 2024A bonds to reimburse itself for \$275 million of capital improvements it previously funded with cash. The series 2024B bonds will refund existing debt for cash-flow savings. The district has been de-risking its debt portfolio during the last few years and refunded its last variable-rate bonds in 2022.

As of Jan. 1, 2024, the water system had about \$2.3 billion in existing parity debt, and an additional \$281 million in CP notes that are junior to the series 2024A and 2024B bonds.

We view the bond provisions as credit neutral. A pledge of adjusted net revenue of EBMUD's water system, on parity with the district's existing water revenue bonds, secures the bonds. The bonds have a first lien on net revenue because there are no existing senior-lien bonds and the district has covenanted in a supplemental indenture not to issue senior-lien debt. Key bond provisions include a rate covenant set at 1.1x annual debt service and an additional bonds test set at 1.1x annual debt service on existing and proposed debt. The series 2024 bonds introduce springing covenants that we consider credit neutral and modernize the indenture. The district does not have a debt service reserve fund for the 2022B bonds.

Credit overview

The water system's credit quality is underpinned by its robust historical financial performance, coupled with a comprehensive rate structure that promotes stability and cost recovery through hydrological and economic cycles. These factors indicate pro forma financial metrics will remain at levels we consider consistent with the rating through

2028; even as water system leverage grows by approximately \$600 million, resulting in modest pro forma annual debt service increases to about \$274 million (projected) by 2028 from about \$197 million in fiscal 2023.

The system benefits from pre-1914 appropriative water rights, significant water storage capacity, and access to supplemental water from the Central Valley Project (CVP). However, like many of its peers in California, the district's water supply is exposed to hydrological variation and snowpack. During multi-year droughts, the district must obtain supplemental supplies to meet customer demand. These supplemental supplies are, on average, more expensive than the district's primary supply and include short-term or otherwise pre-negotiated water transfers. The district has a seasoned management team that has demonstrated strong results reaching meaningful conservation targets as well as new sources of supply in an environment of scarcity, as such, we believe the district's long-range water supply plans are achievable. We understand that mid to longer-term solutions include participation in additional surface water storage facilities and development of groundwater banking projects.

The rating further reflects:

- The underlying economic strength, diversity, and wealth of the customer base;
- Demonstrated ability and willingness to increase service rates, with approved multiyear rate schedules and drought surcharges that promote cost recovery and revenue stability;
- Drought surcharges that correspond to increasingly severe water shortages and, when implemented, are designed to recover the increased costs of providing supplemental supplies, water shortage-related customer service, and revenue losses;
- Extremely strong historical debt service coverage (more than 2.0x through recent hydrological cycles) that is expected to remain at levels we consider credit supportive;
- Extremely strong liquidity that is supported by an adopted reserve policy; and
- Well-defined financial management practices with planned capital spending built into current financial projections.

Environmental, social, and governance

We view the district's social and governance factors as neutral. However, given its location in California, we view the district's environmental risk as above average due to the region's drought cycle, wildfire, and seismic exposure. The district has a formally adopted drought-management plan. Management has robust emergency planning to address seismic, wildfire, and cyber risks, in a timely manner. The district is proactively addressing its aging infrastructure, water supply reliability, and climate resiliency as part of its strategic priorities. We do not believe the district's current rate plans would significantly increase affordability pressures or social risks given the area's very strong local incomes. Even so, we recognize that the district supports an active customer assistance program to aid disadvantaged communities.

Outlook

The stable outlook reflects our expectation that the water system's strong liquidity position will ensure that its financial metrics remain consistent with the 'AAA' rating during the next several years, even if the district experiences drought or an economic contraction. .

Downside scenario

While unexpected, we could take a negative rating action if the water system's financial performance materially deteriorates or if the district does not reduce the system's leverage and funds a lower amount of future capital improvements on a pay-as-you-go basis.

Credit Opinion

The district provides water service to a large population in the San Francisco Bay Area's east bay. The water service area encompasses about 326 square miles of Alameda and Contra Costa counties, including the cities of Berkeley, Oakland, Walnut Creek, Alameda, San Leandro, and Richmond. The service area is largely built out and has a population of about 1.4 million. We believe that residents have access to employment opportunities throughout the broad and diverse San Francisco metropolitan statistical area (MSA) economy. We view the service area's income levels as very strong based on the median household effective buying incomes (MHHEBIs) for Alameda and Contra Costa counties, which were 151% and 153% of the national median for 2023, respectively. We expect that local economic growth will remain strong, with gross county product in both counties outpacing the national metric of about 2.4%. Residential customers comprise 91% of connections and approximately 54% of total water sales revenue. We view the customer base as very diverse based on the leading 10 customers, which represented about 11% of total operating revenue for fiscal 2023.

We view the water system's market position as strong based on its affordable service rates, particularly relative to the service area's very strong income levels and low county poverty rates. The district's residential water rate structure includes a flat monthly service charge and a volume-based charge. A typical residential customer pays a monthly-equivalent bill of \$74.50 for 800 cubic feet of water. We consider this service cost, which is equivalent to about 1.0% of median household effective buying income (MHHEBI) when annualized, to be affordable. According to the U.S. Department of Agriculture, the poverty rate is about 8% for Alameda and Contra Costa counties, which we view as moderately elevated but not a material source of resistance to revenue raising. The district has historically raised its service rates annually, and most recently adopted 8.5% rate increases in fiscals 2024 and 2025, with the five-year forecast assuming 6% annual increases thereafter. Management updates its internal cost-of-service model every two years, and the district engages an external rate consultant to complete a cost-of-service study at least every 10 years.

In normal years, the district derives about 90% of its water supply from the Mokelumne River watershed in the Sierra Nevada Mountains. In dry years, the district can draw water from the Freeport Regional Water Project, a supplemental water supply delivery project completed in 2011 in partnership with the Sacramento County Water Agency. The project allows the district to take supply from the Sacramento River under a long-term contract with the U.S. Bureau of Reclamation's CVP. Under the contract, the district is entitled to receive as much as 133,000 acre-feet of CVP water in a single dry year, and no more than 165,000 acre-feet during any three consecutive dry years.

The water system's financial performance was extremely strong during the past five fiscal years, and we expect its financial metrics to remain a key credit strength. Based on the district's audited financial statements, we calculate that all-in coverage was about 2.4x, 2.3x, 2.2x, 2.4x and 2.3x for fiscal years 2019 through 2023, sequentially. Based on the

district's forecast, we anticipate that all-in coverage will hold at about 2.0x through fiscal 2026. The water system's liquidity position has historically been very strong, and we anticipate that it will remain very strong during the next five years. Based on the district's audited financial statements, the water fund held unrestricted cash and investments of \$384 million, equivalent to 422 days of operating expenses, at the end of fiscal year 2023. This includes \$150 million in a rate stabilization fund, which we consider credit supportive. We anticipate that the district will maintain its very strong liquidity position during the forecast period, with some year-to-year fluctuations driven by capital spending patterns.

We view the water system's five-year capital improvement plan (CIP) as manageable, as the district expects about 45% of the upcoming CIP to be funded by bond proceeds, which is well below the policy limit of 65%. The majority of the \$2.5 billion, five-year CIP is dedicated to system improvements, reconstruction, and replacement of existing assets to further the district's goals of sustainability and resiliency. We view the water system's leverage position as moderately high, based on its debt-to-capitalization ratio of 65% at the end of fiscal 2023.

The district participates in a single-employer pension plan, with a pension funded ratio of 74% at the end of fiscal 2023, which we consider relatively low for a system of this size. Nevertheless, the district's annual pension expense is only 7% of total operating expenses, excluding depreciation, and as such we do not consider its the pension funding ratio a material credit weakness.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of January 29, 2024)		
East Bay Mun Util Dist wtr sys sub rev bnds		
Long Term Rating	AAA/Stable	Affirmed
East Bay Mun Util Dist commercial paper nts (Water Series) ser A-1		
Short Term Rating	A-1+	Affirmed
East Bay Mun Util Dist commercial paper nts (Water Series) ser A-2		
Short Term Rating	A-1+	Affirmed
East Bay Mun Util Dist wtr sys rev bnds		
Long Term Rating	AAA/Stable	Affirmed
East Bay Mun Util Dist WTRSWR		
Long Term Rating	AAA/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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Summary:

East Bay Municipal Utility District, California; Water/Sewer

Primary Credit Analyst:

Chloe S Weil, San Francisco + 1 (415) 371 5026; chloe.weil@spglobal.com

Secondary Contact:

Chelsy Shipman, San Francisco 2148711417; chelsy.shipman@spglobal.com

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Summary:

East Bay Municipal Utility District, California; Water/Sewer

Credit Profile		
US\$23.4 mil wastewtr sys rev bnds ser 2024A due 06/01/2054		
Long Term Rating	AAA/Stable	New
East Bay Mun Util Dist wastewtr		
Long Term Rating	AAA/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AAA' long-term rating to East Bay Municipal Utility District, Calif.'s anticipated \$23.4 million series 2024 wastewater system revenue bonds.
- At the same time, we affirmed our 'AAA' long-term rating on the district's outstanding wastewater system revenue bonds.
- The outlook is stable.

Security

We understand that the district is issuing the series 2024 bonds to reimburse itself for capital improvements to the wastewater system. The district's wastewater system had about \$338 million in outstanding parity debt prior to this issuance. During the last several years, the district has de-risked its entire variable-rate portfolio and the wastewater system has no outstanding short-term debt.

We view the bond provisions as credit neutral. The series 2024 bonds are secured by a pledge of adjusted net revenue of the district's wastewater system, on parity with its outstanding wastewater revenue bonds. The bonds have a first lien on net revenue because there are no outstanding senior-lien bonds and the district has covenanted in a supplemental indenture not to issue senior-lien debt. Key bond provisions include a rate covenant set at 1.1x annual debt service and an additional bonds test set at 1.1x annual debt service on existing and proposed debt. The series 2024 bonds introduce springing covenants that we consider credit neutral and modernize the indenture. We understand there is no debt service reserve fund for the series 2024 bonds.

Credit overview

The 'AAA' rating is underpinned by the wastewater system's robust historical financial performance coupled with its financial forecast, which we consider achievable and indicative that the district will maintain wide financial margins and strong liquidity balances. We recognize that the district faces elevated regulatory pressure, given that it and its seven member communities are subject to a Clean Water Act enforcement action (brought by the EPA and other regional stakeholders) that aims to eliminate discharges from its wet weather facilities in all but exceptionally large storm events. The district continues to make meaningful progress in reducing its pollutant loadings before the 2035

final compliance deadline, which we consider credit supportive. The district estimates that the program described in the consent decree will have a marginal annual capital cost of \$5 million.

The district estimates \$334.8 million in wastewater infrastructure improvements during the next five years (2024-2028), which we consider manageable as the total size of the capital improvement plan (CIP) is relatively modest compared to many of its peer in the Bay Area. The CIP focuses on regulatory compliance, particularly for nutrient removal in addition to renewal and replacements. The CIP will, on average, be 50% cash funded, which we consider a credit strength.

While the system's rates are above average relative to its national peers, they are in-line with its Bay Area peers. We believe the district's comprehensive rate structure, stable customer base, and conservative capital finance strategy provide significant financial strength. Since 2020, the district's rate increases have averaged about 4% per annum but rose to 8.50% for fiscals 2024 and 2025 due to increased capital spending and inflationary pressures. We consider it unlikely that management would implement insufficient rate adjustments to offset its rising service costs in 2026 and beyond. To help mitigate affordability pressure, the district oversees a customer assistance program that offers a 35% discount on EBMUD wastewater service and flow charges, which is funded from non-rate revenue.

The enterprise risk profile reflects our view of the following:

- An economic base (population 740,000) that is broad and diverse, with a large and built-out service area encompassing about 88 square miles, including the cities of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont as well as the Stege Sanitary District.
- A monthly-equivalent bill of \$81.50 for a typical residential customer based on 600 cubic feet of monthly water use (including both the district's rates and the average rate of the local collection systems), which we consider affordable when benchmarked against both median household effective buying income (MHHEBI) at 153% of the national average, and Alameda County's 8.6% poverty rate.
- Operational management practices that we consider comprehensive and supportive of the rating, as demonstrated by the system's long history of beneficially reusing biosolids and biogas that are produced during the treatment process as well as its organic waste-receiving program, which produces renewable power that is sold to the Port of Oakland through the electric grid and produces ratepayer savings. The system has a robust risk-mitigation plan in place, including for cyber security. Rates are reviewed internally annually, and the board commissions an external cost-of-service study at least once a decade. The district's management plan includes ongoing repairs and replacements to maintain existing system assets.

Our view of the financial risk profile reflects the following:

- Very strong historical all-in coverage, which stood at 1.9x as of June 30, 2023, which supports the rating. Based on our forecasts, we anticipate that coverage will improve modestly and remain at or above 2.0x through fiscal 2028, with a modest increase in annual debt service to \$37.5 million in fiscal 2028 from about \$28.6 million in fiscal 2023, based on management's five-year financial forecast.
- Extremely strong liquidity of approximately \$95 million as of June 30, 2023, equivalent to more than 380 days' cash on hand.
- Current parity debt outstanding of \$338 million prior to this issuance, resulting in a moderate debt-to-capitalization

ratio of 34.2% that we expect will remain relatively level given the district's plans to cash fund a large part of its capital program.

- Financial management practices and policies that we view as strong and consistent with those of comparable utilities, including a formal debt management policy, annual updates to the systems' rolling five-year capital plan, and at least monthly budget updates to the governing body.
- Participation in a single employer pension plan, with a funded ratio of 74% at the end of fiscal 2022, which we consider relatively low for a system of this size. Nevertheless, the district's annual pension expense is only 7% of total operating expenses, excluding depreciation, and as such we do not consider its low pension funding to be a material credit weakness.

Environmental, social, and governance

In our view, the district has reasonably incorporated key environmental vulnerabilities into its risk and asset management planning, including those related to drought and extreme weather. However, we view the regulatory environment as very challenging and likely to become more restrictive over time. We understand that the district's primary discharge permits are set to expire in 2025 and we do not expect the renewal process to adversely affect current CIP cost estimates. The district has a long-tenured management team, which we believe mitigates governance risks compared with those of its peers. Management regularly provides a framework for making investments across its facilities and conveyance network to reduce the system's operational risks.

Outlook

The stable outlook reflects our expectation that the district will maintain its very strong coverage and cash position based on its track record and forward planning. During the two-year outlook period, we anticipate that the district will raise rates in line with the current proposal while also borrowing to fund a portion of its capital program.

Downside scenario

We could take a negative rating action if the district changes its capital funding strategy to a more debt financed strategy, which we expect would lead to higher leverage levels and diluted coverage metrics. A negative rating action could also occur if cash reserves are unexpectedly and materially drawn down for any reason.

Credit Opinion

The district provides regional wastewater conveyance, treatment, and disposal services to six cities in Alameda County and the Stege Sanitary District, which serves parts of two cities and unincorporated areas in Contra Costa County. The wastewater system's revenue base is predominantly local. Local service charges, derived through an autonomous rate-setting process, represent virtually all of the wastewater system's revenue. This, coupled with operating expense flexibility, limits its exposure to federal revenue.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of January 29, 2024)		
East Bay Mun Util Dist wastewtr		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
East Bay Mun Util Dist wastewtr sub var rate		
<i>Long Term Rating</i>	AAA/Stable	Affirmed

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CREDIT OPINION

29 January 2024



Send Your Feedback

Contacts

Maddie Atkins +1.415.274.1725
 Analyst
 maddie.atkins@moodys.com

Helen Cregger +1.415.274.1720
 VP-Sr Credit Officer
 helen.cregger@moodys.com

Amanda Richter +1.650.745.0442
 VP-Senior Analyst
 amanda.richter@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

East Bay Municipal Utility District, CA - Water Enterprise

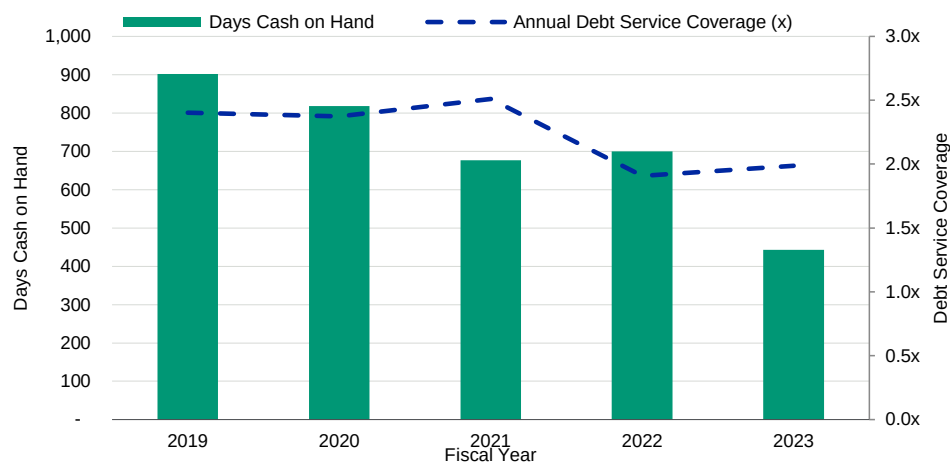
Update to credit analysis

Summary

[East Bay Municipal Water District, CA](#)'s water revenue bonds (EBMUD, Aaa stable) benefit from an extremely large customer base with above average income levels and a robust economy that includes the cities of [Oakland](#) (Aa1 stable), [Berkeley](#) (Aa1) and surrounding East Bay communities. The district's water system has a healthy financial profile that has demonstrated resilience through previous periods of drought. The strong credit profile is supported by a history of sound financial operations supported by timely rate increases resulting in ample liquidity and healthy debt service coverage that consistently exceed budgeted projections. Credit strength reflects strong regulatory compliance, capital planning and ongoing initiatives to diversify water supplies, storage and recycling capabilities, and robust drought contingency planning to ensure that operations and finances remain stable even under severe drought conditions. Additional credit considerations include weak legal covenants that are largely offset by stronger internal targets and an experienced management team that continues to support excellent credit quality with adopted policies and robust multi-year planning contributing to sound and consistent financial performance.

Exhibit 1

Liquidity declined in fiscal 2023 due to one-time debt pay downs and timing of capital reimbursements and is expected to improve to historical levels; coverage remains stable supported by annual rate increases



Source: East Bay Municipal Utility District Water Enterprise, CA's financial statements and Moody's Investors Service

Credit strengths

- » Strong service area with a large, diverse economy and high resident income levels
- » Sound management with long-term planning practices, strong adopted policies, regular rate increases and robust capital investments supporting water reliability
- » Healthy, stable financial operations

Credit challenges

- » Elevated leverage
- » Variation in water supplies and hydrologic conditions as evidenced by recurring drought conditions across the state
- » Weak legal covenants

Rating outlook

The stable outlook reflects the expectation that the district will maintain sound reserves and debt service coverage levels consistent with its adopted policies and targets, which exceed weak debt covenants. The stable outlook further reflects our expectation that the district will continue to secure adequate storage during future drought periods and that the district will make ongoing progress in diversifying its water supplies.

Factors that could lead to an upgrade

- » Not applicable

Factors that could lead to a downgrade

- » Decline in debt service coverage below adopted target of 1.6x
- » Material deterioration of liquidity position below adopted targets
- » Insufficient rate increases that do not adequately increase revenue to recover operating and debt service costs

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

East Bay Municipal Water District, CA - Water Enterprise

[East Bay Municipal Util. Dist., CA Wtr. Ent.](#)

System Characteristics

Asset Condition (Net Fixed Assets / Annual Depreciation)	38 years
System Size - O&M (in \$000s)	\$316,925
Service Area Wealth: MFI % of US median	161.40

Legal Provisions

Rate Covenant (x)	1.10x
Debt Service Reserve Requirement	No DSRF (Baa and Below)

Management

Rate Management	Aaa
Regulatory Compliance and Capital Planning	Aaa

Financial Strength

	2019	2020	2021	2022	2023
Operating Revenue (\$000)	\$531,074	\$573,702	\$625,044	\$641,072	\$644,332
System Size - O&M (\$000)	\$244,544	\$260,420	\$274,753	\$319,130	\$316,925
Net Revenues (\$000)	\$446,473	\$449,580	\$474,559	\$377,028	\$411,572
Net Funded Debt (\$000)	\$2,829,747	\$2,762,838	\$2,670,699	\$2,708,608	\$2,606,014
Annual Debt Service (\$000)	\$185,900	\$189,287	\$189,055	\$197,604	\$207,081
Annual Debt Service Coverage (x)	2.4x	2.4x	2.5x	1.9x	2.0x
Cash on Hand	902	818	676	700	443
Debt to Operating Revenues (x)	5.33	4.82	4.27	4.23	4.04

Financial metrics including operating revenue, O&M and days cash on hand are Moody's adjusted and may differ from District's bond ordinance calculation. O&M is adjusted to reconcile actual changes in cash related to contributions for pensions and OPEB, consistent with our cross-sector [Adjustments to Pension and OPEB Data Reported by GASB Issuers, including States and Local Governments Methodology](#). Annual debt service coverage and days cash on hand both vary from metrics reported by EBMUD.

Source: US Census Bureau, East Bay Municipal Utility District Water Enterprise, CA's financial statements and Moody's Investors Service

Profile

Encompassing 326 square miles, EBMUD's water service area includes both urban and suburban portions of [Alameda County](#) (Aaa stable) and [Contra Costa County](#) (Aa1 stable). The district is the 13th largest retail water utility in the US, serving approximately 1.4 million people or 50% of the combined population of Alameda and Contra Costa Counties.

Detailed credit considerations

Service area and system characteristics: diverse service area with large, growing population with above average income

Powered by a robust and diverse economy, the district's large customer base will continue to demonstrate moderate annual growth and above average median household income of 161% of the US. The service area population is projected to grow to 1.6 million by 2035, driven by infill development largely within more urbanized areas. Customer accounts are largely residential (91% of total accounts), generating 54% of district water revenue in fiscal 2023, a figure that has remained fairly consistent. The district's over 31,000 commercial customers, who comprise 33% of water use and around 32% of total revenue, are diverse and remain stable.

Water supply: diversified supply portfolio with ample storage given elevated exposure to drought conditions

EBMUD's primary water supply totals 394,000 acre-feet (AF), mainly made up of 364,000 AF in water rights from the Mokelumne River originating in the foothills of the Sierra Nevada mountains, followed by 30,000 AF from local watersheds and recycled water. Primary supply rights are well above total demand of 164,000 AF in water year 2023 and maximum historical use of 252,000 AF.

In years of drought when supplemental supply is necessary, the district's Freeport Regional Water Project (FRWP) along the Sacramento River provides access to an additional 133,000 AF. Under a contract with the Bureau of Reclamation Central Valley Project (CVP), the

district may access this supply in dry years in which its total storage is projected to fall below 500,000 AF. EBMUD has agreements with other water districts for storage sharing, water transfers and groundwater banking that provide additional supply diversity in dry periods.

In common with other western water utilities, the district will remain susceptible to variations in precipitation and hydrologic conditions. Generally speaking, it is the district's practice to acquire supplemental supplies of water and ask customers to conserve when operational storage falls by one-third. In water years 2014, 2015 and 2022 the district purchased supplemental supplies from CVP via FRWP given exceptionally dry periods.

The district also relies on stored water to meet demand, especially during periods of drought. EBMUD has a total storage capacity of over 771,000 AF across seven reservoirs. As of January 1, 2024 total storage was 616,000 AF, equal to 80% of total capacity and 111% of historical averages. Water year 2023 was the third highest runoff year since 1930 within the Mokelumne River watershed contributing to currently high storage levels, following exceptionally dry years in 2020-2022.

Debt service coverage and liquidity: adopted policies and regular rate increases support solid financial metrics

Financial performance is expected to remain strong, supported by adopted debt service coverage policies, adopted future rating increases and no planned withdrawals from the district's rate stabilization account.

Debt service coverage was 1.99x at the end of fiscal 2023, relatively stable from the year prior, despite a modest decline in water consumption in fiscal 2023. This decline in consumption was offset by a 4% rate increase and strong power sales revenues. Debt service coverage is expected to remain strong given adopted rate increases of 8.5% in fiscal 2024 and 2025. The district's adopted policy requires debt service coverage of 1.6x of parity revenue bond obligations with a budgeted target of 2x. Projections through fiscal 2028 reflect coverage of at least 1.8x, and we expect that the district will continue to meet or exceed these targets.

During periods of drought the district has the ability to implement drought surcharges, allowing the district recover costs of providing supplemental water and loss of revenue during periods of water shortage. The district most recently implemented drought surcharges between May 2022 and March 2023.

Liquidity

The water system ended fiscal 2023 with over \$348 million in unrestricted cash, equal to 443 days of O&M expenses. Liquidity has declined from 700 days in fiscal 2022, given a \$14.0 million pay down of outstanding commercial paper, a \$14.7 million cash redemption of Series 2012B bonds and a drawdown of capital reserves prior to the issuance of the 2024 bonds. Following capital reimbursements, district liquidity is expected to improve back to historical levels within the next two years.

By policy, the district sets minimum levels for working capital, self-insurance, workers compensation and rate stabilization reserves. The district maintains a rate stabilization fund that is currently fully funded at \$150 million and no planned future withdrawals. Notably, even during the height of the previous four-year drought, the district did not draw upon the rate stabilization fund, instead depositing a total of \$45 million to hedge against the uncertainty of that period.

Debt and legal covenants: weak covenants and elevated leverage

The district's debt levels are elevated at 4.0x operating revenues as of fiscal 2023, which we expect to remain stable given the 2024 bonds. The district has an adopted policy limiting debt funding of the Capital Improvement Plan (CIP) to 65%, with a practice of maintaining closer to 45% debt-funded that is expected to continue.

The district's CIP through fiscal 2028 totals \$2.5 billion and primarily addresses regular system improvements, reconstruction and replacement to further goals of sustainability and resiliency. The district plans to increase pipeline renewals from 20 miles per year currently to 30 miles by fiscal 2028.

Legal security

The water system revenue bonds are special obligations of the district payable solely from adjusted net water revenues. Adjusted net water revenues generally consist of water revenues remaining after the payment of all water operation and maintenance costs. The district has no outstanding senior bonds and has covenanted that it will not issue any senior bonds in the future, thus the bonds effectively have a senior lien pledge on net water revenues as defined in the 18th Supplemental Indenture. These water revenues are adjusted for deposits and potential withdraws from the Rate Stabilization Fund.

The revenue bonds' legal structure provides for a weak 1.1x rate covenant and 1.1x test for the issuance of additional parity bonds that includes a portion of projected revenues rather than a strictly historical test. However, it is management's policy to set rates sufficient to generate 1.6x annual coverage on parity revenue bond debt service, and, in practice, they have generally exceeded this goal even during periods of drought. There is no debt service reserve on the bonds.

Debt structure

All of EBMUD's water system debt is fixed rate, aside from subordinate commercial paper supported by liquidity facilities. The majority of debt are revenue bonds (\$2.3 billion, 88%), followed by subordinate commercial paper (\$281 million, 11%) and state loans (\$29 million, 1%). Amortization is below average, with 44% of principal repaid within ten years, but remains in line with the scope of the capital projects.

Debt-related derivatives

Following the issuance of the Series 2022 refunding revenue bonds and the subsequent refunding of the 2008 Series A Variable Rate Demand Bonds, the water system does not have any derivatives.

Pensions and OPEB

The district's pension liability is moderate. The district's employees belong to a district-wide pension system whose three-year ANPL equals a manageable 2.4x operating revenues. Annual contributions of a little over \$12 million equal just over 10% of operating revenues.

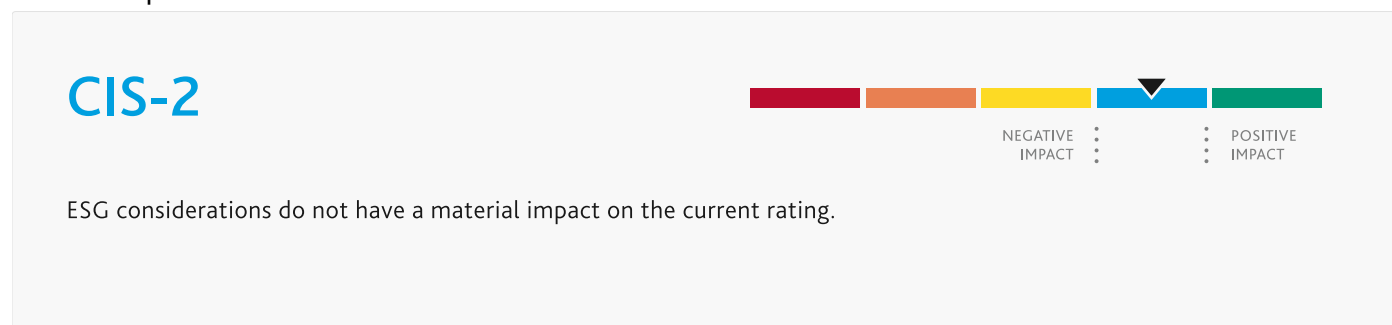
The district's net OPEB liability equaled \$109 million at the end of fiscal 2023 for the water system. Combined pension and OPEB contributions equal around 10% of operating revenues.

ESG considerations

East Bay Municipal Util. Dist., CA Wtr. Ent.'s ESG credit impact score is **CIS-2**

Exhibit 3

ESG credit impact score

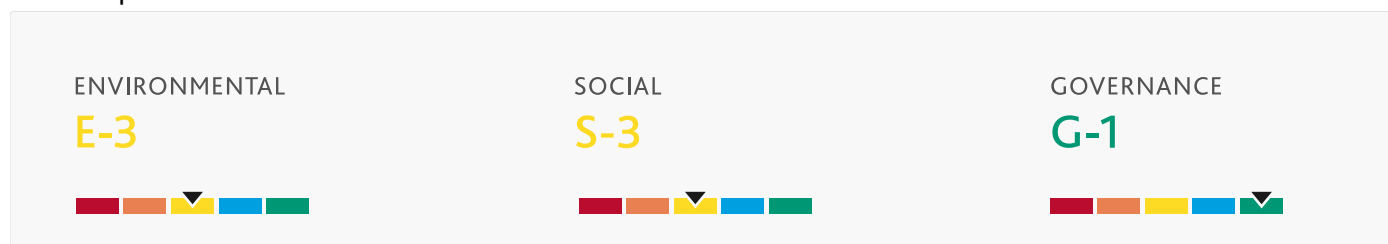


Source: Moody's Investors Service

East Bay Municipal Utility District, CA Water Enterprise's ESG credit impact score of **CIS-2** indicates that ESG considerations have a minimal impact on the district's credit rating. The enterprise has moderate exposure to environmental and social risks and positive governance considerations.

Exhibit 4

ESG issuer profile scores



Source: Moody's Investors Service

Environmental

The enterprise's environmental issuer profile score (**E-3**) reflects its relatively high exposure to water stress given its California location. The multi-decade planning undertaken by the district to procure additional water supplies, reduce consumption, increase storage and provide for rate setting flexibility all serve to mitigate these immediate risks. The enterprise has limited exposure to other environmental risks including carbon transition, water management, natural capital and waste and pollution risks.

Social

The enterprise's social issuer profile score (**S-3**) reflects its relatively high exposure to responsible production risks. The district currently has no record of water quality violations and the district's main water supply, the Mokelumne River watershed, is a remote, largely protected area. However, water utilities are inherently at risk of health violations resulting from catastrophic events, changes in source water quality, failures in treatment or transmission processes or revised regulations. The enterprise has low exposure to other social risks like demographic and societal trends, customer relations, human capital and health and safety. The district has also historically invested in customer assistance programs to ensure water availability to all ratepayers.

Governance

The enterprise's governance issuer profile score (**G-1**) is positive. The enterprise benefits from strong financial strategy and risk management considerations, positive management credibility and minimal exposure to organizational structure and compliance and reporting considerations. The district is an independent public utility district governed by an independently elected board singularly focused on the management and operation of the enterprise.

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CREDIT OPINION

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Send Your Feedback

Contacts

Maddie Atkins +1.415.274.1725
 Analyst
 maddie.atkins@moody's.com

Helen Cregger +1.415.274.1720
 VP-Sr Credit Officer
 helen.cregger@moody's.com

Amanda Richter +1.650.745.0442
 VP-Senior Analyst
 amanda.richter@moody's.com

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Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

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East Bay Municipal Utility District, CA - Wastewater Enterprise

Update to credit analysis

Summary

[East Bay Municipal Water District, CA](#)'s wastewater revenue bonds (EBMUD, Aa1 stable) benefit from healthy debt service coverage levels supported by regular rate increases and largely cash funded capital projects. Credit strength is derived from solid liquidity, strong adopted policies and a large customer base with above average income levels located in the robust Bay Area economy. While the district continues to implement programs and capital projects to comply with consent decree regulatory requirements, the system has ample treatment capacity for both normal and wet conditions. Debt levels are expected to remain moderate given the largely cash funding of five-year capital needs and limited future borrowing plans. Additional credit considerations include weak legal covenants, largely offset by stronger internal targets, and an experienced management team that utilizes robust multi-year planning and adopted policies that exceed legal requirements, contributing to sound and consistent financial performance.

Credit strengths

- » Strong service area with a large, diverse economy and high resident income levels
- » Sound management with long-term planning practices, strong adopted policies, regular rate increases and robust capital investments supporting water reliability
- » Healthy, stable financial operations
- » Significant cash funded capital investment plan with limited future borrowing plans

Credit challenges

- » Additional capital investment required to meet consent decree regulatory requirements, environmental goals and address seismic risks
- » Elevated leverage
- » Weak legal covenants

Rating outlook

The stable outlook reflects expectations for continued sound financial performance, supported by multi-year planning efforts, regular rate increases and adherence to adopted policies. It also incorporates expectations for continued compliance with the regulatory requirements of the wet weather facilities consent decree.

Factors that could lead to an upgrade

- » Completion of all capital projects to meet requirements of the wet weather facilities consent decree
- » Sustained practice of cash funding of capital investment plan, supporting a decrease in overall leverage
- » Maintenance of debt service coverage and liquidity above targets, while demonstrating continued affordability of combined water and sewer charges

Factors that could lead to a downgrade

- » Decline in debt service coverage below adopted target of 1.6x
- » Material deterioration of liquidity position below adopted targets
- » Non-renewal of NPDES permits or challenges in meeting requirements of consent decree
- » Insufficient rate increases that do not adequately increase revenue to recover operating and debt service costs

Key indicators

Exhibit 1

East Bay Municipal Water District, CA - Wastewater Enterprise

East Bay Municipal Utility District, CA Wastewater Enterprise

System Characteristics					
Asset Condition (Net Fixed Assets / Annual Depreciation)	32 years				
System Size - O&M (in \$000s)	\$87,666				
Service Area Wealth: MFI % of US median	161%				
Legal Provisions					
Rate Covenant (x)	1.10x				
Debt Service Reserve Requirement	No DSRF (Baa and Below)				
Management					
Rate Management	Aaa				
Regulatory Compliance and Capital Planning	A				
Financial Strength					
	2019	2020	2021	2022	2023
Operating Revenue (\$000)	\$115,978	\$119,961	\$122,373	\$128,446	\$136,095
System Size - O&M (\$000)	\$62,813	\$67,191	\$68,908	\$75,638	\$87,666
Net Revenues (\$000)	\$79,326	\$71,945	\$73,091	\$71,688	\$67,156
Net Funded Debt (\$000)	\$384,687	\$368,824	\$357,190	\$359,634	\$338,300
Annual Debt Service (\$000)	\$26,739	\$26,733	\$26,339	\$29,141	\$31,387
Annual Debt Service Coverage (x)	3.0x	2.7x	2.8x	2.5x	2.1x
Cash on Hand	673	587	587	656	396
Debt to Operating Revenues (x)	3.32	3.07	2.92	2.80	2.49

Financial metrics including operating revenue, O&M and days cash on hand are Moody's adjusted and may differ from District's bond ordinance calculation. O&M is adjusted to reconcile actual changes in cash related to contributions for pensions and OPEB, consistent with our cross-sector [Adjustments to Pension and OPEB Data Reported by GASB Issuers, including States and Local Governments Methodology](#). Annual debt service coverage and days cash on hand both vary from metrics reported by EBMUD.

Source: US Census Bureau, East Bay Municipal Utility District Sewer Enterprise, CA's financial statements and Moody's Investors Service

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Profile

As a special district of the East Bay Municipal Utility District, the wastewater enterprise service area covers 88 square miles. The system provides wastewater conveyance, treatment and disposal services to approximately 740,000 people in [Alameda](#) (Aaa stable) and [Contra Costa Counties](#) (Aa1 stable). The [City of Oakland](#) (Aa1 stable), with a population of more than 419,000 dominates the service area. The cities of [Berkeley](#) (Aa1), Alameda, El Cerrito, Albany, Piedmont and Emeryville as well as other small portions of Alameda County and Contra Costa County make up the rest of the Special District.

Detailed credit considerations

Service area and system characteristics: diverse service area with large, growing population with above average income

Powered by a robust and diverse economy, the district's large customer base will continue to demonstrate moderate annual growth and above average median household income of 161% of the US. Customer accounts are largely residential (161,683 or approximately 90% of total accounts), generating 55% of district wastewater revenue in fiscal 2023, a figure that has remained fairly consistent. The district's over 16,889 commercial customers comprise 37% of total revenue and are diverse and remain stable.

Ample treatment capacity with continued progress toward meeting consent decree requirements

The wastewater system is composed of a main treatment plant, interceptors consisting of 29 miles of reinforced concrete pipeline and 15 pumping stations. Participating agencies maintain separate sanitary sewer systems to collect and convey wastewater to EBMUD's interceptors. The main wastewater treatment plant provides for primary treatment for a peak capacity of 320 million gallons per day (MGD), with peak influent capacity of 415 MGD, well above the average daily flow of 58 MGD over the last five years. The plant provides for secondary treatment for dry weather flow of up to 120 MGD and a maximum flow of 168 MGD during wet weather storm events. The district also operates three wet weather primary treatment facilities that serve as storage facilities during periods of extreme precipitation and increase the system's wet weather capacity to 724 MGD.

The main wastewater treatment plant's National Pollutant Discharge Elimination System (NPDES) permit is set to expire October 31, 2025 and the wet weather facilities NPDES permit will expire March 31, 2025. Since 2014 the wet weather facilities have been subject to a consent decree requiring the district and participating agencies to demonstrate that sufficient work has been performed to eliminate discharges except during exceptional storms by mid-2036. In the past five years the district has received fines as a result of unauthorized discharges, largely due to an October 2021 storm and a 16.5 MG discharge event resulting in a \$816,000 fine. The district has since implemented several corrective actions. Between 2021 and 2023 the district has also self-reported eight sanitary sewer system overflow events above 10,000 gallons that could result in additional fines.

The consent decree requires rehabilitation of approximately 500 miles of local wastewater collection systems, although these improvements are the responsibility of the collection agencies, not EBMUD. All facilities are subject to interim compliance reviews, and the district was found to be in compliance during the 2022 review. The next review will occur in September 2030. Though the consent decree is a challenge, implementation costs are fairly moderate relative to system revenues and the capacity of the ratepayer base. This stands in positive contrast to other large systems with substantially more costly decrees supported by less wealthy, and in some cases declining, customer bases.

Debt service coverage and liquidity: adopted policies and regular rate increases support solid financial metrics

Financial performance is expected to remain strong, supported by adopted debt service coverage policies, adopted future rating increases and no planned withdrawals from the district's rate stabilization account.

Debt service coverage was a healthy 2.14x at the end of fiscal 2023, a slight decline from the year prior, despite an almost \$11 million revenue increase from a 4% rate increase. This was in mostly due to a \$15 million one-time payment to settle litigation with Waste Management of California.

Debt service coverage is expected to remain strong given adopted rate increases of 8.5% in fiscal 2024 and 2025. The district's adopted policy requires debt service coverage of 1.60x of parity revenue bond obligations with a budgeted target of 2.00x. Projections through fiscal 2028 reflect coverage of at least 1.98x, and we expect that the district will continue to meet or exceed these targets.

Liquidity

The wastewater system ended fiscal 2023 with over \$95 million in unrestricted cash, equal to 396 days of O&M expenses. Liquidity has declined from 656 days in fiscal 2022, given a \$8 million pay down of remaining extendable commercial paper, a \$15 million litigation settlement and a drawdown of capital reserves prior to the issuance of the 2024 bonds. Following capital reimbursements, district liquidity is expected to improve back to historical levels within the next two years.

By policy, the district sets minimum levels for working capital, self-insurance, workers compensation and rate stabilization reserves. The district maintains a rate stabilization fund that is currently fully funded at \$32 million and that has no planned future withdrawals. Notably, even during the height of the previous four-year drought, the district did not draw upon the rate stabilization fund, instead depositing a total of \$8 million to hedge against the uncertainty of that period.

Debt and legal covenants: above average debt ratio expected to moderate; weaker legal covenants

An above average debt ratio of 2.49x revenues at the end of fiscal 2023 should remain stable given planned cash funding of a significant portion of capital needs and additional borrowing plans beyond the \$25 million Series 2024 bonds. The enterprise currently has \$338 million in parity wastewater revenue bonds outstanding and plans to issue additional bonds over the next four years. The district terminated its extendable commercial paper program in fiscal 2023.

The district's current five-year capital improvement program identifies a total of approximately \$335 million. Major components of the program include retrofitting various structures at the Main Wastewater Treatment Plant, upgrading the wet weather facilities, developing strategic nutrient management solutions to address future regulatory requirements, and upgrading dechlorination facilities. The district expects to fund 49% of capital needs from cash. Moody's expects that management will continue to successfully implement its large capital plan while meeting or exceeding existing operating margins, as it has in recent years.

Risks associated with climate change and more volatile weather patterns represent longer term pressures, and a failure on the part of the district to continue its work in identifying and planning for these negative impacts would weaken the district's operating resiliency. In 2021 the district developed a Climate Action Plan that outlines the district's goal to eliminate indirect and direct greenhouse gas emissions for the wastewater system by 2030. Additionally, the district is working on a long-term master plan for the wastewater treatment plant in part to address risks associated with climate change and the potential for rising sea levels. The district has not yet identified the total costs associated with required capital improvements to fund climate response initiatives. This represents an uncertainty, although one we expect to evolve as the district continues planning in this area.

Legal security

Wastewater revenue bonds are secured by income and receipts derived from the district from the operation of the wastewater system. While the district receives its share of the 1% countywide ad valorem tax levy allocated to Special District No. 1, these revenues are not pledged for repayment of wastewater system revenue bonds but are instead used to reduce operation and maintenance costs. The revenue bonds' legal structure provides for a weak 1.1 times rate covenant and 1.1 times revenue test for the issuance of additional parity bonds. However, board policy is to set rates so as to generate 1.6 times annual coverage on revenue bond debt service, and, in practice, they have generally exceeded this goal. Likewise, while there is no debt service reserve on the bonds, this weakness is offset by the district's strong liquidity with minimum levels ensured by adopted reserve policies and the maintenance of a Rate Stabilization Fund.

Debt structure

All of EBMUD's wastewater system debt is fixed rate. Amortization is below average, with 47% of principal repaid within ten years, but remains in line with the scope of the capital projects.

Debt-related derivatives

The wastewater system does not have any derivatives.

Pensions and OPEB

The district's pension liability is moderate. The district's employees belong to a district-wide pension system whose three-year ANPL equals a manageable 2.4x operating revenues. Annual contributions of a little over \$12 million equal just over 10% of operating revenues.

The district's net OPEB liability equaled \$18.0 million at the end of fiscal 2023 for the wastewater system. Combined pension and OPEB contributions equal around 10% of operating revenues.

ESG considerations

East Bay MUD, CA Wastewater Enterprise's ESG credit impact score is CIS-2

Exhibit 2

ESG credit impact score

CIS-2



ESG considerations do not have a material impact on the current rating.

Source: Moody's Investors Service

East Bay Municipal Utility District, CA Sewer Enterprise's ESG credit impact score of **CIS-2** indicates that ESG considerations have a minimal impact on the agency's credit rating. The enterprise has moderate exposure to environmental risks with low exposure to social risks and positive governance considerations.

Exhibit 3

ESG issuer profile scores

ENVIRONMENTAL

E-3



SOCIAL

S-2



GOVERNANCE

G-1



Source: Moody's Investors Service

Environmental

The enterprise's environmental issuer profile score (**E-3**) reflects its moderate exposure to sea level rise and water management risks associated with the potential regulatory violations inherently associated with wastewater disposal. While these environmental risks do not currently pose an immediate challenge to the wastewater system, the district continues to work toward mitigating future risks associated with sea level rise at its treatment facilities. The enterprise has low exposure to other environmental risks like carbon transition, natural capital and waste and pollution risks.

Social

The enterprise's exposure to social considerations (**S-2**) is low across all social risk categories including demographics and societal trends, customer relations, human capital, health and safety, and responsible production. The enterprise benefits from a large and diverse service area, with a customer base that is primarily residential with slow but steady growth providing long term stability. The district has also historically invested in customer assistance programs to ensure water availability to all ratepayers.

Governance

The enterprise's governance issuer profile score (**G-1**) is positive. The enterprise benefits from strong financial strategy and risk management considerations, positive management credibility and minimal exposure to organizational structure and compliance and

reporting considerations. The district is an independent public utility district governed by an independently elected board singularly focused on the management and operation of the enterprise.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 13, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: David A. Briggs, Director of Operations and Maintenance 

SUBJECT: Water Supply Update – February 13, 2024

The attached presentation outlines water production, precipitation to date, reservoir storage, and forecasted supply conditions for the remainder of the water year under various hydrology scenarios. A water supply update will be presented at the February 13, 2024 Board meeting.

CCC:DAB:sd

Attachment: Water Supply Update Presentation

I:\SEC\2024 Board Related Items\021324 Board\OMD – Water Supply Update.docx

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Water Supply Update

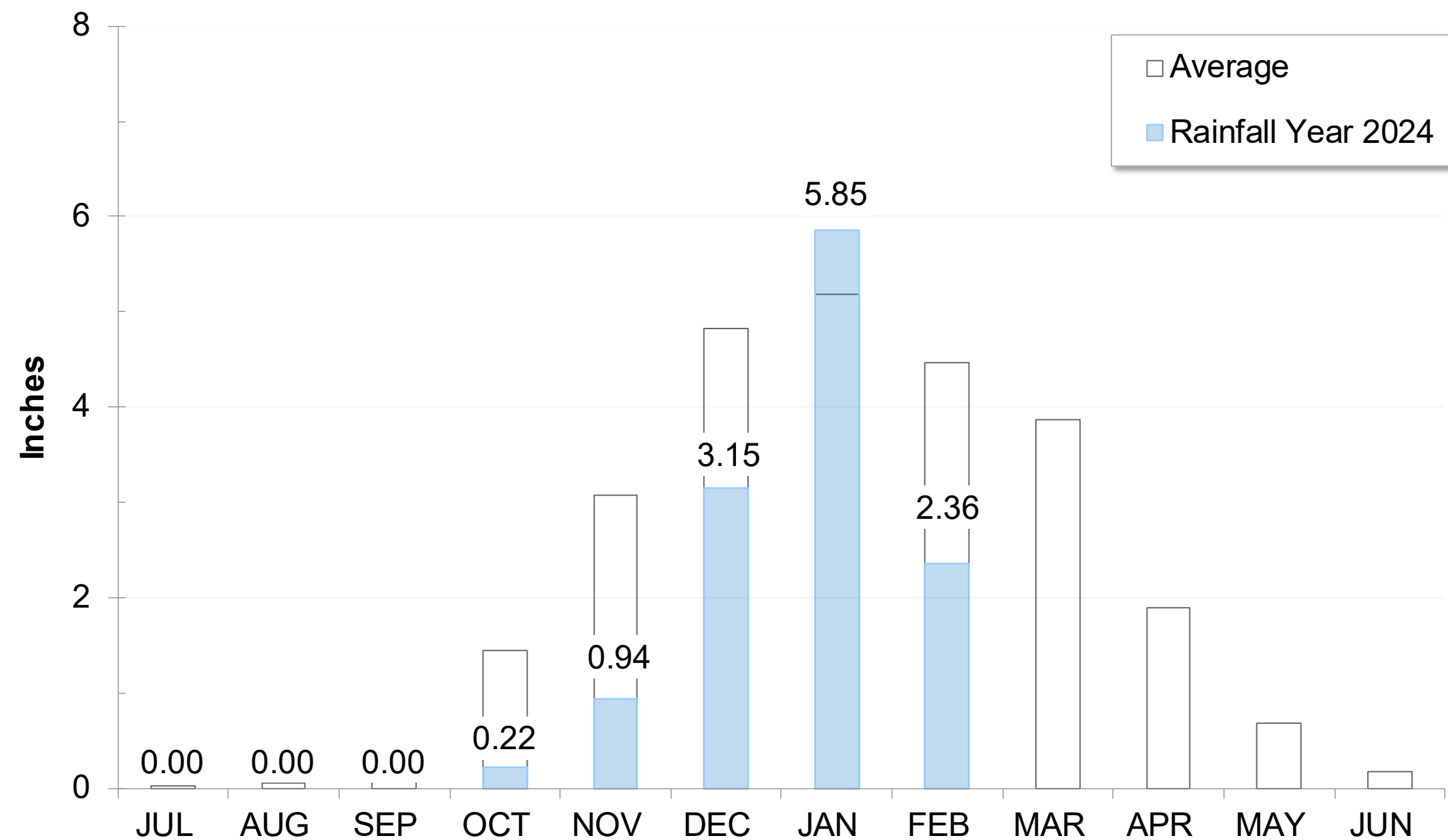
Board of Directors
February 13, 2024

Water Supply Briefing

- Current Water Supply
- California Water Supply
- Water Supply Projections

Precipitation as of February 7

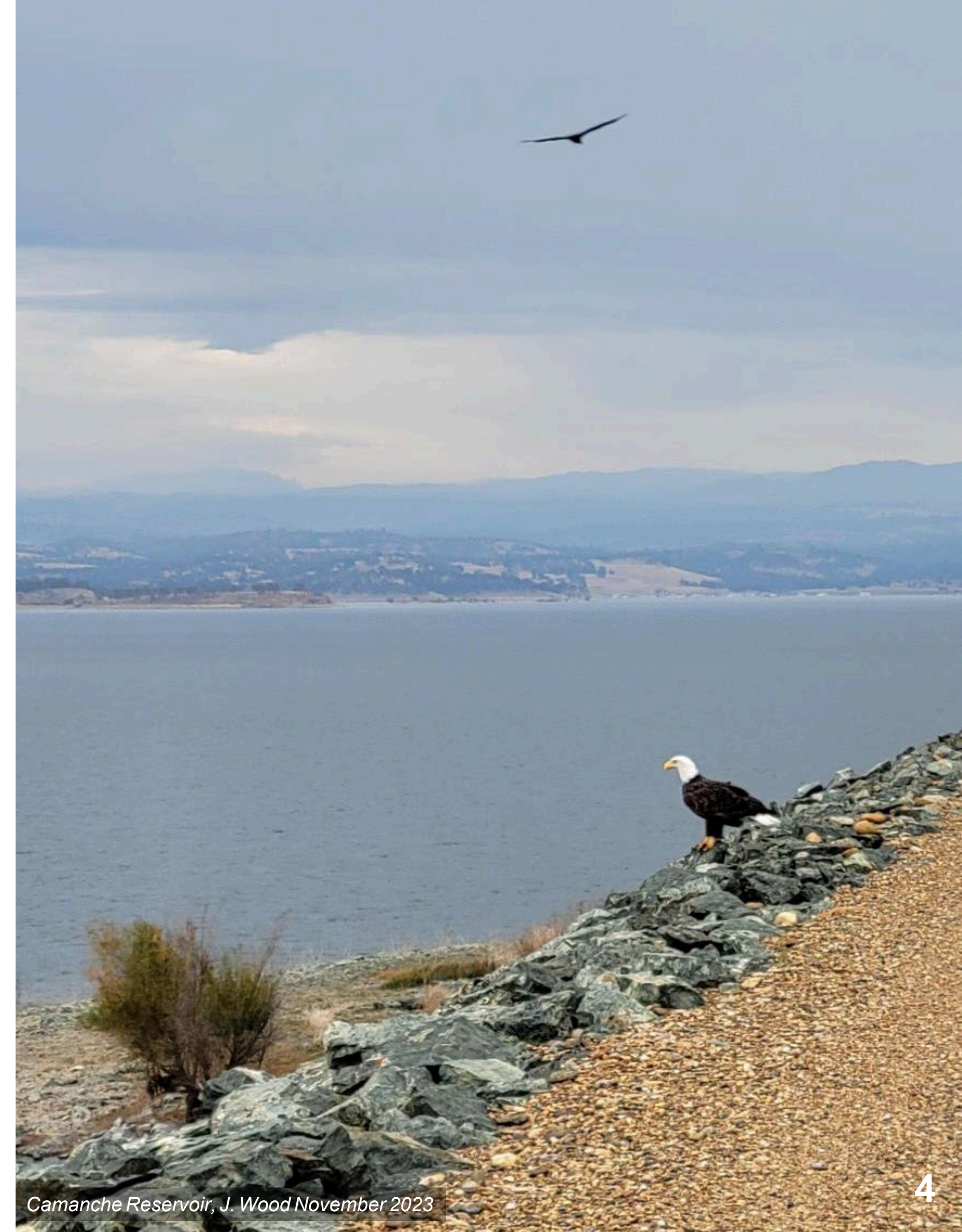
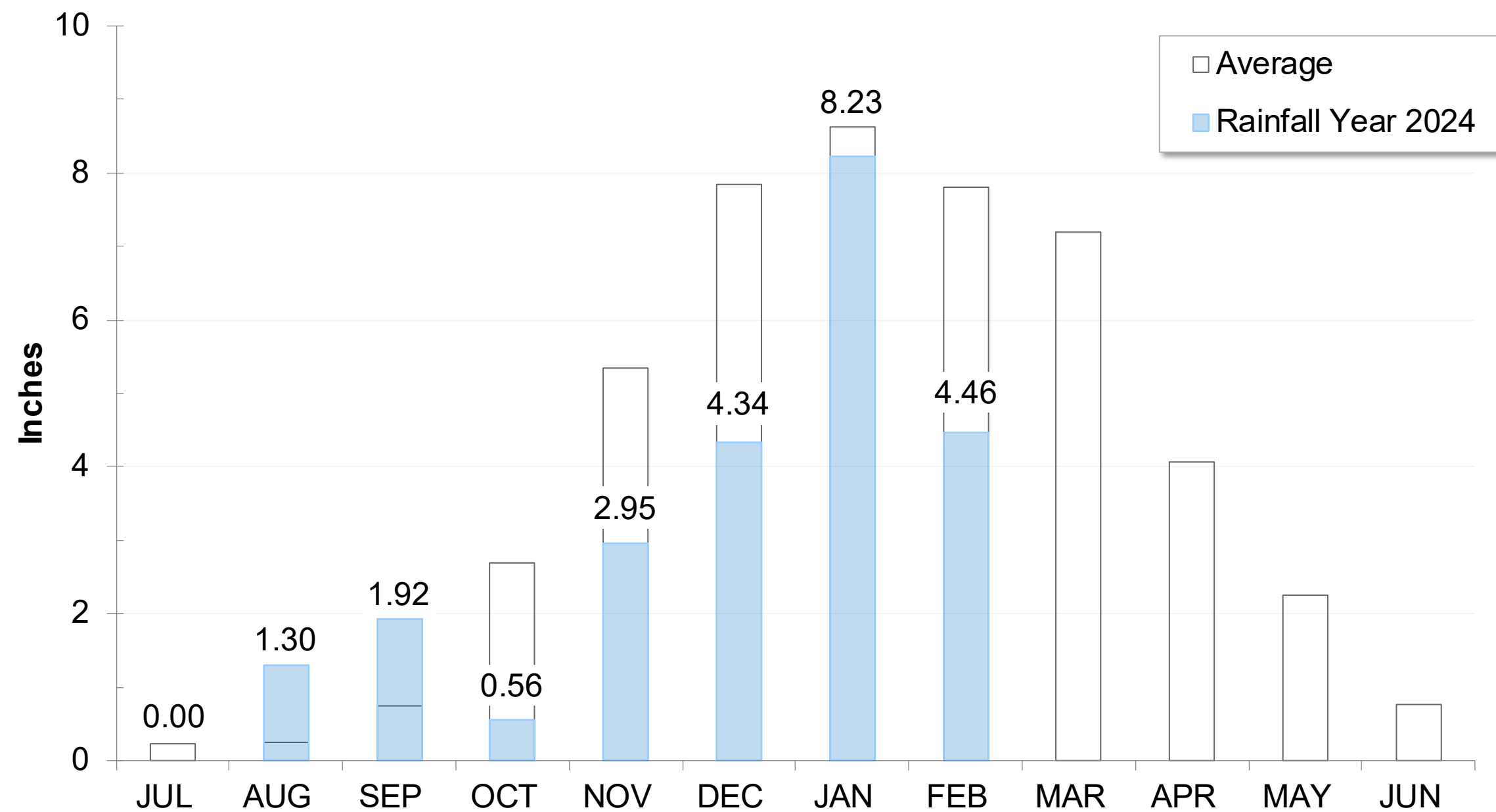
East Bay: 12.52" (76% of average)



San Pablo Reservoir, J. Urness March 2023

Precipitation as of February 7

Mokelumne: 23.76" (85% of Average)



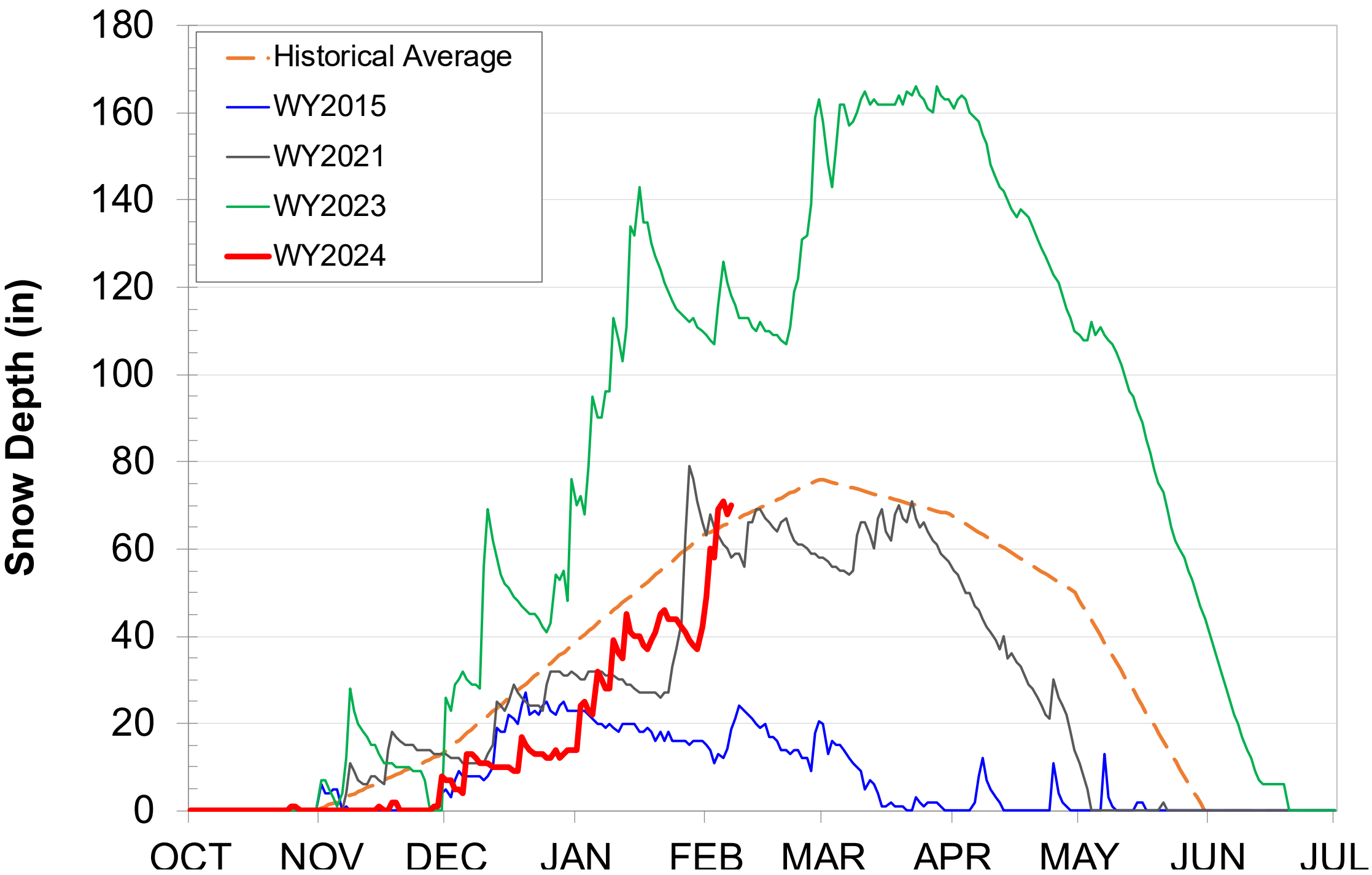
Caples Lake Snow as of February 7

Snow Depth

70" (106% of average)

Snow Water Content

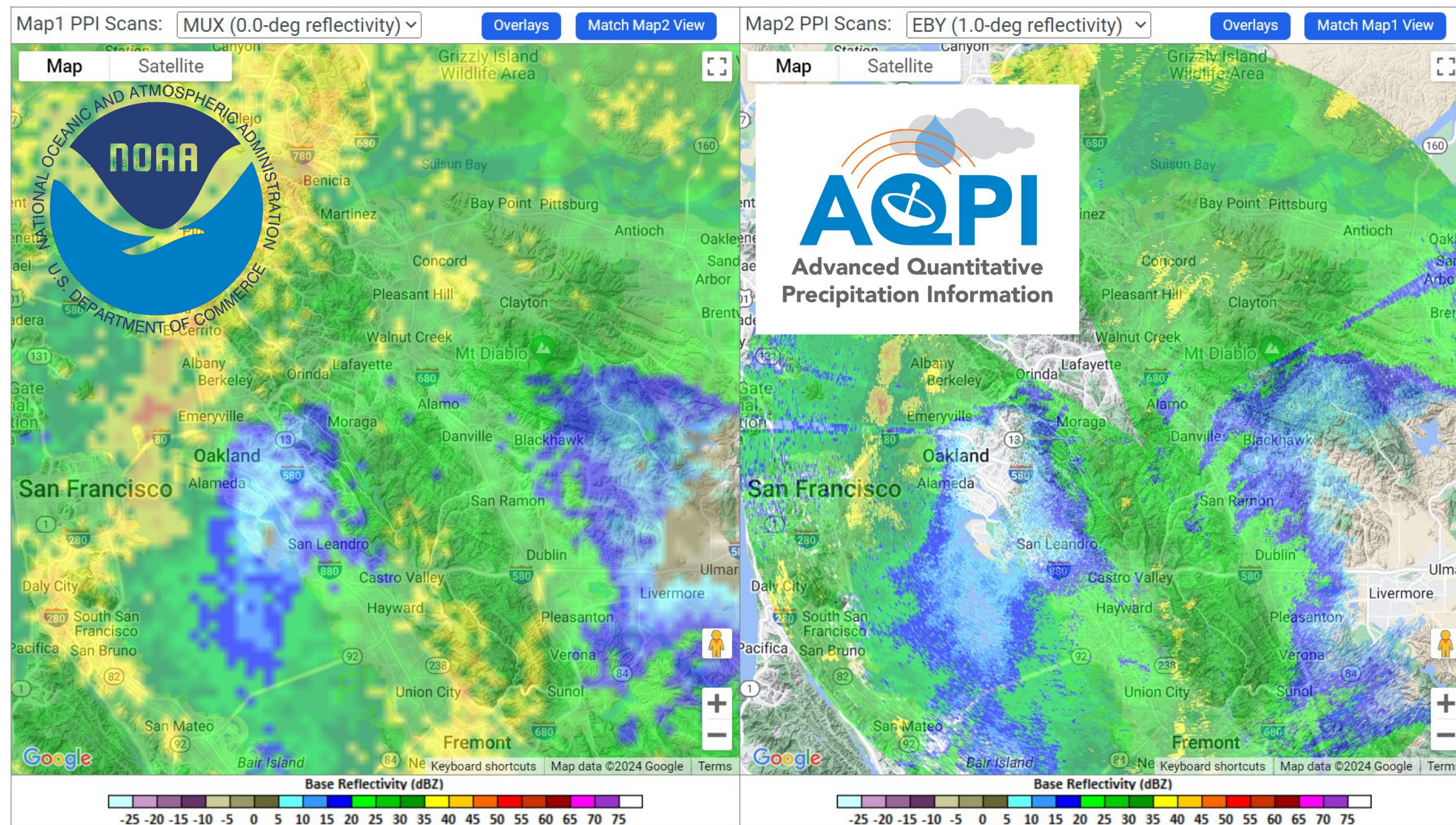
12.55" (57% of average)



January 31 Atmospheric River Radar Observations

Comparison of Radar Imagery

Next Generation
Weather Radar
(NEXRAD)
Mount Umunhum
S-Band Radar



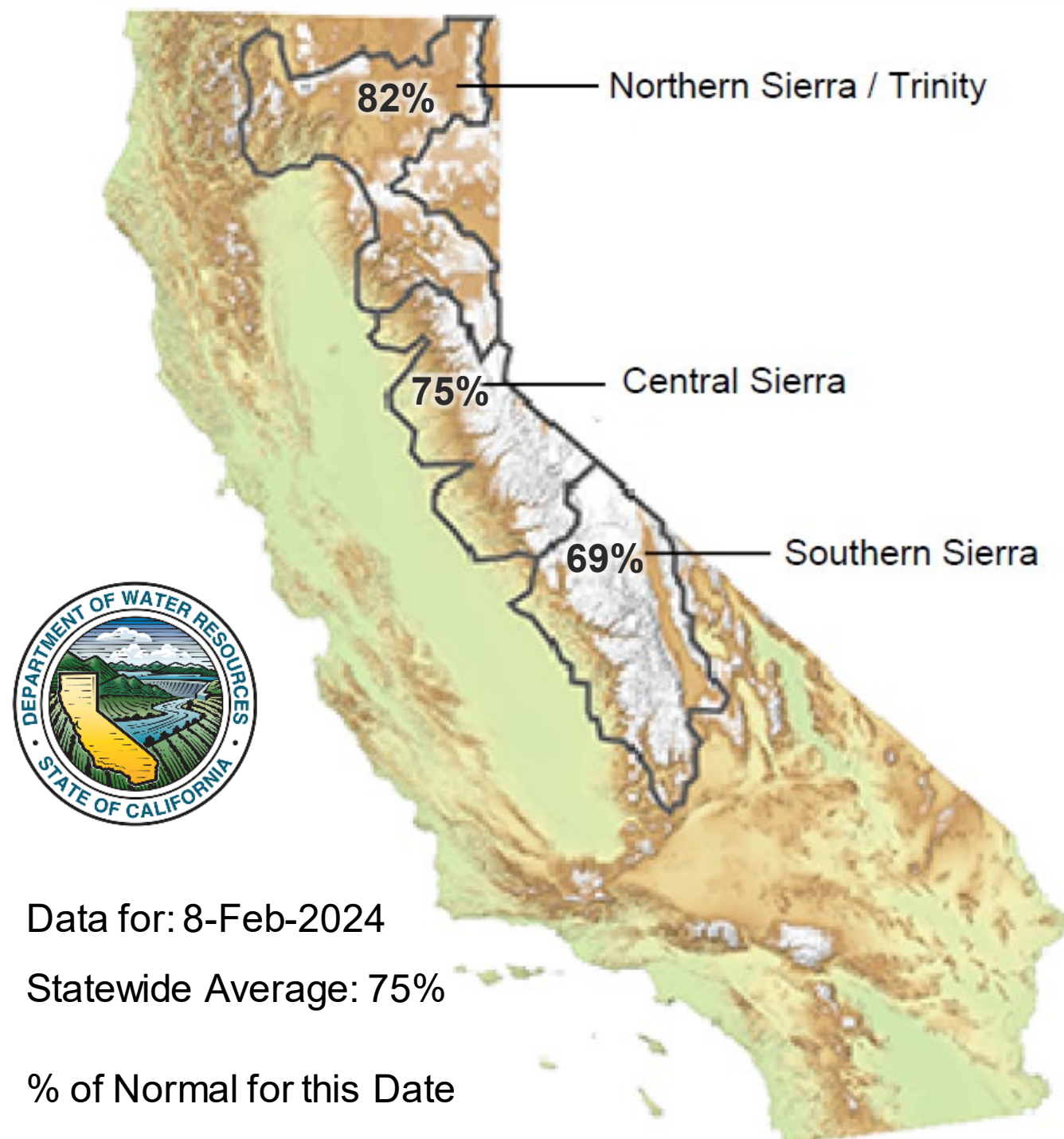
Rocky Ridge
X-Band Radar

California Water Supply



Snowpack as of February 8

Snow Water Equivalent:
75% in Central Sierra



Data for: 8-Feb-2024

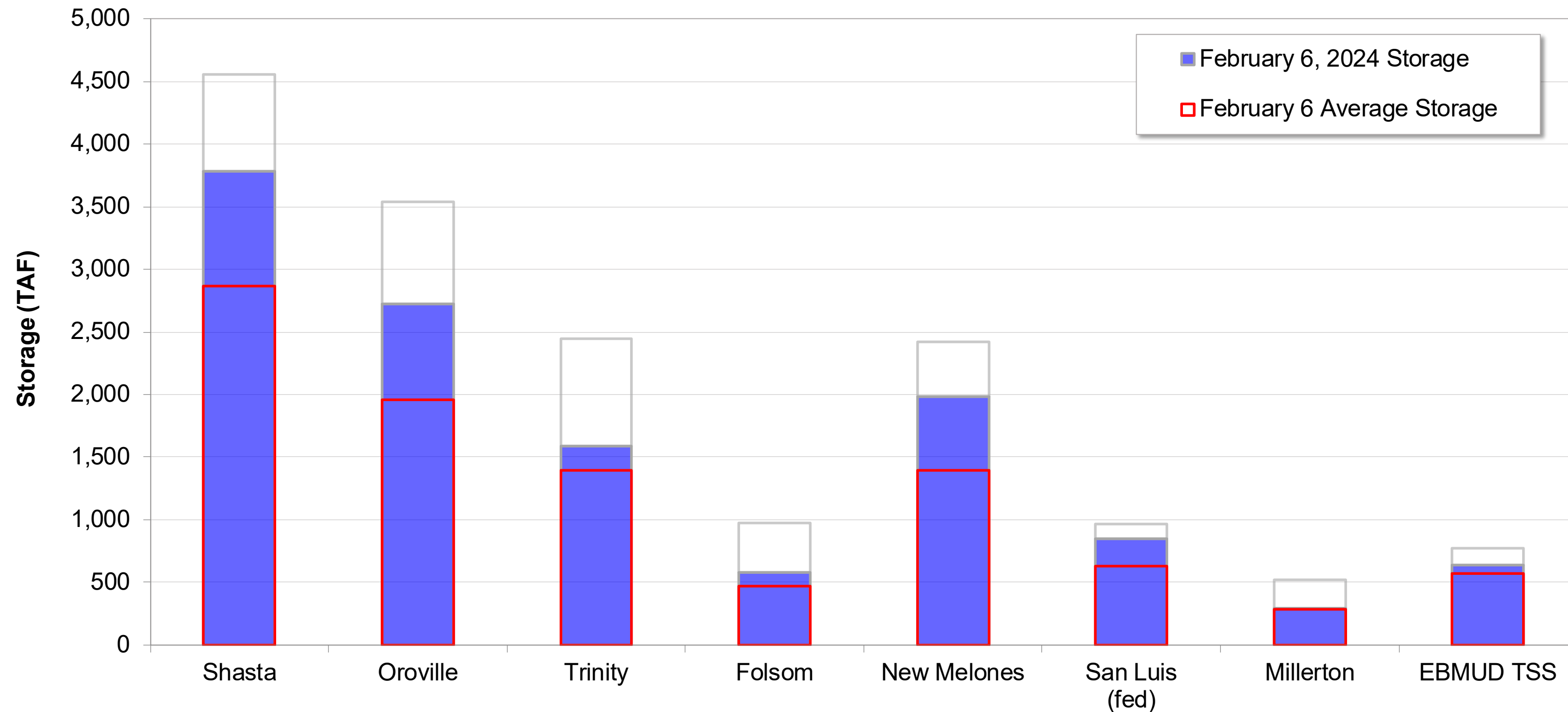
Statewide Average: 75%

% of Normal for this Date



Northern California Water Supply

Current vs. Average Storage



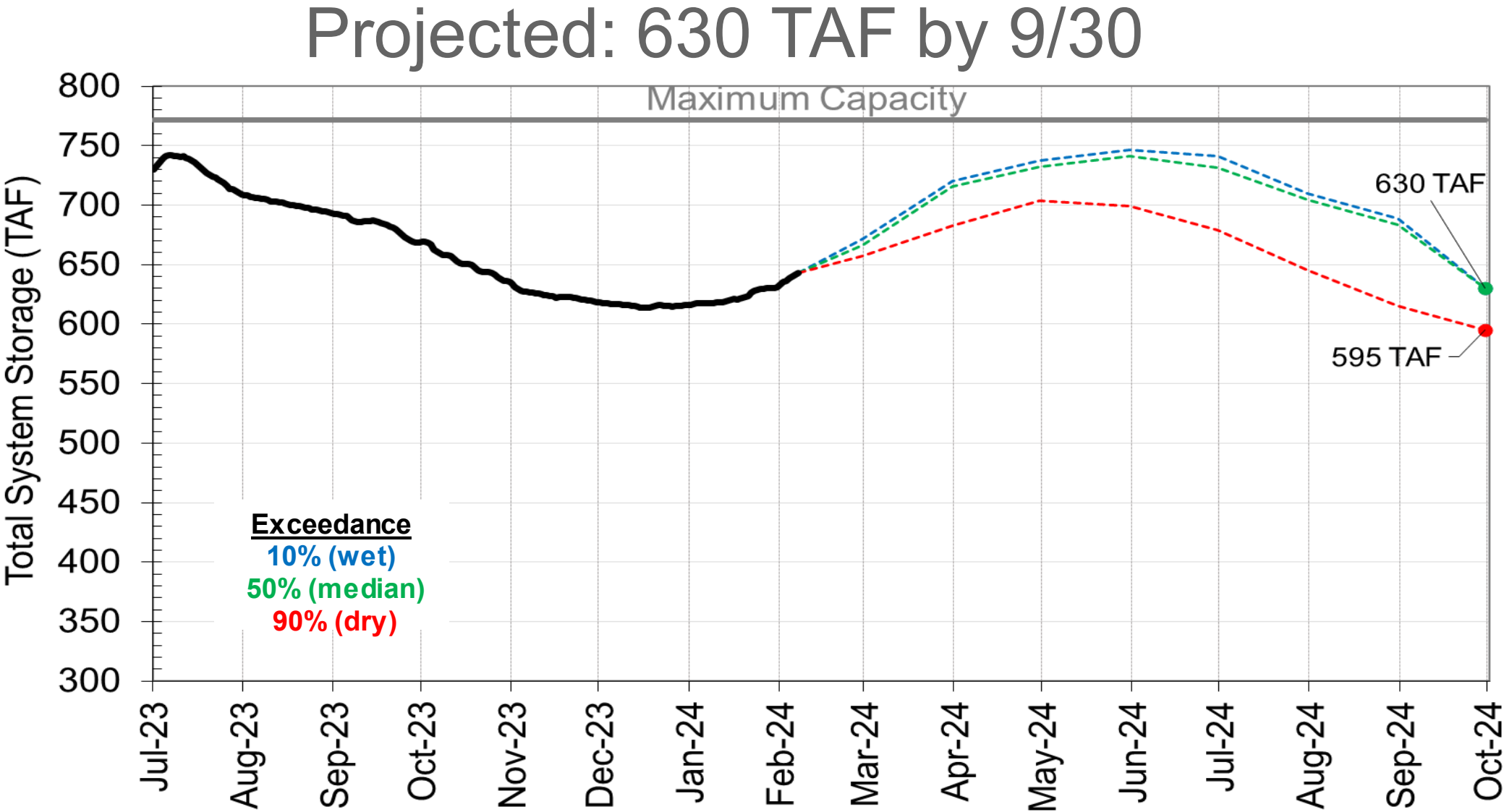
TAF: Thousand Acre-Feet

Water Supply Projections

Total System Storage as of February 7

Current: 643 TAF (113% of Average)

Reservoir	Current Storage, TAF	Percent of Average	Percent of Capacity
Pardee	176	98%	86%
Camanche	331	126%	79%
East Bay	136	107%	91%
Total System	643	113%	83%



TAF: Thousand Acre-Feet

Questions?



Camanche Reservoir Release, J. Toone – March 2023

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 13, 2024

MEMO TO: Board of Directors

FROM: Clifford C. Chan, General Manager 

SUBJECT: Monthly Report – January 2024

HIGHLIGHTS

On January 8, the District launched the pilot Plumbing Assistance Program. The pilot provides Customer Assistance Program (CAP) customers free home water use assessments, replacement of inefficient fixtures, and indoor leak repairs at no cost. On January 15, letters were sent to all CAP customers to promote the pilot program. As of January 31, over 1,150 CAP customers have expressed interest in the pilot program.

On January 17, an agreement was executed with the Department of Water Resources providing the District with \$7.5 million dollars for the Voluntary Agreement Early Implementation. Projects will include flood plain restoration and diversion screening. The agreement will fund three floodplain restoration projects on private property along the Mokelumne River for a three-mile stretch downstream from Camanche Dam. Landowners have put their land into conservation easements to ensure the restoration projects remain functional over time. The diversion screening projects will be implemented on private property downstream of Woodbridge Irrigation District Dam near the town of Thornton. These projects will improve juvenile salmon survival on the Lower Mokelumne River.

WATER SUPPLY

On January 10, the District initiated groundwater extraction for the Demonstration Recharge, Extraction and Aquifer Management Project in coordination with North San Joaquin Water Conservation District, San Joaquin County, and the Eastern Water Alliance. The District intends to extract up to 250 acre-feet of banked groundwater from January 10 through March 29 and deliver it into Mokelumne Aqueduct No. 2. The final extraction would allow the District to collect vital information from this long-term groundwater banking project.

On January 11, staff met with the Dublin San Ramon Services District (DSRSD) to discuss their updated modeling analysis of DSRSD-EBMUD Recycled Water Authority's recycled water system supply and pressure. The Crow Canyon Country Club recycled water conversion is encountering inadequate supply and pressures at the point of connection. Staff is coordinating

with DSRSD to run additional modeling of the recycled water system to identify the issues and potential improvements to their operations and supply and pressure capabilities.

On January 18, the District submitted a comment letter on the Bay Delta Water Quality Control Plan Phase 2 Staff Report. The staff report provides alternatives under consideration for the update to the Bay Delta Water Quality Control Plan by the State Water Resources Control Board. Major alternatives under consideration include a range of unimpaired flow alternatives, and the Voluntary Agreement alternative. The letter identified inadequacies in the staff report and errors in their modeling. It also discussed how the unimpaired flow alternatives would result in significant impacts to the Mokelumne River, the District's water supply and customers, and the East Bay economy. Staff have been working on a Voluntary Agreement approach that provides better protection of the District's water supply and fisheries resources.

On January 30, the District submitted 17 annual water rights reports to the State Water Resources Control Board. Ten appropriate rights reports for municipal and industrial as well as hydropower and irrigation uses on the Mokelumne and local watersheds; three riparian rights statements; two pre-1914 rights statements; one statement for Camanche hatchery; and one report for Stockpond 44.

Precipitation. The East Bay precipitation for January was 5.85 inches (109 percent of average) and the season total was 10.16 inches (67 percent of average). The Mokelumne precipitation for January was 8.23 inches (94 percent of average) and the season total was 19.30 inches (74 percent of average).

Water Releases

Camanche Reservoir. The average rate of Camanche release for January was 331 cfs (279 cfs generation, 18 cfs sluice, and 34 cfs through the hatchery), and the average flow below Woodbridge Dam was 283 cfs, both in accordance with the Joint Settlement Agreement "Normal & Above" water year criteria.

East Bay Reservoirs. Releases were made from Upper San Leandro Reservoir (USL) and Chabot Reservoir to maintain the reservoirs within the winter operating storage ranges from January 24 to January 31.

Water Storage

Mokelumne reservoirs storage is 114 percent of average. As of January 31, 2024, Pardee was at 553.5 feet or 97 percent of average, and Camanche was at 222.4 feet or 125 percent of average. Combined Pardee and Camanche reservoir storage was 499,000 acre-feet compared to 477,000 acre-feet last year.

East Bay reservoirs storage is 105 percent of average. As of January 31, 2024, USL was at 455.4 feet or 122 percent of average, San Pablo was at 301.1 feet or 95 percent of average, and Briones was at 573.4 feet or 104 percent of average. Total terminal reservoir storage was 133,000 acre-feet compared to 146,000 acre-feet last year.

Mokelumne Aqueducts and Raw Water Pumping Plants. The average rate of Mokelumne Aqueduct draft for January 2024 was 103 MGD. Walnut Creek, Moraga and Briones Raw Water Pumping Plants remained out of service for the month.

Water Production. Average rate of gross water production for January:

	January 2024	January 2023	January 2020	Average of FY 2005-2007
East of Hills	22 MGD	23 MGD	25 MGD	28 MGD
West of Hills	96 MGD	97 MGD	98 MGD	125 MGD
Total	118 MGD	120 MGD	123 MGD	153 MGD
Max Day Production	125 MGD (1/15/2024)	128 MGD (1/31/2023)	133 MGD (1/15/2020)	

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

WATER QUALITY AND ENVIRONMENTAL PROTECTION

In January, staff conducted annual bald eagle surveys at District reservoirs. In the East Bay, two bald eagles and one golden eagle were observed at Briones Reservoir; one bald eagle was observed at San Pablo Reservoir; one bald eagle and two golden eagles were observed at Upper San Leandro Reservoir; and one bald and one golden eagle were observed at Lafayette Reservoir. This is the first time since these annual surveys began in 1985 that bald eagles were observed at all four East Bay reservoirs. Upcountry, six bald eagles and two golden eagles were observed on Pardee Reservoir along with eighteen bald eagles on Camanche Reservoir. Survey results are reported to the U. S. Fish and Wildlife Service.

In January, staff conducted a closure inspection and terminated the wastewater discharge permit for an industrial customer in the wastewater service area that was under a Cease-and-Desist Order (CDO). The CDO was issued to a metal plating business in Berkeley due to multiple permit compliance deficiencies, including the discharge of wastewater that exceeded the District's local limits and the federal categorical limits for certain metals. Staff coordinated with the City of Berkeley, the Alameda County District Attorney, and the Department of Toxic Substances Control on enforcement actions. The property was sold in 2023, and all hazardous wastes have now been removed.

In January, one customer in the wastewater service area was issued a Notice of Violation (NOV) for discharging groundwater to the community sewer without a wastewater discharge permit. The NOV was issued to a school in Oakland that had a discharge permit that expired in 2020. The customer is required to cease the discharge or submit a new wastewater

discharge permit application within 30 days and pay fees to cover the District's administrative costs.

In January, seasonal salmonid field monitoring was conducted in the Mokelumne River. As of January 9, 28,688 Chinook salmon have been observed passing the Woodbridge Irrigation District Dam. Staff continued to conduct weekly redd surveys, with a cumulative total of 4,955 Chinook salmon redds observed as of January 16. In addition, weekly carcass surveys continue to be conducted. To date, 7,815 Chinook salmon carcasses have been encountered and 1,598 heads collected for tag recovery. Both upstream (Vino Farms) and downstream (Golf) rotary screw traps are set and being checked during the weekdays. As of January 11, 396 juvenile Chinook salmon have been counted at Vino Farms and zero salmon have been counted at Golf. Rotary screw trap calibrations (efficiency tests) are in the process of being conducted to help provide an estimate of the proportion of natural-origin juvenile Chinook salmon captured. Once these tests are completed, juvenile Chinook salmon abundance estimates for each trapping location will be calculated.

On January 9, staff conducted a biological survey for the Camanche Southshore Trout Pond Vegetation Removal Project. The survey was conducted to determine any impact to sensitive species and provided guidance on steps needed to prevent any impact to wildlife. No potential impacts were identified.

On January 16, staff conducted the annual cleanout and survey of a fabricated bat cave in the Stoney Creek Spillway, north of Pardee Reservoir. Bat guano is removed annually as routine maintenance. Approximately 80 gallons of guano was removed from inside the spillway and staff estimates the bat population is around 2,200.

On January 19, the District submitted the EBMUD Low Effect Habitat Conservation Plan (HCP) annual report to the U.S. Fish and Wildlife Service. The District is required to submit annual reports under the HCP to report monitoring results, evaluate species protection measures and to report any take of endangered species. No take of HCP endangered species were reported in 2023.

All authorized discharges from the Main Wastewater Treatment Plant (MWWTP) were in compliance with the permit limits for the month of January 2024. This is the 293rd consecutive month that the MWWTP experienced no exceedances.

The District received no odor reports from the public in January.

INFRASTRUCTURE INVESTMENT

In January, staff completed a pipeline replacement project in the Richmond Boulevard and Frisbie Street area in Oakland. This project replaced cast iron pipe with 1,380 feet of 6- and 8-inch structurally enhanced polyvinyl chloride pipe.

In January, staff completed a pipeline replacement project in the Mendocino Street area in Richmond. This project replaced cast iron pipe with approximately 3,950 feet of 6-inch structurally enhanced polyvinyl chloride pipe.

In January, staff began a pipeline replacement project in the Central Avenue and 3rd Street area in Alameda. This project will replace cast iron pipe with 1,575 feet of 8-inch mortar-lined zinc coated ductile iron pipe. This project is expected to be completed in March 2024.

In January, staff began a pipeline replacement project in San Pablo Avenue from Kains Avenue in Albany to Harrison Street in Berkeley. This project will replace cast iron pipe with 6,530 feet of 8-inch mortar-lined zinc coated ductile iron pipe. This project is expected to be completed in June 2024.

On January 16, the District installed an electric gate that provides additional security to the Mokelumne River Day Use Area, the Mokelumne Fish Hatchery, and Hatchery staff residences. The gate is located on Fish Hatchery Road just east of McIntire Road in the community of Clements.

Design of the Carter Reservoir Rehabilitation, Arroyo Pumping Plant Improvement and Arroyo Reservoir Replacement (Moraga) Project was completed under Specification 2185. This \$21 million construction project includes coating improvements and a new roof at Carter Reservoir, meter replacement at Arroyo Pumping Plant, and twin tanks to replace the Arroyo Reservoir to improve operational flexibility and water quality. The construction is expected to be completed in May 2027.

Construction of the Main Wastewater Treatment Plant Laboratory Media Room Improvements project was completed under SD-441. This \$276,500 project included replacement of casework, countertops, flooring, plumbing and fixtures, and installation of equipment seismic anchors in select rooms.

Construction of the District-Owned North Orinda Sports Fields Temporary Maintenance Facilities project was completed under Specification 2178. This \$2 million project provides a temporary maintenance facility to be used during the Orinda Water Treatment Plant Disinfection and Chemical Systems Safety Improvements construction project. Work and facilities included site grading; new power and communication services; a District-furnished mobile office building; temporary workshops; a portable shower trailer; a site security system; paving; and related work.

Mains repaired in January totaled 57. The attached table lists the mains repaired by staff in January, sorted by city and street. The table indicates the source of the leaks in three categories: non-surfacing leaks discovered by leak detection technologies, breaks caused by contractors or other agencies, and all other main breaks. The associated map shows the location of the main repairs.

CUSTOMER AND COMMUNITY SERVICES

On January 4, an updated District Emergency Action Plan (EAP) was submitted to the California Governor’s Office of Emergency Services (CalOES) to fulfill state legislative requirements. The EAP, which documents the District’s dam incident preparedness and response protocols for Camanche and Pardee dam facilities, was updated to address CalOES's review comments of the EAP. The EAP submittal included updates to emergency response agencies’ contact information, detection and assessment time narrative, and description of using SharePoint technology to disseminate the EAP.

On January 9, staff met with PG&E to coordinate construction activities. The two agencies shared information on current and upcoming work.

On January 9, staff met with the City of Hayward to coordinate construction activities. The two agencies shared information on current and upcoming work.

On January 9, staff attended the Castro Valley Municipal Advisory Council’s Land Use Commission meeting to learn more about the community and issues. Approximately 10 people attended.

On January 10, staff met with Alameda County/Castro Valley Sanitary District to coordinate construction activities. The two agencies shared information on current and upcoming work.

On January 10, staff attended the Alameda County Special District Association’s (ACSDA) quarterly meeting in Fremont. Some key topics ACSDA shared included water infrastructure upgrade projects and the creation of fish ladders along Alameda Creek. Approximately 20 people attended.

On January 10, staff provided a site visit of the proposed Tomato Stand Fish Passage Project and Pinole Creek for a representative from the Wildlife Conservation Board. The District submitted an application for \$180,000 in grant funding from the Wildlife Conservation Board for planning and permitting for the fish passage project. The Wildlife Conservation Board will consider the application at its February meeting.

On January 10, staff presented to the Delta Fly Fishers organization in Stockton. The presentation highlighted the successful salmon and steelhead runs for this year. The District provides a sponsorship to this organization to support the salmon in the classrooms projects in the Stockton/Lodi areas. Approximately 20 people attended.

On January 11, staff met with the City of Pinole to coordinate construction activities. The two agencies shared information on current and upcoming work.

On January 13, staff conducted upcountry eagle tours. The tours were conducted on the Camanche and Pardee reservoirs, where several bald and golden eagles were sighted. Approximately 30 people attended.

On January 16, staff attended the Castro Valley Municipal Advisory Council's General Meeting to learn more about the community and issues. Approximately 35 people attended.

On January 16, staff met with the City of San Leandro to coordinate construction activities. The two agencies shared information on current and upcoming work.

On January 16, the District held a virtual public meeting for the Happy Valley Pumping Plant and Pipeline Replacement Project. Staff addressed questions on creek bank stabilization and construction activities. Approximately 5 people attended.

On January 16, staff presented at the El Cerrito City Council meeting. The presentation highlighted the Wildcat Pipeline project purpose, scope, and schedule; the transmission pipeline construction process; traffic control and work hours; and paving restoration plans. Approximately 85 people attended.

On January 17, staff conducted a tour of the Main Wastewater Treatment Plant for representatives from the Sierra Club and Baykeeper. The tour provided a high-level overview of the treatment process. Staff also provided presentations covering achievements in reducing infiltration and inflow under the Wet Weather Consent Decree and nutrient management strategies and the successful full-scale pilot for Biological Nitrogen Reduction. Approximately 20 people attended.

On January 19, staff conducted a tour of Piedmont #2 and Estates reservoirs for representatives from the City of Piedmont and its city council. The tour highlighted an overview of EBMUD and its history, water distribution, and investments in infrastructure. Approximately 10 people attended.

On January 26, the District and representatives from the U.S. Army Corp of Engineers participated in the signing ceremony for the Project Partnership Agreement (PPA) for the East Bayshore Recycled Water Project Expansion in Alameda. The PPA provides that the U.S. Army Corp of Engineers will provide \$3.2 million for the inspection of the existing estuary crossing potable water pipeline and the design to repurpose the pipeline for future recycled water conveyance. Invited guest speakers included the mayors of the cities of Alameda and Oakland, county, state, and federal elected officials. Approximately 20 people attended.

On January 27, staff participated in the Lunar New Year Bazaar in Oakland Chinatown. Staff provided information on water conservation, rebates, the Customer Assistance Program, careers, and recreation. Approximately 25,000 people attended.

On January 29, staff presented at the Delta Fly Fishers annual installation dinner in Stockton. The presentation highlighted the successful salmon and steelhead runs for this year. Approximately 60 people attended.

On January 30, staff met with the City of Oakland to coordinate construction activities. The two agencies shared information on current and upcoming work.

Media. A press release was issued on January 10 announcing changes to Board of Directors' leadership (President McIntosh and Vice President Patterson). A press release was issued on January 24 announcing the resignation of EBMUD's longest serving Board Member, John A. Coleman. A joint media advisory sent on January 17 invited media to attend the January 26 signing of the agreement between the US Army Corps of Engineers and EBMUD for the East Bayshore Estuary Pipeline Project for recycled water for Alameda. A press event was held on January 26, and representatives from 4 media outlets attended (Print: Alameda Post; Radio: KCBS, KQED; TV: KPIX) with additional coverage from KTVU, KGO, Local News Matters/MSN and Bay City News/Patch. A joint press release was issued immediately following the event.

Media coverage included an update on water supply in tandem with the state's first snow survey of the season (KGO-TV, KPIX); a broken pipeline in Piedmont (Hoodline and KGOTV); steelhead returns (California Sportsman, Stockton Record, KFBK radio); and a mention of EBMUD's role in the history of East Bay Regional Park District's development (Berkeleyside). In addition, EBMUD was included in a press release from the U.S. Bureau of Reclamation regarding water transfers, and stories continued on EBMUD's in-conduit energy pilot with InPipe (AWWA Connections, New Scientist, International Water & Power and Dam Construction, GEO and MSN France). There was mention of EBMUD in a story about a landslide near Swainland Reservoir (KPIX5).

Social Media:

Social Platform	Popular Topic	Impression Generation	# Followers	Change Over Last Month
Twitter	Claremont Tunnel/Orinda Water Treatment Plant work	230	3,950	6
Facebook	Machinist recruitment	3,397	2,009	12
Instagram	Main break repair in San Leandro	779	624	39
LinkedIn	ACWA scholarships	2,704	9,428	137
Nextdoor	Traffic due to construction in Orinda	1,440		

Staff conducted public outreach to neighbors and interested parties on the following projects:

- Arroyo Reservoir Replacement (Moraga)
- Briones Reservoir Soils off-haul (Orinda)
- Happy Valley Pumping Plant and Pipeline Replacement (Orinda)
- Orinda Water Treatment Plant Disinfection Improvements (Orinda)

Contract Equity

Contract Equity staff participated in the following customer events and outreach activities:

- January 18 – Women’s Business Enterprise Council Pacific Board Strategy Meeting – 14 attendees
- January 26 – Oakland Latin Chamber of Commerce Board Meeting – 11 attendees

Water Conservation

On January 22, staff hosted the Landscape Advisory Committee general meeting. The meeting featured a panel discussion on Assembly Bill 1572, the State’s decorative lawn (non-functional turf) watering ban for commercial properties, a presentation on water supply and program updates, and discussions on specifics about the law, tools, resources, and how to plan for the lawn conversions. Approximately 170 people attended.

On January 24, the District hosted the Cal/Nev American Water Works Association Meter Committee’s Advance Metering Infrastructure (AMI) Workshop at its Administration Building. The workshop focused on AMI case studies of four utilities and their experience launching AMI. Approximately 100 people attended.

WORKFORCE PLANNING AND DEVELOPMENT

Staff Rotation Program update. In January 2024, three employees completed their six-month engineering rotation assignments while four employees will commence their six-month rotations where they will broaden their experience and enhance their skills by working in a new work unit. These rotations will continue to provide staff with a better understanding of how their regular work assignments complement and connect with other District work groups.

On January 24-26, staff attended the U.S. Bureau of Reclamation’s (USBR) 2024 Mid-Pacific Region Water Users Conference in Reno, Nevada. Staff attending the conference is responsible for managing the District’s water rights and Central Valley Project (CVP) contract and is a member of the Central Valley Project Water Association (CVPWA). The conference provides an opportunity to meet with staff from the USBR, CVPWA members, and other CVP contractors, develop key relationships, and learn about key perspectives on water resources (e.g., water quality control plan, water transfers and grant opportunities).

On January 25, staff attended San Joaquin County’s Workshop for the Mokelumne Integrated Conjunctive Use Project (MICUP). The purpose of the workshop is to identify potential partners and define the tasks necessary to complete major project planning within the next 24 months; the schedule is driven by a grant issued to the county by the State of California Department of Water Resources. The District is participating as required under the terms of the Permit 10478 Protest Dismissal Agreement, to ensure the MICUP implementation does not impact EBMUD water rights, or water supply operations and facilities. Approximately 30 people attended.

Staff participated in events/activities that support the District’s long-term efforts to develop a diverse pipeline of candidates for future workforce needs and expand collaborative relationships with local partner organizations:

- **On January 16, staff participated in Cristo Rey De La Salle High School’s Community Partner meeting in Oakland.** Staff provided information on internships, District career pathways and workforce development strategies. Approximately 30 people attended.
- **On January 17, staff participated in the Construction Trades Workforce Initiative’s Community Partners meeting in Oakland.** Staff provided information on the upcoming Utility Laborer recruitment and resources on applicant test preparation for entry level District trades exams. Approximately 20 people attended.

Tuition Reimbursement

	January 2024	FY2024 Total
# of Employees	18	93
# of Classes	24	135
Total Reimbursed	\$12,168.70	\$81,310.66

Employment Information

	January 2024	FY2024 Total
Retirements – Regular	7	38
Retirements – Vested	0	5
Hires/Rehires	30	120
Other Separations	6	56

FINANCIAL STABILITY

Capital Budget Transfers. In January 2024, there was one capital budget transfer greater than \$2.5 million. The transfer in the Wastewater System was for \$3 million, which was transferred from the Resource Recovery Award (7000336) to the Wet Weather Facilities Award (7000329). The transfer funds an expanded scope of the Remote Wastewater Facilities Improvements Project. The project includes additional facility condition assessments, chemical tank replacements, security fencing, sewer lateral inspections and repair, an emergency equipment storage building installation, and related work. Funds were available in the Resource Recovery

Award because the scope of work for the Blend Tank Area Odor and Grit Improvements Project was reduced to reuse existing equipment instead of building a new facility.

Through January 31, 2024, there have been five capital transfers for a total of \$22.85 million in the Water System and \$3 million in the Wastewater System.

On January 9, the District received grant funding from the California Department of Forestry and Fire Protection, for the creation of a five-mile shaded fuel break along Grizzly Peak Boulevard in Oakland/Berkeley. The work funded by the grant is a collaboration between the East Bay Regional Park District, Berkeley Fire Department, U.C. Berkeley, and the District. The District's portion of the grant is \$464,800.

The estimated earned revenue from the Main Wastewater Treatment Plant Power Generation Station's surplus power sales for January is \$38,998. The District sold renewable power and related Renewable Energy Credits (RECs) to the Port of Oakland. The sale of RECs generated \$14,048 from the Port of Oakland. Earned revenue for FY 2024 to date is estimated at \$299,918 or 75 percent of the total FY 2024 budget of \$400,000.

The estimated earned revenue from Mokelumne power sales for January is \$935,534. The District sold renewable power and related Renewable Energy Credits (RECs) to Marin Clean Energy (MCE). Sales of RECs generated \$33,450 from MCE. Resource Adequacy capacity sales to Ava Community Energy (formerly East Bay Community Energy) earned \$76,905. Earned revenue to date through January is estimated at \$10,022,000 or 125 percent of the FY 2024 budgeted of \$8 million. Forecasted revenue for FY 2024 is estimated to be \$15 million.

As of January 31, 2024, the District received benefit payments from the Low-Income Household Water Assistance Program (LIHWAP) for \$1,985,399.15 for Alameda County customers and \$291,060.87 for Contra Costa County customers. LIHWAP benefit payments are processed through designated local service provider for each county. The total amount received to date is \$2,276,460.02 and additional payments are expected as the state continues to process applications for the program. Eligible households have until March 31, 2024, to submit an application. The District will continue to share information on LIHWAP with customers.

Low-Income Household Water Assistance Program as of January 31, 2024		
County	Total Count	Total Payment Amount
Alameda County	1,574	\$1,985,399.15
Contra Costa County	309	\$291,060.87
Grand Total	1,883	\$2,276,460.02

Board of Directors
Monthly Report – January 2024
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Low-Income Household Water Assistance Program July 2022 - January 2024												
Month	July 2022		August 2022		September 2022		October 2022		November 2022		December 2022	
County	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received
Alameda	17	\$14,105.43	78	\$70,570.04	92	\$85,690.99	78	\$67,563.45	49	\$48,161.64	81	\$87,880.54
Contra Costa	0	\$0.00	10	\$5,707.69	12	\$6,295.35	10	\$7,408.44	13	\$8,318.57	14	\$15,972.87
Totals	17	\$14,105.43	88	\$76,277.73	104	\$91,986.34	88	\$74,971.89	62	\$56,480.21	95	\$103,853.41

Month	January 2023		February 2023		March 2023		April 2023		May 2023		June 2023	
County	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received
Alameda	62	\$64,521.24	68	\$73,704.39	45	\$51,726.67	72	\$77,037.41	66	\$82,589.30	35	\$58,917.54
Contra Costa	26	\$21,385.89	18	\$11,357.19	16	\$11,931.92	17	\$11,661.52	17	\$17,770.47	15	\$12,855.72
Totals	88	\$85,907.13	86	\$85,061.58	61	\$63,658.59	89	\$88,698.93	83	\$100,359.77	50	\$71,773.26

Month	July 2023		August 2023		September 2023		October 2023		November 2023		December 2023	
County	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payment Received	Accounts	Payments	Accounts	Payments	Accounts	Payments
Alameda	67	\$105,425.64	95	\$164,667.46	111	\$188,740.64	69	\$104,089.80	270	\$351,349.23	50	\$68,202.17
Contra Costa	24	\$32,716.76	35	\$44,897.64	21	\$17,586.18	10	\$11,639.79	17	\$14,413.75	10	\$12,839.85
Totals	91	\$138,142.40	130	\$209,565.10	132	\$206,326.82	79	\$115,729.59	287	\$365,762.98	60	\$81,042.02

Month	January 2024		Total to Date	
County	Accounts	Payments	Accounts	Payment Received
Alameda	170	\$221,996.41	1574	\$1,985,399.15
Contra Costa	24	\$26,301.27	309	\$291,060.87
Totals	194	\$248,297.68	1883	\$2,276,460.02

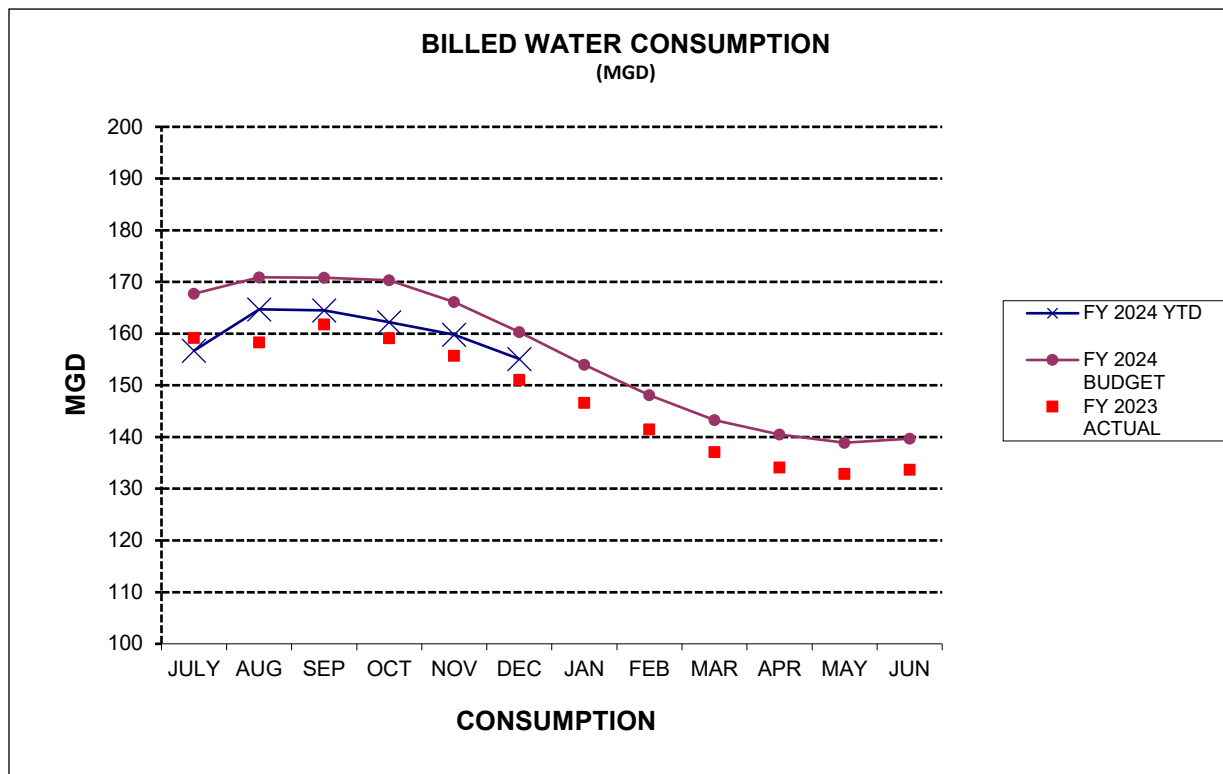
There were no material, supply, or construction contracts from \$80,001 to \$100,000 and five general and professional service agreements from \$30,001 up to \$80,000 approved by the General Manager in January 2024.

VENDOR NAME	DATE AWARDED	CEP STATUS	ITEM (S) PURCHASED	PROJECT	CONTRACT TERM	VALUE
Applied Engineering Management Corporation	1/5/2024	White Women	Consulting services to perform a risk and resilience assessment of District facilities	N/A	March 31, 2025	\$76,150
Geotab USA, Inc.	1/12/2024	White Men	Installation, hardware, and associated fees to pilot Geotab telematics systems in 300 of the District's approximately 1,300 vehicles	N/A	N/A	\$80,000
Signal Solutions	1/23/2024	White Men	Fiber optic cable installation	N/A	N/A	\$61,914
Hot Line Construction, Inc.	1/23/2024	White Women	Services to replace one utility pole and perform maintenance on five additional poles	N/A	N/A	\$74,970
Integrated Power Services, LLC	1/30/2024	White Men	Services to repair damaged rotor pole connections and stator winding insulation on Pardee Powerhouse Unit No. 1	N/A	N/A	\$66,251

Water Sales (Consumption)

The following consumption information is the average billed water consumption in millions of gallons per day (MGD) for the first six months of FY 2024.¹ Budgeted average daily water consumption for FY 2024 is 139.7 MGD, and summer month consumption is generally higher due to outdoor watering. The table below shows the average billed water consumption information by customer class with a comparison to FY 2023 data for the same period of time.

Fiscal Year-to-Date Billed Water Consumption			
Usage Type	FY 2024 (MGD)	FY 2023 (MGD)	Year-over-Year (% change)
Residential	77.4	75.7	2.2%
Commercial	50.6	50.2	0.8%
Industrial	19.7	18.0	9.4%
Public Authority	7.4	7.2	2.8%
Total Billed Water Consumption	155.1	151.1	2.6%

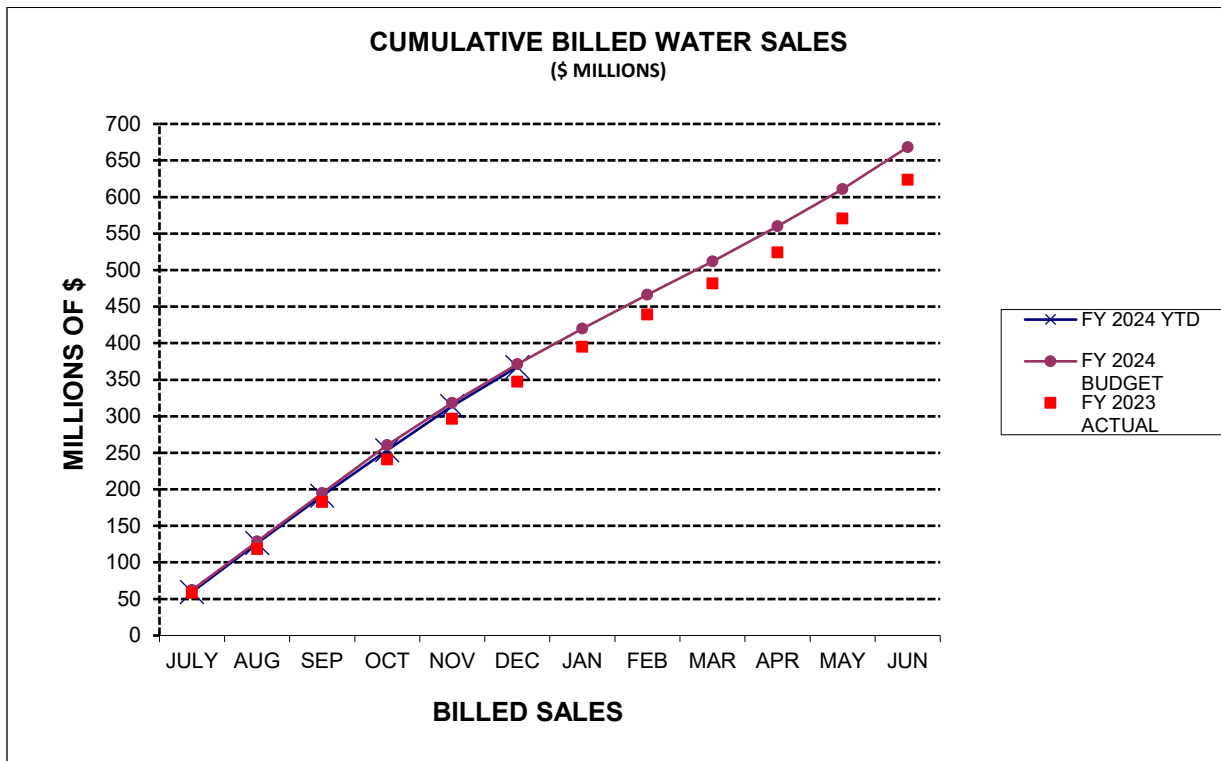


Source: Customer Information System

¹ Billed consumption is the amount of potable and non-potable water use for which EBMUD billed customers during the month and not actual customer usage within that month. During any month, roughly half of all EBMUD customers are billed for the prior two months of consumption. For example, a customer bill sent in early August would generally contain charges for water consumed in June and July.

Water Sales (Revenue)

FY 2024 water revenues billed through the end of December were \$367.5 million or 5.8% more than the FY 2023 revenue for the same period of \$347.3 million.² This increase in water revenues is a result of higher December 2023 consumption year-over-year and an 8.5% rate increase (effective July 1), partially offset by the removal of drought surcharges prior to the start of FY 2024. FY 2024 water revenues through December are \$3.7 million less (or 1.0% less) than the budgeted water revenue of \$371.2 million due to lower-than-projected consumption.



Source: Customer Information System

² Water sales includes potable and non-potable water sales. FY 2023 water sales shown in this report include drought revenue (\$14.5M through December 2022).

January 2024 MAIN BREAK REPAIRS										
City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?
ALAMEDA		CLAY	ST	CAST IRON	6	1931	1,080	1/8/2024	1/8/2024	Y
ALAMEDA		PACIFIC MARINA		STEEL	12	1966	36,000	1/26/2024	1/30/2024	Y
ALBANY		TALBOT	AVE	CAST IRON	4	1951	900	1/18/2024	1/19/2024	Y
BERKELEY		ARCH	ST	STEEL	8	1999	1,350	1/21/2024	1/22/2024	Y
BERKELEY		ELLSWORTH	ST	CAST IRON	4	1962	1,350	1/19/2024	1/19/2024	Y
BERKELEY		LA LOMA	AVE	CAST IRON	6	1931	5,400	1/15/2024	1/15/2024	Y
BERKELEY		MIDDLEFIELD	RD	CAST IRON	6	1947	14,400	12/31/2023	1/4/2024	Y
BERKELEY		REGENT	ST	CAST IRON	6	1949	6,750	1/10/2024	1/10/2024	Y
BERKELEY		VINE	ST	CAST IRON	4	1930	270	1/15/2024	1/16/2024	Y
CASTRO VALLEY		CENTER	ST	CAST IRON	6	1954	630	1/8/2024	1/8/2024	Y
CASTRO VALLEY		LANTANA	CT	ASBESTOS CEMENT	6	1955	1,350	1/17/2024	1/17/2024	Y
DANVILLE		LAWNVIEW	CIR	ASBESTOS CEMENT	6	1972	60,030	1/25/2024	1/25/2024	Y
EL CERRITO		LAGUNITAS	AVE	CAST IRON	6	1937	20,160	1/15/2024	1/16/2024	Y
EL CERRITO		LUDWIG	AVE	CAST IRON	6	1928	17,280	1/15/2024	1/16/2024	Y
EL CERRITO		SEAVIEW	DR	CAST IRON	6	1945	1,800	1/11/2024	1/11/2024	Y
EL CERRITO		SEAVIEW	PL	CAST IRON	6	1949	1,350	1/8/2024	1/8/2024	Y
LAFAYETTE		ACALANES	RD	STEEL	16	1970	10,080	1/12/2024	1/18/2024	Y
LAFAYETTE		CAMINO COLORADOS		CAST IRON	6	1950	2,250	1/11/2024	1/11/2024	Y
LAFAYETTE	S	LUCILLE	LN	CAST IRON	12	1942	23,040	1/3/2024	1/4/2024	Y
LAFAYETTE		RELIEZ VALLEY	RD	CAST IRON	4	1941	2,250	1/17/2024	1/17/2024	Y
LAFAYETTE		WILLOW	DR	CAST IRON	4	1940	2,700	1/25/2024	1/26/2024	Y
LAFAYETTE		WOODVIEW	DR	STEEL	8	1967	2,250	1/3/2024	1/3/2024	Y
OAKLAND		CAMERON	AVE	CAST IRON	4	1948	1,350	1/9/2024	1/9/2024	Y
OAKLAND		CAMPBELL	ST	CAST IRON	8	1937	14,400	1/11/2024	1/12/2024	Y
OAKLAND		CROFTON	AVE	CAST IRON	4	1928	0	1/2/2024	1/2/2024	Y
OAKLAND		FAIRMOUNT	AVE	CAST IRON	6	1951	9,000	1/11/2024	1/11/2024	Y
OAKLAND		KENTWOOD	CT	ASBESTOS CEMENT	6	1976	18,000	1/23/2024	1/23/2024	Y
OAKLAND		KINGSLAND	AVE	CAST IRON	8	1924	2,700	1/7/2024	1/8/2024	Y
OAKLAND		LINWOOD	AVE	CAST IRON	6	1928	21,600	1/14/2024	1/16/2024	Y

**KPI = turn around time to repair the leak*

January 2024 MAIN BREAK REPAIRS										
City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?
OAKLAND		MADISON	ST	CAST IRON	4	1932	7,200	1/19/2024	1/19/2024	Y
OAKLAND		MANDELA	PKY	CAST IRON	8	1941	20,970	1/18/2024	1/18/2024	Y
OAKLAND		MOUNTAIN VIEW	AVE	STEEL	6	1958	630	1/13/2024	1/15/2024	N
OAKLAND		NORTON	AVE	CAST IRON	4	1946	900	1/12/2024	1/12/2024	Y
OAKLAND		PERALTA	ST	CAST IRON	10	1926	0	1/5/2024	1/8/2024	Y
OAKLAND		PHAETON	DR	ASBESTOS CEMENT	8	1965	34,560	12/22/2023	1/2/2024	Y
OAKLAND		WHITTLE	AVE	CAST IRON	6	1927	20,970	1/19/2024	1/19/2024	Y
ORINDA		DOVER	CT	ASBESTOS CEMENT	6	1956	1,800	1/21/2024	1/21/2024	Y
ORINDA		TARABROOK	DR	STEEL	6	1960	8,640	1/31/2024	1/31/2024	Y
PLEASANT HILL		MERCURY	WAY	ASBESTOS CEMENT	12	1957	7,200	1/1/2024	1/5/2024	Y
RICHMOND		17TH	ST	CAST IRON	4	1949	14,400	1/14/2024	1/18/2024	Y
RICHMOND	W	CHANSOR	AVE	ASBESTOS CEMENT	6	1942	29,970	1/23/2024	1/24/2024	Y
RICHMOND		HILLTOP MALL	RD	ASBESTOS CEMENT	8	1975	90,000	1/7/2024	1/8/2024	Y
RICHMOND		HILLTOP MALL	RD	ASBESTOS CEMENT	8	1975	18,000	1/8/2024	1/9/2024	Y
RICHMOND		KERN	ST	CAST IRON	4	1940	0	1/22/2024	1/25/2024	Y
RICHMOND		SANDERLING ISLAND		STEEL	6	1970	8,640	1/14/2024	1/14/2024	Y
RICHMOND		TEHAMA	AVE	CAST IRON	6	1949	11,520	1/23/2024	1/26/2024	Y
RICHMOND		WISWALL	DR	ASBESTOS CEMENT	6	1963	10,080	12/27/2023	1/2/2024	Y
SAN LEANDRO	W	BROADMOOR	BL	CAST IRON	6	1926	5,400	1/12/2024	1/13/2024	Y
SAN LEANDRO		DONALD	AVE	CAST IRON	6	1947	900	1/16/2024	1/16/2024	Y
SAN LEANDRO		MACARTHUR	BL	STEEL	16	1964	360	1/4/2024	1/5/2024	Y
SAN LEANDRO		MERCED	ST	ASBESTOS CEMENT	12	1954	60,030	1/1/2024	1/2/2024	Y
SAN LEANDRO		NORTON	ST	CAST IRON	6	1948	5,760	1/22/2024	1/25/2024	Y
SAN LORENZO		VIA SEGUNDO		CAST IRON	6	1944	0	1/3/2024	1/3/2024	Y
SAN PABLO		SAN PABLO	AVE	CAST IRON	8	1946	23,040	1/8/2024	1/11/2024	Y
WALNUT CREEK	N	CALIFORNIA	BL	CAST IRON	8	1953	17,280	1/10/2024	1/11/2024	Y
WALNUT CREEK		JEFFREY	LN	ASBESTOS CEMENT	6	1963	4,500	1/11/2024	1/11/2024	Y
WALNUT CREEK	N	MAIN	ST	CAST IRON	4	1953	0	1/10/2024	1/10/2024	Y
							682,470			

**KPI = turn around time to repair the leak*

January 2024 MAIN BREAK REPAIRS											
City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?	
		Non-surfacing leaks discovered by leak detection technologies									1
		Breaks caused by contractors or other agencies									2
		Other main breaks									54
		Total water main repairs									57

**KPI = turn around time to repair the leak*

Customer Account Delinquency Information							
JANUARY 2024							
[Data collection began September 1, 2017]							
CUSTOMER ASSIST. PROGRAM (CAP) ENROLLMENT	August 23 ³⁶	Sept 23 ³⁷	Oct 23 ³⁸	Nov 23 ³⁹	Dec 23 ⁴⁰	Jan 23 ⁴¹	Totals
New CAP Participants	266	211	200	142	102	102	13,118
CAP Renewals	212	228	184	161	183	131	13,672
CAP Departures	438	85	358	348	336	417	18,428
Total Active CAP Participants w/Active Accounts	9,155	9,274	9,371	9,344	9,366	9,327	
PAYMENT PLANS	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 23	Totals
Approved Payment Plans	1,443	1,817	2,105	1,913	1,937	2,103	222,682
Payment Plans Established After Service Interruptions	-	-	-	-	-	-	1,320
SERVICE INTERRUPTIONS - RESIDENTIAL	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 23	Totals
15-day Final Collection Notices	18,109	16,602	20,658	14,282	16,780	16,481	1,219,826
48-hr Service Interruptions Notices ⁵	12,907	10,727	13,168	10,658	11,241	11,125	720,814
Service Interruption Orders Created	*	*	*	*	*	*	82,689
Service Interruptions Completed (Actual)	*	*	*	*	*	*	22,712
CAP Enrolled Service Interruptions	*	*	*	*	*	*	802
WATER THEFT	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 23	Totals
No. of Incidents	11	9	11	3	2	5	494
No. of 2nd or 3rd Occurrences	-	-	-	-	-	-	41
No. Water Theft Penalties Issued	-	1	-	-	-	-	228
No. of Appeals Received	-	-	-	-	-	-	10
No. of 1st Appeals Approved	-	-	-	-	-	-	5
No. of 1st Appeals Denied	-	1	-	-	-	-	8
Multi-Family Liens ¹	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 23	Totals
Liens Filed	226	22	109	109	10	106	6,342
Released	32	58	-	284	143	20	5,420
Transferred to Alameda Cty.	305	-	-	-	-	-	2,194
Transferred to Contra Costa Cty.	27	-	-	-	-	-	400
Total /Month	590	80	109	393	153	153	14,383
BAD DEBT - WRITE OFFS ²	August 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 23	Totals
Total Referred to Collection Agency	\$ 424,469	\$ 467,300	\$ 421,308	\$ 493,499	TBD ⁴⁰	TBD ⁴¹	15,684,493
Write-Off % to Billed Revenue	0.57%	0.64%	TBD ³⁸	TBD ³⁹	TBD ⁴⁰	TBD ⁴¹	
¹ Liens filed monthly represent delinquent accounts 4-6 months in arrears.							
² 48-hour notices were generated, but not mailed to customers since March 23, 2020. Customers are receiving payment reminders in lieu of 48-hour notices.							
³ CAP applications processed through August 23, 2023; August 2023 collection agency. Write-off revenue for June and July will be updated in Sep 2023.							
⁴ CAP applications processed through September 27, 2023; September 2023 collection agency will be updated in Oct 2023. Write-off revenue for June, July, August, and Sep will be updated when final revenue reports are posted by Accounting.							
⁵ CAP applications processed through October 30, 2023; October 2023 collection agency will be updated in Nov 2023. Write-off revenue for Oct will be updated when final revenue reports are posted by Accounting.							
⁶ CAP applications processed through Nov 15, 2023; November 2023 collection agency will be updated in Dec 2023. Write-off revenue for Oct and Nov will be updated when final revenue reports are posted by Accounting.							
⁷ CAP applications processed through Dec 28, 2023; December 2023 collection agency will be updated in Jan 2024. Write-off revenue for Oct, Nov, and Dec will be updated when final revenue reports are posted by Accounting.							
⁸ CAP applications processed through Jan 15, 2024; Jan 2024 collection agency will be updated in Feb 2024. Write-off revenue for Jan 24 when final revenue reports are posted by Accounting.							
⁹ Notes: Effective March 12, 2020, the District suspended "Disconnects Due to Non-Payment" (DNP) to residential customers, withheld mailing 48-hr notices to customers, and began restoring service to all customers shut off as of January 2020. The DNP information will be omitted from this table until the District resumes DNP activities.							

Water Theft Type/City	Alameda	Alamo	Albany	Berkeley	Castro Valley	Crockett	Danville	El Cerrito	El Sobrante	Emeryville	Hayward	Hercules	Lafayette
Meter	4	1	2	18	4	3	1	2	3	1	8	6	1
Illegal Connection	-	1	-	1	-	-	-	-	-	-	-	-	-
Hydrant	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4	2	2	19	4	3	1	2	3	1	8	6	1

Water Theft Type/City	Oakland	Orinda	Piedmont	Pinole	Richmond	Rodeo	San Lorenzo	San Leandro	San Pablo	San Ramon	Walnut Creek	Total since 9/1/2017
Meter	311	1	1	6	83	7	2	11	5	2	1	484
Illegal Connection	4	1	-	-	-	1	-	-	-	-	1	9
Hydrant	-	-	-	-	-	-	-	-	-	-	-	0
Total	315	2	1	6	83	8	2	11	5	2	2	493

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 8, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager *CCC*

FROM: Rischa S. Cole, Secretary of the District *RC*

SUBJECT: Finance/Administration Committee Minutes – January 23, 2024

Director John A. Coleman called to order the Finance/Administration Committee meeting at 8:35 a.m. in the Administration Building Boardroom. Director April Chan was present at roll call. Chair William B. Patterson arrived at 8:41 a.m. Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Director of Finance Sophia D. Skoda, Treasury Manager Robert L. Hannay, and Secretary of the District Rischa S. Cole.

Public Comment. Addressing the Committee was Ivette Rivera who commented on three documents she provided to the Committee.

Presentations/Documentation. 1) Presentation entitled “Water Systems Revenue Bonds, Series 2024A and 2024B and Wastewater System Revenue Bonds, Series 2024A,” dated January 23, 2024; 2) Charge of Discrimination document regarding EEOC Charge No. 555-2023-02181, dated January 17, 2024; 3) Document titled Rules of Professional Conduct (undated); and 4) Spreadsheet titled Liebert Cassidy Whitmore (undated).

Monthly Investment Transactions Reports. Director of Finance Sophia D. Skoda reviewed the November 2023 and December 2023 reports, the drivers that decreased the portfolio during these time periods. She noted the portfolio is currently yielding about 3.87 percent. The reports will be submitted to the Board for consideration at its meeting in the afternoon. The Committee raised no questions. It was moved by Director Chan, seconded by Director Patterson, and carried (3-0) by voice vote to accept the reports.

Quarterly Investment, Payroll, Disbursement and Real Estate Summary Reports for the Water and Wastewater Systems for Quarter Ended December 31, 2023. Director of Finance Sophia D. Skoda reviewed the reports which were filed in compliance with government statutes and cover the period October 1, 2023 through December 31, 2023. Ms. Skoda and General Manager Clifford C. Chan responded to questions from the Committee regarding the lease terms with SupplyBank.org for Oakport property and when the District could expect to begin receiving revenue from the lease. It was moved by Director Patterson, seconded by Director Chan, and carried (3-0) by voice vote to accept the reports.

EBMUD Series 2024A and 2024B Water System Revenue Bonds and EBMUD Series 2024A Wastewater System Revenue Bonds. Treasury Manager Robert L. Hannay provided the presentation regarding the proposed actions relating to issuing revenue bonds for the Water and Wastewater systems. The proposed Water System Revenue Bonds, Series 2024A and the proposed Wastewater System Revenue Bonds, Series 2024A would provide funding for the District’s Capital Improvement

Program. The District is planning to issue these bonds as “Green Bonds” based on the District’s Guidance for Issuing Green Bonds approved by the Board in March 2022. The Water System Revenue Refunding Bonds, Series 2024B (together with the 2024A Bonds) are being proposed to refund all or a portion of the District’s \$213 million in outstanding, callable Water System Series 2014A, 2014B and 2014C Bonds. The District will only refund these bonds if net present value savings is at least 3 percent of the refunded par. Based on current market conditions, the full amount of the callable 2014 Bonds meets that savings threshold. Bond proceeds will be used to pay the cost of issuance of the 2024 Water System and Wastewater System Revenue Bonds. The total amount of Water System Revenue Bonds issued under Series 2024A and 2024B is expected not to exceed \$525 million, with \$275 million of this amount representing funding for new capital. The total amount of Wastewater System Revenue Bonds planned for issuance is not to exceed \$30 million with \$25 million of this amount representing funding for capital projects. The final maturity for both issuances would be not later than June 1, 2054 and at a true interest cost to the District of not more than 5.75 percent per annum. Mr. Hannay discussed proposed amendments to the Bond Indentures under which the District’s Water System and Wastewater System Revenue Bonds are issued and said the Board will be asked to consider authorizing and approving the bond issuance and execution of the related bond documents at its meeting in the afternoon. Mr. Hannay responded to questions from the Committee on the amount of the proposed bond issuances and explained the issuances also include refunding callable bonds and reducing overall debt. The Committee also asked about which indexes are reviewed when gauging interest rates for District bonds; whether the interest rates for the bonds would be tied to a specific index; who schedules bond sales; potential risks with issuing “Green Bonds” if there are changes in the government or government policies later this year; and whether the District receives an extra premium for issuing “Green Bonds”. It was moved by Director Patterson, seconded by Director Chan and carried (3-0) by voice vote to support the staff recommendations.

Adjournment. Director Coleman adjourned the meeting at 9:07 a.m.

CCC/RSC