



**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 27, 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. Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2):
 - a. Jerry Luzar & Linda Luzar
Claim No.: 2023-L-213
 - b. Town of Moraga
Claim No.: 2023-L-115

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

REGULAR BUSINESS MEETING
1:15 p.m.

*Director April Chan will participate via teleconference from the
InterContinental The Willard Washington D.C., 1401 Pennsylvania Ave Nw, Washington, D.C. 20004*

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

ROLL CALL:

BOARD OF DIRECTORS:

- Proclamation recognizing Director John A. Coleman's 33 years of service on the East Bay Municipal Utility District Board of Directors

ANNOUNCEMENTS FROM CLOSED SESSION:

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

CONSENT CALENDAR: (Single motion and vote approving 10 recommendations, including 2 resolutions.)

1. Approve the Regular Meeting Minutes of February 13, 2024.
2. File correspondence with the Board.
3. Award a contract beginning on or after February 27, 2024 to the lowest responsive/responsible bidder, Airgas USA LLC, for supplying liquid oxygen and maintenance and repair services for the Hypolimnetic Oxygenation System at the District's San Pablo Reservoir for two years, with three options to renew for additional one-year periods for a total cost, after the addition of taxes, including option years, not to exceed \$1,666,005 under Request for Quotation No. 2403.
4. Award a contract beginning on or after February 27, 2024 to the lowest responsive/responsible bidder, Trace3, Inc., for supplying computer data storage equipment, installation, and maintenance support for the District's main data center for three years, for a total cost, after the addition of taxes, not to exceed \$403,049.56.
5. Authorize an agreement beginning on or after February 27, 2024 with Comprehensive Construction Services, Inc. in an amount not to exceed \$214,010 for materials and labor for renovations at Pardee Center's McLean Hall and Garage 115.
6. Authorize an agreement beginning on or after February 28, 2024, with Jacobs Engineering Group, Inc. in an amount not to exceed \$1,488,047 for engineering, condition assessment, and infrastructure planning services for the Interceptor Master Plan.

CONSENT CALENDAR: (Continued)

7. Authorize actions related to the agreement with Aquatic Informatics ULC (AQI) for the continuous licensing of software facilitating repair and public communication of main break repairs as well as hydrant and valve inspections.
 - 7.1. Ratify the extension of the agreement with AQI authorized under Board Motion No. 050-18 to February 26, 2024 and the total payment of \$308,010 to AQI for the continuous licensing of Sedaru software facilitating repair and public communication of main break repairs as well as hydrant and valve inspections between April 23, 2023 and February 26, 2024.
 - 7.2. Authorize an amendment to extend the agreement previously authorized under Board Motion No. 050-18 with AQI from February 27, 2024 through December 31, 2024, and to increase the agreement amount by \$215,705, which incorporates the ratified amount from the action above, for a total amount not to exceed \$2,377,615 for licensing of Sedaru software facilitating main break repairs, as well as hydrant and valve inspections.
8. Approve the January 2024 Monthly Investment Transactions Report.
9. Approve revisions to the following District policies: Policy 3.01 – Annexations and Policy 7.04 – Access to District Property for Tours; and rescission of Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line. (Resolution)
10. Adopt a resolution to appoint a Standby Officer in Ward No. 1 for the East Bay Municipal Utility District Board of Directors as outlined in the Director’s Emergency Succession Plan. (Resolution)

DETERMINATION AND DISCUSSION:

11. Adopt a resolution to recognize Black History Month and the 30th Anniversary of the Black Employee Network. (Resolution)
12. Adopt the Actuarial Valuations of the Employees’ Retirement System as of June 30, 2023 prepared by the Retirement System’s actuary. In addition, set Retirement System Contribution Rates for Fiscal Year 2025 based on the actuarially determined contribution rates in the valuations. (Resolution)
13. Introduction and first reading of an ordinance to amend the East Bay Municipal Utility District Campaign Finance Reform Ordinance No. 316. (Introduction and First Reading – Ordinance No. 375-24)
14. Consider approving the following actions related to filling the anticipated vacant Board seat in East Bay Municipal Utility District Ward 2 as recommended by the Board of Directors’ Ad Hoc Committee.
15. General Manager’s Report.
 - Water Supply Update - Water production; precipitation to date; reservoir storage; and forecasted supply conditions for the remainder of water year 2024

REPORTS AND DIRECTOR COMMENTS:

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

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, March 12, 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.

BOARD CALENDAR

Meeting dates, times, and locations are subject to change

Date	Meeting	Time/Location	Topics
Tuesday, February 27	Finance/Administration Committee	9:00 a.m. Boardroom	• Monthly Investment Transactions Reports • Fiscal Year 2024 Semi-Annual Budget Performance Report • Employees’ Retirement System Annual Financial Update • Employees’ Retirement System Fiscal Year 2023 Actuarial Valuations and Fiscal Year 2025 Employer Contribution Rates • Revisions to District Policies • Semi-Annual Internal Audit Report • Camanche Mobilehome Park Rent
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	• Closed Session • Regular Meeting
Tuesday, March 12	Planning Committee	TBD Boardroom	• Closed Session • Regular Meeting
	Legislative/Human Resources Committee	TBD Boardroom	
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	
Tuesday, March 26	Finance/Administration Committee	TBD Boardroom	• Closed Session • Regular Meeting
	2024 Recycled Water Strategic Plan Update Workshop	TBD Boardroom	
	Board of Directors	11:00 a.m. Boardroom 1:15 p.m. Boardroom	
2024 Board Committee Members			
	Finance/Administration	Katz {Chair}, Chan, Patterson	
	Legislative/Human Resources	Patterson {Chair}, McIntosh, Young	
	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=eUdZSGh5SG82akZiRDZlUDg2b0lyUT09>

Webinar ID: 970 6508 6667

Passcode: 238500

By Phone*

Telephone: 1 669 900 6833

Webinar ID: 970 6508 6667

Passcode: 238500

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

*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/>

MINUTES

**Tuesday, February 13, 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 11:10 a.m. in the Administration Building Boardroom.

ROLL CALL

Directors April Chan, John A. Coleman, Doug A. Linney, Marguerite Young and President Lesa R. McIntosh were present at roll call. Directors William B. Patterson and Andy Katz arrived at 11:11 a.m. and 11:12 a.m., respectively.

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

PUBLIC COMMENT

- Addressing the Board were the following: 1) Eric Larsen, President, AFSCME Local 444 commented on the February 8, 2024 Information Memo to the Board of Directors from Director of Human Resources Cindy R. Charan regarding District Procedures on Discipline addressing concerns raised by Local 444 during the January 9, 2024 Board meeting and the status of the ongoing investigation of a Local 444 member. He asked that the District notify the union and provide timelines for each step of future investigations and disciplinary proceedings; and 2) Ivette Rivera commented on the February 8, 2024 Information Memo referenced by Eric Larsen, documents she provided to the Board regarding the Pierce/Bland case, and the remarks made by Eric Larsen regarding the ongoing investigation of a Local 444 member.

General Manager Clifford C. Chan was asked to provide the Board with written information regarding the investigation referenced by Eric Larsen and the District's investigation process.

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 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.

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

President McIntosh announced Board members had received the updated 2024 assignments in their agenda materials. The 2024 assignments were updated based on Director Coleman's upcoming departure from the Board in March. Director Young asked that the Board review the 2024 assignments after the appointment process to fill the vacant seat for Ward 2 has concluded.

- Motion by Director Coleman, seconded by Director Chan, to approve the updated 2024 assignments for Board committees, joint powers authorities, and associations, 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. 027-24 – Approved the updated 2024 Board Assignments for Committees, Joint Powers Authorities, and Associations

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.*

**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*

Retirement Board

Director Chan
Director Young

*3rd Thursday odd numbered months at 9:00 a.m.
Administration Center Building*

**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 Contra Costa County

Director Young, Member
Director Katz, Alternate

ANNOUNCEMENTS FROM CLOSED SESSION

President McIntosh announced the Board met in closed session to consider authorization of an appeal in the matter of *Saji Pierce et al. v. East Bay Municipal Utility District et al.* All Directors were present. Directors Katz, Linney, Patterson, Young and President McIntosh voted to authorize the Office of General Counsel to file an appeal in this matter. Directors Chan and Coleman voted against filing an appeal. The District will file an appeal within the time required by statute. There were no other announcements required from closed session.

PUBLIC COMMENT

- Addressing the Board were the following: 1) Tracie King, EBMUD Dispatch Center Representative expressed concerns regarding safety and afterhours security in the Administration Building; and 2) Ivette Rivera commented on documents she provided to the Board and on the Pierce/Bland case.

General Manager Clifford C. Chan commented Director of Operations and Maintenance David A. Briggs would contact Tracie King regarding her concerns.

CONSENT CALENDAR

- Items 6.1. and 6.2. were pulled from the Consent Calendar for separate discussion.
 - Motion by Director Linney, seconded by Director Young to approve the recommended actions for Items 1-5, and 7.1-7.2 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. 028-24** – Approved the Regular Meeting Minutes of January 9, 2024, and the Special Meeting Minutes and Regular Meeting Minutes of January 23, 2024.
 2. The following correspondence was filed with the Board: **1)** Presentation entitled, “Options for Filling a Board Vacancy,” dated February 13, 2024; **2)** Presentation entitled, “Credit Ratings of Water System & Wastewater System Revenue Bonds,” dated February 13, 2024; **3)** Presentation entitled, “Water Supply Update,” dated February 13, 2024; **4)** Speakers' Bureau and Outreach Record CY24 dated February 13, 2024; **5)** Email dated February 12, 2024 from Henirich to Office of the Secretary regarding Attn: Board of Directors members, Regular Agenda item 9; **6)** Document labeled Excerpt from Jan Duffy Report (undated); **7)** Document titled, “US District Court Pierce et al., v. EBMUD Case 3:21-cv-04325-AGT Document 277 filed July 24, 2023”; **8)** Document titled, “2014 Affirmative Action Plan”; and **9)** Document titled, “Case4 15-cv-00380-DMR Document 10 Filed July 7, 2015” (with attachments).
 3. **Motion No. 029-24** – Awarded 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. **Motion No. 030-24** – Authorized 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. **Motion No. 031-24** – Authorized 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.

- 6.1.- **Ratify the extension of the agreement with Government.Jobs.com dba NEOGOV**
6.2. **(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; and 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.**

- Addressing the Board was Ivette Rivera who commented on testing for a recent recruitment, paying recruitment firms to post jobs, and employee retention.
- Motion by Director Linney, seconded by Director Young, to approve the recommended actions for Items 6.1– 6.2 carried (7-0) by the following voice vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 033-24 – Ratified the extension of the agreement with Government.Jobs.com dba NEOGOV (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; and authorized 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.

- 7.1.- **Motion No. 032-24** – Ratified the extension of the agreement with DataBank IMX LLC
7.2. **(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; and authorized 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.

Special Assistant I Debbie Michel reviewed Legislative Report No. 01-24. S. (TBD) (Padilla) The Low-Income Household Water Assistance Program (LIHWAP) Establishment Act would permanently establish a LIHWAP program at the federal level to award grants to eligible entities (states or tribes) to provide funds to owners and operators of public water systems or treatment works. These funds would 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. Staff is recommending a “support” position for the bill. Legislative/Human Resources Committee Chair John A. Coleman reported the Committee met earlier and unanimously voted to support the staff recommendation. Next, Manager of Intergovernmental Affairs Kathy Viatella provided an update on state and federal legislative activities. Ms. Viatella reported that Friday, February 16 is the last day for state legislators to introduce new bills and that the governor released his proposed \$291.5 billion dollar budget. She highlighted changes in legislative leadership as Senator Toni Atkins stepped down as Pro Tem and was replaced by Senator Mike Maguire. She provided updates on actions regarding the federal budget and upcoming March deadlines for Congress to produce a budget resolution

and appropriation bills. Ms. Viatella responded to questions from the Board and explained approximately 2,000 new bills are usually introduced in a year and described potential sectors that could be included in a climate bond. Ms. Viatella was asked to provide the Board with a list of the committee memberships for EBMUD's state delegation.

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

Motion No. 034-24 – Received Legislative Report No. 01-24 and approved a position on the following bill: SUPPORT S. (TBD) (Padilla) The Low-Income Household Water Assistance Program (LIHWAP) Establishment Act.

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.**

General Manager Clifford C. Chan provided the presentation. Staff is seeking the Board's direction on how to fill the vacancy in Ward 2 due to the resignation of Director John A. Coleman which will be effective in early March 2024. Under Municipal Utility District Act (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. 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. If the Board elects to appoint someone, the appointee would fill the vacancy until the November 2024 general election. The person elected in the November 2024 general election would serve the remainder of Director Coleman's term (until December 31, 2026). If the Board elects to call a special election, they must do so no later than early May 2024. The earliest a special election could be held is August 27, 2024 (election date established by the county in accordance with Government Code section 1780). The person elected in a special election would serve the remainder of Director Coleman's term. Mr. Chan reviewed requirements for noticing the vacancy; proposed timelines for an appointment process or special election; and estimated costs for the general election (between \$370,000 to \$590,000) and a special election (between \$1.3 million and \$2.1 million) in Ward 2. If the Board take no action, 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. The Board discussed the options and there was consensus that appointing someone to fill the vacancy in lieu of a calling a special election is the quickest way to fill the seat and is more economical. Board members also commented on the timing for a special election in August and the upcoming general election in November; the appointment process being open and transparent; accelerating the timeline if the Board elects an appointment process; options if the Board posts the notice of vacancy and Director Coleman decides he does not want to resign; which county has the authority to fill a vacancy in a District ward that spans two counties; and appointing an Ad Hoc Committee to facilitate an appointment process. Director Young made a motion to approve an appointment process to fill the vacant Board seat.

- Motion by Director Young, seconded by Director Linney, to approve an appointment process for filling the vacant Board seat in Ward 2 carried (7-0) by the following voice vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 035-24 – Approved an appointment process for filling the vacant Board seat in Ward 2.

Next, Mr. Chan said staff will need feedback from the Board on the appointment process or the Board could consider appointing an Ad Hoc Committee to provide guidance. If the Board elects to appoint an Ad Hoc Committee, staff will provide an update on the appointment process at the next Board meeting. Directors Chan, Katz, and Young volunteered to serve on the Ad Hoc Committee to develop the appointment process. Mr. Chan said the Ad Hoc Committee would need to meet quickly so that staff will be ready to provide an update at the next Board meeting. There was Board discussion on Director Coleman providing feedback to the Ad Hoc Committee on locations for posting the notice of vacancy. General Counsel Derek T. McDonald explained Director Coleman could provide feedback to staff.

- Motion by Director Coleman, seconded by Director Patterson, to appoint Directors April Chan, Andy Katz, and Marguerite Young to serve as the Ad Hoc Committee to develop the appointment process for filling the vacant Board seat carried (7-0) by the following voice vote: (Chan, Coleman, Katz, Linney, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 036-24 – Appointed Directors April Chan, Andy Katz, and Marguerite Young to serve as the Ad Hoc Committee to develop the appointment process for filling the vacant Board seat.

10. **Resolution Recognizing Irma L. Anderson.**

President McIntosh highlighted the life, education, and accomplishments of former Mayor of Richmond Irma L. Anderson. Mrs. 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. She worked for the Contra Costa County Health Department and was the first Black Director of Public Health Nursing in Contra Costa County. Mrs. Anderson was the first Black woman elected to the Richmond City Council in 1990 and became the City of Richmond's first Black woman mayor and served on the Metropolitan Transportation Commission from 2003 to 2007. She 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. Mrs. 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. President McIntosh commented on the impact Mrs. Anderson had on her life and career, and Directors Coleman and Patterson commented on their previous work and interactions with her. President McIntosh requested that a copy of the resolution be sent to Mrs. Anderson's son and grandson.

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

Resolution No. 35384-24 – Resolution Recognizing Irma L. Anderson.

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

Credit Ratings of Water and Wastewater System Revenue Bonds

Director of Finance Sophia S. Skoda and Treasury Manager Robert L. Hannay provided the presentation. 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. Ms. Skoda reviewed the District's credit strengths and concerns and explained 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. Mr. Hannay noted the District's credit 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 District ratepayers. Board members commended staff for their work and efforts in achieving these credit ratings. Ms. Skoda and Mr. Hannay responded to Board questions on the interest rate received for the recent bond issuance and potential interest rates for a water agency assigned an AA rating. President McIntosh thanked staff, in particular the Finance team, for their work in achieving these credit ratings and recognized the following key staff who work in this area: Principal Management Analyst Jackie Lee; Treasury Manager Robert L. Hannay; Accounting and Financial System Analyst Melody Wang; Accountant III Yenny S. Coburn; Accounting Systems Supervisor Winsun Hsieh; Accounting Systems Supervisor Lisa Chan; Accounting Systems Supervisor Kevin Ma; Manager of Budget Samuel A. Feldman; and Director of Finance Sophia D. Skoda. Staff was asked to provide the Board with information on how credit ratings affect borrowing rates and to include the credit rating agencies' documents regarding the District in onboarding materials for new Board members.

Water Supply Update – Water production; precipitation to date; reservoir storage; and forecasted supply conditions for the remainder of 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 as of February 7: gross water production; precipitation in the East Bay (12.52 inches) and in the Mokelumne (23.76 inches); and the snow depth (70 inches) and snow water content (12.55 inches) at Caples Lake. He reviewed a comparison of radar imagery from Next Generation Weather Radar (NEXRAD) and Advanced Quantitative Precipitation Information (AQPI); snowpack levels and snow water equivalent in the Sierras as of February 8 and water supply data for northern California reservoirs as of February 6. The District's total system storage as of February 7 was 643,000 acre-feet and projected to be about 630,000 acre-feet by September 30. Mr. Briggs responded to Board questions on whether the AQPI technology is beneficial for local forecasting; flood prevention; and water releases from Pardee. In response to a question on whether the District is planning to store additional groundwater in San Joaquin, Director of Water and Natural Resources Michael T. Tognolini commented the District stored groundwater as part of the pilot Demonstration Recharge, Extraction and Aquifer Management Project under a permit from San Joaquin County that was specifically for the pilot. The District would need another permit to store additional groundwater.

- President McIntosh left the meeting at 2:33 p.m. and returned at 2:34 p.m.

General Manager's Monthly Report – January 2024

General Manager Clifford C. Chan announced he was available to answer questions from the Board regarding the Speakers' Bureau and Outreach Record CY24 provided at Board places and the monthly report provided in the agenda materials.

President McIntosh commented on a resolution to the Board to support Black History Month. Secretary of the District Rischa S. Cole as co-facilitator of the Black Employee Network Affinity Group said the Office of Diversity, Equity and Culture is aware of this request and that this item will be discussed with the General Manager.

REPORTS AND DIRECTOR COMMENTS

16. Committee Reports.

- Filed with the Board were the Minutes for the January 23, 2024 Finance/Administration Committee.
- Chair Marguerite Young reported the Planning Committee met earlier in the day and received an update on Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line.
- Chair John A. Coleman reported the Legislative/Human Resources Committee met earlier in the day and received an update on Proposed Revisions to EBMUD's Campaign Finance Reform Ordinance; the Legislative Update; and Diversity, Equity, and Inclusion Strategic Plan Update.
- Director John A. Coleman reported the Upper Mokelumne River Watershed Authority Board met on January 26, 2024 and approved the Forest Projects Plan – Phase 1 Project Implementation Report and Phase 2 Planning Report and the Special District Risk Management Authority Insurance.
- Director April Chan reported the Dublin San Ramon Service District-EBMUD Recycled Water Authority Board (DERWA) met on February 5, 2024 and elected Board Officers for 2024; approved the Meeting Minutes, Treasurer's Reports and Quarterly Investment Report; adopted the Cash Reserves Policy; received a presentation on the EBMUD-Central San Recycled Water Feasibility Evaluation; approved a one-year Extension of Interim Agreement; and discussed filling the DERWA Authority Manager position.
- Director William B. Patterson reported the Freeport Regional Water Authority met on February 8, 2024 and discussed state actions related to the water system and elected the Board Chair and Vice Chair for 2024. Pat Hume from Sacramento County was elected Board Chair and Director Patterson was elected Vice Chair.

13. Other Items for Future Consideration.

None.

14. **Director Comments.**

- Director Chan asked if the upcoming Community Water Academy would be added to a future agenda. General Manager Clifford C. Chan said staff can provide an update and information on applications received.
- Director Patterson thanked the Black Employee Network for the tribute to him during the Black History Month kickoff on February 1.
- Directors Coleman, Katz, Linney, Young, and President McIntosh had no reports.

ADJOURNMENT

President McIntosh announced today's meeting will be adjourned in honor of the life and legacy of Irma L. Anderson, former Mayor of Richmond, California.

President McIntosh adjourned the meeting at 2:59 p.m.

SUBMITTED BY:

Rischa S. Cole, Secretary of the District

APPROVED: February 27, 2024

Lesa R. McIntosh, President of the Board



BOARD ACTION

Agenda Number:	3.	Meeting Date:	February 27, 2024
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TITLE	LIQUID OXYGEN SUPPLY AND SYSTEM MAINTENANCE AT SAN PABLO RESERVOIR
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Award a contract beginning on or after February 27, 2024 to the lowest responsive/responsible bidder, Airgas USA LLC, for supplying liquid oxygen (LOX) and maintenance and repair services for the Hypolimnetic Oxygenation System (HOS) at the District's San Pablo Reservoir for two years, with three options to renew for additional one-year periods for a total cost, after the addition of taxes, including option years, not to exceed \$1,666,005 under Request for Quotation No. 2403.
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SUMMARY	Liquid oxygen is used in the HOS to increase the dissolved oxygen to the lower depths of the San Pablo Reservoir.
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DISCUSSION	The HOS has been installed at the San Pablo Reservoir and is expected to be commissioned in spring 2024. The system will be operated continuously for several months after commissioning and thereafter, seasonally to maintain optimal lake conditions. Operation of the HOS improves water quality in the reservoir by limiting the release of nutrients from the sediments. These nutrients significantly increase algae blooms which in turn lead to production of taste and odor compounds and contribute to the formation of disinfection-by-products at the treatment plants. Use of the HOS makes it easier and less costly to treat water from the reservoir at the water treatment plants, resulting in higher water quality for customers. This item supports the District's Water Quality and Environmental Protection Strategic Plan goal.
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VENDOR SELECTION	A request for quotations was posted on the District's website, advertised in the Oakland Tribune, and sent to ten potential proposers. Two bids were received. Airgas USA LLC was the lowest responsive/responsible bidder.
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SUSTAINABILITY	Economic The FY 2024 / 2025 adopted operating budget includes funding for the first two years of this multi-year contract. Funding for the additional years will be considered as part of the associated budget development process.
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Originating Department: Finance	Department Director or Manager: Sophia D. Skoda	CEP Forms? Yes	Board Action Type: Materials and Supplies
Funds Available: FY 2024/2025	Budget Coding: 11.778.1470.8483400.53610.000000	Approved: 	
Attachment(s): P-035; P-061			

Title:	Liquid Oxygen Supply and System Maintenance at San Pablo Reservoir	Meeting Date:	February 27, 2024
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ALTERNATIVES

Purchase LOX on the open market. This alternative is not recommended because the District participated in a fair and competitive bidding process. The process ensures consistent material availability and volume pricing as well as continuous maintenance and repair. The bid received meets all specifications and is reasonable for the equipment being purchased.

Do not operate the San Pablo Reservoir HOS. This alternative is not recommended because it will continue to introduce poor water quality into the water treatment plants and increase the cost of production.

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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 Materials and Supplies Contract -RFQ 2403 Liquid Oxygen Supply and System Maintenance at San Pablo Reservoir						DATE: February 6, 2024						
CONTRACTOR: Airgas USA LLC Sacramento, CA				Local Business		PERCENTAGE OF CONTRACT DOLLARS						
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP		White Men		25%		0.0%				
		Ethnicity	Gender	White Women		6%		0.0%				
		Hispanic	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	Foreign	
PRIME: Airgas USA LLC		\$1,666,005	Unknown									
SUBS: None												
TOTAL		\$1,666,005		0.0%	0.0%	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:		See P-061										
Percent of Total Employees:												
MSA Labor Market %:												
MSA Labor Market Location:												
COMMENTS												
Contract Equity Participation: Contract Duration : Two (2) years, with three (3) options to renew for additional one-year periods *Total not to exceed: \$1,666,005												
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended				
NA				NA								

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Liquid Oxygen Supply and System Maintenance at San Pablo Reservoir		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		
Materials and Supplies Contract		DATE: 2/6/2024	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	LBE	INFORMATION NOT PROVIDED							
Airgas USA LLC									
David Castro									
6790 Florin Perkins Rd. Ste 300									
Sacramento, CA 95828									
510-691-9515									
P		INFORMATION NOT PROVIDED							
WestAir Gases & Equipment, Inc									
Johanna Love									
2505 Congress St.									
San Diego, CA 92110									
619-239-7211									

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)



BOARD ACTION

Agenda Number:	4.	Meeting Date:	February 27, 2024
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TITLE	DATA STORAGE INFRASTRUCTURE PARTIAL REFRESH - NETAPP
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Award a contract beginning on or after February 27, 2024 to the lowest responsive/responsible bidder, Trace3, Inc., for supplying computer data storage equipment, installation, and maintenance support for the District's main data center for three years, for a total cost, after the addition of taxes, not to exceed \$403,049.56.
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SUMMARY	The updated computer data storage equipment will replace existing infrastructure components that have reached their end-of-life for manufacturer support. Refreshing this equipment is necessary for continued manufacturer support and to protect data that is essential to District operations, customer service, and disaster preparedness.
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DISCUSSION	The District's data storage infrastructure was deployed in phases from 2010 through 2017, progressively replacing legacy storage systems as they reached end-of-life status while accommodating growing business data storage requirements. Manufacturer support will cease on a portion of this infrastructure beginning May 2024. This contract will enable the purchase, installation, and three years of maintenance for a storage controller, disk shelves, disks, cluster switches and online training units for technical support staff. This item supports the District's Long-Term Financial Stability Strategic Plan goal.
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VENDOR SELECTION	A request for quotations was sent to four authorized vendors for NetApp products under the National Association of State Procurement Officers (NASPO) California procurement agreement. Trace3, Inc. provided the only responsive/responsible bid. Under Public Contract Code § 10298, agencies such as EBMUD are allowed to purchase directly from State of California contracts or through state-authorized participating agreements, without pursuing separate competitive bidding. Leveraging the NASPO ValuePoint Cooperative Purchasing Program Master Agreement No. MNWNC-121, California Participating Addendum No. 7-15-70-34-006 for NetApp products provides the District with favorable pre-negotiated pricing and additional time and labor expense savings.
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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: 11.252.1866.8854700.53120.000000		Approved: 
Attachment(s): P-035; P-061			

Title:	Data Storage Infrastructure Partial Refresh - NetApp	Meeting Date:	February 27, 2024
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SUSTAINABILITY

Economic

Funding for this purchase is available in the FY24 adopted capital budget for ERF Current DSS/Server/Network.

Environmental

NetApp computer equipment has earned U.S. Environmental Protection Agency Energy Star certification with reduced power consumption to help meet green information technology objectives.

ALTERNATIVES

Select an alternative data storage product. This alternative is not recommended because of the expense required to remove and replace complex technology infrastructure.

Formally bid the procurement of NetApp products. This alternative is not recommended as the District would not be able to receive a lower bid resulting from volume pricing available through State of California cooperative purchasing agreements.

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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 Materials and Supplies Agreement Data Storage Infrastructure Partial Refresh - Netapp						DATE: February 20, 2024					
CONTRACTOR: Trace3, Inc. Irvine, CA					PERCENTAGE OF CONTRACT DOLLARS						
Sole Bidder					Availability Group		Contracting Objectives		Participation		
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP			White Men		25%		0.0%		
		Ethnicity	Gender		White Women		6%		0.0%		
\$403,049.56 *					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: Trace3, Inc.		\$403,049.56									
SUBS: None											
TOTAL		\$403,049.56			0.0%	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:			752		309		389		1,450		
Percent of Total Employees:			33.3%		0.0%		67.7%				
MSA Labor Market %:			30.9%		25.5%		43.6%				
MSA Labor Market Location:			Orange								
COMMENTS											
Contract Equity Participation - Zero Contract Equity Participation. Firm refused to state ownership. Contract Duration : Three (3) years *Total not to exceed: \$403,049.56											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Data Storage Infrastructure Partial Refresh - Netapp			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	
Material and Supplies Agreement		DATE:	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9	
		2/20/2024	Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2	
R=Recmmnd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP		Company Wide	65	142	145	6	358	24.7%	43.6%
Trace3, LLC Danielle Rodriguez 7505 Irvine Center Dr, Suite 1000 Irvine, CA 92618 949-333-2300		Manager/Prof	43	90	119	4	256	24.5%	
		Technical/Sales	17	40	17	1	75	22.3%	
		Clerical/Skilled	5	12	9	1	27	38.6%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		AA Plan on File:	NA	Date of last contract with District:				7/29/2021	
Co. Wide MSA:	Orange	# Employees-Co. Wide:				1,450	Bay Area:	0	

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:	5.	Meeting Date:	February 27, 2024
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TITLE	MCLEAN HALL PHASE 1 AND GARAGE 115 RENOVATION
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Authorize an agreement beginning on or after February 27, 2024 with Comprehensive Construction Services, Inc. (CCS, Inc.) in an amount not to exceed \$214,010 for materials and labor for renovations at Pardee Center's McLean Hall and Garage 115.
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SUMMARY	This agreement provides for renovating McLean Hall and Garage 115 addressing the need to replace deteriorated exterior and interior components such as the roof and gutters, windows, siding, and paint.
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DISCUSSION	McLean Hall and Garage 115 are located at Pardee Center and are used to support District operations and hosts a variety of meetings for employees, guests, and the public. The existing wood siding on both buildings is in poor condition and continues to deteriorate due to dry rot and woodpecker damage. The windows, trim, roof gutters, and downspouts are also in poor condition. The McLean Hall roof is in poor condition and past its useful life. The exterior scope of work includes replacing siding and trim with a fiber cement product that will not rot or be susceptible to damage from pests, replacing windows, gutters, downspouts, and painting. The roof underlayment, flashing and composition shingles will be replaced on McLean Hall. The interior work on Garage 115 includes minor wall and ceiling framing, insulation, drywall, painting, and new flooring. This project supports the District's Long-Term Infrastructure Investment Strategic Plan goal.
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SERVICE PROVIDER SELECTION	A request for proposals was sent to a resource organization. Three service providers submitted proposals. CCS, Inc. was selected based on their experience with similar projects, implementation plan, schedule, and cost. Work under this agreement is subject to the payment of current prevailing wages according to determinations for each craft as established by the Director of the Department of Industrial Relations (DIR) of the State of California. CCS, Inc. is licensed to perform work in California, and is not on the State DIR debarment list. CCS, Inc. and its listed subcontractors are properly registered with the State DIR.
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Originating Department: Operations and Maintenance	Department Director or Manager: David A. Briggs	CEP Forms? Yes	Board Action Type: General Services
Funds Available: FY2024/2025; Award #7000299; Page 104	Budget Coding: 11.762.2014944.53120	Approved: 	
Attachment(s): P-035; P-061			

Title:	McLean Hall Phase 1 and Garage 115 Renovation	Meeting Date:	February 27, 2024
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SUSTAINABILITY

Economic

Funding for this purpose is available in the FY 2024 and FY 2025 adopted capital budget for the Pardee Center Capital Maintenance and Improvements.

Social

Local 444 was notified of this agreement on January 23, 2023, and did not raise any specific issues related to this agreement.

Environmental

Project-generated waste and recyclable materials will be handled per the State Construction Waste Management Requirements and the District's Environmental Requirements Specifications Waste Management Requirements

ALTERNATIVES

Perform the work with District forces. This alternative is not recommended because staff is already committed to other higher priority work in the service area and cannot complete this work.

Defer the renovation. This alternative is not recommended because various exterior and interior building components continue to deteriorate and increase maintenance and repair costs.



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 McLean Hall Phase 1 and Garage 115 Renovation						DATE: January 29, 2024					
CONTRACTOR: Comprehensive Construction Services, Inc. Local Business Valley Springs, CA						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%			
\$214,010 *		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	Foreign
PRIME: Comprehensive Construction Services, Inc.		\$214,010	White	X		100.0%					
SUBS: None											
TOTAL		\$214,010				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:		2		1		13		16			
Percent of Total Employees:		12.5%		6.3%		81.3%					
MSA Labor Market %:		28.0%		23.6%		48.4%					
MSA Labor Market Location:		California									
COMMENTS											
Contract Equity Participation: 100% White Men participation. Contract Duration: None Total not to exceed: \$214,010											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: McLean Hall Phase 1 and Garage 115 Renovation		Ethnic Minority Percentages From U.S. Census Data							
				B	H	A/PI	AI/AN	TOTAL	
		National		10.5	10.7	3.7	0.7	27.3	
General Services Agreement		DATE: 1/29/2024	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	1	8	0	0	9	56.3%	48.4%
Comprehensive Construction Services, Inc. Collette Preszler 2983 Crestview Dr. Valley Springs, CA 9252 209-603-5373		Manager/Prof	0	1	0	0	1	50.0%	
		Technical/Sales	0	0	0	0	0	NA	
		Clerical/Skilled	0	2	0	0	2	50.0%	
		Semi/Unskilled	1	5	0	0	6	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		AA Plan on File:	1/5/1900		Date of last contract with District:		3/18/2021		
		Co. Wide MSA:	California		# Employees-Co. Wide:		16		Bay Area: 0
S	WM	INFORMATION NOT PROVIDED							
Bolin Roofing									
2306 Danaher Drive Valley Springs, CA 95252 209-772-1809									
S	EMM-H	INFORMATION NOT PROVIDED							
Paradise Painting									
1311 W. Marlette St Ione, CA 95640 209-332-0310									
S	WM	INFORMATION NOT PROVIDED							
Senders Market									
72 Sourth Highway 26 Valley Springs, CA 95252 209-772-1337									
S	WM	INFORMATION NOT PROVIDED							
The Glass Shop									
630 Fairway Drive Galt, CA 95632 209-745-1513									

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)

AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: McLean Hall Phase 1 and Garage 115 Renovation			Ethnic Minority Percentages From U.S. Census Data						
					B	H	A/PI	AI/AN	TOTAL
			National	10.5	10.7	3.7	0.7	27.3	
General Services Agreement		DATE:	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9	
		1/29/2024	Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2	
R=Recmmnd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
P		INFORMATION NOT PROVIDED							
Swierstok Enterprises									
Eric Javier									
7030 Drywood Way									
Orangevale, CA 95662									
916-704-7170									
P	WM: LBE	Company Wide	2	13	3	0	18	112.5%	47.4%
Diede Construction Kari Maldonado 12393 N HWY 99 Lodi, CA 95342		Manager/Prof	1	1	0	0	2	50.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	1	10	3	0	14	1400.0%	
		Semi/Unskilled	0	2	0	0	2	22.2%	
				Bay Area	0	0	0	0	0
209-369-8255		Co. Wide MSA:	Stockton-Lodi		# Employees-Co. Wide:	16		Bay Area:	0

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)

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BOARD ACTION

Agenda Number:	6.	Meeting Date:	February 27, 2024
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TITLE	AGREEMENT FOR ENGINEERING CONSULTANT SERVICES FOR INTERCEPTOR MASTER PLAN
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Authorize an agreement beginning on or after February 28, 2024, with Jacobs Engineering Group, Inc. in an amount not to exceed \$1,488,047 for engineering, condition assessment, and infrastructure planning services for the Interceptor Master Plan.
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SUMMARY	This agreement will provide engineering consultant services to assess the condition of wastewater interceptor system assets, including gravity pipes, pump stations, force mains, and structures. Recommendations will be made to prioritize rehabilitation projects for capital improvement program development. The work will also include recommendations to improve the District's maintenance and inspection approaches for the interceptor system.
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DISCUSSION	The District interceptor system is aging and engineering consultant services are needed to assess the condition of interceptor system assets and evaluate and prioritize capital improvements. The consultant will identify the highest priority projects based on risk assessments. In addition, the consultant will collect data to identify locations with high corrosion and provide recommendations to mitigate the corrosion. The consultant will also provide an ongoing maintenance and inspection plan for interceptor system assets to identify high risk assets before they fail. The services contracted for in the agreement cannot be satisfactorily performed under the District civil service, and therefore contracting out is proper. This project supports the District's Long-Term Infrastructure Investment Strategic Plan goal.
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CONSULTANT SELECTION	A request for proposals was posted on the District's website and sent to 49 firms, including seven minority-owned firms with expertise in water and wastewater engineering. Four firms submitted proposals and a short-list of three firms was established. Jacobs Engineering Group, Inc. was selected based on its expertise and experience in large-diameter sewer collection system master planning, condition assessment, and corrosion prevention for agencies similar to the District. Work under this agreement is subject to the payment of current prevailing wages according to determinations for each craft as established by the Director of the Department of Industrial Relations (DIR) of the State of California. Jacobs Engineering Group, Inc. is licensed to perform
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Originating Department: Wastewater	Department Director or Manager: Amit K. Mutsuddy	CEP Forms? Yes	Board Action Type: Professional Services
Funds Available: FY 2024/2025, Award #7000328, Page 124	Budget Coding: 21-926-3100041-52310	Approved: 	
Attachments: P-035; P-061			

Title:	Agreement for Engineering Consultant Services for Interceptor Master Plan	Meeting Date:	February 27, 2024
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work in California, and is not on the State DIR debarment list. Jacobs Engineering Group, Inc. and its listed subcontractors are properly registered with the State DIR.

SUSTAINABILITY**Economic**

Funding for this purpose is available in the FY 2024 adopted capital budget for Interceptors and Pump Stations.

Social

Locals 21 and 2019 were notified of this agreement on June 5, 2023, and did not raise any specific issues related to this agreement.

This project will evaluate methods of decreasing odors from the interceptor system to mitigate impacts to neighboring communities.

Environmental

The interceptor system protects public health and water quality in San Francisco Bay by conveying wastewater to the Main Wastewater Treatment Plant for treatment. This project will support the long-term performance of the interceptor system and reduce the chances of regulatory violations.

ALTERNATIVES

Perform the work with District staff. This alternative is not recommended because staff lack sufficient resources to perform the scope of work within the required time frame.

Do not authorize this agreement. This alternative is not recommended because timely condition assessment of the interceptor system is needed to prioritize rehabilitation projects and identify improvements to prevent failures within the interceptor system.

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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 Agreement for Engineering Consultant Services for Interceptor Master Plan Project						DATE: January 22, 2024					
CONTRACTOR: Jacobs Engineering Group, Inc. Oakland, CA				Local Business				PERCENTAGE OF CONTRACT DOLLARS			
				Availability Group		Contracting Objectives		Participation			
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP		White Men		25%		8.4%			
		Ethnicity	Gender	White Women		6%		12.2%			
\$1,488,047 *				Ethnic Minorities		25%		2.3%			
CONTRACT EQUITY PARTICIPATION											
COMPANY NAME		ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION					
				M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit
PRIME: Jacobs Engineering Group, Inc.		\$1,147,296	Publicly Held							77.1%	
SUBS: BATS Traffic Control Solutions LLC		\$73,760	White		x		5.0%				
V&A Consulting Engineers, Inc		\$107,865	White		x		7.2%				
M Lee Corporation		\$26,400	Asian	x				1.8%			
PEC Solutions		\$8,320	Asian	x				0.6%			
RedZone Robotics, Inc		\$90,160	White	x		6.1%					
The WATS Guys, Inc.		\$34,246	White	x		2.3%					
TOTAL		\$1,488,047				8.4%	12.2%	2.3%	0.0%	77.1%	0.0%
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)											
			White Men		White Women		Ethnic Minorities		Total Employees		
No. of Employees:			4,614		2,064		2,829		9,507		
Percent of Total Employees:			48.5%		21.7%		29.8%				
MSA Labor Market %:			39.0%		33.7%		27.2%				
MSA Labor Market Location:			United States								
COMMENTS											
Contract Equity Participation: 8.4% White Men, 12.2% White Women, and 2.3% Ethnic Minority participation. Contract Duration: NA *Total not to exceed: \$1,488,047											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Agreement for Engineering Consultant Services for Interceptor Master Plan Project		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
Professional Services Agreement DATE: 1/22/2024		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	PHC: LBE	Company Wide	33	147	151	7	338	3.6%	31.6%
Jacobs Engineering Group Inc. Trisha Blaschko 2201 Broadway Street, Suite 03W101 Oakland, CA 94612 214-638-0145		Manager/Prof	21	103	140	3	267	3.2%	
		Technical/Sales	4	24	8	3	0	0.0%	
		Clerical/Skilled	8	20	3	1	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	2	11	27	0	40	32.5%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		NA		
		Co. Wide MSA:	USA		# Employees-Co. Wide:		9,507	Bay Area:	123
S	WW: LBE	Company Wide	9	262	17	0	288	85.7%	53.9%
BATS Traffic Control Solutions LLC Joey Hanna, Sr 44800 Industrial Dr. Fremont, CA 94538 510.657.2543		Manager/Prof	0	16	4	1	21	72.4%	
		Technical/Sales	0	2	0	0	2	100.0%	
		Clerical/Skilled	0	9	3	0	12	66.7%	
		Semi/Unskilled	9	235	10	0	254	88.5%	
		Bay Area	9	262	17	1	289	86.0%	39.9%
		Co. Wide MSA:	Alameda		# Employees-Co. Wide:		336	Bay Area:	336
S	EMM-A/PI	Company Wide	3	1	4	0	8	42.1%	44.0%
M Lee Corporation Franklin Lee 601 Montgomery St, #2040 San Francisco, CA 94111 415-693-0236		Manager/Prof	3	1	4	0	8	42.1%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	-	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	1	4	0	5	35.7%	39.9%
		Co. Wide MSA:	San Francisco		# Employees-Co. Wide:		19	Bay Area:	14
S	EMM-AI/AN	Company Wide	-	1	-	0	1	25.0%	27.2%
PEC Solution Hamed Hakimelahi 315 Montgomery St #915 San Francisco, CA 94104 562-333-0422		Manager/Prof	0	1	0	1	2	50.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	-	NA	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	1	0	1	2	66.7%	39.9%
		Co. Wide MSA:	California		# Employees-Co. Wide:		4	Bay Area:	3
S	WM	Company Wide	5	5	1	0	11	12.4%	13.4%
Redzone Robotics Nicole Gianvito 195 Thorn Hill Road, Suite 110 Warrendale, PA 15086 412-476-8980		Manager/Prof	2	2	1	0	5	10.0%	
		Technical/Sales	1	1	0	0	0	0.0%	
		Clerical/Skilled	2	1	0	0	3	50.0%	
		Semi/Unskilled	0	1	0	0	0	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	Pennsylvania		# Employees-Co. Wide:		89	Bay Area:	0
S	WW: LBE	Company Wide	-	1	4	0	5	8.5%	27.2%
V & A Consulting Engineers, Inc. Michelle Crenshaw 1000 Broadway, Suite 320 Oakland, CA 94607 510-903-6600		Manager/Prof	0	1	4	0	5	21.7%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	1	4	0	5	29.4%	39.9%
		Co. Wide MSA:	USA		# Employees-Co. Wide:		59	Bay Area:	17

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:	7.1.-7.2.	Meeting Date:	February 27, 2024
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TITLE	RATIFY EXTENSION OF AGREEMENT AND AUTHORIZE AGREEMENT FOR SEDARU SOFTWARE LICENSING AND SUPPORT
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED
ACTION

- Ratify the extension of the agreement with Aquatic Informatics ULC (AQI) authorized under Board Motion No. 050-18 to February 26, 2024 and the total payment of \$308,010 to AQI for the continuous licensing of Sedaru software facilitating repair and public communication of main break repairs as well as hydrant and valve inspections between April 23, 2023 and February 26, 2024.
- Authorize an amendment to extend the agreement previously authorized under Board Motion No. 050-18 with AQI from February 27, 2024 through December 31, 2024, and to increase the agreement amount by \$215,705, which incorporates the ratified amount from the action above, for a total amount not to exceed \$2,377,615 for licensing of Sedaru software facilitating main break repairs, as well as hydrant and valve inspections.

SUMMARY

The existing software agreement expired on April 23, 2023. Staff has continued to use the services offered under the terms of the prior agreement, while negotiating the terms of an amended agreement, to ensure there would be no disruption in service. During negotiations, AQI notified the District that it will no longer support the software as of December 31, 2024. The requested extension to December 31, 2024 ensures continued use of the software while the District develops an interim solution. In addition to an extension of the agreement term, the amendment modifies various terms and conditions from the original agreement and includes additional terms required by the District to ensure data security.

DISCUSSION

In April 2018, the Board authorized an agreement under Motion No. 050-18 with IDModeling, Inc. (now Aquatic Informatics ULC) for Sedaru which is a GIS-based software package that provides efficient and reliable water distribution system information tools to plan and respond to outages, and manage leak investigations. The Sedaru software was purchased by AQI during the term of the agreement. In June 2019, under Board Motion No. 103-19 the agreement was amended to increase the amount by \$120,000 for a total amount not to exceed \$1,853,900.

While staff worked to extend the length of the term of the agreement ahead of the April 23, 2023 expiration, the negotiations on licensing agreement terms were difficult and took longer than expected. AQI requested numerous substantive alterations to the terms negotiated with Sedaru's previous owner.

Originating Department: Operations and Maintenance	Department Director or Manager: David A. Briggs	CEP Forms? Yes	Board Action Type: Professional Services
Funds Available: FY2024/FY2025	Budget Coding: 11.792.8877100.5243	Approved: 	
Attachment(s): P-035; P-061			

Title:	Ratify Extension of Agreement and Authorize Agreement for Sedaru Software Licensing and Support	Meeting Date:	February 27, 2024
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This agreement is required for continued use of this software which facilitates main break repairs as well as hydrant and valve inspections. The District is actively working on a replacement for Sedaru. The extension of the agreement will allow the District to develop an interim solution.

The AQI Software License Agreement contains an indemnity clause requiring the District to indemnify the underlying software vendor, AQI, against any claims brought against AQI arising from the District's use of the software. The General Manager has reviewed this clause with input from 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 project supports the District's Long-Term Financial Stability and Long-Term Infrastructure Investment Strategic Plan goals.

**CONSULTANT
SELECTION**

In 2018, the agreement was a direct award to IDModeling, Inc. There is no other commercially available application that delivers functionality meeting the District's needs.

SUSTAINABILITY**Economic**

Funding for this purpose is available in the FY 2024/FY 2025 adopted operating budget.

Social

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

ALTERNATIVES

Do not renew the software licenses. This alternative is not recommended because the District would no longer have the ability to facilitate main break repairs as well as hydrant and valve inspections.

Select an alternative product. This alternative is not recommended because there is no other software which can deliver this functionality.



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 Extension Of Agreement and Authorize Agreement for Sedaru Software Licensing and Support						DATE: February 20, 2024						
CONTRACTOR: Aquatic Informatics ULC Vancouver, BC				Direct Award		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%		
\$523,715		Foreign				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: Aquatic Informatics ULC		\$523,715	Foreign								100.0%	
SUBS: None												
TOTAL		\$523,715				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:		See P-061										
Percent of Total Employees:												
MSA Labor Market %:												
MSA Labor Market Location:												
COMMENTS												
Contract Equity Participation: Zero Contract Participation. Firm is foreign owned. Contract Duration : Through December 31, 2024 *Total not to exceed: \$2,377,615 = \$1,853,900 (Previous Amended agreement) + \$523,715 (Ratification and renewal)												
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended				
NA				NA								



BOARD ACTION

Agenda Number:	8.	Meeting Date:	February 27, 2024
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TITLE	MONTHLY INVESTMENT TRANSACTIONS REPORT
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Approve the January 2024 Monthly Investment Transactions Report.
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SUMMARY	In accordance with Policy 4.07 – Investments, staff prepares a monthly transactions report for the Finance/Administration Committee to review and for the Board to consider each month. The January 2024 report is being brought to the Board for consideration. This report was presented at the February 27, 2024 Finance/Administration Committee meeting.
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DISCUSSION	Pursuant to Policy 4.07, staff generates a monthly report of investment transactions (buys, sales, deposits, withdrawals) as well as transactions that occur as a feature of the securities held (interest, calls, maturities). Information on portfolio performance, balances, and other factors is presented in the quarterly investment report. In January 2024, the portfolio increased from \$482.4 million to \$515.4 million. Net transactions increased the total by \$32.1 million. Interest received added approximately \$951,000 to the portfolio. Deposits into short-term liquidity funds totaled \$17.5 million. The District purchased \$40.0 million in securities, and \$28.7 million was withdrawn. No securities were called, sold, or matured. Net transactions at the District's commercial bank resulted in an increase of \$3.3 million.
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Originating Department: Finance	Department Director or Manager: Sophia D. Skoda	CEP Forms? N/A	Board Action Type: Financial
Funds Available: N/A	Budget Coding: N/A		Approved: 
Attachment(s): January 2024 Monthly Investment Transactions Report			

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Monthly Investment Transactions Report

January 2024

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

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

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


Approved by: Sophia B. Skoda, Finance Director

2/13/2024
Date

SDS:KM:ac



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Transactions Summary
January 2024

Portfolio	Beginning Balance*	Monthly Net Transaction Activity	Monthly Interest Activity	Ending Balance
001 - Water System Consolidated	368,782,711.79	20,000,000.00	387,779.14	389,170,490.93
007 - Wastewater Consolidated	76,336,369.54	5,000,000.00	90,417.54	81,426,787.08
049 - Ferc Partnership	2,069,476.95	-	20,789.05	2,090,266.00
009 - BACWA	2,341,201.61	-	23,520.36	2,364,721.97
015 - DERWA	1,034,740.88	-	10,395.94	1,045,136.82
002 - FRWA	1,034,740.88	-	10,395.94	1,045,136.82
014 - IICP	155,728.95	-	1,565.19	157,294.14
010 - UMRWA	66,223.45	-	665.14	66,888.59
003 - Employees Retirement	2,053,597.88	3,810,000.00	105,479.26	5,969,077.14
099 - Wells Fargo**	28,510,060.35	3,266,095.41	300,000.00	32,076,155.76
Total	482,384,852.28	32,076,095.41	951,007.56	515,411,955.25

* Portfolio balance presented at face value.

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

A portion of the balance in Wells Fargo is swept to a money market fund to increase investment earnings.

Aaron Cinco

Prepared by: Aaron Cinco, Accounting Technician

Kevin Ma

Reviewed by: Kevin Ma, Accounting Supervisor

David Glasser

Approved by: David Glasser, Controller

2/7/2024

Date

02/07/2024

Date

2/8/24/

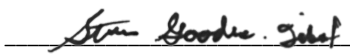
Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2024

Portfolio	Buys	Deposits	Matured	Calls	Sales	Withdrawals	Non-Investment Transactions*	Net Transaction Activity
001 - Water System Consolidated	32,000,000.00	-	-	-	-	(12,000,000.00)	-	20,000,000.00
007 - Wastewater Consolidated	8,000,000.00	-	-	-	-	(3,000,000.00)	-	5,000,000.00
049 - Ferc Partnership	-	-	-	-	-	-	-	-
009 - BACWA	-	-	-	-	-	-	-	-
015 - DERWA	-	-	-	-	-	-	-	-
002 - FRWA	-	-	-	-	-	-	-	-
014 - IICP	-	-	-	-	-	-	-	-
010 - UMRWA	-	-	-	-	-	-	-	-
003 - Employees Retirement	-	17,500,000.00	-	-	-	(13,690,000.00)	-	3,810,000.00
065 - Water S2008A DSRF	-	-	-	-	-	-	-	-
068 - Water 2010A DSRF	-	-	-	-	-	-	-	-
Investment Activity Total	40,000,000.00	17,500,000.00	-	-	-	(28,690,000.00)	-	28,810,000.00
099 - Wells Fargo	(40,000,000.00)	(17,500,000.00)	-	-	-	28,690,000.00	32,076,095.41	3,266,095.41
Total	-	-	-	-	-	-	32,076,095.41	32,076,095.41

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


 Reviewed by: Steven Goodman-Leibof, Principal Mgmt Analyst

2/8/2024
 Date


 Approved by: Robert L. Hannay, Treasury Manager

2/13/2024
 Date

02/07/2024



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Buys										
001 - Water System Consolidated	Federal Agency Issues Coupon	T-Note 1 12/15/2024	91282CDN8	1/4/2024	1/5/2024	12/15/2024	16,000,000.00	15,437,280.00	9,180.33	15,446,460.33
001 - Water System Consolidated	Federal Agency Issues Coupon	T-Note 4.625 11/15/2026	91282CJK8	1/4/2024	1/5/2024	11/15/2026	16,000,000.00	16,200,800.00	103,681.32	16,304,481.32
		Total					32,000,000.00			
007 - Wastewater Consolidated	Federal Agency Issues Coupon	T-Note 1 12/15/2024	91282CDN8	1/4/2024	1/5/2024	12/15/2024	4,000,000.00	3,859,320.00	2,295.08	3,861,615.08
007 - Wastewater Consolidated	Federal Agency Issues Coupon	T-Note 4.625 11/15/2026	91282CJK8	1/4/2024	1/5/2024	11/15/2026	4,000,000.00	4,050,200.00	25,920.33	4,076,120.33
		Total					8,000,000.00			
							40,000,000.00	39,547,600.00	141,077.06	39,688,677.06



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Deposits										
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/5/2024	1/5/2024	N/A	5,357,000.00	5,357,000.00	0.00	5,357,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/19/2024	1/19/2024	N/A	5,347,000.00	5,347,000.00	0.00	5,347,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/25/2024	1/25/2024	N/A	6,796,000.00	6,796,000.00	0.00	6,796,000.00
					Total		17,500,000.00			
099 - Wells Fargo	Cash	WELLS FARGO Cash	CASH2017	1/31/2024	1/31/2024	N/A	3,566,095.41	3,566,095.41	0.00	3,566,095.41
					Total		3,566,095.41			
							21,066,095.41	21,066,095.41	0.00	21,066,095.41



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2024

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

No Transactions this Period

2024

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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2024

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

No Transactions this Period

0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2024

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

No Transactions this Period

0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
January 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Withdrawals										
001 - Water System Consolidated	Local Government Investment	CAMP LGIP	CAMP6035	1/18/2024	1/18/2024	N/A	3,000,000.00	3,000,000.00	-	3,000,000.00
001 - Water System Consolidated	LAIF	LAIF LGIP	LGIP1001	1/18/2024	1/18/2024	N/A	5,000,000.00	5,000,000.00	-	5,000,000.00
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	1/25/2024	1/25/2024	N/A	4,000,000.00	4,000,000.00	-	4,000,000.00
					Total		12,000,000.00			
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/31/2024	1/31/2024	N/A	13,690,000.00	13,690,000.00	-	13,690,000.00
					Total		13,690,000.00			
007 - Wastewater Consolidated	Local Government Investment	CAMP LGIP	CAMP6035	1/18/2024	1/18/2024	N/A	1,000,000.00	1,000,000.00	-	1,000,000.00
007 - Wastewater Consolidated	LAIF	LAIF LGIP	LGIP1001	1/18/2024	1/18/2024	N/A	1,000,000.00	1,000,000.00	-	1,000,000.00
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	1/25/2024	1/25/2024	N/A	1,000,000.00	1,000,000.00	-	1,000,000.00
					Total		3,000,000.00			
							28,690,000.00	28,690,000.00	-	28,690,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
January 2024

Portfolio	Total Interest Received	Interest Transferred to Wells Fargo*	Net Interest Activity (Reinvested)**
001 - Water System Consolidated	627,779.14	(240,000.00)	387,779.14
007 - Wastewater Consolidated	150,417.54	(60,000.00)	90,417.54
049 - Ferc Partnership	20,789.05	-	20,789.05
009 - BACWA	23,520.36	-	23,520.36
015 - DERWA	10,395.94	-	10,395.94
002 - FRWA	10,395.94	-	10,395.94
014 - IICP	1,565.19	-	1,565.19
010 - UMRWA	665.14	-	665.14
003 - Employees Retirement	105,479.26	-	105,479.26
065 - Water S2008A DSRF	-	-	-
068 - Water 2010A DSRF	-	-	-
Interest Transactions Total	951,007.56	(300,000.00)	651,007.56
099 - Wells Fargo	-	300,000.00	300,000.00
Total	951,007.56	-	951,007.56

*Coupon and other interest received; reinvestment unavailable.

**Coupon and other interest payments reinvested in specific portfolio. 02/07/2024

Aaron Cinco
 Prepared by: Aaron Cinco, Accounting Technician

Kevin Ma
 Reviewed by: Kevin Ma, Accounting Supervisor

David Glasser
 Approved by: David Glasser, Controller

2/7/2024
 Date

02/07/2024
 Date

2/8/24
 Date

 Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
January 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Transferred to Wells Fargo)										
001 - Water System Consolidated	US Treasuries	T-Note 3 6/30/2024	91282CEX5	12/31/2023	12/31/2023	6/30/2024	-	-	240,000.00	240,000.00
007 - Wastewater Consolidated	US Treasuries	T-Note 3 6/30/2024	91282CEX5	12/31/2023	12/31/2023	6/30/2024	-	-	60,000.00	60,000.00
Total									300,000.00	

0.00	0.00	300,000.00	300,000.00
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
January 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Reinvested)										
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	1/2/2024	1/2/2024	N/A	-	-	23,221.95	23,221.95
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley IMVRXX		1/2/2024	1/2/2024	N/A	-	-	24,180.58	24,180.58
001 - Water System Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	1/2/2024	1/2/2024	N/A	-	-	23,063.38	23,063.38
001 - Water System Consolidated	LAIF	LAIF LGIP	LGIP1001	1/12/2024	1/12/2024	N/A	-	-	174,735.59	174,735.59
001 - Water System Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	1/31/2024	1/31/2024	N/A	-	-	142,577.64	142,577.64
Total										387,779.14
002 - FRWA	LAIF	LAIF LGIP	LGIP1001	1/12/2024	1/12/2024	N/A	-	-	10,395.94	10,395.94
Total										10,395.94
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	1/5/2024	1/5/2024	N/A	-	-	105,479.26	105,479.26
Total										105,479.26
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	1/2/2024	1/2/2024	N/A	-	-	4,876.35	4,876.35
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley IMVRXX		1/2/2024	1/2/2024	N/A	-	-	4,534.13	4,534.13
007 - Wastewater Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	1/2/2024	1/2/2024	N/A	-	-	4,990.35	4,990.35
007 - Wastewater Consolidated	LAIF	LAIF LGIP	LGIP1001	1/12/2024	1/12/2024	N/A	-	-	40,969.58	40,969.58
007 - Wastewater Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	1/31/2024	1/31/2024	N/A	-	-	35,047.13	35,047.13
Total										90,417.54
009 - BACWA	LAIF	LAIF LGIP	LGIP1001	1/12/2024	1/12/2024	N/A	-	-	23,520.36	23,520.36
Total										23,520.36
010 - UMRWA	LAIF	LAIF LGIP	LGIP1001	1/12/2024	1/12/2024	N/A	-	-	665.14	665.14
Total										665.14
014 - IICP	LAIF	LAIF LGIP	LGIP1001	1/12/2024	1/12/2024	N/A	-	-	1,565.19	1,565.19
Total										1,565.19
015 - DERWA	LAIF	LAIF LGIP	LGIP1001	1/12/2024	1/12/2024	N/A	-	-	10,395.94	10,395.94
Total										10,395.94
049 - Ferc Partnership	LAIF	LAIF LGIP	LGIP1001	1/12/2024	1/12/2024	N/A	-	-	20,789.05	20,789.05
Total										20,789.05
							0.00	0.00	651,007.56	651,007.56



BOARD ACTION

Agenda Number:	9.	Meeting Date:	February 27, 2024
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TITLE	REVISIONS TO DISTRICT POLICIES 3.01 AND 7.04 AND RESCIND POLICY 3.08
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ACTION	☐ Motion:	☒ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Approve revisions to the following District policies: - Policy 3.01 – Annexations - Policy 7.04 – Access to District Property for Tours. Rescind the following District policy: - Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line
--------------------	--

SUMMARY	To ensure District operations and business practices remain consistent with Board objectives and priorities, the District reviews policies every two years to consider whether any organizational, regulatory, or other changes necessitate their modification. Proposed policy modifications are forwarded to the Board for consideration and approval. Revisions to District policies were reviewed at the February 27, 2024 Finance/Administration Committee meeting.
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DISCUSSION	Policy 3.01 – Annexations was modified to include discussion of Board actions in consideration of expansion outside of the Contra Costa Urban Limit Line and remove references to Policy 3.08 (Annexation Outside of the Contra Costa Urban Limit Line) which has been rescinded. Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line was recommended for rescission by the Planning Committee on February 13, 2024. The policy is no longer viable due to cost implications, particularly in the context of advisory elections. Also, the District has alternative options available when considering annexations outside of the Ultimate Service Boundary. Policy 7.04 – Access to District Property for Tours was modified to eliminate inspection as one of the facility tour permit criteria and minor word changes for clarification.
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Originating Department: Internal Audit	Department Director or Manager: Barry N. Gardin	CEP Forms? N/A	Board Action Type: Policies
Funds Available: N/A	Budget Coding: N/A		Approved: 
Attachment(s): Policies 3.01, 3.08, 7.04; Resolution			

Title:	Revisions to District Policies 3.01 and 7.04 and Rescind Policy 3.08	Meeting Date:	February 27, 2024
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SUSTAINABILITY

Economic

Policy 3.01 promotes economic sustainability to include public informational meetings as a form to receive public feedback in lieu of advisory elections.

Social

Policy 7.04 promotes social responsibility by encouraging the public to visit District facilities.

ALTERNATIVE

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

I:\Sec\2024 Board Related Items\022724 Board Agenda Items\FIN\Revisions to District Policies 022724.docx



Policy 3.01R

EFFECTIVE [27 FEB 24](#)
[22 AUG 23](#)
SUPERSEDES [22 AUG 23](#)
[24 NOV 15](#)

ANNEXATIONS

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

Consider annexing territory, when requested by owners of the property or public agencies having jurisdiction.

Conditions

Annexations are subject to the following conditions:

- The proposed annexation shall ~~either~~ be within the EBMUD Ultimate Service Boundary (USB) ~~unless otherwise stated in this policy or comply with Policy 3.08 – Advisory Elections for Annexations Outside the Contra Costa County Urban Limit Line.~~
- Generally, there should be an immediate need for water service on part or all of the territory being annexed.
- The territory proposed for annexation should include any parcels required to make a logical boundary.
- The annexation should facilitate the operation of the utility and be of advantage to the community.
- The annexation should be economically sound and water service technically feasible.
- Territory within the boundaries of the East Bay Watershed Master Plan, but lying outside the boundary of the Briones Hills Agricultural Preservation Area (BHAPA) must:
 - Have adequate facilities for removal of sewage from the watershed; and
 - Be under agreement or permanent deed restriction with the District to protect the quality of source water under the influence of the territory.
- Territory shall be outside the boundary of the BHAPA as adopted by Contra Costa County and signatory cities, except where:
 - The territory is owned by the District or another public agency and will remain in public ownership; and
 - The District obtains agreements or permanent deed restrictions from the public agency owner that provide for protection of the quality of source water under the influence of the territory.

District policy shall be to express opposition to annexation of privately held parcels within the BHAPA boundary.

- If the proposed annexation extends beyond the Contractor Service Area of the District's Central Valley Project (CVP) Repayment Contract, the District shall request the United States Bureau of Reclamation (USBR) to include the proposed annexation in the Contractor Service Area in compliance with Article 34 of the CVP Repayment Contract. The District shall also request the responsible Local Agency Formation Commission to condition water service to the annexed

territory until receipt of USBR's formal approval of the inclusion. The project proponent must agree to cooperate with the District by including the territory in the District's Contractor's Service Area under its CVP Repayment Contract. The project proponent must also agree to add the territory to their permitted place of use and compensate the District for any costs incurred.

Territory Outside of Ultimate Service Boundary

The District shall express opposition to all proposed annexations outside of the USB unless:

a) The requested annexation is a small boundary adjustment found by the District to be in its best interests based on the following conditions:

- (1) The property and dwelling units are the smaller part of a larger development project located primarily within the USB;
- (2) The development project is desired and approved by the city or county land use planning agency with jurisdiction, and the land use planning and environmental documentation recognizes the District as the logical provider of water service;
- (3) Annexation of the property to the District represents the most practical and feasible method of obtaining water service;
- (4) The cumulative number of dwelling units outside the USB added as a result of such small boundary adjustments shall not exceed 100 in any two-year period;
- (5) The project proponent has agreed to cooperate with the District in adding the territory to the District's permitted place of use and Contractor's Service Area under its CVP Repayment Contract and compensate the District for costs incurred; and
- (6) District Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary, and Policy 9.03 – Water Supply Availability and Deficiency, are satisfied with regard to the effects of extension of water service beyond the USB; or

b) The requested annexation is to mitigate health risks, as established by the appropriate agency, associated with existing water supplies; the project proponent has agreed to cooperate with the District in adding the territory to the District's permitted place of use and Contractor's Service Area under its CVP Repayment Contract and to compensate the District for costs incurred.

c) If the requested annexation includes territory that is beyond the Contra Costa County Urban Limit Line in existence in 2000 and EBMUD is identified by the local planning agency as part of the preparation of environmental documentation as the preferred provider to deliver potable service to the territory, prior to the close of the comment period on any draft environmental documents, the Board of Directors shall place a discussion of the project on the agenda at a regularly scheduled public meeting. Following the discussion, if the Board of Directors determines that the proposed annexation is consistent with this Policy 3.01 and Policy 3.05, the Board of Directors shall direct staff to submit comments with any conditions or relevant information that the Board of Directors deems appropriate. If the Board of Directors determines that the annexation is not consistent with this Policy 3.01 and Policy 3.05, it will oppose the annexation and shall direct staff to file comments setting forth the opposition and, as appropriate, adopt a resolution setting forth the Board of Director's opposition.

Authority

Resolution No. 20996, June 8, 1962
Amended by Board Motion No. 91-012, February 14, 1991
Amended by Resolution No. 33116-98, August 11, 1998
Amended by Resolution No. 33365-03, July 8, 2003
Amended by Resolution No. 33634-07, October 9, 2007
Amended by Resolution No. 33732-09, October 27, 2009
Amended by Resolution No. 34059-15, November 24, 2015
Amended by Resolution No. 35361-23, August 22, 2023
[Amended by Resolution No. XXXXX-24, February 27, 2024](#)

References

Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary
~~Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line~~
Policy 9.03 – Water Supply Availability and Deficiency



Policy 3.01

EFFECTIVE 27 FEB 24

SUPERSEDES 22 AUG 23

ANNEXATIONS

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

Consider annexing territory, when requested by owners of the property or public agencies having jurisdiction.

Conditions

Annexations are subject to the following conditions:

- The proposed annexation shall be within the EBMUD Ultimate Service Boundary (USB) unless otherwise stated in this policy.
- Generally, there should be an immediate need for water service on part or all of the territory being annexed.
- The territory proposed for annexation should include any parcels required to make a logical boundary.
- The annexation should facilitate the operation of the utility and be of advantage to the community.
- The annexation should be economically sound and water service technically feasible.
- Territory within the boundaries of the East Bay Watershed Master Plan, but lying outside the boundary of the Briones Hills Agricultural Preservation Area (BHAPA) must:
 - Have adequate facilities for removal of sewage from the watershed; and
 - Be under agreement or permanent deed restriction with the District to protect the quality of source water under the influence of the territory.
- Territory shall be outside the boundary of the BHAPA as adopted by Contra Costa County and signatory cities, except where:
 - The territory is owned by the District or another public agency and will remain in public ownership; and
 - The District obtains agreements or permanent deed restrictions from the public agency owner that provide for protection of the quality of source water under the influence of the territory.

District policy shall be to express opposition to annexation of privately held parcels within the BHAPA boundary.

- If the proposed annexation extends beyond the Contractor Service Area of the District's Central Valley Project (CVP) Repayment Contract, the District shall request the United States Bureau of Reclamation (USBR) to include the proposed annexation in the Contractor Service Area in compliance with Article 34 of the CVP Repayment Contract. The District shall also request the responsible Local Agency Formation Commission to condition water service to the annexed

territory until receipt of USBR's formal approval of the inclusion. The project proponent must agree to cooperate with the District by including the territory in the District's Contractor's Service Area under its CVP Repayment Contract. The project proponent must also agree to add the territory to their permitted place of use and compensate the District for any costs incurred.

**Territory Outside
of Ultimate
Service
Boundary**

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- a) The requested annexation is a small boundary adjustment found by the District to be in its best interests based on the following conditions:
 - (1) The property and dwelling units are the smaller part of a larger development project located primarily within the USB;
 - (2) The development project is desired and approved by the city or county land use planning agency with jurisdiction, and the land use planning and environmental documentation recognizes the District as the logical provider of water service;
 - (3) Annexation of the property to the District represents the most practical and feasible method of obtaining water service;
 - (4) The cumulative number of dwelling units outside the USB added as a result of such small boundary adjustments shall not exceed 100 in any two-year period;
 - (5) The project proponent has agreed to cooperate with the District in adding the territory to the District's permitted place of use and Contractor's Service Area under its CVP Repayment Contract and compensate the District for costs incurred; and
 - (6) District Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary, and Policy 9.03 – Water Supply Availability and Deficiency, are satisfied with regard to the effects of extension of water service beyond the USB; or
- b) The requested annexation is to mitigate health risks, as established by the appropriate agency, associated with existing water supplies; the project proponent has agreed to cooperate with the District in adding the territory to the District's permitted place of use and Contractor's Service Area under its CVP Repayment Contract and to compensate the District for costs incurred.
- c) If the requested annexation includes territory that is beyond the Contra Costa County Urban Limit Line in existence in 2000 and EBMUD is identified by the local planning agency as part of the preparation of environmental documentation as the preferred provider to deliver potable service to the territory, prior to the close of the comment period on any draft environmental documents, the Board of Directors shall place a discussion of the project on the agenda at a regularly scheduled public meeting. Following the discussion, if the Board of Directors determines that the proposed annexation is consistent with this Policy 3.01 and Policy 3.05, the Board of Directors shall direct staff to submit comments with any conditions or relevant information that the Board of Directors deems appropriate. If the Board of Directors determines that the annexation is not consistent with this Policy 3.01 and Policy 3.05, it will oppose the annexation and shall direct staff to file comments setting forth the opposition and, as appropriate, adopt a resolution setting forth the Board of Director's opposition.

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Amended by Resolution No. 33732-09, October 27, 2009
Amended by Resolution No. 34059-15, November 24, 2015
Amended by Resolution No. 35361-23, August 22, 2023
Amended by Resolution No. XXXXX-24, February 27, 2024

References

Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary
Policy 9.03 – Water Supply Availability and Deficiency

**ADVISORY ELECTION FOR ANNEXATIONS
OUTSIDE THE CONTRA COSTA COUNTY
URBAN LIMIT LINE**

EFFECTIVE 28 NOV 23

SUPERSEDES 14 SEP 10

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

Call an advisory election if EBMUD is designated as the preferred water service provider by a local planning agency in its environmental documentation when the proposed development is located outside the Urban Limit Line adopted by Contra Costa County in 2000.

Purpose	The purpose of the election shall be to submit to the voters within the EBMUD service area the question of whether territory outside said Urban Limit Line should be annexed to EBMUD.
Events Triggering an Advisory Election	- EBMUD is identified by a local planning agency in its environmental documentation as the preferred provider to deliver potable water service to a residential development of 200 or more dwelling units located in territory beyond the Contra Costa County Urban Limit Line. In such cases, the matter shall be placed on the agenda for consideration by the Board of Directors at a regularly scheduled public meeting. If the Board of Directors determines not to oppose annexation of such territory to EBMUD, EBMUD shall call an advisory election on the question of whether such territory should be annexed to EBMUD. The advisory election shall occur prior to the time the Contra Costa County Local Agency Formation Commission is scheduled to consider annexation of the territory to EBMUD and, when possible, shall be consolidated with a general election. - If a local agency designates EBMUD as the preferred provider for water service to a residential development in territory outside the Contra Costa County Urban Limit Line that is less than 200 dwelling units and is not covered by the provisions of Policy 3.01– Annexations, then EBMUD shall oppose the annexation and the Board of Directors shall determine, at a regularly scheduled public meeting, whether to call an advisory election on the question of whether such territory should be annexed to EBMUD. - This policy shall be applied consistent with and in furtherance of the provisions of Policy 3.01 – Annexations.
Authority	Resolution No. 33347-03, January 28, 2003 Amended by Resolution No. 33564-06, November 14, 2006 Amended by Resolution No. 33687-08, October 14, 2008 Amended by Resolution No. 33780-10, September 14, 2010 Amended by Resolution No. 35373-23, November 28, 2023 Rescinded by Resolution No. XXXXX-24, February 27, 2024
References	Policy 3.01 Annexations Policy 3.05 Considerations for Extension of Water Service Beyond the Ultimate Service Boundary Policy 3.07 Responsibility to Serve Water Customers during Water Shortage

**ADVISORY ELECTION FOR ANNEXATIONS
OUTSIDE THE CONTRA COSTA COUNTY
URBAN LIMIT LINE**

EFFECTIVE 28 NOV 23

SUPERSEDES 14 SEP 10

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Authority	Resolution No. 33347-03, January 28, 2003 Amended by Resolution No. 33564-06, November 14, 2006 Amended by Resolution No. 33687-08, October 14, 2008 Amended by Resolution No. 33780-10, September 14, 2010 Amended by Resolution No. 35373-23, November 28, 2023 Rescinded by Resolution No. XXXXX-24, February 27, 2024
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Policy 7.04R

EFFECTIVE [27 FEB 24](#)

~~26 SEP 17~~

SUPERSEDES [26 SEP 17](#)

~~27 SEP 14~~

ACCESS TO DISTRICT PROPERTY FOR TOURS

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

Invite and encourage interested groups or individuals to visit and ~~inspect~~ [tour](#) District property and facilities that are open to the public.

Permit interested groups or individuals to ~~inspect or~~ tour District property and facilities that are not usually open to the public under proper supervision and where such ~~inspection or~~ tour is not detrimental to ~~individual~~ safety or the operation or security of District infrastructure and property, and is consistent with the District's mission statement.

Prohibit unauthorized access to District infrastructure, property, and watershed lands in order to provide a secure and safe workplace; maintain a reliable water supply and wastewater services; prevent contamination of water ~~sources~~ [supply](#); minimize fire hazard; prevent or mitigate potential damage or loss of assets; provide for public safety, and ensure compliance with federal, state, and local regulations.

Tours

[Where and when allowed](#), ~~G~~ groups may schedule tours of pre-identified District facilities during [staffed](#) ~~normal working~~ hours. [In addition to District-sponsored tours open to the public](#), ~~t~~ Tour groups may include, but are not limited to, ~~employees, non-employees~~, public officials, [and employees or representatives of](#) other utilities, law enforcement, fire fighters, emergency medical services, ~~school educational organizations~~ [representatives](#), and associations. Advance reservations are required to minimize disruption of District operations. The District reserves the right to limit, refuse, or cancel tours due to security conditions or other operational ~~needs~~ [considerations](#).

Authority

Resolution No. 16,392, March 12, 1954
As amended by Resolution No. 33365-03, July 8, 2003
As amended by Resolution No. 33494-05, September 27, 2005
As amended by Resolution No. 33634-07, October 9, 2007
As amended by Resolution No. 33732-09, October 27, 2009
As amended by Resolution No. 33841-11, September 27, 2011
As amended by Resolution No. 35061-17, September 26, 2017
[As amended by Resolution No. XXXXX-24, February 27, 2024](#)

References

Policy 6.04 – Ethics Policy of the EBMUD Board of Directors
Policy 7.06 – Pardee Conference and Lodging Facility Use
Policy 7.11 – Use of District Bay Area Facilities
Policy 7.13 – Security
Procedure 703 – District Facilities: Use by Employee and Outside Groups
Procedure 716 – Pardee Facilities
Procedure 720 – Security: Facilities Photo/Video Images
Procedure 727 – Tours of District Bay Area Facilities



Policy 7.04

EFFECTIVE 27 FEB 24

SUPERSEDES 26 SEP 17

ACCESS TO DISTRICT PROPERTY FOR TOURS

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

Invite and encourage interested groups or individuals to visit and tour District property and facilities that are open to the public.

Permit interested groups or individuals to tour District property and facilities that are not usually open to the public under proper supervision and where such tour is not detrimental to safety or the operation or security of District infrastructure and property and is consistent with the District's mission statement.

Prohibit unauthorized access to District infrastructure, property, and watershed lands in order to provide a secure and safe workplace; maintain a reliable water supply and wastewater services; prevent contamination of water sources; minimize fire hazard; prevent or mitigate potential damage or loss of assets; provide for public safety, and ensure compliance with federal, state, and local regulations.

Tours

Where and when allowed, groups may schedule tours of pre-identified District facilities during staffed hours. In addition to District-sponsored tours open to the public, tour groups may include, but are not limited to, public officials, and employees or representatives of other utilities, law enforcement, fire fighters, emergency medical services, educational organizations, and associations. Advance reservations are required to minimize disruption of District operations. The District reserves the right to limit, refuse, or cancel tours due to security conditions or other operational considerations.

Authority

Resolution No. 16,392, March 12, 1954
As amended by Resolution No. 33365-03, July 8, 2003
As amended by Resolution No. 33494-05, September 27, 2005
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As amended by Resolution No. 35061-17, September 26, 2017
As amended by Resolution No. XXXXX-24, February 27, 2024

References

Policy 6.04 – Ethics Policy of the EBMUD Board of Directors
Policy 7.06 – Pardee Conference and Lodging Facility Use
Policy 7.11 – Use of District Bay Area Facilities
Policy 7.13 – Security
Procedure 703 – District Facilities: Use by Employee and Outside Groups
Procedure 716 – Pardee Facilities
Procedure 720 – Security: Facilities Photo/Video Images
Procedure 727 – Tours of District Bay Area Facilities

RESOLUTION NO. _____

ADOPTING REVISED POLICY 3.01, ANNEXATIONS;
REVISED POLICY 7.04, ACCESS TO DISTRICT PROPERTY FOR TOURS;
AND RESCINDING POLICY 3.08, ADVISORY ELECTION FOR ANNEXATIONS
OUTSIDE THE CONTRA COSTA COUNTY URBAN LIMIT LINE

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, it is the desire and intention of the Board of Directors to update and revise Policy 3.01, entitled “Annexations”; and Policy 7.04, entitled “Access to District Property for Tours”; and

WHEREAS, Policy 3.01 and Policy 7.04 have so been updated and revised, and the revisions are reflected in Exhibits A and B, attached hereto; and

WHEREAS, it is the desire and intention of the Board of Directors to rescind Policy 3.08, entitled “Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line”, attached hereto as Exhibit C;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that Revised Policy 3.01 and Revised Policy 7.04, attached hereto as Exhibits A and B, are hereby adopted, and that Policy 3.08, attached hereto as Exhibit C, is hereby rescinded.

ADOPTED this 27th day of February, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel



Policy 3.01R

EFFECTIVE [27 FEB 24](#)
[22 AUG 23](#)
SUPERSEDES [22 AUG 23](#)
[24 NOV 15](#)

ANNEXATIONS

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

Consider annexing territory, when requested by owners of the property or public agencies having jurisdiction.

Conditions

Annexations are subject to the following conditions:

- The proposed annexation shall ~~either~~ be within the EBMUD Ultimate Service Boundary (USB) ~~unless otherwise stated in this policy or comply with Policy 3.08 – Advisory Elections for Annexations Outside the Contra Costa County Urban Limit Line.~~
- Generally, there should be an immediate need for water service on part or all of the territory being annexed.
- The territory proposed for annexation should include any parcels required to make a logical boundary.
- The annexation should facilitate the operation of the utility and be of advantage to the community.
- The annexation should be economically sound and water service technically feasible.
- Territory within the boundaries of the East Bay Watershed Master Plan, but lying outside the boundary of the Briones Hills Agricultural Preservation Area (BHAPA) must:
 - Have adequate facilities for removal of sewage from the watershed; and
 - Be under agreement or permanent deed restriction with the District to protect the quality of source water under the influence of the territory.
- Territory shall be outside the boundary of the BHAPA as adopted by Contra Costa County and signatory cities, except where:
 - The territory is owned by the District or another public agency and will remain in public ownership; and
 - The District obtains agreements or permanent deed restrictions from the public agency owner that provide for protection of the quality of source water under the influence of the territory.

District policy shall be to express opposition to annexation of privately held parcels within the BHAPA boundary.

- If the proposed annexation extends beyond the Contractor Service Area of the District's Central Valley Project (CVP) Repayment Contract, the District shall request the United States Bureau of Reclamation (USBR) to include the proposed annexation in the Contractor Service Area in compliance with Article 34 of the CVP Repayment Contract. The District shall also request the responsible Local Agency Formation Commission to condition water service to the annexed

territory until receipt of USBR's formal approval of the inclusion. The project proponent must agree to cooperate with the District by including the territory in the District's Contractor's Service Area under its CVP Repayment Contract. The project proponent must also agree to add the territory to their permitted place of use and compensate the District for any costs incurred.

Territory Outside of Ultimate Service Boundary

The District shall express opposition to all proposed annexations outside of the USB unless:

- a) The requested annexation is a small boundary adjustment found by the District to be in its best interests based on the following conditions:
 - (1) The property and dwelling units are the smaller part of a larger development project located primarily within the USB;
 - (2) The development project is desired and approved by the city or county land use planning agency with jurisdiction, and the land use planning and environmental documentation recognizes the District as the logical provider of water service;
 - (3) Annexation of the property to the District represents the most practical and feasible method of obtaining water service;
 - (4) The cumulative number of dwelling units outside the USB added as a result of such small boundary adjustments shall not exceed 100 in any two-year period;
 - (5) The project proponent has agreed to cooperate with the District in adding the territory to the District's permitted place of use and Contractor's Service Area under its CVP Repayment Contract and compensate the District for costs incurred; and
 - (6) District Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary, and Policy 9.03 – Water Supply Availability and Deficiency, are satisfied with regard to the effects of extension of water service beyond the USB; or
- b) The requested annexation is to mitigate health risks, as established by the appropriate agency, associated with existing water supplies; the project proponent has agreed to cooperate with the District in adding the territory to the District's permitted place of use and Contractor's Service Area under its CVP Repayment Contract and to compensate the District for costs incurred.
- c) If the requested annexation includes territory that is beyond the Contra Costa County Urban Limit Line in existence in 2000 and EBMUD is identified by the local planning agency as part of the preparation of environmental documentation as the preferred provider to deliver potable service to the territory, prior to the close of the comment period on any draft environmental documents, the Board of Directors shall place a discussion of the project on the agenda at a regularly scheduled public meeting. Following the discussion, if the Board of Directors determines that the proposed annexation is consistent with this Policy 3.01 and Policy 3.05, the Board of Directors shall direct staff to submit comments with any conditions or relevant information that the Board of Directors deems appropriate. If the Board of Directors determines that the annexation is not consistent with this Policy 3.01 and Policy 3.05, it will oppose the annexation and shall direct staff to file comments setting forth the opposition and, as appropriate, adopt a resolution setting forth the Board of Director's opposition.

Authority

Resolution No. 20996, June 8, 1962
Amended by Board Motion No. 91-012, February 14, 1991
Amended by Resolution No. 33116-98, August 11, 1998
Amended by Resolution No. 33365-03, July 8, 2003
Amended by Resolution No. 33634-07, October 9, 2007
Amended by Resolution No. 33732-09, October 27, 2009
Amended by Resolution No. 34059-15, November 24, 2015
Amended by Resolution No. 35361-23, August 22, 2023
[Amended by Resolution No. XXXXX-24, February 27, 2024](#)

References

Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary
~~Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line~~
Policy 9.03 – Water Supply Availability and Deficiency



Policy 3.01

EFFECTIVE 27 FEB 24

SUPERSEDES 22 AUG 23

ANNEXATIONS

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

Consider annexing territory, when requested by owners of the property or public agencies having jurisdiction.

Conditions

Annexations are subject to the following conditions:

- The proposed annexation shall be within the EBMUD Ultimate Service Boundary (USB) unless otherwise stated in this policy.
- Generally, there should be an immediate need for water service on part or all of the territory being annexed.
- The territory proposed for annexation should include any parcels required to make a logical boundary.
- The annexation should facilitate the operation of the utility and be of advantage to the community.
- The annexation should be economically sound and water service technically feasible.
- Territory within the boundaries of the East Bay Watershed Master Plan, but lying outside the boundary of the Briones Hills Agricultural Preservation Area (BHAPA) must:
 - Have adequate facilities for removal of sewage from the watershed; and
 - Be under agreement or permanent deed restriction with the District to protect the quality of source water under the influence of the territory.
- Territory shall be outside the boundary of the BHAPA as adopted by Contra Costa County and signatory cities, except where:
 - The territory is owned by the District or another public agency and will remain in public ownership; and
 - The District obtains agreements or permanent deed restrictions from the public agency owner that provide for protection of the quality of source water under the influence of the territory.

District policy shall be to express opposition to annexation of privately held parcels within the BHAPA boundary.

- If the proposed annexation extends beyond the Contractor Service Area of the District's Central Valley Project (CVP) Repayment Contract, the District shall request the United States Bureau of Reclamation (USBR) to include the proposed annexation in the Contractor Service Area in compliance with Article 34 of the CVP Repayment Contract. The District shall also request the responsible Local Agency Formation Commission to condition water service to the annexed

territory until receipt of USBR's formal approval of the inclusion. The project proponent must agree to cooperate with the District by including the territory in the District's Contractor's Service Area under its CVP Repayment Contract. The project proponent must also agree to add the territory to their permitted place of use and compensate the District for any costs incurred.

**Territory Outside
of Ultimate
Service
Boundary**

The District shall express opposition to all proposed annexations outside of the USB unless:

- a) The requested annexation is a small boundary adjustment found by the District to be in its best interests based on the following conditions:
 - (1) The property and dwelling units are the smaller part of a larger development project located primarily within the USB;
 - (2) The development project is desired and approved by the city or county land use planning agency with jurisdiction, and the land use planning and environmental documentation recognizes the District as the logical provider of water service;
 - (3) Annexation of the property to the District represents the most practical and feasible method of obtaining water service;
 - (4) The cumulative number of dwelling units outside the USB added as a result of such small boundary adjustments shall not exceed 100 in any two-year period;
 - (5) The project proponent has agreed to cooperate with the District in adding the territory to the District's permitted place of use and Contractor's Service Area under its CVP Repayment Contract and compensate the District for costs incurred; and
 - (6) District Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary, and Policy 9.03 – Water Supply Availability and Deficiency, are satisfied with regard to the effects of extension of water service beyond the USB; or
- b) The requested annexation is to mitigate health risks, as established by the appropriate agency, associated with existing water supplies; the project proponent has agreed to cooperate with the District in adding the territory to the District's permitted place of use and Contractor's Service Area under its CVP Repayment Contract and to compensate the District for costs incurred.
- c) If the requested annexation includes territory that is beyond the Contra Costa County Urban Limit Line in existence in 2000 and EBMUD is identified by the local planning agency as part of the preparation of environmental documentation as the preferred provider to deliver potable service to the territory, prior to the close of the comment period on any draft environmental documents, the Board of Directors shall place a discussion of the project on the agenda at a regularly scheduled public meeting. Following the discussion, if the Board of Directors determines that the proposed annexation is consistent with this Policy 3.01 and Policy 3.05, the Board of Directors shall direct staff to submit comments with any conditions or relevant information that the Board of Directors deems appropriate. If the Board of Directors determines that the annexation is not consistent with this Policy 3.01 and Policy 3.05, it will oppose the annexation and shall direct staff to file comments setting forth the opposition and, as appropriate, adopt a resolution setting forth the Board of Director's opposition.

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References

Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary
Policy 9.03 – Water Supply Availability and Deficiency



Policy 7.04R

EFFECTIVE [27 FEB 24](#)

~~26 SEP 17~~

SUPERSEDES [26 SEP 17](#)

~~27 SEP 14~~

ACCESS TO DISTRICT PROPERTY FOR TOURS

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

Invite and encourage interested groups or individuals to visit and ~~inspect~~ [tour](#) District property and facilities that are open to the public.

Permit interested groups or individuals to ~~inspect or~~ tour District property and facilities that are not usually open to the public under proper supervision and where such ~~inspection or~~ tour is not detrimental to ~~individual~~ safety or the operation or security of District infrastructure and property, and is consistent with the District's mission statement.

Prohibit unauthorized access to District infrastructure, property, and watershed lands in order to provide a secure and safe workplace; maintain a reliable water supply and wastewater services; prevent contamination of water ~~sources~~ [supply](#); minimize fire hazard; prevent or mitigate potential damage or loss of assets; provide for public safety, and ensure compliance with federal, state, and local regulations.

Tours

[Where and when allowed](#), ~~G~~ groups may schedule tours of pre-identified District facilities during [staffed](#) ~~normal working~~ hours. [In addition to District-sponsored tours open to the public](#), ~~t~~ Tour groups may include, but are not limited to, ~~employees, non-employees~~, public officials, [and employees or representatives of](#) other utilities, law enforcement, fire fighters, emergency medical services, ~~school educational organizations~~ [representatives](#), and associations. Advance reservations are required to minimize disruption of District operations. The District reserves the right to limit, refuse, or cancel tours due to security conditions or other operational ~~needs~~ [considerations](#).

Authority

Resolution No. 16,392, March 12, 1954
As amended by Resolution No. 33365-03, July 8, 2003
As amended by Resolution No. 33494-05, September 27, 2005
As amended by Resolution No. 33634-07, October 9, 2007
As amended by Resolution No. 33732-09, October 27, 2009
As amended by Resolution No. 33841-11, September 27, 2011
As amended by Resolution No. 35061-17, September 26, 2017
[As amended by Resolution No. XXXXX-24, February 27, 2024](#)

References

Policy 6.04 – Ethics Policy of the EBMUD Board of Directors
Policy 7.06 – Pardee Conference and Lodging Facility Use
Policy 7.11 – Use of District Bay Area Facilities
Policy 7.13 – Security
Procedure 703 – District Facilities: Use by Employee and Outside Groups
Procedure 716 – Pardee Facilities
Procedure 720 – Security: Facilities Photo/Video Images
Procedure 727 – Tours of District Bay Area Facilities



Policy 7.04

EFFECTIVE 27 FEB 24

SUPERSEDES 26 SEP 17

ACCESS TO DISTRICT PROPERTY FOR TOURS

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

Invite and encourage interested groups or individuals to visit and tour District property and facilities that are open to the public.

Permit interested groups or individuals to tour District property and facilities that are not usually open to the public under proper supervision and where such tour is not detrimental to safety or the operation or security of District infrastructure and property and is consistent with the District's mission statement.

Prohibit unauthorized access to District infrastructure, property, and watershed lands in order to provide a secure and safe workplace; maintain a reliable water supply and wastewater services; prevent contamination of water sources; minimize fire hazard; prevent or mitigate potential damage or loss of assets; provide for public safety, and ensure compliance with federal, state, and local regulations.

Tours

Where and when allowed, groups may schedule tours of pre-identified District facilities during staffed hours. In addition to District-sponsored tours open to the public, tour groups may include, but are not limited to, public officials, and employees or representatives of other utilities, law enforcement, fire fighters, emergency medical services, educational organizations, and associations. Advance reservations are required to minimize disruption of District operations. The District reserves the right to limit, refuse, or cancel tours due to security conditions or other operational considerations.

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Procedure 703 – District Facilities: Use by Employee and Outside Groups
Procedure 716 – Pardee Facilities
Procedure 720 – Security: Facilities Photo/Video Images
Procedure 727 – Tours of District Bay Area Facilities

**ADVISORY ELECTION FOR ANNEXATIONS
OUTSIDE THE CONTRA COSTA COUNTY
URBAN LIMIT LINE**

EFFECTIVE 28 NOV 23

SUPERSEDES 14 SEP 10

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

Call an advisory election if EBMUD is designated as the preferred water service provider by a local planning agency in its environmental documentation when the proposed development is located outside the Urban Limit Line adopted by Contra Costa County in 2000.

Purpose	The purpose of the election shall be to submit to the voters within the EBMUD service area the question of whether territory outside said Urban Limit Line should be annexed to EBMUD.
Events Triggering an Advisory Election	- EBMUD is identified by a local planning agency in its environmental documentation as the preferred provider to deliver potable water service to a residential development of 200 or more dwelling units located in territory beyond the Contra Costa County Urban Limit Line. In such cases, the matter shall be placed on the agenda for consideration by the Board of Directors at a regularly scheduled public meeting. If the Board of Directors determines not to oppose annexation of such territory to EBMUD, EBMUD shall call an advisory election on the question of whether such territory should be annexed to EBMUD. The advisory election shall occur prior to the time the Contra Costa County Local Agency Formation Commission is scheduled to consider annexation of the territory to EBMUD and, when possible, shall be consolidated with a general election. - If a local agency designates EBMUD as the preferred provider for water service to a residential development in territory outside the Contra Costa County Urban Limit Line that is less than 200 dwelling units and is not covered by the provisions of Policy 3.01– Annexations, then EBMUD shall oppose the annexation and the Board of Directors shall determine, at a regularly scheduled public meeting, whether to call an advisory election on the question of whether such territory should be annexed to EBMUD. - This policy shall be applied consistent with and in furtherance of the provisions of Policy 3.01 – Annexations.
Authority	Resolution No. 33347-03, January 28, 2003 Amended by Resolution No. 33564-06, November 14, 2006 Amended by Resolution No. 33687-08, October 14, 2008 Amended by Resolution No. 33780-10, September 14, 2010 Amended by Resolution No. 35373-23, November 28, 2023 Rescinded by Resolution No. XXXXX-24, February 27, 2024
References	Policy 3.01 Annexations Policy 3.05 Considerations for Extension of Water Service Beyond the Ultimate Service Boundary Policy 3.07 Responsibility to Serve Water Customers during Water Shortage

**ADVISORY ELECTION FOR ANNEXATIONS
OUTSIDE THE CONTRA COSTA COUNTY
URBAN LIMIT LINE**

EFFECTIVE 28 NOV 23

SUPERSEDES 14 SEP 10

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Authority	Resolution No. 33347-03, January 28, 2003 Amended by Resolution No. 33564-06, November 14, 2006 Amended by Resolution No. 33687-08, October 14, 2008 Amended by Resolution No. 33780-10, September 14, 2010 Amended by Resolution No. 35373-23, November 28, 2023 Rescinded by Resolution No. XXXXX-24, February 27, 2024
References	Policy 3.01 Annexations Policy 3.05 Considerations for Extension of Water Service Beyond the Ultimate Service Boundary Policy 3.07 Responsibility to Serve Water Customers during Water Shortage

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BOARD ACTION

Agenda Number:	10.	Meeting Date:	February 27, 2024
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TITLE	APPOINT STANDBY OFFICER FOR THE BOARD OF DIRECTORS AS OUTLINED IN THE DIRECTORS' EMERGENCY SUCCESSION PLAN
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ACTION	☐ Motion:	☒ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Adopt a resolution to appoint Dr. Ayoka Medlock-Nurse as Standby Officer No. 1 in Ward No. 1 for the East Bay Municipal Utility District Board of Directors.
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SUMMARY	The Board of Directors Emergency Succession Plan (Plan), adopted on May 23, 2017, ensures the ongoing governance and sustainability of the District if one or more Board members become unavailable following a state of war emergency, in the event of a state of emergency, or in a local emergency in accordance with the California Emergency Services Act (CESA). The Plan fulfills the standards and process to implement District Policy 7.03 - Emergency Preparedness/Business Continuity, for Board members regarding designation of Standby Officers in compliance with CESA. The Board may fill vacancies under the provisions of the Municipal Utility District Act or CESA, depending on necessity and expediency as the situation warrants. In December 2023, the position for Standby Officer No. 1 in Ward No. 1 became vacant. In January 2024, the Secretary of the District and the Director of Operations and Maintenance reviewed and confirmed Dr. Ayoka Medlock-Nurse's qualifications to serve as a Standby Officer.
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DISCUSSION	The Board of Directors has the critical task of setting policies and authorizing staff actions that support District operations. The Plan was established for Board members to safeguard District functions against unplanned and unexpected absence(s) during an emergency. The Plan outlines the process for the Board to select, appoint, and establish service expectations, duties, and compensation for Standby Officers that meet the following criteria: 1) 18 years of age and a lawful resident of California; 2) not a current District employee; and 3) no conflicts of interest with the District based on a position held with a private or public entity, or financial interest in any company or agency that has a contract with the District or possibility of having a contract with the District during the term of the Standby Officer's service. In January 2024, the Secretary of the District and the Director of Operations and Maintenance reviewed and confirmed Dr. Ayoka Medlock-Nurse's qualifications to serve as a Standby Officer. Standby Officers serve at the pleasure of the Board and may be removed and replaced at any time with or without cause, before, during, or after an emergency. State law requires Standby Officers to complete and submit a Fair Political Practices Commission (FPPC) Statement of Economic Interests-Form 700 to the FPPC and the Office of the Secretary within 30 days of
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Originating Department: Office of the Secretary	Department Director or Manager: Rischa S. Cole	CEP Forms? N/A	Board Action Type: Administrative
Funds Available: N/A	Budget Coding: N/A	Approved: 	
Attachment(s): Emergency Succession Plan for the Board of Directors; Resolution			

Title:	Appoint Standby Officer for the Board of Directors as outlined in the Directors' Emergency Succession Plan	Meeting Date:	February 27, 2024
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appointment, and annually, thereafter. Having Standby Officers available in the event of an emergency (as defined by CESA), supports the District's Customer and Community Services Strategic Plan goal.

SUSTAINABILITY**Economic**

There is no fiscal impact associated with this action. However, Standby Officers seated on the Board following an emergency will be entitled to financial compensation as outlined in the Plan.

Social

Standby Officers allow the District to increase the reliability of its governance and reduce potential impacts to customers and to the environment.

ALTERNATIVE

Do not appoint the candidate as a Standby Officer in Ward No. 1. This alternative is not recommended because the candidate meets the criteria outlined in the Plan and the qualifications to serve have been reviewed and verified.

APPENDIX TO THE OFFICE OF THE GENERAL MANAGER'S BUSINESS CONTINUITY PLAN

Emergency Succession Plan for Board of Directors

Purpose

The purpose of this Emergency Succession Plan is to ensure continuous coverage of the Board of Directors' duties, critical to the ongoing operations and sustainability of the District, in the event one or more Board Members is unavailable following a state of war emergency or in the event of a state of emergency or a local emergency.

Definitions

The following definitions shall apply to this Emergency Succession Plan.

"Emergency" means:

- A State of War Emergency, being the condition which exists immediately whenever the state or nation is attacked by an enemy of the United States, or upon receipt by the state of a warning from the federal government indicating that such an enemy attack is probable or imminent. No proclamation by the Governor is necessary for the existence of a State of War Emergency.
- A State of Emergency, being the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake, or conditions other than those causing a "State of War Emergency." A State of Emergency must be declared by the Governor.
- A Local Emergency, being the existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake. A Local Emergency must be declared by the governing body of a county, city and county, or city or by an official designated by ordinance adopted by that governing body.

For the purposes of this Emergency Succession Plan in order to comply with statutory requirements for Board emergency succession, "Emergency" shall not include a District-declared emergency as defined in District Policy 7.03 – Emergency Preparedness/Business Continuity.

“Regular Officer” is the term applicable during an Emergency to a Board Member elected or appointed under the California Municipal Utility District (MUD) Act.

“Standby Officer” means a person appointed by the District Board of Directors to serve on the Board in the event of the unavailability of a Board Member.

“Unavailable” means that as a result of an Emergency a Board Member is either killed, missing, or so seriously injured as to be unable to attend meetings and otherwise perform his or her duties. A Board Member may declare himself or herself to be unavailable for the purposes of this Emergency Succession Plan, but should inform the General Manager of the estimated time during which he or she will be unavailable.

Selection and Appointment of Standby Officers

Each Board Member shall submit to the Office of the Secretary a list of three Standby Officers and their contact information, to serve in his or her place in the event of the Board Member’s unavailability under this procedure. No more than three Standby Officers may be selected for each Board Member. Standby Officers shall be designated Standby Officer No. 1, Standby Officer No. 2, and Standby Officer No. 3.

In selecting prospective Standby Officers, the Board shall give consideration to their places of residence and work in order to maximize the probability of survivorship for each Board position for which Standby Officers are appointed. Criteria to be considered include:

- The location of the Standby Officer’s residence and place of work in relation to such natural hazards as fault lines;
- The proximity of the Standby Officer’s residence to the Regular Officer’s residence; and
- The proximity of the Standby Officer’s place of work to the Regular Officer’s place of work.

Standby Officers No. 1 and No. 2 shall reside within the same ward as the Regular Officer recommending the Standby Officer. Standby Officer No. 3 shall reside outside the same ward as the Regular Officer recommending the Standby Officer, and may reside outside the District’s service area.

Each selected Standby Officer shall meet the following criteria:

- Standby Officers shall be at least 18 years old and a lawful resident of the State of California;
- Standby Officers shall not be an employee of the District;
- Standby Officers shall not be a member of the Regular Officer’s immediate family;
- Standby Officers shall have no financial interest in any company or agency that has a contract with the District or is reasonably possible to have a contract with the District during the term of the Standby Officer’s service; and
- Standby Officers shall not serve as an officer or employee of any public entity that has a competing interest with the District.

Each recommended Standby Officer shall provide a resume to the Office of the Secretary. The Office of the Secretary shall carefully investigate and verify the qualifications of the recommended Standby Officers. Upon approval of the lists of Standby Officers by the Director of Operations and Maintenance, they will be appointed by the Board through a Board Resolution to serve until removal or replacement by the Board.

Each appointed Standby Officer shall take the oath of office required of a Board Member.

The District's list of Standby Officers as stated in the appointing Board Resolution shall be reviewed on an annual basis by each Member of the Board in order to verify the continuing availability of each Standby Officer to serve. Confirmation of the designated Standby Officers shall be made by Board Resolution annually. Persons appointed as Standby Officers shall serve in their posts as Standby Officers at the pleasure of the Board and may be removed and replaced at any time with or without cause, before, during, or after an Emergency.

Duties of Standby Officers

Each Standby Officer shall:

- Remain informed of the duties of the Board Member he or she will replace. Officers and employees of the District shall assist the Standby Officer, who shall be provided with a copy of Article 15 of the California Emergency Services Act (CESA).
- Remain informed of the business and affairs of the District to the extent necessary to enable the Standby Officer to fill his or her post competently. Officers and employees of the District shall assist the Standby Officer in remaining informed by providing Standby Officers with links to Board documents on the District's website and informing Standby Officers of any developments the Board deems necessary.
- Be prepared to immediately report for duty at the direction of the General Manager in the event of an Emergency at the place and in the method previously designated by the District, in the order of his or her succession.
- Fill the post of the Board Member position for which he or she has been appointed when the regular Board Member is unavailable during an Emergency.

Determination of Unavailability of a Board Member

The Board may fill vacancies under the provisions of the MUD Act or CESA, depending on necessity and expediency as the situation warrants.

MUD Act Appointments with CESA Contingency

Upon declaration of an Emergency that upon determination of the General Manager has the potential to render Regular Officers unavailable, all available Regular Officers shall meet as soon as possible. The General Manager shall contact Standby Officer No. 1 for each Board position regardless of the availability of the Board Member and inform the Standby Officer of his or her duty to appear at the first Board meeting. If Standby Officer No. 1 is unavailable or unwilling to serve, Standby Officers Nos. 2 and 3 shall substitute in succession for Standby Officer No. 1 in the same way that Standby Officer No. 1 is substituted in place of the Regular Officer.

The General Manager shall determine and report to the Board the availability of those Regular Officers not present at the first meeting. If five Regular Officers are available, the Regular Officers shall proceed to conduct the business of the Board, and within 60 days of the effective date of a vacancy shall appoint Board Members to fill those positions for which a Regular Officer is determined to be unavailable, in accordance with the provisions of the MUD Act. The Board shall reserve the right to select Standby Officers to fill the vacant positions in accordance with the procedures of CESA.

If five Regular Officers are not available, the Standby Officers shall serve in place of the unavailable Regular Officers.

CESA-Only Appointments

Upon declaration of an Emergency that upon determination of the General Manager has the potential to render Regular Officers unavailable, all available Regular Officers shall meet as soon as possible. The General Manager shall contact Standby Officer No. 1 for each Board position regardless of the availability of the Board Member and inform the Standby Officer of his or her duty to appear at the first Board meeting. If Standby Officer No. 1 is unavailable or unwilling to serve, Standby Officers Nos. 2 and 3 shall substitute in succession for Standby Officer No. 1 in the same way that Standby Officer No. 1 is substituted in place of the Regular Officer.

The General Manager shall determine and report to the Board the availability of each Regular Officer not present. For each Regular Officer who is confirmed by the Board to be unavailable, the Standby Officers shall serve in place of the unavailable Regular Officers.

Service of Standby Officers During and After an Emergency

Standby Officers serving during an Emergency shall have all of the powers and duties of a Board Member as delineated under Chapter 3, Article 4 of the MUD Act.

Succession for the executive positions of the Board shall be as follows: If the President is unavailable, the Regular Officer Vice President shall serve as President in his or her place. If the

Vice President is unavailable or serving as President, the Vice President position shall be filled by the available Regular Officer with the most seniority on the Board. If no Regular Officers are available to fill any executive positions, the position shall be filled by the Standby Officer for the unavailable Regular Officer for that position. Because the President of the Board cannot serve on a Standby Committee, the Standby Officer for the President shall serve on any committee on which the replacement officer for the President sits.

The Standby Officer shall serve until the Regular Officer becomes available, the election or appointment of a new Regular Officer in accordance with the election and appointment laws of the MUD Act, or the dismissal of the Standby Officer.

Compensation of Standby Officers

After reporting for duty at the direction of the General Manager in the event of an Emergency, each Standby Officer shall be entitled to financial compensation. Standby Officers serving less than one month shall be compensated for each meeting attended based on a pro-rated percentage of the salary of a Regular Officer. Standby Officers serving one month or longer shall be entitled to the salary of a Regular Officer. Standby Officers shall not be entitled to compensation for leave. Standby Officers shall not be entitled to health or retirement benefits unless and until they are elected or appointed to a Regular Officer position under the procedures of the MUD Act. This date of election or appointment shall serve as the effective date of employment for all Regular Officers for the purposes of receiving the health and retirement benefits of a Regular Officer.

Legal Authority

California Emergency Services Act, Government Code § 8635 *et seq.*
Municipal Utility District Act, Chapter 3, Article 4 (Public Utilities Code § 11881 *et seq.*)

Other References

EBMUD Policy 7.03 – Emergency Preparedness/Business Continuity
EBMUD Emergency Operations Plan
Office of the General Manager Business Continuity Plan

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RESOLUTION NO. _____

APPOINTING DR. AYOKA MEDLOCK-NURSE AS STANDBY OFFICER FOR
THE BOARD OF DIRECTORS AS STANDBY OFFICER NUMBER 1 FOR WARD NO. 1
UNDER THE EMERGENCY SUCCESSION PLAN FOR THE BOARD OF DIRECTORS

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, Article 15 of the State of California Emergency Services Act (CESA) provides for the preservation of local government in the event of a state of war emergency, state of emergency, or local emergency; and

WHEREAS, CESA permits the governing body of a political subdivision to appoint up to three Standby Officers for each member of the governing body; and

WHEREAS, the Board of Directors (Board) of the East Bay Municipal Utility District (District) adopted the Emergency Succession Plan (Plan) for the Board on May 23, 2017; and

WHEREAS, the Plan provides a process under which Standby Officers for the Board are selected, vetted, and affirmed; and

WHEREAS, pursuant to the Plan, the Board has appointed 21 Standby Officers, with up to three Standby Officers to serve in the place of each Board member in the event of an emergency under CESA; and

WHEREAS, the Plan requires the Secretary of the District to verify each year the continuing availability of each appointed Standby Officer to serve as a Standby Officer; and

WHEREAS, following this verification, the Plan requires the Board to confirm the appointment of Standby Officers; and

WHEREAS, on January 23, 2024, the Board confirmed the appointment of Standby Officers for each ward of the District in Resolution No. 35381-24; and

WHEREAS, at the time of the Board's confirmation of the appointment of Standby Officers for each ward of the District on January 23, 2024, the position for Standby Officer Number 1 in Ward No. 1 was vacant; and

WHEREAS, the Secretary of the District has confirmed the availability and willingness of Dr. Ayoka Medlock-Nurse to serve as the Standby Officer Number 1 in Ward No. 1; and

WHEREAS, Dr. Ayoka Medlock-Nurse meets the criteria to serve as stated in the Plan;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District hereby appoints Dr. Ayoka Medlock-Nurse to serve as the Standby Officer Number 1 in Ward No. 1, who shall serve in her post as Standby Officer at the pleasure of the East Bay Municipal Utility District until removal or replacement.

ADOPTED this 27th day of February, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel



BOARD ACTION

Agenda Number:	11.	Meeting Date:	February 27, 2024
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TITLE	RESOLUTION RECOGNIZING BLACK HISTORY MONTH AND THE 30TH ANNIVERSARY OF THE BLACK EMPLOYEE NETWORK
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ACTION	☐ Motion:	☒ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Adopt a Resolution to recognize Black History Month and the 30 th Anniversary of the Black Employee Network (BEN).
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SUMMARY	The Board of Directors acknowledges and celebrates the 30 th Anniversary of BEN, and the 2024 annual celebration of Black History Month under the national theme, "African Americans and the Arts."
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DISCUSSION	Carter G. Woodson, known as the "Father of Black History," initiated Black History Month to address the glaring absence of African American/Black contributions in mainstream historical narratives. Woodson, a historian and educator, recognized the systemic erasure of African American/Black achievements and sought to rectify this by highlighting the pivotal role African American/Black individuals played in shaping American history and culture. In 1986, the U.S. Congress, in a joint resolution of the House and Senate (Senate Joint Resolution 74), designated the month of February as "National Black History Month", which was followed by a Presidential Proclamation of observance by President Ronald Reagan. In 1994, a group of African American/Black District employees founded the Black History Committee and hosted the first annual Black History Month celebration with the mission to foster the inclusion, visibility, and advancement of District employees, particularly those that identify as Black or of African descent, and to positively represent and promote the District in Black communities throughout the District's service area. The group was chartered and became the District's first Affinity Group, and now operates under the name, the Black Employee Network. In celebration of BEN's 30th anniversary and service to the District, the group has sponsored a series of educational and experiential events. This item supports the District's Customer and Community Services and Workforce Planning and Development Strategic Plan goals.
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SUSTAINABILITY	Social The resolution language was reviewed and approved by the executive leadership of BEN. The District's ongoing celebration of Black History Month will continue to be led by BEN.
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Originating Department: Office of Diversity, Equity, and Culture	Department Director or Manager: Derry L. Moten	CEP Forms? N/A	Board Action Type: Administrative
Funds Available: N/A	Budget Coding: N/A	Approved: 	
Attachment(s): Resolution			

Title:	Resolution Recognizing Black History Month and the 30 th Anniversary of the Black Employee Network	Meeting Date:	February 27, 2024
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ALTERNATIVE

Do not adopt the resolution. This option is not because this action exemplifies the District's commitment to diversity, equity, and inclusion.

I:\Sec\2023 Board Related Items\022724 Board Agenda Items\OGM – BD-1 Resolution Recognizing Black History Month - BEN.docx

RESOLUTION NO. _____

RECOGNIZING BLACK HISTORY MONTH AND THE 30TH ANNIVERSARY
OF THE BLACK EMPLOYEE NETWORK

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, Carter G. Woodson, Ph.D. (Woodson), a historian and educator, known as the “Father of Black History,” initiated Black History Month to address the glaring absence of Black contributions in mainstream historical narratives; and

WHEREAS, Woodson recognized the systemic erasure of Black achievements and sought to rectify this by highlighting the pivotal role Black individuals played in shaping American history and culture; and

WHEREAS, in 1986, the U.S. Congress, in a joint resolution of the House and Senate (Senate Joint Resolution 74), designated the month of February as “National Black History Month”, and authorized and requested President Ronald Reagan to issue a proclamation in observance; and

WHEREAS, in 1994, a group of Black District employees founded the Black History Committee and hosted the District’s first annual Black History Month celebration with the mission to foster the inclusion, visibility, and advancement of District employees, particularly those that identify as Black or of African descent, and to positively represent and promote the District throughout the District’s service area, particularly in Black communities; and

WHEREAS, February 2024 marks the 30th Anniversary of the Black History Month Committee as an official District affinity group, currently operating under the name, the Black Employee Network (BEN); and

WHEREAS, BEN supports the District’s mission, values, and strategic plan goals by educating and informing employees and the communities served by the District about the contributions of Black Americans to our nation’s history and identity; and

WHEREAS, BEN members serve as Diversity, Equity, and Inclusion Change Agents in helping the District stay connected to the diverse voices and perspectives of its employees, yielding positive results and creative innovations for supporting a successful and positive workplace environment; and

WHEREAS, BEN members serve as Outreach Ambassadors in educating the public and the local business community about the District’s employment and contract equity opportunities, District recreation spaces and activities, and community support programming, such as the Community Assistance Program; and

WHEREAS, over the years, BEN has celebrated Black History Month with a series of educational and experiential events featuring local artists, poets, lecturers, community members, and employee talent; and

WHEREAS, in 2024, BEN is celebrating Black History Month in accordance with the National Black History Month theme of African Americans and the Arts which recognizes the profound and evolving impact of Black artistry on our culture, national identity, and social movements that have spanned all over the world; and

WHEREAS, throughout generations, African American/Black artists have used art to preserve history and community memory as well as for empowerment. Artistic and cultural movements such as the New Negro, Black Arts, Black Renaissance, hip-hop, and Afrofuturism have been led by people of African descent and set the standard for popular trends around the world;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby commemorate the achievements of Black Americans as history makers and legacy trailblazers, their role in the development of the region and the nation since its inception, and their role in the history and success of the District.

BE IT FURTHER RESOLVED the Board of Directors encourages all employees to honor and celebrate the contributions of Black Americans to the arts.

BE IT FURTHER RESOLVED that the Board of Directors does hereby commemorate and celebrate the 30th Anniversary of the Black Employee Network.

ADOPTED this 27th day of February, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel



BOARD ACTION

Agenda Number:	12.	Meeting Date:	February 27, 2024
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TITLE	ADOPT THE ACTUARIAL VALUATIONS OF THE RETIREMENT SYSTEM AS OF JUNE 30, 2023 AND SET THE FISCAL YEAR 2025 RETIREMENT SYSTEM EMPLOYER CONTRIBUTION RATES
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ACTION	☐ Motion:	☒ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Adopt the Actuarial Valuations of the Employees' Retirement System as of June 30, 2023 prepared by the Retirement System's actuary. In addition, set Retirement System Contribution Rates for Fiscal Year (FY) 2025 based on the actuarially determined contribution rates in the valuations.
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SUMMARY	Under Section 22 of Ordinance No. 40, as amended (the Retirement Ordinance), the District's Board of Directors commissions actuarial valuations of the pension and Health Insurance Benefit (HIB) funds of the East Bay Municipal Utility District Employees' Retirement System (Retirement System) and, based on these reports, sets contribution rates to the Retirement System at least once every two years. It has been the practice of the District and Retirement System to adopt actuarial valuations and set rates annually. The Retirement System's actuary has prepared the attached actuarial valuations. The Retirement System's Board (Retirement Board) reviewed and adopted these actuarial valuations at its January 18, 2024 meeting. Additionally, the Retirement Board took action to recommend to the Board of Directors to adopt employer contribution rates for FY 2025 that are equal to the actuarially determined rates in the valuations. The recommended contribution rates are provided herein. This item was presented at the February 27, 2024 Finance/Administration Committee meeting.
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DISCUSSION	Each year the Retirement System's actuary, Segal, prepares actuarial valuations for the pension and HIB plans and presents them to the Retirement Board. The Retirement System and District rely on these reports to set the contribution rates for the following fiscal year. The Pension Valuation, HIB Valuation, and supplemental exhibits are attached.
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Funded Status of the Retirement System

The valuation value of the combined pension and HIB assets increased from \$2.22 billion on June 30, 2022 to \$2.31 billion on June 30, 2023, representing growth of 4.4 percent. While investment returns were healthy for this 12-month period, the smoothing-in of previous year investment losses limited the increase on a valuation value basis. The Retirement System's growth in liabilities outpaced the growth in assets, due to salary increases for active employees, cost of living adjustments for retirees/beneficiaries that were higher than assumed, and lower than expected returns on the smoothed value of assets. This led to an

Originating Department: Finance	Department Director or Manager: Sophia D. Skoda	CEP Forms? N/A	Board Action Type: Financial
Funds Available: N/A	Budget Coding: N/A		Approved:
Attachment(s): Supplemental Exhibits; Actuarial Valuation and Review of Pension Plan Benefits; HIB Review of Contribution Rates and Funding Status; Resolution			

Title:	Adopt The Actuarial Valuations of The Retirement System as Of June 30, 2023 And Set The Fiscal Year 2025 Retirement System Employer Contribution Rates	Meeting Date:	February 27, 2024
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increase in the Unfunded Actuarial Accrued Liability (UAAL) from \$751 million to \$812 million in FY 2023. Between June 30, 2022 and June 30, 2023, the pension funded ratio on a valuation value of assets basis decreased from 76.1 percent to 75.2 percent while the HIB funded ratio increased from 44.0 percent to 47.7 percent. The combined pension and HIB funded ratio decreased from 74.7 percent to 74.0 percent over this time period.

Contribution Rates

The Actuarial Valuations provide the actuarially determined employer contribution rates for both the 1955/1980 and 2013 pension plans and the HIB plan for FY 2024/2025. These rates are presented below along with the rates adopted by the Retirement System for FY 2024.

Actuarially Determined Contribution Rates				
	FY 2025		FY 2024 (Adopted)	
Employer	1955/1980 Plan	2013 Plan	1955/1980 Plan	2013 Plan
Pension	44.59	35.80%	43.73%	34.69%
HIB	4.43%	4.27%	4.75%	4.52%
Total	49.02%	40.07%	48.48%	39.21%
Member				
Pension	8.66%	9.41%	8.66%	9.41%
HIB	0.09%	0.09%	0.09%	0.09%
Total	8.75%	9.50%	8.75%	9.50%

Employer Contribution Rates

The FY 2025 actuarially determined employer contribution rates for the pension plan in the table above represent increases over those adopted in FY 2024. The increases are due largely to salary increases for active employees, cost of living adjustments for retirees/beneficiaries that were higher than assumed, and lower than expected returns on the smoothed value of assets. The FY 2025 employer contribution rates for the HIB represent a slight decrease over FY 2024. This is due to higher than expected growth in total payroll to paydown the prior year's unfunded actuarial liability.

Employee Contribution Rates

The employee contribution rates are set based on a different methodology for each pension tier. For members of the 1955/1980 Plan, the employee contribution rate is set in the Memoranda of Understanding (MOU) between the District and its employee unions. For members of the 2013 Plan, the employee rate is calculated based on State law under the California Public Employees' Pension Reform Act (PEPRA). Both rates remain unchanged for FY 2025. The 1955/1980 Plan employee contribution rate is 8.75 percent of payroll, which

Title:	Adopt The Actuarial Valuations of The Retirement System as Of June 30, 2023 And Set The Fiscal Year 2025 Retirement System Employer Contribution Rates	Meeting Date:	February 27, 2024
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includes a 0.09 percent contribution to the HIB. The 2013 Plan employee contribution rates are 9.41 percent for the pension plan and 0.09 percent for the HIB.

Recommendation of the Retirement Board

At its January 18, 2024 meeting, the Retirement Board took action to adopt the attached actuarial valuations. In addition, the Retirement Board made a recommendation to the Board of Directors to set contribution rates for FY 2025 equal to the actuarially determined rates from the valuations. The table below provides the FY 2025 recommended employer contribution rates, the FY 2025 actuarially determined rates (which match the recommended rates), and the currently adopted FY 2024 rates.

	Staff and Retirement Board Recommended Rates		Actuarially Determined Rates		Adopted Rates	
	FY 2025		FY 2025		FY 2024	
Employer	1955/1980 Plan	2013 Plan	1955/1980 Plan	2013 Plan	1955/1980 Plan	2013 Plan
Pension	44.59%	35.80%	44.59%	35.80%	43.73%	34.69%
HIB	4.43%	4.27%	4.43%	4.27%	4.75%	4.52%
Total	49.02%	40.07%	49.02%	40.07%	48.48%	39.21%

SUSTAINABILITY

Economic

The acceptance of actuarial valuations and the setting of employer contribution rates help ensure the financial health and fiscal sustainability of the Retirement System. The employer contribution rates are incorporated in the District's FY 2025 Budget.

ALTERNATIVE

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

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East Bay Municipal Utility District Employees' Retirement System

**Actuarial Valuation and Review of Pension Plan
and Health Insurance Benefit Plan
as of June 30, 2023**

Supplemental Exhibits



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



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San Francisco, CA 94105-6147
T 415.263.8200
segalco.com

January 5, 2024

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

Re: June 30, 2023 Actuarial Valuations – Supplemental Exhibits

Dear Sophia:

Enclosed please find two exhibits that provide supplemental information to the June 30, 2023 actuarial valuations for the pension and health insurance benefit (HIB) plans.

Exhibit A provides a summary of the funding valuation results for both the pension and HIB plans. In particular, for the HIB plan, this information is based on our HIB funding valuation report dated January 5, 2024 that includes a maximum monthly benefit of \$450 (\$550 benefit for a retiree with a spouse or EBMUD domestic partner). It does not include the accounting liability for the "implicit subsidy" associated with the pooling of the health care premium rate for actives and retirees under age 65.

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

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

Sincerely,

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

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

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

Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary

DNA/jl
Enclosures

Exhibit A

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change From Prior Year</u>
I. Total Membership			
A. Active Members	1,955	1,895	3.2%
B. Pensioners and Beneficiaries	2,117	2,048	3.4%
II. Valuation Salary⁽¹⁾			
A. Total Projected Compensation	\$262,272,600	\$241,537,720	8.6%
B. Average Projected Compensation	134,155	127,461	5.3%
III. Total System Assets			
A. Valuation Value of Pension Plan Assets	\$2,251,690,803	\$2,158,462,528	4.3%
B. Valuation Value of HIB Plan Assets	<u>62,769,259</u>	<u>57,661,197</u>	8.9%
C. Total Valuation Value (Actuarial Value)	\$2,314,460,062	\$2,216,123,725	4.4%
D. Market Value of Pension Plan Assets	\$2,194,142,000	\$2,005,352,000	9.4%
E. Market Value of HIB Plan Assets	<u>61,165,000</u>	<u>53,571,000</u>	14.2%
F. Total Market Value	\$2,255,307,000	\$2,058,923,000	9.5%
IV. Unfunded Actuarial Accrued Liability (UAAL) and Funded Ratio⁽²⁾			
A. Pension Plan	\$742,738,347	\$677,308,564	9.7%
B. Funded Ratio	75.2%	76.1%	-0.9%
C. HIB Plan	\$68,858,196	\$73,290,113	-6.0%
D. Funded Ratio	47.7%	44.0%	3.7%
E. Pension Plan and HIB Plan	\$811,596,543	\$750,598,677	8.1%
F. Funded Ratio	74.0%	74.7%	-0.7%

⁽¹⁾ Projected payroll.

⁽²⁾ Based on valuation value of assets.

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

Exhibit A (continued)

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

<u>June 30, 2023</u>				<u>June 30, 2022</u>			<u>Change From Prior Year</u>			
V. Projected Benefit Obligation and Funded Ratio⁽³⁾										
A. Pension Plan		\$2,926,665,000		\$2,771,238,000			5.6%			
B. Funded Ratio		75.0%		72.4%			2.6%			
C. HIB Plan		\$138,464,000		\$137,670,000			0.6%			
D. Funded Ratio		44.2%		38.9%			5.3%			
E. Pension Plan and HIB Plan		\$3,065,129,000		\$2,908,908,000			5.4%			
F. Funded Ratio		73.6%		70.8%			2.8%			
VI. Budget Items⁽⁴⁾										
		<u>FY 2024-2025</u>			<u>FY 2023-2024</u>			<u>Difference</u>		
	1955/1980	2013		1955/1980	2013		1955/1980	2013		
	<u>Plan</u>	<u>Tier</u>	<u>Combined⁽⁵⁾</u>	<u>Plan</u>	<u>Tier</u>	<u>Combined⁽⁵⁾</u>	<u>Plan</u>	<u>Tier</u>	<u>Combined⁽⁵⁾</u>	
A. Pension Plan										
1. Total Normal Cost	27.83%	19.79%	23.76%	27.90%	19.61%	23.70%	-0.07%	0.18%	0.06%	
2. Employee Contributions	<u>-8.66%⁽⁶⁾</u>	<u>-9.41%</u>	<u>-9.04%</u>	<u>-8.66%⁽⁶⁾</u>	<u>-9.41%</u>	<u>-9.04%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	
3. Employer Normal Cost	19.17%	10.38%	14.72%	19.24%	10.20%	14.66%	-0.07%	0.18%	0.06%	
4. UAAL (paid by Employer)	<u>25.42%</u>	<u>25.42%</u>	<u>25.42%</u>	<u>24.49%</u>	<u>24.49%</u>	<u>24.49%</u>	<u>0.93%</u>	<u>0.93%</u>	<u>0.93%</u>	
5. Total Employer Contribution	44.59%	35.80%	40.14%	43.73%	34.69%	39.15%	0.86%	1.11%	0.99%	
B. HIB Plan										
1. Total Normal Cost	0.95%	0.79%	0.87%	1.08%	0.85%	0.96%	-0.13%	-0.06%	-0.09%	
2. Employee Contributions	<u>-0.09%</u>	<u>-0.09%</u>	<u>-0.09%</u>	<u>-0.09%</u>	<u>-0.09%</u>	<u>-0.09%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	
3. Employer Normal Cost	0.86%	0.70%	0.78%	0.99%	0.76%	0.87%	-0.13%	-0.06%	-0.09%	
4. UAAL (paid by Employer)	<u>3.57%</u>	<u>3.57%</u>	<u>3.57%</u>	<u>3.76%</u>	<u>3.76%</u>	<u>3.76%</u>	<u>-0.19%</u>	<u>-0.19%</u>	<u>-0.19%</u>	
5. Total Employer Contribution	4.43%	4.27%	4.35%	4.75%	4.52%	4.63%	-0.32%	-0.25%	-0.28%	
C. Total Contribution										
1. Employee Contribution (A2 + B2)	8.75%	9.50%	9.13%	8.75%	9.50%	9.13%	0.00%	0.00%	0.00%	
2. Employer Contribution (A5 + B5)	49.02%	40.07%	44.49%	48.48%	39.21%	43.78%	0.54%	0.86%	0.71%	

⁽³⁾ Based on market value of assets.

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

⁽⁵⁾ Aggregated based on June 30, 2023 projected annual payroll.

⁽⁶⁾ The rate of 8.66% payable during fiscal years 2023/2024 and 2024/2025 is calculated by taking the total employee rate payable beginning April 18, 2016 (i.e., 8.75%), less the HIB employee contribution rate of 0.09%.

Exhibit B

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

<u>Actuarial Valuation Date</u>	<u>Projected Benefit Obligation</u>	<u>Market Value of Assets</u>	<u>Funded Ratio</u>
06/30/2002	\$749,113	\$536,449	71.6%
06/30/2003	880,054	545,527	62.0%
06/30/2004	928,434	640,641	69.0%
06/30/2005	999,231	694,590	69.5%
06/30/2006	1,068,966	763,455	71.4%
06/30/2007	1,160,325	911,104	78.5%
06/30/2008	1,289,236	838,614	65.0%
06/30/2009	1,366,207	668,750	48.9%
06/30/2010	1,444,258	769,052	53.2%
06/30/2011	1,498,879	968,239	64.6%
06/30/2012	1,606,973	986,972	61.4%
06/30/2013	1,699,340	1,124,328	66.2%
06/30/2014	1,815,349	1,346,888	74.2%
06/30/2015	1,907,462	1,407,209	73.8%
06/30/2016	2,061,202	1,418,129	68.8%
06/30/2017	2,137,483	1,612,644	75.4%
06/30/2018	2,292,859	1,753,240	76.5%
06/30/2019	2,413,489	1,832,965	75.9%
06/30/2020	2,607,362	1,857,609	71.2%
06/30/2021	2,675,737	2,328,722	87.0%
06/30/2022	2,908,908	2,058,923	70.8%
06/30/2023	3,065,129	2,255,307	73.6%

East Bay Municipal Utility District Employees' Retirement System

Actuarial Valuation and Review of Pension Plan Benefits

As of June 30, 2023



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

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Segal



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segalco.com

January 5, 2024

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

Dear Sophia:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2023 for only the pension plan. The Review of Contribution Rates and Funding Status for the health insurance benefit (HIB) plan is provided in a separate report. This report summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements for fiscal year 2024/2025.

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

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the

experience of the Plan and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

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

Sincerely,

Segal

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

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

DNA/jl

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Section 1: Actuarial Valuation Summary

Purpose and Basis

This report was prepared by Segal to present a valuation of the East Bay Municipal Utility District Employees' Retirement System ("the System") as of June 30, 2023. The valuation was performed to determine whether the assets and contribution rates are sufficient to provide the prescribed benefits.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan, as administered by the Board;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of June 30, 2023, provided by EBMUDERS;
- The assets of the Plan as of June 30, 2023, provided by EBMUDERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2023 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2023 valuation; and
- The funding policy adopted by the Board.

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

Section 1: Actuarial Valuation Summary

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

The contribution requirements are determined as a percentage of payroll. The System's employer rates provide for both Normal Cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the revised funding policy adopted by the Board on September 22, 2022. In particular, any changes in the Unfunded Actuarial Accrued Liability (UAAL) as a result of assumption or method changes on or after July 1, 2021 are amortized over 20 years (instead of 25 years). Details of the funding policy are provided in *Section 4, Exhibit 1* starting on page 66.

A schedule of current amortization balances and payments may be found in *Section 3, Exhibit G* starting on page 53. A graphical projection of the UAAL amortization balances and payments has been included in *Section 3, Exhibit H* starting on page 55. In the aggregate, the total payment from all the UAAL layers was the same as amortizing the entire UAAL over a period of about 14 years.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2024 through June 30, 2025.

Section 1: Actuarial Valuation Summary

Valuation Highlights

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1. The funded ratio (the ratio of the valuation value of assets to actuarial accrued liability) is 75.2%, compared to the prior year funded ratio of 76.1%. This ratio is one measure of funding status, and its history is a measure of funding progress. The funded ratio measured on a market value basis is 73.3%, compared to 70.7% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for, or the amount of, future contributions.

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

For the June 30, 2023 Retirement Plan and HIB Plan valuations, we note that the funded ratio on the PBO (and market value) basis is 73.6% for both plans combined, as shown in the Supplemental Exhibits report dated January 5, 2024.

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2. The UAAL as of June 30, 2022 was \$677.3 million. In this year's valuation, the UAAL has increased to \$742.7 million mainly due to unfavorable investment experience (after asset smoothing), higher than expected salary increases for continuing actives, higher than expected cost-of-living adjustment (COLA) and a contribution loss due to actual contributions lower than expected from the anticipated one-year delay in implementing the higher contribution rates calculated in the last valuation, offset somewhat by miscellaneous actuarial gains.

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

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3. An actuarial loss of \$80.8 million, or 2.70% of the Actuarial Accrued Liability, is due to an investment loss of \$28.6 million, a contribution experience loss of \$0.4 million, and a net experience loss from sources other than investments and contributions of \$51.8 million. This loss from sources other than investment and contribution experience was primarily due to higher than expected salary increases for continuing actives and higher than expected cost-of-living adjustment (COLA) increases for payees, offset somewhat by miscellaneous actuarial gains.

Section 1: Actuarial Valuation Summary

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4. This valuation reflects one minor actuarial methodology refinement of applying beginning of year timing of decrements for exiting from active membership status in calculating the normal cost rate. The refinement resulted in a 0.11% of payroll net decrease in the total normal cost rate.
5. The aggregate employer rate (if paid at the end of each pay period) calculated in this valuation has increased from 39.15% of payroll to 40.14% of payroll. The increase in the employer rate was primarily due to (a) the change in member demographics, (b) the lower than expected return on the valuation value of assets (after smoothing), (c) higher than expected salary increases for continuing actives, (d) higher than expected COLA increases for current retirees and beneficiaries, and (e) the contribution loss due to actual contributions lower than expected from the anticipated one-year delay in implementing the higher contributions rates calculated in the prior valuation, offset somewhat by (f) amortizing the prior year's UAAL over a larger than expected projected total payroll and (g) miscellaneous actuarial gains.
6. The total normal cost rates for both the 1955/1980 Plan and the 2013 Tier have been developed assuming the normal cost dollar contribution amounts would increase at the rate of the total salary increase assumption. The dollar contribution amounts are then converted to a percent of payroll normal cost rate by dividing the dollar contribution amounts by the payroll after limiting each individual employee's payroll by the appropriate compensation limit. There was an increase in the total normal cost rate for the 2013 Tier due to the changes in member demographics during 2022/2023 as the average salary for continuing active 2013 Tier members increased by more than the increase in the CalPEPRA limit between the June 30, 2022 and 2023 valuations. We will continue to monitor this relationship in future valuations and are available to discuss with the Retirement System other alternatives that could be used in the total normal cost calculation in order to mitigate future rate increases that could result from such event.
- Although there was an increase in the total normal cost rate for the 2013 Tier, from 19.61% of payroll in the June 30, 2022 valuation to 19.79% of payroll in the June 30, 2023 valuation, the total normal cost rate for the 2013 Tier remained within 1% of the 18.81% of payroll threshold that was newly established in the June 30, 2020 valuation for determining whether a change in the member rate for that tier would be warranted. Consequently, the member rate for the 2013 Tier has remained unchanged at 9.41% of payroll in this valuation. With that said, it is very likely that the total normal cost rate for the 2013 Tier will increase and will exceed the 1% of the 18.81% threshold in the next valuation as of June 30, 2024.
- Pg. 33
7. The aggregate member rate calculated in this valuation has remained unchanged at 9.04% of payroll. A reconciliation of the aggregate member rate is provided in *Section 2, Subsection F*.
- Pg. 24
8. The rate of return on the Market Value of Assets was 10.62% for the July 1, 2022 to June 30, 2023 plan year. The return on the Valuation Value of Assets (pension plan only) was 5.42% for the same period after considering the recognition of current and prior years' investment gains and losses. This resulted in an actuarial loss when measured against the previous valuation's assumed rate of return of 6.75%. This actuarial investment loss increased the average employer contribution rate by 0.77% of pay.
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9. As indicated in *Section 2, Subsection B* of this report, the total net unrecognized investment loss as of June 30, 2023 is \$59.2 million for the assets for the pension and HIB plans (note that in the previous valuation, this amount was a net deferred loss of \$157.2

Section 1: Actuarial Valuation Summary

million). This net investment loss will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years. This implies that earning the assumed rate of investment return of 6.75% per year (net of expenses) on a market value basis will produce investment losses on the actuarial value of assets after June 30, 2023.

The net deferred loss of \$59.2 million represents 2.6% of the market value of assets as of June 30, 2023. Unless offset by future investment gains or other favorable experience, the recognition of the net \$59.2 million market loss is expected to have an impact on the System's future funded percentage and contribution rate requirements. This potential impact may be illustrated as follows:

- If the pension plan portion of the net deferred loss were recognized immediately and entirely in the valuation value of assets, the funded percentage would decrease from 75.2% to 73.3%.

For comparison purposes, if the pension plan portion of the net deferred loss were recognized immediately and entirely in the valuation value of assets in the June 30, 2022 valuation, the funded percentage would have decreased from 76.1% to 70.7%.

- If the pension plan portion of the net deferred loss were recognized immediately and entirely in the valuation value of assets, the aggregate employer rate (payable at the end of each pay period) would increase from 40.14% to about 41.7% of payroll.

For comparison purposes, if the pension plan portion of the net deferred loss were recognized immediately and entirely in the valuation value of assets in the June 30, 2022 valuation, the aggregate employer rate (payable at the end of each pay period) would have increased from 39.60% of payroll to about 44.1% of payroll.

10. The actuarial valuation report as of June 30, 2023 is based on financial information as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the actuarial cost of the plan, while increases will decrease the actuarial cost of the plan.

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

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

Section 1: Actuarial Valuation Summary

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

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

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Note that this year the risk assessment section includes the disclosure of a “Low-Default-Risk Obligation Measure” (LDROM). This disclosure, along with commentary on the significance of the LDROM, is a new requirement under Actuarial Standard of Practice No. 4 (ASOP 4) for all pension funding actuarial valuation reports.

12. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2023. The Plan’s funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the Plan Year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after June 30, 2023 due to COVID-19. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.
13. Segal strongly recommends an actuarial funding policy that targets 100% funding of the Actuarial Accrued Liability. Generally, this implies payments that are ultimately at least enough to cover Normal Cost, interest on the UAAL and the principal balance. The funding policy adopted by the Board as described in Section 4, Exhibit 1 meets this standard.
14. This report constitutes an actuarial valuation for the purpose of determining the actuarially determined contribution (ADC) under the System’s funding policy and measuring the progress of that funding policy. The Net Pension Liability (NPL) and Pension Expense under Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, for inclusion in the plan and employer’s financial statements as of June 30, 2023, will be provided separately. The accounting disclosures will utilize different methodologies from those employed in the funding valuation, as required by GASB. However, the ADC in this valuation is expected to be used as the ADC for GASB financial reporting.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

		June 30, 2023		June 30, 2022	
		Total Rate	Estimated Annual Dollar Amount ¹	Total Rate	Estimated Annual Dollar Amount ¹
Employer Contribution Rates: <i>(payable at the end of each pay period)</i>	• 1955/1980 Plan	44.59%	\$57,738,772	43.73%	\$56,625,174
	• 2013 Tier	35.80%	<u>47,536,829</u>	34.69%	<u>46,062,921</u>
	• Combined	40.14%	\$105,275,601	39.15%	\$102,688,095
Average Member Contribution Rates: <i>(payable at the end of each pay period)</i>	• 1955/1980 Plan	8.66% ²	\$11,213,675	8.66% ²	\$11,213,675
	• 2013 Tier	9.41%	<u>12,495,015</u>	9.41%	<u>12,495,015</u>
	• Combined	9.04%	\$23,708,690	9.04%	\$23,708,690

¹ Estimated based on June 30, 2023 projected annual compensation of \$262,272,600 (that is, \$129,488,164 for the 1955/1980 Plan and \$132,784,436 for the 2013 Tier).

² The rate of 8.66% payable during the fiscal years 2023/2024 and 2024/2025 is calculated by taking the total employee rate payable beginning April 18, 2016 (i.e., 8.75%), less the HIB employee contribution rate of 0.09%.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results (continued)

		June 30, 2023	June 30, 2022
Actuarial Accrued Liability:	• Retired members and beneficiaries	\$1,959,982,363	\$1,834,781,122
	• Inactive vested members	59,125,354	55,173,918
	• Active members	<u>975,321,433</u>	<u>945,816,052</u>
	• Total Actuarial Accrued Liability (AAL)	\$2,994,429,150	\$2,835,771,092
	• Normal Cost for plan year beginning June 30 ¹	62,314,596	58,245,086
Assets:	• Valuation value of pension plan assets (VVA) ²	\$2,251,690,803	\$2,158,462,528
	• Market value of pension plan assets (MVA) ²	2,194,142,000	2,005,352,000
	• Actuarial value of pension plan and HIB plan assets	2,314,460,062	2,216,123,725
	• Market value of pension plan and HIB plan assets	2,255,307,000	2,058,923,000
	• Actuarial value of total plan assets as a percentage of market value of total plan assets	102.6%	107.6%
Funded status:	• Unfunded Actuarial Accrued Liability (UAAL) on VVA basis	\$742,738,347	\$677,308,564
	• Funded ratio on VVA basis	75.2%	76.1%
	• UAAL on MVA basis	\$800,287,150	\$830,419,092
	• Funded ratio on MVA basis	73.3%	70.7%
Key assumptions:	• Net investment return	6.75%	6.75%
	• Price Inflation	2.50%	2.50%
	• Real across-the-board increase	0.50%	0.50%
	• Payroll growth increase	3.00%	3.00%
	• Cost of Living Adjustment (COLA)	2.75%	2.75%
	• Amortization period on VVA basis ³	20 years	20 years

¹ Adjusted with interest to middle of the year assuming contributions would be paid at the end of each pay period.

² Net of HIB plan assets.

³ Changes in UAAL as a result of gains or losses for each valuation are amortized over separate 20-year periods. Details on the funding policy are provided in *Section 4, Exhibit 1*.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results (continued)

	June 30, 2023	June 30, 2022	Change From Prior Year
Demographic data:			
Active Members:			
• Number of members	1,955	1,895	3.2%
• Average age	47.1	47.2	-0.1
• Average service	11.0	11.4	-0.4
• Total projected compensation	\$262,272,600	\$241,537,720	8.6%
• Average projected compensation	\$134,155	\$127,461	5.3%
Retired Members and Beneficiaries:			
• Number of members:			
– Service retired	1,704	1,656	2.9%
– Disability retired	51	53	-3.8%
– Beneficiaries	362	339	6.8%
– Total	2,117	2,048	3.4%
• Average age	71.4	71.0	0.4
• Average monthly benefit	\$5,752	\$5,592	2.9%
Inactive Vested Members:			
• Number of members ¹	381	360	5.8%
• Average Age	48.4	48.3	0.1
Total Members:	4,453	4,303	3.5%

¹ Includes inactive members due a refund of member contributions.

Section 1: Actuarial Valuation Summary

Important Information About Actuarial Valuations

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

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

Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant information	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the System. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there is a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
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The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

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

An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.

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

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

While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

Segal's report shall be deemed to be final and accepted by the System upon delivery and review. The System should notify Segal immediately of any questions or concerns about the final content.

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

Section 2: Actuarial Valuation Results

A. Member Data

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

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

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

Member Population: 2014 – 2023

Year Ended June 30	Active Members	Inactive Vested Members ¹	Retired Members and Beneficiaries	Total Non-Actives	Ratio of Non-Actives to Actives	Ratio of Retired Members and Beneficiaries to Actives
2014	1,715	237	1,497	1,734	1.01	0.87
2015	1,762	239	1,563	1,802	1.02	0.89
2016	1,789	248	1,630	1,878	1.05	0.91
2017	1,802	267	1,713	1,980	1.10	0.95
2018	1,828	284	1,779	2,063	1.13	0.97
2019	1,847	303	1,844	2,147	1.16	1.00
2020	1,903	312	1,905	2,217	1.17	1.00
2021	1,896	327	1,977	2,304	1.22	1.04
2022	1,895	360	2,048	2,408	1.27	1.08
2023	1,955	381	2,117	2,498	1.28	1.08

¹ Includes inactive members due a refund of member contributions.

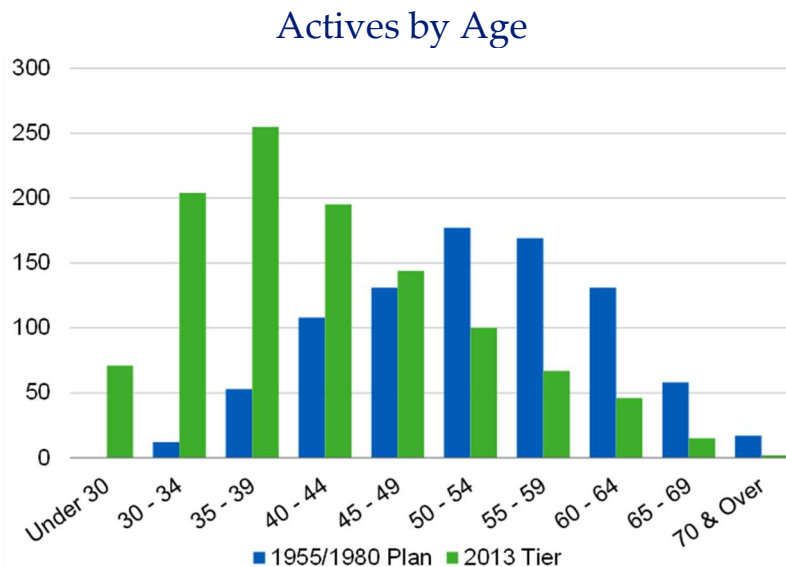
Section 2: Actuarial Valuation Results

Active Members

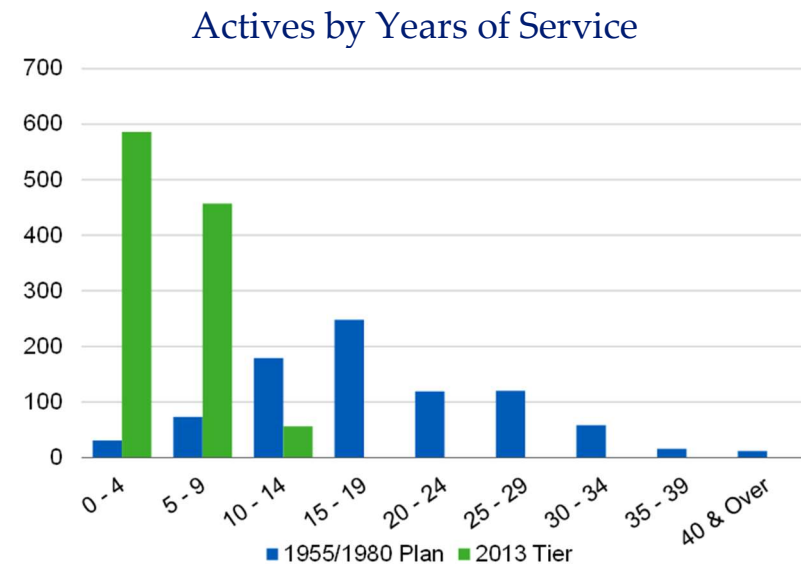
Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 1,955 active members with an average age of 47.1, average years of service of 11.0 years and average compensation of \$134,155. The 1,895 active members in the prior valuation had an average age of 47.2, average service of 11.4 years and average compensation of \$127,461.

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

Distribution of Active Members as of June 30, 2023



Average age	47.1
Prior year average age	<u>47.2</u>
Difference	-0.1



Average years of service	11.0
Prior year average years of service	<u>11.4</u>
Difference	-0.4

Inactive Members

In this year's valuation, there were 381 members with a vested right to a deferred or immediate vested benefit or a refund of contributions, versus 360 in the prior valuation.

Section 2: Actuarial Valuation Results

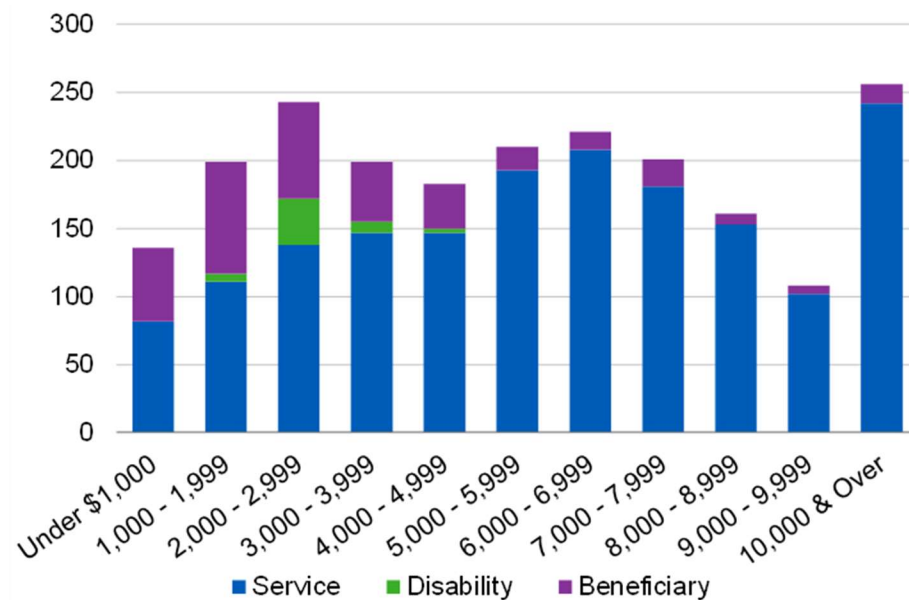
Retired Members and Beneficiaries

As of June 30, 2023, 1,755 retired members and 362 beneficiaries were receiving total monthly benefits of \$12,176,254. For comparison, in the previous valuation, there were 1,709 retired members and 339 beneficiaries receiving monthly benefits of \$11,452,514.

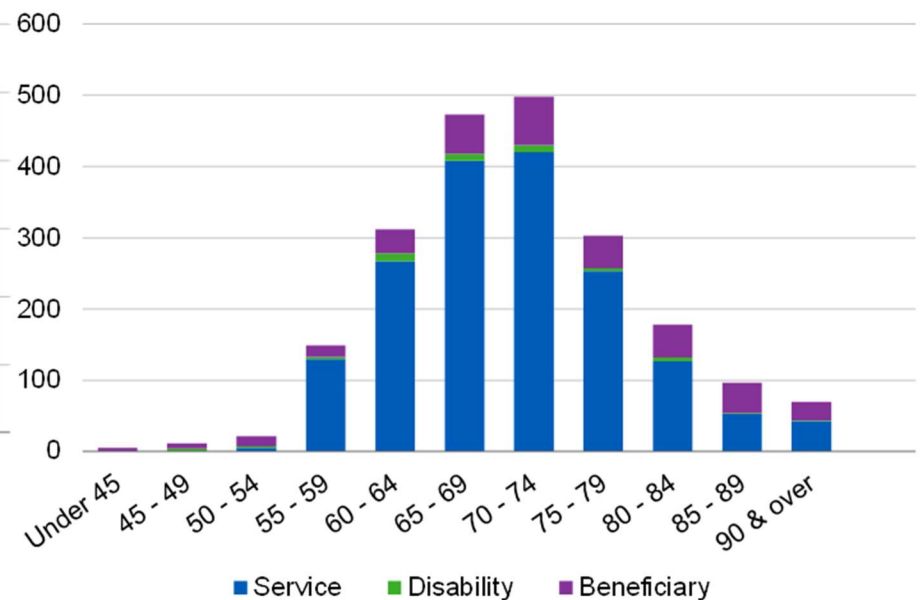
As of June 30, 2023, the average monthly benefit for retired members and beneficiaries is \$5,752, compared to \$5,592 in the previous valuation. The average age for retired members and beneficiaries is 71.4 in the current valuation, compared with 71.0 in the prior valuation.

Distribution of Retired Members and Beneficiaries as of June 30, 2023

Retired Members and Beneficiaries
by Type and Monthly Amount



Retired Members and Beneficiaries
by Type and Age



Section 2: Actuarial Valuation Results

Historical Plan Population

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

Member Data Statistics: 2014 – 2023

Year Ended June 30	Active Members			Retired Members and Beneficiaries		
	Count	Average Age	Average Service	Count	Average Age	Average Monthly Amount
2014	1,715	49.3	14.3	1,497	70.3	\$4,183
2015	1,762	48.8	13.7	1,563	70.1	4,360
2016	1,789	48.5	13.3	1,630	70.1	4,499
2017	1,802	48.0	12.8	1,713	70.1	4,649
2018	1,828	47.8	12.4	1,779	70.2	4,841
2019	1,847	47.6	12.0	1,844	70.3	5,024
2020	1,903	47.3	11.7	1,905	70.6	5,211
2021	1,896	47.4	11.6	1,977	70.8	5,376
2022	1,895	47.2	11.4	2,048	71.0	5,592
2023	1,955	47.1	11.0	2,117	71.4	5,752

Section 2: Actuarial Valuation Results

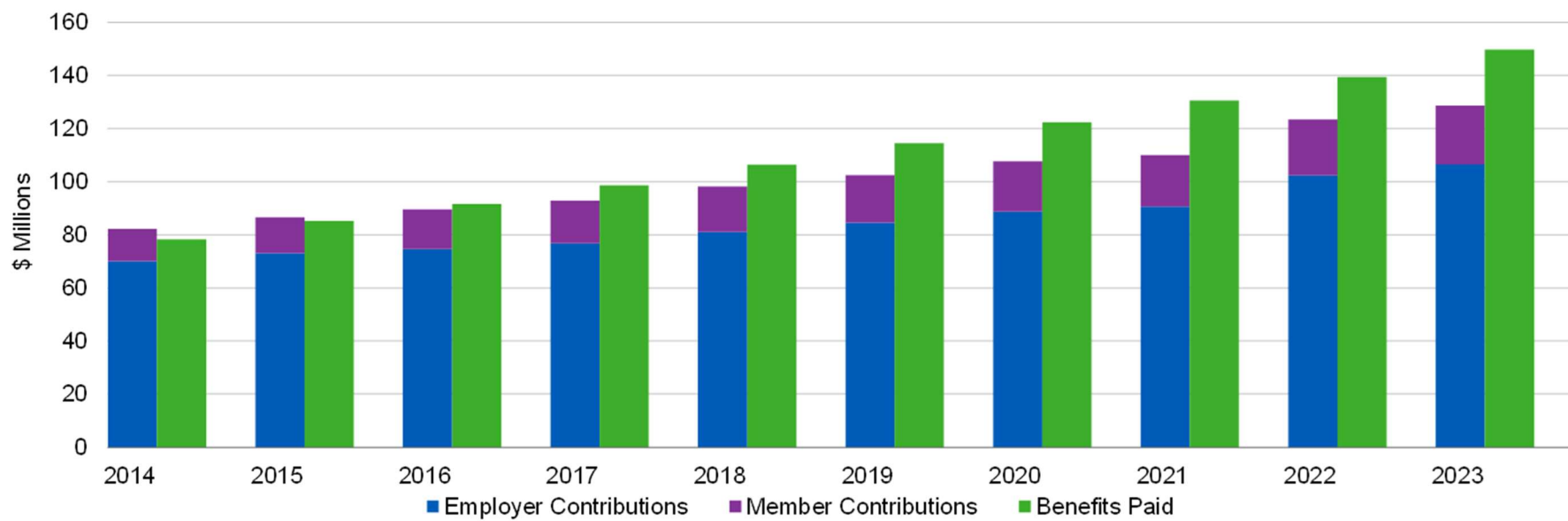
B. Financial Information

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

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

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

Comparison of Contributions Made with Benefits
for Years Ended June 30, 2014 – 2023
(Pension and HIB Plans)



Section 2: Actuarial Valuation Results

Determination of Actuarial Value of Assets for Year Ended June 30, 2023

1	Market Value of Assets					
	(a) Pension plan					\$2,194,142,000
	(b) HIB plan					<u>61,165,000</u>
	(c) Total					\$2,255,307,000
2	Calculation of unrecognized return	Actual Return	Expected Return	Investment Gain/(Loss)	Percent Deferred	Deferred Return
a)	Year ended June 30, 2019	\$91,744,000	\$122,306,135	\$(30,562,135)	0%	\$0
b)	Year ended June 30, 2020	39,376,000	127,791,930	(88,415,930)	20	(17,683,186)
c)	Year ended June 30, 2021	491,625,000	129,314,710	362,310,290	40	144,924,116
d)	Year ended June 30, 2022	(253,930,000)	162,455,125	(416,385,125)	60	(249,831,075)
e)	Year ended June 30, 2023	217,559,000	138,262,646	79,296,354	80	<u>63,437,083</u>
f)	Total unrecognized return ¹					\$(59,153,062)
3	Preliminary Actuarial Value of Assets: (1c) - (2f)					\$2,314,460,062
4	Adjustment to be within 30% corridor of market value					0
5	Final Actuarial Value of Assets: 3 + 4:					<u>\$2,314,460,062</u>
6	Actuarial Value of Assets as a percentage of Market Value of Assets: 5 ÷ 1c					102.6%
7	Valuation Value of Pension Plan Assets: 1a ÷ 1c x 5					<u>\$2,251,690,803</u>

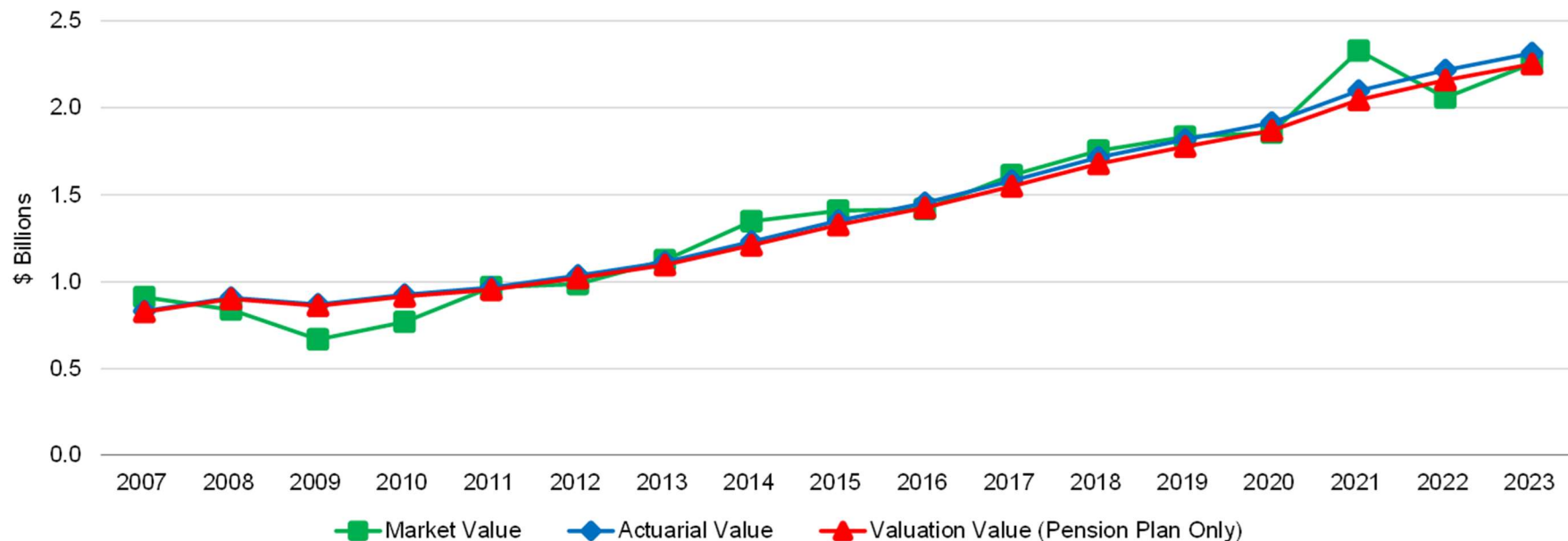
¹ Deferred return as of June 30, 2023 that will be recognized in each of the next four years (amounts may not total exactly due to rounding):

(a)	Amount recognized on June 30, 2024	\$(12,638,882)
(b)	Amount recognized on June 30, 2025	5,044,304
(c)	Amount recognized on June 30, 2026	(67,417,754)
(d)	Amount recognized on June 30, 2027	<u>15,859,271</u>
(e)	Total unrecognized return as of June 30, 2023	\$(59,153,062)

Section 2: Actuarial Valuation Results

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

Market Value, Actuarial Value, and Valuation Value (Pension Plan Only) of Assets
as of June 30, 2007 – 2023



Section 2: Actuarial Valuation Results

C. Actuarial Experience

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

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

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

The total loss is \$80.8 million, which includes \$28.6 million from investment losses (after smoothing), a loss of \$0.4 million from contribution experience and \$51.8 million in losses from all other sources. The net experience variation from individual sources other than investments and contributions was 1.73% of the Actuarial Accrued Liability. A discussion of the major components of the actuarial experience is on the following pages.

Actuarial Experience for Year Ended June 30, 2023

1	Net loss from investments ¹	\$(28,574,882)
2	Actual contributions less than expected	(374,644)
3	Net loss from other experience ²	<u>(51,868,389)</u>
4	Net experience loss:³ 1 + 2 + 3	\$(80,817,915)

¹ Details on next page.

² See *Subsection E* for further details.

³ The net loss is attributed to actual liability experience from July 1, 2022 through June 30, 2023 compared to the projected experience based on the actuarial assumptions as of June 30, 2022. It does not include the effect of plan or assumption changes as of June 30, 2023, if any.

Section 2: Actuarial Valuation Results

Investment Experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy. The rate of return on the Market Value of Assets was 10.62% for the year ended June 30, 2023.

For valuation purposes, the assumed rate of return on the Valuation Value of Assets is 6.75% (for the June 30, 2022 valuation). The actual rate of return on a valuation value basis (after smoothing) for the 2022/2023 plan year was 5.42%. Since the actual return for the year was less than the assumed return, the Plan experienced an actuarial loss during the year ended June 30, 2023 with regard to its investments.

Investment Experience for Year Ended June 30, 2023

	Valuation Value (pension plan assets only)	Actuarial Value (includes pension and HIB plan assets)	Market Value (includes pension and HIB plan assets)
1 Net investment income	\$116,341,275	\$119,511,337	\$217,559,000
2 Average value of assets	2,146,906,028	2,205,536,225	2,048,335,500
3 Rate of return: 1 ÷ 2	5.42%	5.42%	10.62%
4 Assumed rate of return	6.75%	6.75%	6.75%
5 Expected investment income: 2 x 4	\$144,916,157	\$148,873,695	\$138,262,646
6 Actuarial gain/(loss): 1 - 5	\$(28,574,882)	\$(29,362,358)	\$79,296,354

Section 2: Actuarial Valuation Results

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

Investment Return – Valuation Value, Actuarial Value and Market Value: 2014 – 2023¹

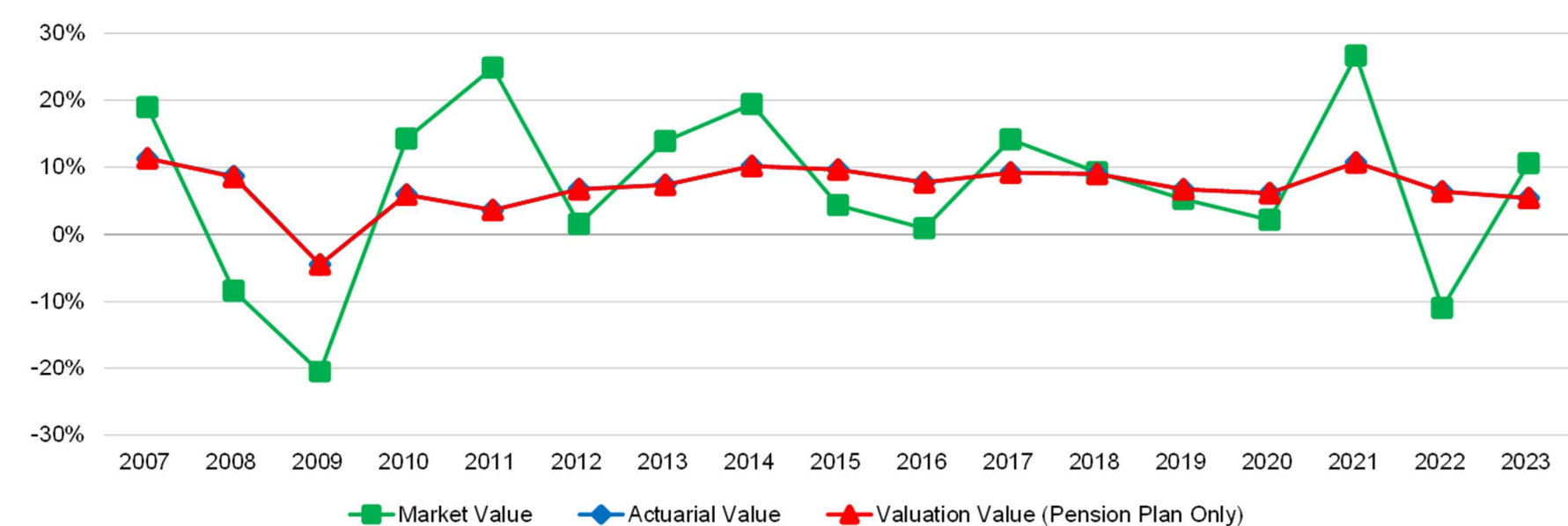
Year Ended June 30	Valuation Value Investment Return		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2014	\$112,077,589	10.22%	\$113,600,558	10.19%	\$218,575,000	19.41%
2015	117,145,293	9.68%	118,952,917	9.67%	58,937,000	4.37%
2016	102,598,231	7.74%	104,468,421	7.74%	12,894,000	0.92%
2017	131,217,766	9.23%	133,617,292	9.22%	200,254,000	14.15%
2018	139,184,681	9.01%	141,900,834	9.00%	148,798,000	9.25%
2019	112,719,164	6.74%	115,218,143	6.74%	91,744,000	5.25%
2020	108,905,040	6.16%	111,447,050	6.16%	39,376,000	2.16%
2021	199,446,791	10.74%	203,946,418	10.71%	491,625,000	26.61%
2022	130,591,533	6.41%	134,280,271	6.43%	(253,930,000)	(10.94)%
2023	116,341,275	5.42%	119,511,337	5.42%	217,559,000	10.62%
Most recent 5-year geometric average return		7.08%	7.08%		6.05%	
Most recent 10-year geometric average return		8.12%	8.11%		7.72%	

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

Section 2: Actuarial Valuation Results

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

Market, Actuarial and Valuation (Pension Plan Only)
Rates of Return for Years Ended June 30, 2007 – 2023



Section 2: Actuarial Valuation Results

Contributions

Contributions for the year ended June 30, 2023, when adjusted for timing, totaled \$120.9 million, compared to the projected amount of \$121.3 million (also adjusted for timing). This resulted in a loss of \$0.4 million for the year, when adjusted for timing.

Non-Investment Experience

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

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

The net loss from this other experience for the year ended June 30, 2023 amounted to \$51.8 million, which is 1.73% of the Actuarial Accrued Liability. This loss was mainly due to the effect of higher than expected individual salary increases for actives and higher than anticipated COLA increases for current retirees and beneficiaries. See *Subsection E* for a detailed development of the Unfunded Actuarial Accrued Liability.

Section 2: Actuarial Valuation Results

D. Other Changes in the Actuarial Accrued Liability

The Actuarial Accrued Liability as of June 30, 2023 is \$2.994 billion, an increase of \$158.7 million, or 5.6%, from the liability as of the prior valuation date. The Actuarial Accrued Liability is expected to grow each year with Normal Cost and interest, and to decline due to benefit payments made. Additional fluctuations can occur due to actual experience that differs from expected (as discussed in the previous subsection).

Methods

This valuation reflects one minor actuarial methodology refinement of applying beginning of year timing of decrements for exiting from active membership status in calculating the normal cost rate. The refinement resulting in a 0.11% of payroll net decrease in the total normal cost rate.

Actuarial Assumptions

There were no assumption changes since the prior valuation.

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

Plan Provisions

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

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

Section 2: Actuarial Valuation Results

E. Development of Unfunded Actuarial Accrued Liability

Development for Year Ended June 30, 2023

1	Unfunded actuarial accrued liability at beginning of year	\$677,308,564
2	Total Normal Cost at beginning of year	56,378,319
3	Expected employer and member contributions at beginning of year	(113,620,903)
4	Interest	<u>41,854,452</u>
5	Expected Unfunded Actuarial Accrued Liability at end of year	\$661,920,432
6	Changes due to:	
	a. Investment loss on smoothed value of assets	\$28,574,882
	b. Effect of anticipated one-year delay in implementing the higher contribution rates calculated in the prior valuation	374,644
	c. Loss due to higher than expected salary increases for continuing active members	20,544,168
	d. Loss due to higher than expected COLA increases for current retirees and beneficiaries	34,571,566
	e. Other gains on demographic experience	<u>(3,247,345)</u>
	Total changes	<u>\$80,817,915</u>
7	Unfunded Actuarial Accrued Liability at end of year	<u>\$742,738,347</u>

Note: The “net loss from other experience” of \$51,868,389 from *Subsection C* is equal to the sum of items 6c, 6d and 6e.

Section 2: Actuarial Valuation Results

F. Recommended Contribution

The recommended contribution is equal to the employer Normal Cost payment and a payment on the Unfunded Actuarial Accrued Liability. As of June 30, 2023, the average recommended employer contribution is 40.14% of compensation, payable at the end of each pay period.

The Board sets the funding policy used to calculate the recommended contribution based on layered 20-year¹ amortization periods as a level percentage of payroll. See *Section 4, Exhibit 1* for further details on the funding policy. Based on this policy, there is no negative amortization² and each amortization layer is fully funded in 20 years. As shown in the graphical projection of the UAAL amortization balances and payments found in *Section 3, Exhibit H*, before taking into consideration the deferred investment gains/losses that will be recognized in the next several valuations, the UAAL of the Plan is expected to be fully amortized by 2045,³ assuming all assumptions are realized and contributions are made in accordance with the funding policy.

The current funding policy is intended to fully fund the cost of the benefits and to allocate the cost of benefits reasonably and equitably over time while minimizing the volatility of employer contributions. The recommended contribution is expected to remain level as a percent of payroll, except when any current amortization layer is fully amortized, assuming there are no future actuarial gains or losses. Furthermore, the funded ratio is expected to increase as the UAAL is methodically funded by employer contributions.

The contribution requirement as of June 30, 2023 is based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions.

¹ Changes in UAAL as a result of actuarial gains or losses or as a result of changes in actuarial assumptions or methods (on or after July 1, 2021) for each valuation are amortized over separate 20-year periods. Changes in UAAL as a result of plan changes are amortized over separate 15-year periods.

² Negative amortization means that the amortization payment towards the UAAL is less than the interest on the UAAL and therefore the outstanding balance of the UAAL would increase.

³ The UAAL is expected to be fully amortized later than the 20-year amortization period because of a prior change in assumptions base that was originally established with a 25 year amortization period and which has 22 years remaining as of June 30, 2023.

Section 2: Actuarial Valuation Results

Average Recommended Employer Contribution for Year Ended June 30

		2023		2022	
All Tiers Combined		Amount	% of Projected Compensation	Amount	% of Projected Compensation
1	Total Normal Cost	\$62,314,596	23.76%	\$58,245,086	24.11%
2	Expected member Normal Cost contributions	<u>23,708,690</u>	<u>9.04%</u>	<u>21,744,422</u>	<u>9.00%</u>
3	Employer Normal Cost: 1 – 2	\$38,605,906	14.72%	\$36,500,664	15.11%
4	Actuarial Accrued Liability	2,994,429,150		2,835,771,092	
5	Valuation Value of Assets	<u>2,251,690,803</u>		<u>2,158,462,528</u>	
6	Unfunded Actuarial Accrued Liability: 4 – 5	\$742,738,347		\$677,308,564	
7	Payment on Unfunded Actuarial Accrued Liability	66,669,695	25.42%	59,152,588	24.49%
8	Total average recommended employer contribution: 3 + 7	<u>\$105,275,601</u>	<u>40.14%</u>	<u>\$95,653,252</u>	<u>39.60%</u>
9	Projected compensation	\$262,272,600		\$241,537,720	

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

Section 2: Actuarial Valuation Results

Reconciliation of Average Recommended Employer Contribution Rate

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

Reconciliation from June 30, 2022 to June 30, 2023

	Contribution Rate	Estimated Annual Dollar Amount ¹
Average <u>Adopted</u> Employer Contribution Rate as of June 30, 2022	39.15%	\$102,688,095
1. Effect of change in membership demographics	0.06%	\$157,364
2. Effect of investment return less than expected on smoothed value of assets	0.77%	2,019,499
3. Effect of individual salary increases higher than expected for continuing active members	0.56%	1,468,727
4. Effect of amortizing prior year's UAAL over a larger than expected projected total payroll	(1.26)%	(3,304,635)
5. Effect of higher than expected COLA increases for current retirees and beneficiaries	0.94%	2,465,362
6. Effect of anticipated one-year delay in implementing the higher contribution rates calculated in the prior valuation	0.01%	26,227
7. Effect of other demographic experience gains on accrued liability	<u>(0.09)%</u>	<u>(245,038)</u>
Total change	0.99%	\$2,587,506
Average Recommended Employer Contribution Rate as of June 30, 2023	40.14%	\$105,275,601

¹ Based on June 30, 2023 projected compensation of \$262,272,600.

Section 2: Actuarial Valuation Results

Reconciliation of Average Recommended Member Contribution Rate

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

Reconciliation from June 30, 2022 to June 30, 2023

	Contribution Rate	Estimated Annual Dollar Amount ¹
Average Recommended Member Contribution as of June 30, 2022	9.04%	\$23,708,690
1. Effect of changes in member demographics	<u>0.00%</u>	<u>\$0</u>
Total changes	0.00%	\$0
Average Recommended Member Contribution as of June 30, 2023	9.04%	\$23,708,690

¹ Based on June 30, 2023 projected compensation of \$262,272,600.

Section 2: Actuarial Valuation Results

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

	June 30, 2023 Actuarial Valuation		June 30, 2022 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount ¹	Contribution Rate	Estimated Annual Dollar Amount ¹
1955/1980 Plan				
Total Normal Cost	27.83%	\$36,036,556	27.90%	\$36,127,198
Expected Employee Contributions	<u>-8.66%</u> ²	<u>-11,213,675</u>	<u>-8.66%</u> ²	<u>-11,213,675</u>
Employer Normal Cost	19.17%	\$24,822,881	19.24%	\$24,913,523
UAAL	<u>25.42%</u>	<u>32,915,891</u>	<u>24.49%</u>	<u>31,711,651</u>
Total Employer Contribution	44.59%	\$57,738,772	43.73%	\$56,625,174
2013 Tier				
Total Normal Cost	19.79%	\$26,278,040	19.61%	\$26,039,028
Expected Employee Contributions	<u>-9.41%</u>	<u>-12,495,015</u>	<u>-9.41%</u>	<u>-12,495,015</u>
Employer Normal Cost	10.38%	\$13,783,025	10.20%	\$13,544,013
UAAL	<u>25.42%</u>	<u>33,753,804</u>	<u>24.49%</u>	<u>32,518,908</u>
Total Employer Contribution	35.80%	\$47,536,829	34.69%	\$46,062,921
Combined				
Total Normal Cost	23.76%	\$62,314,596	23.70%	\$62,166,226
Expected Employee Contributions	<u>-9.04%</u>	<u>-23,708,690</u>	<u>-9.04%</u>	<u>-23,708,690</u>
Employer Normal Cost	14.72%	\$38,605,906	14.66%	\$38,457,536
UAAL	<u>25.42%</u>	<u>66,669,695</u>	<u>24.49%</u>	<u>64,230,559</u>
Total Employer Contribution	40.14%	\$105,275,601	39.15%	\$102,688,095

¹ Amounts are based on the following June 30, 2023 projected annual payroll:

1955/1980 Plan	\$129,488,164
2013 Tier	<u>132,784,436</u>
Combined	\$262,272,600

² The rate of 8.66% payable during the fiscal years 2023/2024 and 2024/2025 is calculated by taking the total employee rate payable beginning April 18, 2016 (i.e., 8.75%), less the HIB employee contribution rate of 0.09%.

Section 2: Actuarial Valuation Results

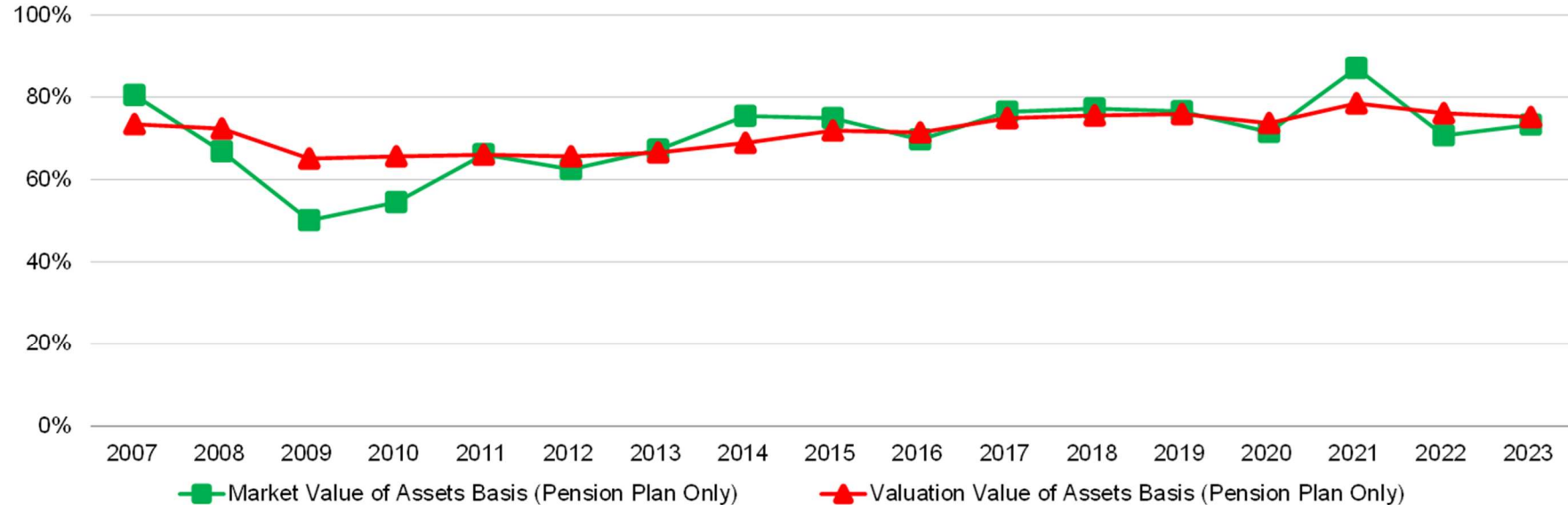
G. Funded Status

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

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

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

Funded Ratio for Years Ended June 30, 2007 – 2023



Section 2: Actuarial Valuation Results

Schedule of Funding Progress for Years Ended June 30, 2014 – 2023 (Dollar amounts in thousands)

Actuarial Valuation Date as of June 30,	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (%) (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (%) [(b) - (a)] / (c)
2014	\$1,210,321	\$1,756,706	\$546,385	68.9%	\$167,196	326.8%
2015	1,327,113	1,845,912	518,799	71.9	174,899	296.6
2016	1,425,785	1,995,863	570,078	71.4	183,971	309.9
2017	1,549,213	2,068,015	518,802	74.9	184,859	280.6
2018	1,678,417	2,220,977	542,560	75.6	202,995	267.3
2019	1,777,065	2,340,773	563,708	75.9	212,351	265.5
2020	1,868,917	2,535,238	666,321	73.7	224,412	296.9
2021	2,045,503	2,605,614	560,111	78.5	224,392	249.6
2022	2,158,463	2,835,771	677,308	76.1	241,538	280.4
2023	2,251,691	2,994,429	742,738	75.2	262,273	283.2

Section 2: Actuarial Valuation Results

H. Actuarial Balance Sheet

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

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

Actuarial Balance Sheet

	Year Ended	
	June 30, 2023	June 30, 2022
Actuarial Present Value of Future Benefits		
• Present value of benefits for retired members and beneficiaries	\$1,959,982,363	\$1,834,781,122
• Present value of benefits for inactive vested members	59,125,354	55,173,918
• Present value of benefits for active members	<u>1,507,682,199</u>	<u>1,433,617,383</u>
Total Actuarial Present Value of Future Benefits	<u>\$3,526,789,916</u>	<u>\$3,323,572,423</u>
Current and future assets		
• Total Valuation Value of Assets	\$2,251,690,803	\$2,158,462,528
• Present value of future contributions by members	219,099,771	197,570,495
• Present value of future employer contributions for:		
– Entry age Normal Cost	313,260,995	290,230,836
– Unfunded Actuarial Accrued Liability	<u>742,738,347</u>	<u>677,308,564</u>
Total of current and future assets	<u>\$3,526,789,916</u>	<u>\$3,323,572,423</u>

Section 2: Actuarial Valuation Results

I. Volatility Ratios

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

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

The current AVR is about 8.4. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 8.4% of one-year's payroll. Since actuarial gains and losses are amortized over 20 years, there would be a 0.6% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

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

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions. The current LVR is about 11.4. This is about 36% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

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

Volatility Ratios for Years Ended June 30, 2014 – 2023

Year Ended June 30	Asset Volatility Ratio	Liability Volatility Ratio
2014	7.9	10.5
2015	7.9	10.6
2016	7.6	10.8
2017	8.6	11.2
2018	8.5	10.9
2019	8.4	11.0
2020	8.1	11.3
2021	10.1	11.6
2022	8.3	11.7
2023	8.4	11.4

Section 2: Actuarial Valuation Results

J. Risk Assessment

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

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

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

Risk Assessments

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

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

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

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

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

Section 2: Actuarial Valuation Results

funded status and contribution rates. The inherent year-to-year volatility is reduced by smoothing through the Actuarial Value of Assets, however investment experience can still have a sizable impact. As discussed in *Section 2, Subsection I, Volatility Ratios*, on page 38, a 1% asset gain or loss (relative to the assumed investment return) translates to about 8.4% of one-year's payroll. Since actuarial gains and losses are amortized over 20 years, there would be a 0.6% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The year-by-year market value rate of return over the last 10 years has ranged from a low of (10.94)% to a high of 26.61%.

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

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

- Other Risks

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

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

Evaluation of Historical Trends

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

- The funded percentage on the Valuation Value of Assets basis has increased from 68.9% to 75.2%. This is primarily due to contributions made to amortize the UAAL under the Board's actuarial funding policy. For a more detailed history see *Section 2, Subsection G, Funded Status* starting on page 35.

Section 2: Actuarial Valuation Results

- The average geometric investment return on the Actuarial Value of Assets over the most recent 10-year period was 8.11%. This includes a high of a 10.71% return and a low of 5.42%. The average over the last 5 years was 7.08%. For more details see the Investment Return table in *Section 2, Subsection C* on page 25.
- The primary source of new UAAL was the strengthening of assumptions through multiple assumption changes. For example, the assumption changes in:
 - 2016 included a change in the discount rate from 7.50% to 7.25%, adding \$52.6 million in unfunded liability;
 - 2018 included a change in the discount rate from 7.25% to 7.00%, adding \$12.5 million in unfunded liability;
 - 2020 included the use of amount-weighted mortality tables projected generationally to better reflect future mortality improvement, adding \$104.8 million in unfunded liability; and
 - 2022 includes a change in the discount rate from 7.00% to 6.75%, adding \$72.1 million in unfunded liability.

For more details on unfunded liability changes see *Section 3, Exhibit G, Table of Amortization Bases* starting on page 53.

- The plan's funding policy effectively deals with these unfunded liabilities over time.¹ This can be seen most clearly in the *Section 3, Exhibit H, Projection of UAAL Balances and Payments* provided on pages 55 and 56.

Maturity Measures

In the last 10 years the ratio of retired members and beneficiaries to active members has increased from 0.87 to 1.08. An increased ratio indicates that the plan has grown in maturity over time. This is to be expected, but is also informative for understanding plan sensitivity to particular risks. For more details see *Section 2, Subsection A, Member Data* on page 16.

As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities. For the prior year, benefits paid were \$21.2 million more than contributions received.² Plans with high levels of negative cash flows may have a need for a larger allocation to income generating assets, which can create a drag on investment return. However, this plan currently has relatively low levels of negative cash flows. For more details on historical cash flows see the Comparison of Contributions Made with Benefits in *Section 2, Subsection B* on page 20. A further discussion of plan maturity measures and how they relate to changes in assets and liabilities is included in *Section 2, Subsection I, Volatility Ratios* on page 38.

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

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

Section 2: Actuarial Valuation Results

Low-Default-Risk Obligation Measure (LDROM)

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. One of the revisions to ASOP 4 requires the disclosure of a Low-Default-Risk Obligation Measure (LDROM) when performing a funding valuation. The LDROM presented in this report is calculated using the same methodology and assumptions used to determine the Actuarial Accrued Liability (AAL) used for funding, except for the discount rate. The LDROM is required to be calculated using “a discount rate...derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.”

The LDROM is a calculation assuming a plan's assets are invested in an all-bond portfolio, generally lowering expected long-term investment returns. The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in June of the measurement period, by The Bond Buyer, is 3.65% for use effective June 30, 2023. This is the rate used to determine the discount rate for valuing reported public pension plan liabilities in accordance with Governmental Accounting Standards when plan assets are projected to be insufficient to make projected benefit payments, and the 20-year period reasonably approximates the duration of public pension plan liabilities. The LDROM is not used to determine a plan's funded status or Actuarially Determined Contribution Rate. The plan's expected return on assets, currently 6.75%, is used for these calculations.

As of June 30, 2023, the LDROM for the System is \$4.515 billion. The difference between the System's AAL of \$2.994 billion and the LDROM can be thought of as the increase in the AAL if the entire portfolio were invested in low-default-risk securities. Alternatively, this difference could also be viewed as representing the expected savings from investing in the plan's diversified portfolio compared to investing only in low-default-risk securities.

ASOP 4 requires commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower and the Actuarially Determined Contribution would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of employer contributions, it also may be more likely to result in higher employer contributions or lower benefits.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage

Total Plan

Category	Year Ended June 30		Change From Prior Year
	2023	2022	
Active members in valuation:			
• Number	1,955	1,895	3.2%
• Average age	47.1	47.2	-0.1
• Average years of service	11.0	11.4	-0.4
• Total projected compensation	\$262,272,600	\$241,537,720	8.6%
• Average projected compensation	\$134,155	\$127,461	5.3%
• Account balances	\$248,277,401	\$235,786,215	5.3%
• Total active vested members	1,338	1,297	3.2%
Inactive vested members:			
• Number ¹	381	360	5.8%
• Average Age	48.4	48.3	0.1
Retired members:			
• Number in pay status	1,704	1,656	2.9%
• Average age	71.0	70.6	0.4
• Average monthly benefit	\$6,332	\$6,131	3.3%
Disabled members:			
• Number in pay status	51	53	-3.8%
• Average age	67.4	66.8	0.6
• Average monthly benefit	\$2,653	\$2,550	4.0%
Beneficiaries:			
• Number in pay status	362	339	6.8%
• Average age	73.8	73.2	0.6
• Average monthly benefit	\$3,456	\$3,434	0.6%

¹ Includes inactive members due a refund of member contributions.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

1955/1980 Plan

Category	Year Ended June 30		Change From Prior Year
	2023	2022	
Active members in valuation:			
• Number	856	924	-7.4%
• Average age	53.3	52.9	0.4
• Average years of service	18.9	18.5	0.4
• Total projected compensation	\$129,488,164	\$131,236,899	-1.3%
• Average projected compensation	\$151,271	\$142,031	6.5%
• Account balances	\$192,745,940	\$192,084,135	0.3%
• Total active vested members	825	887	-7.0%
Inactive vested members:			
• Number ¹	211	214	-1.4%
• Average Age	52.9	52.4	0.5
Retired members:			
• Number in pay status	1,694	1,648	2.8%
• Average age	71.1	70.7	0.4
• Average monthly benefit	\$6,363	\$6,156	3.4%
Disabled members:			
• Number in pay status	51	53	-3.8%
• Average age	67.4	66.8	0.6
• Average monthly benefit	\$2,653	\$2,550	4.0%
Beneficiaries:			
• Number in pay status	362	339	6.8%
• Average age	73.8	73.2	0.6
• Average monthly benefit	\$3,456	\$3,434	0.6%

¹ Includes inactive members due a refund of member contributions.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

2013 Tier

Category	Year Ended June 30		Change From Prior Year
	2023	2022	
Active members in valuation:			
• Number	1,099	971	13.2%
• Average age	42.2	41.8	0.4
• Average years of service	4.9	4.6	0.3
• Total projected compensation	\$132,784,436	\$110,300,821	20.4%
• Average projected compensation	\$120,823	\$113,595	6.4%
• Account balances	\$55,531,461	\$43,702,080	27.1%
• Total active vested members	513	410	25.1%
Inactive vested members:			
• Number ¹	170	146	16.4%
• Average Age	42.8	42.4	0.4
Retired members:			
• Number in pay status	10	8	25.0%
• Average age	67.0	66.9	0.1
• Average monthly benefit	\$1,161	\$1,039	11.7%
Disabled members:			
• Number in pay status	N/A	N/A	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit	N/A	N/A	N/A
Beneficiaries:			
• Number in pay status	N/A	N/A	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit	N/A	N/A	N/A

¹ Includes inactive members due a refund of member contributions.

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of June 30, 2023 by Age, Years of Service, and Average Projected Compensation

Total Plan

Age	Years of Service									
	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	7	7	—	—	—	—	—	—	—	—
	\$103,361	\$103,361	—	—	—	—	—	—	—	—
25 - 29	64	58	6	—	—	—	—	—	—	—
	115,649	114,229	\$129,373	—	—	—	—	—	—	—
30 - 34	216	140	64	12	—	—	—	—	—	—
	120,553	113,638	131,951	\$140,444	—	—	—	—	—	—
35 - 39	308	145	123	34	6	—	—	—	—	—
	124,317	114,391	129,322	145,084	\$143,894	—	—	—	—	—
40 - 44	303	102	105	45	46	5	—	—	—	—
	132,971	114,892	129,190	149,576	159,895	\$184,035	—	—	—	—
45 - 49	275	67	87	45	45	26	5	—	—	—
	140,548	123,635	132,342	145,664	160,702	162,891	\$166,350	—	—	—
50 - 54	277	45	63	37	50	37	35	9	1	—
	142,362	121,016	134,139	149,018	149,401	150,298	152,961	\$158,614	\$211,945	—
55 - 59	236	30	46	22	57	24	37	19	1	—
	142,323	120,563	130,551	135,606	149,696	153,114	150,985	161,514	120,172	—
60 - 64	177	19	25	25	34	15	27	20	10	2
	143,294	121,744	122,818	153,044	146,420	146,777	153,131	146,875	148,178	\$209,816
65 - 69	73	3	10	13	8	10	8	9	4	8
	135,772	113,234	112,746	142,875	125,771	107,364	144,611	151,757	153,665	171,204
70 & over	19	1	1	2	2	2	8	1	—	2
	135,823	110,935	146,042	155,142	132,275	123,222	140,847	93,888	—	140,857
Total	1,955	617	530	235	248	119	120	58	16	12
	\$134,155	\$116,165	\$130,201	\$146,361	\$152,023	\$150,528	\$151,584	\$153,336	\$151,785	\$172,581

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of June 30, 2023 by Age, Years of Service, and Average Projected Compensation (continued)

1955/1980 Plan

Age	Years of Service									
	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25 – 29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30 – 34	12	3	1	8	—	—	—	—	—	—
	\$142,646	\$138,544	\$153,649	\$142,809	—	—	—	—	—	—
35 – 39	53	5	16	26	6	—	—	—	—	—
	144,905	115,625	151,806	146,523	\$143,894	—	—	—	—	—
40 – 44	108	6	16	35	46	5	—	—	—	—
	154,960	141,096	136,944	154,933	159,895	\$184,035	—	—	—	—
45 – 49	131	7	13	35	45	26	5	—	—	—
	157,332	190,036	135,234	149,247	160,702	162,891	\$166,350	—	—	—
50 – 54	177	3	15	27	50	37	35	9	1	—
	152,209	146,217	150,520	156,308	149,401	150,298	152,961	\$158,614	\$211,945	—
55 – 59	169	7	9	15	57	24	37	19	1	—
	151,117	153,027	156,486	138,424	149,696	153,114	150,985	161,514	120,172	—
60 – 64	131	—	3	20	34	15	27	20	10	2
	150,835	—	139,534	159,369	146,420	146,777	153,131	146,875	148,178	\$209,816
65 – 69	58	—	—	11	8	10	8	9	4	8
	141,166	—	—	145,530	125,771	107,364	144,611	151,757	153,665	171,204
70 & over	17	—	—	2	2	2	8	1	—	2
	136,686	—	—	155,142	132,275	123,222	140,847	93,888	—	140,857
Total	856	31	73	179	248	119	120	58	16	12
	\$151,271	\$150,982	\$145,431	\$150,802	\$152,023	\$150,528	\$151,584	\$153,336	\$151,785	\$172,581

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of June 30, 2023 by Age, Years of Service, and Average Projected Compensation (continued)

2013 Tier

Age	Years of Service									
	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	7	7	—	—	—	—	—	—	—	—
	\$103,361	\$103,361	—	—	—	—	—	—	—	—
25 – 29	64	58	6	—	—	—	—	—	—	—
	115,649	114,229	\$129,373	—	—	—	—	—	—	—
30 – 34	204	137	63	4	—	—	—	—	—	—
	119,254	113,092	131,607	\$135,713	—	—	—	—	—	—
35 – 39	255	140	107	8	—	—	—	—	—	—
	120,038	114,347	125,960	140,409	—	—	—	—	—	—
40 – 44	195	96	89	10	—	—	—	—	—	—
	120,792	113,255	127,795	130,826	—	—	—	—	—	—
45 – 49	144	60	74	10	—	—	—	—	—	—
	125,279	115,888	131,834	133,123	—	—	—	—	—	—
50 – 54	100	42	48	10	—	—	—	—	—	—
	124,934	119,216	129,020	129,335	—	—	—	—	—	—
55 – 59	67	23	37	7	—	—	—	—	—	—
	120,144	110,682	124,242	129,566	—	—	—	—	—	—
60 – 64	46	19	22	5	—	—	—	—	—	—
	121,819	121,744	120,539	127,741	—	—	—	—	—	—
65 – 69	15	3	10	2	—	—	—	—	—	—
	114,914	113,234	112,746	128,277	—	—	—	—	—	—
70 & over	2	1	1	—	—	—	—	—	—	—
	128,489	110,935	146,042	—	—	—	—	—	—	—
Total	1,099	586	457	56	—	—	—	—	—	—
	\$120,823	\$114,323	\$127,768	\$132,164	—	—	—	—	—	—

Section 3: Supplemental Information

Exhibit C: Reconciliation of Member Data

	Active Members	Inactive Vested Members ¹	Retired Members	Disabled Members	Beneficiaries	Total
Number as of June 30, 2022	1,895	360	1,656	53	339	4,303
• New members	166	0	0	0	34	200
• Terminations – with vested rights	-35	35	0	0	0	0
• Contribution refunds	-5	-9	0	0	0	-14
• Retirements	-67	-14	81	0	0	0
• New disabilities	0	0	0	0	0	0
• Return to work	3	-3	0	0	0	0
• Died with or without beneficiary	-2	0	-32	-2	-11	-47
• Data adjustments	0	12 ²	-1	0	0	11
Number as of June 30, 2023	1,955	381	1,704	51	362	4,453

¹ Includes inactive members due a refund of member contributions.

² Includes 6 members who were hired and terminated during fiscal 2022/2023, 4 members who were previously categorized as having taken a refund of member contributions, and 2 members who were classified by EBMUDERS as terminated non-vested but who had member contributions still on file.

Section 3: Supplemental Information

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

	Year Ended June 30, 2023	Year Ended June 30, 2022
Net assets at market value at the beginning of the year	\$2,058,923,000	\$2,328,722,000
Contribution income:		
• Employer contributions	\$106,523,000	\$102,285,000
• Member contributions	<u>22,088,000</u>	<u>21,127,000</u>
Net contribution income	\$128,611,000	\$123,412,000
Investment income:		
• Interest, dividends and other income	\$38,553,000	\$28,386,000
• Asset appreciation	187,897,000	(276,684,000)
• Less investment and administrative fees	<u>(8,891,000)</u>	<u>(5,632,000)</u>
Net investment income	<u>\$217,559,000</u>	<u>\$(253,930,000)</u>
Total income available for benefits	\$346,170,000	\$(130,518,000)
Less benefit payments:		
• Benefits paid	\$(149,102,000)	\$(138,582,000)
• Refund of contributions	<u>(684,000)</u>	<u>(699,000)</u>
Net benefit payments	<u>\$(149,786,000)</u>	<u>\$(139,281,000)</u>
Change in net assets at market value	\$196,384,000	\$(269,799,000)
Net assets at market value at the end of the year	\$2,255,307,000	\$2,058,923,000

Note: Results may be slightly off due to rounding.

Section 3: Supplemental Information

Exhibit E: Summary Statement of Plan Assets

	June 30, 2023	June 30, 2022
Cash equivalents:	\$27,677,000	\$25,336,000
Accounts receivable:		
• Brokers, securities sold	\$2,854,000	\$923,000
• Employer and member contributions	4,493,000	3,840,000
• Interest, dividends and recoverable taxes	<u>4,833,000</u>	<u>4,700,000</u>
Total accounts receivable	\$12,180,000	\$9,463,000
Investments:		
• Equities	\$1,581,310,000	\$1,413,921,000
• Fixed income investments	515,694,000	487,236,000
• Real estate	122,000,000	125,557,000
• Securities lending collateral	77,906,000	101,249,000
• Capital assets	1,692,000	0
• Prepaid expenses	<u>575,000</u>	<u>568,000</u>
Total investments at market value	<u>\$2,299,177,000</u>	<u>\$2,128,531,000</u>
Total assets	\$2,339,034,000	\$2,163,330,000
Accounts payable:		
• Accounts payable and accrued expenses	\$(3,224,000)	\$(2,447,000)
• Payables to brokers, securities purchased	(2,597,000)	(711,000)
• Securities lending collateral	<u>(77,906,000)</u>	<u>(101,249,000)</u>
Total accounts payable	\$(83,727,000)	\$(104,407,000)
Net assets at market value	<u>\$2,255,307,000</u>	<u>\$2,058,923,000</u>
Net assets at actuarial value	<u>\$2,314,460,062</u>	<u>\$2,216,123,725</u>
Net assets at valuation value (Pension Plan Only)	<u>\$2,251,690,803</u>	<u>\$2,158,462,528</u>

Note: Results may be slightly off due to rounding.

Section 3: Supplemental Information

Exhibit F: Development of the Fund through June 30, 2023 for all Pension Plan and HIB Plan Assets

Year Ended June 30	Employer Contributions	Member Contributions	Net Investment Return ¹	Benefit Payments	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2014	\$70,117,000	\$12,133,000	\$218,575,000	\$78,265,000	\$1,346,888,000	\$1,229,955,379	91.3%
2015	73,141,000	13,427,000	58,937,000	85,184,000	1,407,209,000	1,350,292,296	96.0%
2016	74,672,000	14,925,000	12,894,000	91,571,000	1,418,129,000	1,452,786,717	102.4%
2017	76,860,000	16,018,000	200,254,000	98,617,000	1,612,644,000	1,580,665,009	98.0%
2018	81,096,000	17,079,000	148,798,000	106,377,000	1,753,240,000	1,714,363,843	97.8%
2019	84,551,000	17,865,000	91,744,000	114,435,000	1,832,965,000	1,817,562,986	99.2%
2020	88,734,000	18,885,000	39,376,000	122,351,000	1,857,609,000	1,914,278,036	103.1%
2021	90,624,000	19,336,000	491,625,000	130,472,000	2,328,722,000	2,097,712,454	90.1%
2022	102,285,000	21,127,000	(253,930,000)	139,281,000	2,058,923,000	2,216,123,725	107.6%
2023	106,523,000	22,088,000	217,559,000	149,786,000	2,255,307,000	2,314,460,062	102.6%

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

Section 3: Supplemental Information

Exhibit G: Table of Amortization Bases

Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ¹
Experience Gain	06/30/2000	\$(10,871,830)	30	\$(8,637,727)	7	\$(1,370,198)
Change in Assumptions	06/30/2000	8,629,891	30	6,856,497	7	1,087,642
Plan Amendments	06/30/2000	13,607,265	30	10,811,046	7	1,714,950
3.5% Retiree COLA Assumption	06/30/2000	27,057,441	30	21,497,287	7	3,410,102
Experience Loss	06/30/2001	2,292,281	30	1,964,171	8	277,325
Experience Loss	06/30/2002	26,232,251	30	23,865,999	9	3,046,562
Plan Amendments	06/30/2002	5,111,914	30	4,650,796	9	593,687
Experience Loss	06/30/2003	43,692,270	30	41,691,103	10	4,871,277
Plan Amendments	06/30/2003	67,138,578	30	64,063,531	10	7,485,319
Experience Loss	06/30/2004	32,731,232	30	32,433,068	11	3,503,284
New Assumption / Domestic Partners	06/30/2004	(9,812,646)	30	(9,723,260)	11	(1,050,266)
Experience Loss	06/30/2005	26,910,233	30	27,465,202	12	2,765,133
Remove Limit Pension Base	06/30/2005	27,315,928	30	27,752,556	12	2,794,064
Experience Loss	06/30/2006	14,160,133	30	14,784,375	13	1,396,892
Experience Gain	06/30/2007	(3,098,126)	30	(3,289,907)	14	(293,428)
Experience Gain	06/30/2008	(7,800,585)	30	(8,382,940)	15	(709,330)
Change in Assumptions	06/30/2008	51,413,374	30	55,251,662	15	4,675,171
Experience Loss	06/30/2009	114,894,458	30	124,415,515	16	10,031,124
Experience Loss	06/30/2010	3,039,098	30	3,303,564	17	254,762
Change in Assumptions	06/30/2010	8,098,499	30	8,803,241	17	678,883
Experience Loss	06/30/2011	4,428,038	30	4,819,200	18	356,668
Experience Gain	06/30/2012	(15,668,764)	20	(12,239,654)	9	(1,562,426)
Change in Assumptions	06/30/2012	53,400,521	25	51,601,242	14	4,602,336

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

Section 3: Supplemental Information

Exhibit G: Table of Amortization Bases (continued)

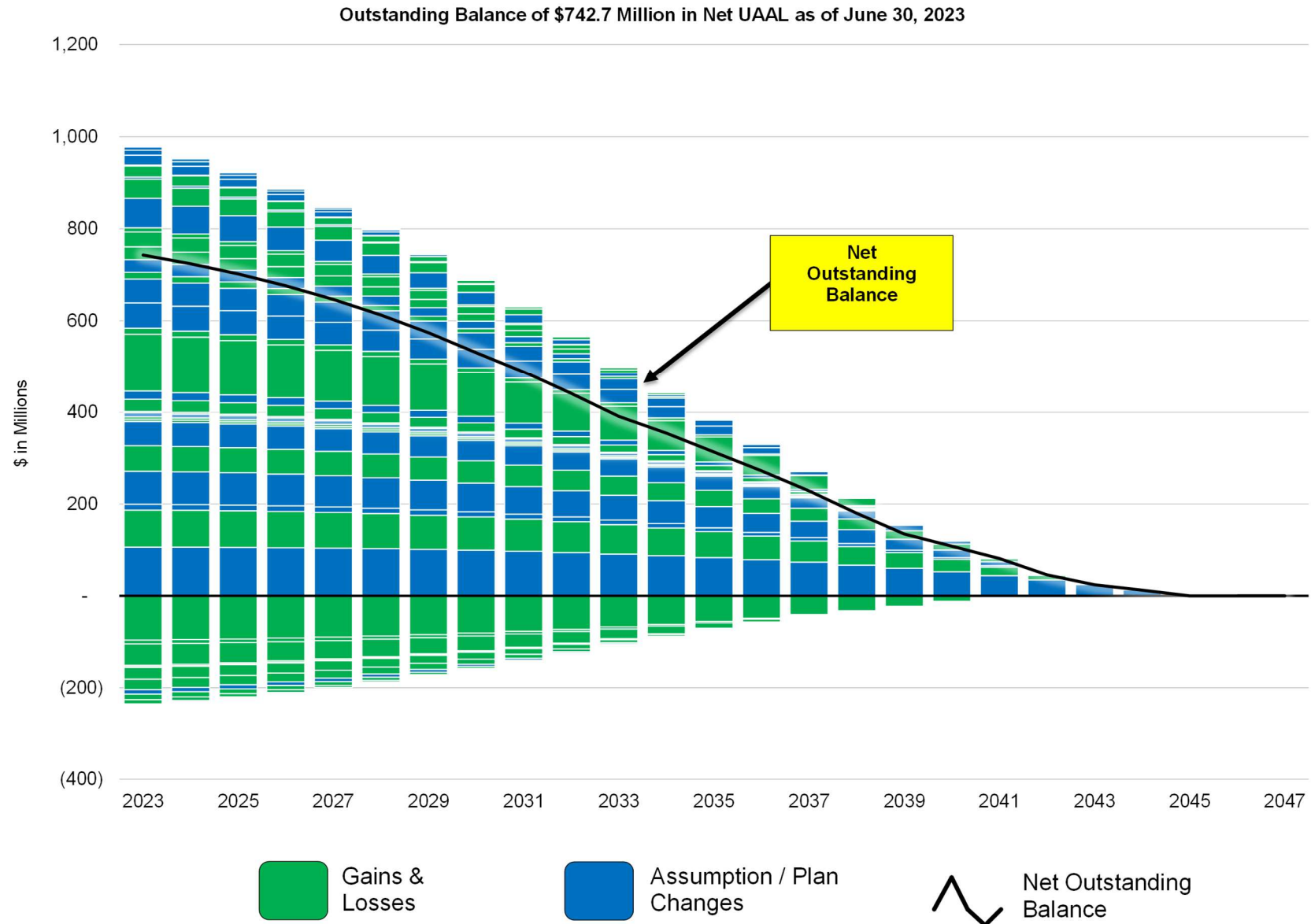
Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ¹
Experience Loss	06/30/2013	\$10,858,322	20	\$8,924,458	10	\$1,042,753
Experience Gain	06/30/2014	(26,406,581)	20	(22,610,099)	11	(2,442,248)
Change in Assumptions	06/30/2014	18,421,049	25	18,265,734	16	1,472,693
Experience Gain	06/30/2015	(28,955,525)	20	(25,678,709)	12	(2,585,273)
Experience Gain	06/30/2016	(1,408,751)	20	(1,285,146)	13	(121,426)
Change in Assumptions	06/30/2016	52,595,760	25	52,955,822	18	3,919,250
Experience Gain	06/30/2017	(50,022,788)	20	(46,710,776)	14	(4,166,153)
Experience Loss	06/30/2018	14,053,082	20	13,365,208	15	1,130,910
Change in Assumptions	06/30/2018	12,484,391	25	12,632,131	20	868,548
Experience Loss	06/30/2019	26,728,885	20	25,839,668	16	2,083,349
Experience Loss	06/30/2020	5,281,313	20	5,170,058	17	398,701
Change in Assumptions	06/30/2020	104,813,640	25	106,062,581	22	6,840,557
Experience Gain	06/30/2021	(97,336,901)	20	(96,165,305)	18	(7,117,175)
Experience Loss	06/30/2022	56,034,517	20	55,704,018	19	3,968,350
Change in Assumptions	06/30/2022	72,119,593	20	71,694,222	19	5,107,491
Experience Loss	06/30/2023	80,817,915	20	<u>80,817,915</u>	20	<u>5,556,800</u>
Total				\$742,738,347		\$64,516,660

Note: The equivalent single amortization period is about 14 years.

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

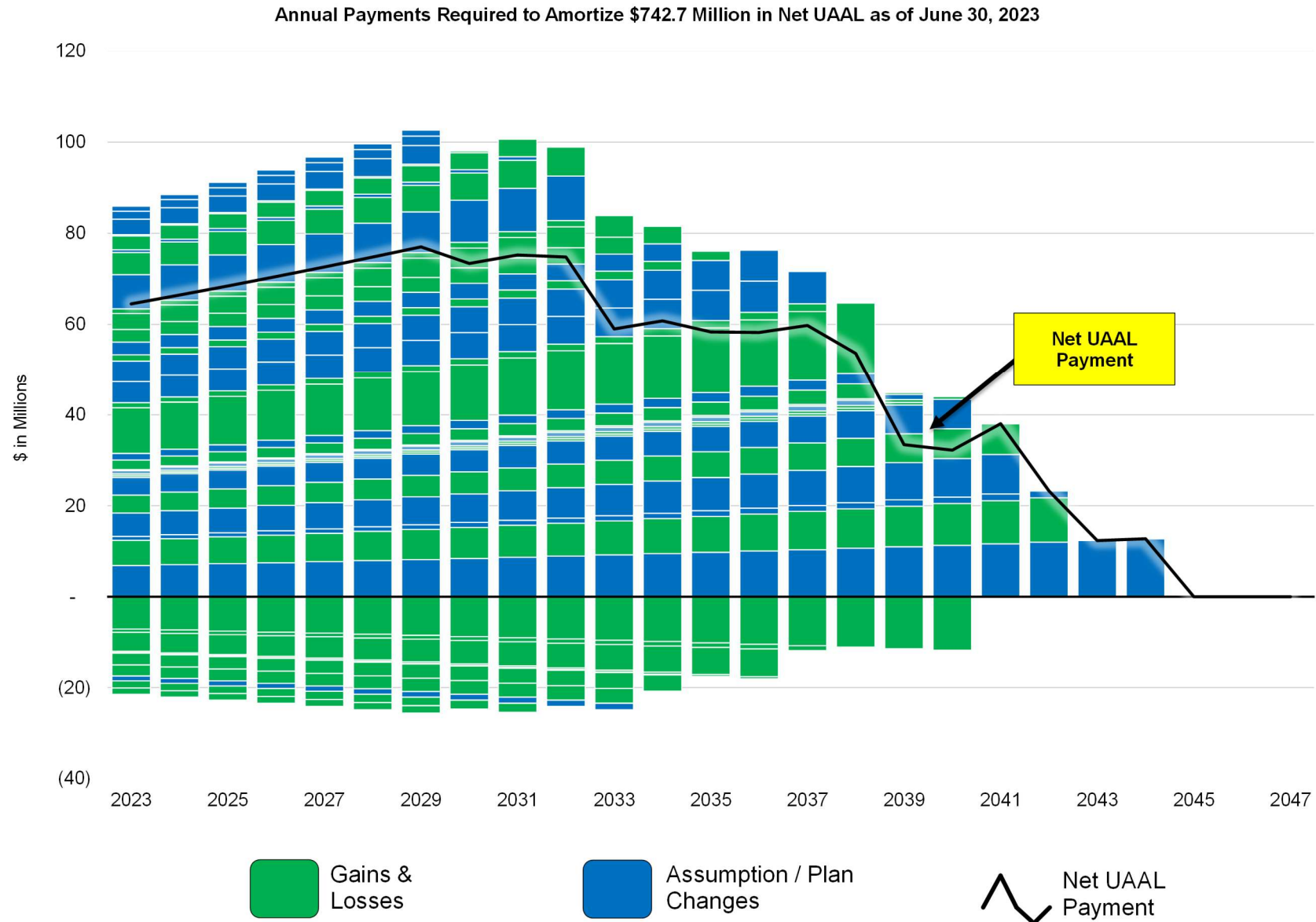
Section 3: Supplemental Information

Exhibit H: Projection of UAAL Balances and Payments



Section 3: Supplemental Information

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



Section 3: Supplemental Information

Exhibit I: Definition of Pension Terms

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

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

Section 3: Supplemental Information

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

Section 3: Supplemental Information

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

Section 3: Supplemental Information

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

Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial Assumptions and Methods

Rationale for Assumptions and Methods:	The information and analysis used in selecting each assumption and method that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2020 Actuarial Experience Study report dated November 12, 2020, the Actuarial Funding Policy review letter dated September 14, 2022, and the June 30, 2022 Economic Assumptions Review report dated November 8, 2022. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both tiers. These assumptions and methods were adopted by the Board.
<u>Economic Assumptions:</u>	
Net Investment Return:	6.75%; net of administrative and investment expenses. Based on the Economic Assumptions Review referenced above, expected administrative and investment expenses represent about 0.25% of the average Market Value of Assets.
Employee Contribution Crediting Rate:	6.75%, compounded semi-annually.
Cost of Living Adjustment (COLA):	Retiree COLA increases of 2.75% per year. For members with a sufficient COLA bank, withdrawals from the bank can be made to increase the retiree COLA up to 3.00% per year.
Payroll Growth:	Inflation of 2.50% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the Unfunded Actuarial Accrued Liability as a level percentage of payroll.
Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:	Increase of 2.50% per year from the valuation date.
Increase in California Government Code Section 7522.10 Compensation Limit:	Increase of 2.50% per year from the valuation date.

Section 4: Actuarial Valuation Basis

Salary Increases:

The annual rate of compensation increase includes: inflation at 2.50%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

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

Demographic Assumptions:

Post-Retirement Mortality Rates:

Healthy Members:

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

Disabled Members:

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

Beneficiaries:

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

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

Section 4: Actuarial Valuation Basis

Pre-Retirement Mortality Rates:

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

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

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

Disability Incidence:

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

Disabilities rates are applicable after eight years of service.

Section 4: Actuarial Valuation Basis

Termination:

Less Than Five Years of Service

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

Five or More Years of Service

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

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

Section 4: Actuarial Valuation Basis

Retirement Rates:

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

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

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

Section 4: Actuarial Valuation Basis

Retirement Age for Inactive Vested Members:	59 1955/1980 Plan non-reciprocal members who are currently terminated with less than five years of service and are not vested are assumed to retire at age 65 if they decide to leave their contributions on deposit.										
Reciprocity:	15% of members who terminate with a vested benefit are assumed to enter a reciprocal system. For reciprocals, 3.75% compensation increases are assumed per annum.										
Future Benefit Accruals:	1.0 year of service per year of employment, plus 0.038 years of additional service to anticipate conversion of unused sick leave for each year of employment. As directed by EBMUDERS, this assumption has been applied to active members in the 1955/1980 Plan and the 2013 Tier.										
Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.										
Percent Married/Domestic Partnership:	For all active and inactive members, 85% of male members and 60% of female members are assumed to be married or with domestic partner at pre-retirement death or retirement.										
Age and Gender of Spouse/Domestic Partner:	For all active and inactive members, male members are assumed to have a female spouse who is 2 years younger than the member and female members are assumed to have a male spouse who is 3 years older than the member. Since birth dates for non-spouse/non-domestic partner contingent beneficiaries are not provided by EBMUDERS, the age differences noted above also apply to assumed contingent beneficiaries of retired members who chose an optional form of payment at retirement.										
Form of Payment:	At retirement, members with spouses or domestic partners are assumed to elect the following form of payment (single members are assumed to elect the Unmodified option): <table border="1"> <thead> <tr> <th>Form of Payment</th><th>Election Percentage</th></tr> </thead> <tbody> <tr> <td>Unmodified or Option 1</td><td>50%</td></tr> <tr> <td>Option 2 (100% Continuance)</td><td>10%</td></tr> <tr> <td>Option 3 (50% Continuance)</td><td>20%</td></tr> <tr> <td>Option 4 (25% Continuance)</td><td>20%</td></tr> </tbody> </table>	Form of Payment	Election Percentage	Unmodified or Option 1	50%	Option 2 (100% Continuance)	10%	Option 3 (50% Continuance)	20%	Option 4 (25% Continuance)	20%
Form of Payment	Election Percentage										
Unmodified or Option 1	50%										
Option 2 (100% Continuance)	10%										
Option 3 (50% Continuance)	20%										
Option 4 (25% Continuance)	20%										
<u>Actuarial Funding Policy:</u>											
Actuarial Cost Method:	Entry Age Cost Method. Entry Age is the age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation, as if the current benefit formula for each individual has always been in effect (i.e., "replacement life within a tier").										

Section 4: Actuarial Valuation Basis

Actuarial Value of Assets:	Market value of assets (MVA) less unrecognized returns in each of the last five years. Unrecognized returns are equal to the difference between the actual market returns and the expected returns on the market value, and are recognized over a five-year period. The actuarial value of assets (AVA) is limited by a 30% corridor; the AVA cannot be less than 70% of MVA, nor greater than 130% of MVA.
Valuation Value of Assets:	The proportion of the Actuarial Value of Assets allocated to the pension plan, based on the proportion of the MVA attributable to the pension plan.
Amortization Policy:	Prior to July 1, 2011, the UAAL from plan changes, assumption changes, and experience gains/losses were amortized over separate decreasing 30-year periods. On or after July 1, 2011, any new UAAL resulting from plan changes are amortized over separate decreasing 15-year periods; assumption and method changes are amortized over separate decreasing 25-year periods (prior to July 1, 2021); and experience gains/losses are amortized over separate decreasing 20-year periods. On or after July 1, 2021, assumption and method changes are amortized over separate decreasing 20-year periods.
<u>Other Actuarial Methods:</u>	
Employer Contributions:	Employer contributions consist of two components: <i>Normal Cost</i> The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earnings rate. The contribution rate is expressed as a level percentage of the member's compensation. <i>Contribution to the Unfunded Actuarial Accrued Liability (UAAL)</i> The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative UAAL) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the System) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual rate of 3.00% (i.e., 2.50% inflation plus 0.50% across-the-board salary increase). The amortization policy is described above. The recommended employer contributions are provided in <i>Section 2, Subsection F</i>.

Section 4: Actuarial Valuation Basis

Member Contributions:

1955/1980 Plan Members

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

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

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

¹ Pursuant to the Ordinance.

2013 Tier Members

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

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

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

Section 4: Actuarial Valuation Basis

For the June 30, 2023 valuation, the 2013 Tier member contribution rate remains at 9.41% for the Pension Plan, because the total Normal Cost rate for this tier of 19.79% has remained within 1% of payroll of the new 18.81% threshold noted above.

As stated in our Actuarial Experience Study Report dated November 12, 2020, once the 1% threshold has been exceeded an adjustment to the members' rate is required as was the case in the June 30, 2020 valuation. Upon consulting with the Retirement System, the final member contribution rate determined in that valuation was calculated without the quarter of 1 percent rounding based on the Retirement System's direction that the rounding does not apply after the initial calculation. However, the rate paid by the employee was rounded to the nearest one/one hundredth of one percent (two decimals) consistent with the rounding methods used throughout the June 30, 2020 valuation report to ensure that the employees would pay at least 50% of the Normal Cost.

Accumulation for all members includes crediting of interest at the assumed investment earnings rate. The member contribution rates are provided in *Section 2, Subsection F*.

Internal Revenue Code Section 415:

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active members could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of \$160,000 indexed for inflation. That limit is \$265,000 for 2023. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

Benefits for members in the non-CalPEPRA plan in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

Changes in Actuarial Assumptions: There have been no changes in actuarial assumptions since the last valuation.

Section 4: Actuarial Valuation Basis

Exhibit 2: Summary of Plan Provisions

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

Plan Year:	July 1 through June 30
Census Date:	June 30
Membership Eligibility:	
<i>1955/1980 Plan</i>	All employees who first become members before January 1, 2013.
<i>2013 Tier</i>	All employees who first become members on or after January 1, 2013.
Final Compensation for Benefit Determination:	
<i>1955/1980 Plan</i>	Highest two consecutive years of compensation earnable (FAS2).
<i>2013 Tier</i>	Highest thirty-six consecutive months of pensionable compensation (FAS3).
Compensation Limit:	
<i>1955/1980 Plan</i>	IRC Section 401(a)(17) compensation limit applies to all employees who began membership in EBMUDERS on or after January 1, 1996.
<i>2013 Tier</i>	\$146,042 for 2023
Service:	Years of service (Yrs) are generally based on a member's employment during a period of time in which retirement contributions are deducted from their compensation.
Normal or Unreduced Retirement Eligibility:	
<i>Age and Service Requirement</i>	
<i>1955/1980 Plan</i>	Age 65; Age 62 with 5 years of service; Age 59 with 20 years of service; Age 54 with 30 years of service; Other combinations of age and service between ages 54 and 59.
<i>2013 Tier</i>	Age 67 with 5 years of service (for unreduced benefit).

Section 4: Actuarial Valuation Basis

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

Section 4: Actuarial Valuation Basis

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

Section 4: Actuarial Valuation Basis

Post-Retirement Cost of Living Benefits:

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

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

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

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

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

Member Contributions:

1955/1980 Plan

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

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

⁽¹⁾ Pursuant to the Ordinance.

2013 Tier

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

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

Changes in Plan Provisions:

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

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

5793104v4/10419.001

East Bay Municipal Utility District Employees' Retirement System

Health Insurance Benefit Valuation

Review of Contribution Rates and Funding Status
as of June 30, 2023



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

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Segal

January 5, 2024

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

Dear Sophia:

We are pleased to submit our Health Insurance Benefit (HIB) Valuation as of June 30, 2023 for the prefunded \$450 (\$550 for a retiree with a spouse or EBMUD domestic partner) monthly health insurance subsidy. The Governmental Accounting Standards Board (GASB) requires employers, such as EBMUD, that pool health insurance premium rates for actives and retirees under age 65 to also calculate the liability associated with such pooled premiums for retirees under age 65 on an accrual basis. While that liability referred to as the implicit subsidy has to be disclosed, it is not required to be prefunded. The contribution rate developed in this report only includes the prefunding requirement for the \$450/\$550 benefit. The obligation required for financial disclosure purposes under GASB Statements No. 74 (plan reporting) and 75 (employer reporting) will be provided in separate reports.

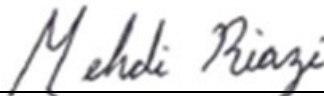
This valuation is based on financial statements and census data furnished by East Bay Municipal Utility District Employees' Retirement System (EBMUDERS). The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, EA and Mehdi Riazzi, FSA, MAAA, FCA, EA. The health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

Sincerely,

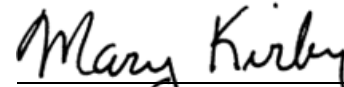
Segal

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

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

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

Mehdi Riazzi, FSA, MAAA, FCA, EA
Vice President and Actuary

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

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

TTT/jl

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Section 1: Actuarial Valuation Summary

Contribution recommendations and funding status

- The funded ratio measured on a valuation value of assets basis increased from 44.0% at June 30, 2022 to 47.7% at June 30, 2023. The funded ratio if measured on a market value of assets basis increased from 40.9% to 46.5%. The Unfunded Actuarial Accrued Liability (UAAL) decreased from \$73.29 million as of June 30, 2022 to \$68.86 million as of June 30, 2023 on valuation value of asset basis. The increase to the funded ratio and the reduction to the UAAL were both consistent with the expected changes based on the plan's funding policy, as contributions were continued to be made to pay down the UAAL. Overall, the results of the June 30, 2023 valuation were very much in-line with the June 30, 2022 valuation. As shown on page 15, the new UAAL amortization base related to the June 30, 2023 valuation was relatively small.
- The recommended aggregate employer contribution rate is 4.35% based on the June 30, 2023 valuation. The new rate is 0.28% lower than the 4.63% aggregate rate developed in the June 30, 2022 valuation. Note, the 4.63% aggregate/blended rate has been restated based on projected June 30, 2023 payrolls, which is why it is slightly lower than the 4.64% aggregate rate shown in the June 30, 2022 valuation. As shown in Section 2, Subsection E, 0.24% of the 0.28% decrease to the employer contribution rate was attributable to having a larger projected payroll than expected to amortize the prior years' UAAL. We have maintained the allocation of 0.09% of the member contribution to the HIB plan used in last year's valuation.
- As indicated in Section 2, Subsection B of this report, the total unrecognized investment loss as of June 30, 2023 is \$59.2 million for the assets for the pension and HIB plans (note that in the previous valuation, this amount was a deferred loss of \$157.2 million). This investment loss will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years. This implies that earning the assumed rate of investment return of 6.75% per year (net of expenses) on a market value basis will produce investment losses on the actuarial value of assets after June 30, 2023.

The deferred losses of \$59.2 million represent 2.6% of the market value of assets as of June 30, 2023. Unless offset by future investment gains or other favorable experience, the recognition of the \$59.2 million market loss is expected to have an impact on the System's future funded percentage and contribution rate requirements. This potential impact may be illustrated as follows:

- If the HIB plan portion of the deferred losses were recognized immediately and entirely in the valuation value of assets, the funded percentage would decrease from 47.7% to 46.5%.
- If the HIB plan portion of the deferred losses were recognized immediately and entirely in the valuation value of assets, the aggregate recommended employer rate would increase from 4.35% to about 4.39% of payroll.

Section 1: Actuarial Valuation Summary

- This valuation report reflects one minor actuarial methodology refinement of applying beginning of year timing of decrements for exiting from active membership status in calculating the normal cost rate. The refinement resulted in a 0.03% of payroll net decrease in the total normal cost rate.
- This report assumes the HIB subsidy limit will remain at the current levels of \$450/\$550. Future increases in the HIB subsidy will increase the cost of the plan as a percent of pay.

Section 1: Actuarial Valuation Summary

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

	June 30, 2023		June 30, 2022	
Employer	Total Rate ¹	Estimated Annual Amount ²	Total Rate ¹	Estimated Annual Amount ²
1955/1980 Plan	4.43%	\$5,733,000	4.75%	\$6,151,000
2013 Tier	4.27%	<u>5,670,000</u>	4.52%	<u>6,002,000</u>
Combined	4.35%	\$11,403,000	4.63%	\$12,153,000
Average Member	Total Rate ¹	Estimated Annual Amount ²	Total Rate ¹	Estimated Annual Amount ²
1955/1980 Plan	0.09%	\$117,000	0.09%	\$117,000
2013 Tier	0.09%	<u>120,000</u>	0.09%	<u>120,000</u>
Combined	0.09%	\$237,000	0.09%	\$237,000

The following table compares the valuation value of assets and liabilities for the Health Insurance Benefit as of June 30, 2023 and June 30, 2022:

	June 30, 2023	June 30, 2022
1. Valuation Value of Assets	\$62,769,259	\$57,661,197
2. Actuarial Accrued Liabilities:		
Current Recipients	97,330,438	96,305,707
Future Recipients	<u>34,297,017</u>	<u>34,645,603</u>
Total	\$131,627,455	\$130,951,310
3. Liabilities minus Valuation Value of Assets (2) – (1)	\$68,858,196	\$73,290,113
4. Funding Ratio (1) ÷ (2)	47.69%	44.03%

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

² Based on June 30, 2023 projected annual payroll of:

1955/1980 Plan	\$129,488,164
2013 Tier	<u>132,784,436</u>
Combined	\$262,272,600

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

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

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

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

Section 1: Actuarial Valuation Summary

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

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

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

Section 2: Actuarial Valuation Results

A. Introduction

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

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

In this valuation, we have used a layered amortization approach to determine the contribution rate to fund the Unfunded Actuarial Accrued Liability (UAAL).

Plan changes, assumption changes and experience gains/losses prior to July 1, 2011 are amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, through June 30, 2021, plan changes are amortized over separate decreasing 15-year periods; assumption changes from the experience study are amortized over separate decreasing 25-year periods; and experience gains/losses (including year-to-year health assumption changes) are amortized over separate decreasing 20-year periods. On or after July 1, 2021, assumption changes from the experience study or interim review of the economic assumptions are amortized over 20 years. The above payments would continue to be expressed as a level percent of a growing payroll base.

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

A summary of the Health Insurance Benefit provisions is displayed in Section 4, Exhibit 2.

Section 2: Actuarial Valuation Results

B. Determination of actuarial value of assets

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

Determination of Actuarial Value of Assets for Year Ended June 30, 2023 (for pension and HIB plans)

1. Market value of assets:					
(a) Pension plan					\$2,194,142,000
(b) HIB plan					61,165,000
(c) Total					\$2,255,307,000
2. Calculation of unrecognized return:	Actual Return	Expected Return	Investment Gain / (Loss)	Percent Deferred	Deferred Return
(a) Year ended June 30, 2019	\$91,744,000	\$122,306,135	(30,562,135)	0%	\$0
(b) Year ended June 30, 2020	39,376,000	127,791,930	(88,415,930)	20%	(17,683,186)
(c) Year ended June 30, 2021	491,625,000	129,314,710	362,310,290	40%	144,924,116
(d) Year ended June 30, 2022	(253,930,000)	162,455,125	(416,385,125)	60%	(249,831,075)
(e) Year ended June 30, 2023	217,559,000	138,262,646	79,296,354	80%	63,437,083
(f) Total unrecognized return ¹					(\$59,153,062)
3. Preliminary actuarial value: (1c) - (2f)					\$2,314,460,062
4. Adjustment to be within 30% corridor of market value					0
5. Final actuarial value of assets for pension and HIB plans: (3) + (4)					\$2,314,460,062
6. Actuarial value as a percentage of market value: (5) ÷ (1c)					102.6%
7. Valuation value of HIB plan assets: (1b) ÷ (1c) x (5)					\$62,769,259

¹ Deferred return as of June 30, 2023 that will be recognized in each of the next four years (amounts may not total exactly due to rounding):

(a) Amount recognized on June 30, 2024	(\$12,638,882)
(b) Amount recognized on June 30, 2025	5,044,304
(c) Amount recognized on June 30, 2026	(67,417,754)
(d) Amount recognized on June 30, 2027	15,859,271
(e) Total unrecognized return as of June 30, 2023	(\$59,153,062)

Section 2: Actuarial Valuation Results

C. Funding ratio

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

1. The valuation value of HIB assets, which equals \$62,769,259 as of June 30, 2023;
2. Contributions from the employer; and
3. Contributions from the employees.

The following table provides the funding status of the Health Insurance Benefit as of June 30, 2023 and June 30, 2022:

	June 30, 2023	June 30, 2022
1. Valuation Value of Assets	\$62,769,259	\$57,661,197
2. Actuarial Accrued Liabilities:		
Current Recipients	97,330,438	96,305,707
Future Recipients	<u>34,297,017</u>	<u>34,645,603</u>
Total	\$131,627,455	\$130,951,310
3. Liabilities minus Valuation Value of Assets (2) – (1)	\$68,858,196	\$73,290,113
4. Funding Ratio (1) ÷ (2)	47.69%	44.03%

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

Section 2: Actuarial Valuation Results

D. Recommended contribution

The amount of annual contribution required to fund the HIB is comprised of a net employer normal cost payment and a payment on the unfunded actuarial accrued liability. This total amount is then divided by the projected payroll for active members to determine the contribution rate of 4.35% of payroll for this year's valuation compared to 4.63% of payroll recommended for last year's valuation. The 4.63% aggregate rate from June 30, 2022 has been restated based on projected June 30, 2023 payrolls, which is why it is slightly lower than the 4.64% aggregate rate shown in the June 30, 2022 valuation.

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

	June 30, 2023			June 30, 2022		
	1955/1980 Plan	2013 Tier	Combined ¹	1955/1980 Plan	2013 Tier	Combined ¹
1. Total Normal Cost	0.95%	0.79%	0.87%	1.08%	0.85%	0.96%
2. Expected employee contributions	(0.09)%	(0.09)%	(0.09)%	(0.09)%	(0.09)%	(0.09)%
3. Employer normal cost: (1) - (2)	0.86%	0.70%	0.78%	0.99%	0.76%	0.87%
4. Unfunded actuarial accrued liability	3.57%	3.57%	3.57%	3.76%	3.76%	3.76%
5 Total recommended contribution, end of each pay period	4.43%	4.27%	4.35%	4.75%	4.52%	4.63%

¹ Based on June 30, 2023 projected annual payroll of:

1955/1980 Plan	\$129,488,164
2013 Tier	132,784,436
Combined	\$262,272,600

Section 2: Actuarial Valuation Results

E. Reconciliation of recommended employer contribution

The chart below details the changes in the recommended employer contribution from the prior valuation to the current year's valuation. The 4.63% aggregate rate from June 30, 2022 has been restated based on projected June 30, 2023 payrolls, which is why it is slightly lower than the 4.64% aggregate rate shown in the June 30, 2022 valuation.

	Contribution Rate
Average Recommended Employer Contribution Rate as of June 30, 2022	4.63%
Effect of actuarial experience during fiscal 2022/2023	
1. Effect of investment loss (after smoothing)	0.02%
2. Effect of higher than expected growth in total payroll to amortize the prior years' UAAL	(0.24)%
3. Effect of one-year lag in implementing contribution rates	(0.01)%
4. Effect of demographic experience, including change to average HIB subsidy paid and HIB subsidy trend assumptions	<u>(0.05)%</u>
Total change	-0.28%
Average Recommended Employer Contribution Rate as of June 30, 2023	4.35%

Section 2: Actuarial Valuation Results

F. Table of amortization bases

Type	Date Established	Initial Years	Initial Amount	Outstanding Balance	Years Remaining	Annual Payment ¹
Initial HIB Base	6/30/1997	30	\$15,829,000	\$8,558,405	4	\$2,255,702
Combined Base	6/30/1998	30	(195,000)	(124,318)	5	(26,673)
Combined Base	6/30/1999	30	6,467,754	4,668,079	6	849,188
Combined Base	6/30/2000	30	5,543,694	4,404,492	7	698,682
Combined Base	6/30/2001	30	794,097	680,433	8	96,072
Combined Base	6/30/2002	30	18,413,242	16,752,297	9	2,138,478
Combined Base	6/30/2003	30	6,628,441	6,324,850	10	739,009
Combined Base	6/30/2004	30	1,942,176	1,972,772	11	213,091
Combined Base	6/30/2005	30	8,019,739	8,011,102	12	806,539
Combined Base	6/30/2006	30	(1,769,952)	(1,847,976)	13	(174,605)
Experience Loss	6/30/2007	30	2,878,105	3,056,269	14	272,590
Combined Base	6/30/2008	30	12,125,015	13,030,212	15	1,102,564
Combined Base	6/30/2009	30	(1,240,538)	(1,343,337)	16	(108,308)
Combined Base	6/30/2010	30	463,026	503,321	17	38,815
Combined Base	6/30/2011	30	(60,151)	(65,464)	18	(4,845)
Experience Gain	6/30/2012	20	(1,251,821)	(977,859)	9	(124,826)
Assumption Changes	6/30/2012	25	3,374,832	3,261,120	14	290,861
Experience Gain	6/30/2013	20	(1,155,658)	(949,836)	10	(110,981)
Experience Loss	6/30/2014	20	21,287	18,228	11	1,969
Assumption Changes	6/30/2014	25	2,555,790	2,534,242	16	204,326
Experience Gain	6/30/2015	20	(810,969)	(719,196)	12	(72,407)
Assumption Changes	6/30/2016	25	2,459,846	2,476,685	18	183,299
Experience Gain	6/30/2016	20	(1,569,600)	(1,431,880)	13	(135,290)
Assumption Changes	6/30/2017	25	(403,768)	(408,083)	19	(29,072)
Experience Gain	6/30/2017	20	(664,072)	(620,104)	14	(55,307)

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

Section 2: Actuarial Valuation Results

F. Table of amortization bases (continued)

Type	Date Established	Initial Years	Initial Amount	Outstanding Balance	Years Remaining	Annual Payment ¹
Experience Gain	6/30/2018	20	\$(2,295,237)	(2,182,889)	15	(184,707)
Assumption Changes	6/30/2018	25	2,931,560	2,966,251	20	203,951
Experience Gain	6/30/2019	20	(504,689)	(487,900)	16	(39,337)
Assumption Changes	6/30/2020	25	1,899,682	1,922,318	22	123,981
Experience Gain	6/30/2020	20	(542,065)	(530,646)	17	(40,922)
Experience Gain	6/30/2021	20	(6,818,716)	(6,736,642)	18	(498,578)
Assumption Changes	6/30/2022	20	3,202,074	3,183,188	19	226,770
Experience Loss	6/30/2022	20	2,976,293	2,958,739	19	210,780
Experience Loss	6/30/2023	20	1,323	1,323	20	91
Total				\$68,858,196		\$9,050,900

Note: The equivalent single amortization period is about 9 years.

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

Section 3: Supplemental Information

Exhibit A: Summary of participant data

	June 30, 2023	June 30, 2022
Retired Members		
Number	1,653	1,609
Average age	71.1	70.8
Surviving Spouses		
Number	217	197
Average age	78.9	78.1
Eligible for Deferred Benefit		
Number ¹	381	360
Average age	48.4	48.3
Active Participants		
Number	1,955	1,895
Average age	47.1	47.2
Average years of service	11.0	11.4
Average expected retirement age	62.4	62.3

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

Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions and methods

Rationale for Assumptions and Methods:	The information and analysis used in selecting each assumption and method that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2020 Actuarial Experience Study report dated November 12, 2020, the Actuarial Funding Policy review letter dated September 14, 2022, the June 30, 2022 Economic Assumptions Review report dated November 8, 2022, and the Retiree Health assumptions letter dated November 10, 2023. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both tiers.	
<u>Economic Assumptions</u>		
Net Investment Return:	6.75%, net of investment and administrative expenses.	
Inflation:	2.50%	
Across the Board Salary Increases:	0.50%	
Payroll Growth:	Inflation of 2.50% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the Unfunded Actuarial Accrued Liability as a level percentage of payroll.	
Salary Increases:	The annual rate of compensation Increase includes inflation at 2.50%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotional increases:	
	Years of Service	Rate (%)
	Less than 1	6.25
	1 – 2	6.00
	2 – 3	5.00
	3 – 4	3.75
	4 – 5	2.50
	5 – 6	1.50
	6 – 7	1.25
	7 – 8	1.25
	8 – 9	1.00
	9 – 10	1.00
	10 & Over	0.75

Section 4: Actuarial Valuation Basis

Demographic Assumptions

Mortality:

Post-Retirement Healthy Members:

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

Post-Retirement Disabled Members:

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

Pre-Retirement:

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

Beneficiaries:

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

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

Disability Incidence:

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

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

Section 4: Actuarial Valuation Basis

Termination:

Less Than Five Years of Service

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

Five or More Years of Service

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

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

Section 4: Actuarial Valuation Basis

Retirement:

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

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

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

Section 4: Actuarial Valuation Basis

Unknown Data for Participants:	Same as those exhibited by members are similar known characteristics. If not specified, members are assumed to be male.
Retirement Age for Inactive Vested Participants:	59
Percent Married/Domestic Partnership:	For all active and inactive vested participants: 70% of male members and 35% of female members are assumed to elect spouse/domestic partner HIB coverage at retirement. For retired participants: Actual data included in census. Based on past practice this is not necessarily the same as the percent married/domestic partnership assumption used in the pension valuation. Some of those members may not elect HIB spouse/domestic partner coverage upon retirement due to the additional cost to the member.
Age of Spouse/Domestic Partner:	For all active and inactive vested participants, male participants are assumed to have a female spouse who is 3 years younger than the participant and female participants are assumed to have a male spouse who is 2 years older than the participant.
Future Benefit Accruals:	1.0 year of service per year. We have not applied the 0.038 years of additional service for each year of employment, applied in the pension valuation to anticipate conversion of unused sick leave, based on our understanding of the HIB plan provisions.
<u>Actuarial Funding Policy</u>	
Actuarial Cost Method:	Entry Age Cost Method. Entry Age is the age at the member's hire date. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percentage of compensation. The Normal Cost is calculated on an individual basis where the Entry Age Normal Cost is calculated as the sum of the individual Normal Costs.
Actuarial Value of Assets:	Market value of assets (MVA) less unrecognized returns in each of the last five years. Unrecognized returns are equal to the difference between the actual market returns and the expected returns on the market value, and are recognized over a five-year period. The actuarial value of assets (AVA) is limited by a 30% corridor; the AVA cannot be less than 70% of MVA, nor greater than 130% of MVA.
Valuation Value of Assets:	The proportion of the Actuarial Value of Assets allocated to the HIB plan, based on the proportion of the MVA attributable to the HIB plan.
Amortization Method:	Level percent of payroll
Remaining Amortization Period:	Plan changes, assumption changes, and experience gains/losses prior to July 1, 2011 are amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, through June 30, 2021, plan changes are amortized over separate decreasing 15-year periods; assumption changes are amortized over separate decreasing 25-year periods; and experience gains/losses and retiree health assumption changes are amortized over separate decreasing 20-year periods. On or after July 1, 2021, assumption changes from the experience study or interim review of the economic assumptions are amortized over 20 years.

Section 4: Actuarial Valuation Basis

Retiree Health Assumptions

Participation:

95% of future eligible retirees are assumed to enroll in the HIB plan.
All current pensioners and beneficiaries with a retiree health insurance cash subsidy were valued.
For deferred vested members, we assume an election equal to 50% of the future retiree election percent.

Average HIB Subsidy:

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

- Retirees at 100% vesting level under age 65 with single HIB coverage will receive an average \$444 monthly benefit as of July 1, 2023,
- Retirees at 100% vesting level under age 65 with spouse HIB coverage will receive an average \$518 monthly benefit as of July 1, 2023,
- Retirees at 100% vesting level age 65 and over with single HIB coverage will receive an average \$437 monthly benefit as of July 1, 2023, and
- Retirees at 100% vesting level age 65 and over with spouse HIB coverage will receive an average \$539 monthly benefit as of July 1, 2023.

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

Projected HIB Subsidy Increase:

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

Section 4: Actuarial Valuation Basis

Health Care Cost Trend Rates:

Trend is to be applied to premium for shown fiscal year to calculate next fiscal year's projected premium.
First Fiscal Year (July 1, 2023 through June 30, 2024)

Plan	Rate (%)				
	Anthem Blue Cross PPO, Under Age 65	Sutter Health Plus HMO, Under Age 65	Kaiser HMO, Under Age 65	Kaiser Senior Advantage	UHC Medicare Advantage PPO
Trend to be applied to 2023-2024 Fiscal Year premium	9.62	6.10	14.15	9.27	4.23

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

Fiscal Year	Approximate Trend Rate (%)		Calendar Year	Trend Rate Applied to Calculate Following Year Premium (%)	
	Non-Medicare	Medicare		Non-Medicare	Medicare
2024-2025	7.375	6.375	2024	7.50	6.50
2025-2026	7.125	6.125	2025	7.25	6.25
2026-2027	6.875	5.875	2026	7.00	6.00
2027-2028	6.625	5.625	2027	6.75	5.75
2028-2029	6.375	5.375	2028	6.50	5.50
2029-2030	6.125	5.125	2029	6.25	5.25
2030-2031	5.875	4.875	2030	6.00	5.00
2031-2032	5.625	4.625	2031	5.75	4.75
2032-2033	5.375	4.500	2032	5.50	4.50
2033-2034	5.125	4.500	2033	5.25	4.50
2034-2035	4.875	4.500	2034	5.00	4.50
2035-2036	4.625	4.500	2035	4.75	4.50
2036 and later	4.500	4.500	2036	4.50	4.50

Section 4: Actuarial Valuation Basis

Medical Carrier Election	Non-Medicare Medical Carrier	Election (%)
	Kaiser HMO	70
	Anthem Blue Cross PPO	25
	Sutter Health Plus HMO	5
	Medicare Medical Carrier	Election (%)
	Kaiser Senior Advantage HMO (High Option)	67
	UHC Medicare Advantage PPO	33
Assumption Changes Since Prior Valuation:	The following assumptions were changed since the prior valuation: • The average HIB subsidy for future retirees was updated. • The future trend for projecting medical costs below the subsidy limit were updated. Per the plan's funding policy, the impact of the year-to-year retiree healthcare assumption changes (such as this year's assumption changes) are amortized as part of the annual experience gain/loss.	

Section 4: Actuarial Valuation Basis

Exhibit 2: Summary of plan

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

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

Section 4: Actuarial Valuation Basis

Benefit Formula:	For members entering											
	For members entering the System prior to July 1, 1996, a monthly allowance of up to \$450 (\$550 for married retirees and retirees with EBMUD domestic partners) is paid to retirees with at least five years of full-time service to reimburse member-paid medical expenses.											
	For members entering the System after June 30, 1996, the members shall receive the full monthly allowance multiplied by the applicable percentage below based on years of full-time service.											
	Effective January 1, 1999, retired members who had separated from the District prior to their retirement and who had at least five years of service also become eligible for the post-employment healthcare benefits based on the same vesting schedule.											
	<table><tr><th>Years of Full-time Service</th><th>Percent of HIB</th></tr><tr><td>Less than 5</td><td>0%</td></tr><tr><td>5-9</td><td>25%</td></tr><tr><td>10-14</td><td>50%</td></tr><tr><td>15-19</td><td>75%</td></tr><tr><td>20 or more</td><td>100%</td></tr></table>	Years of Full-time Service	Percent of HIB	Less than 5	0%	5-9	25%	10-14	50%	15-19	75%	20 or more
Years of Full-time Service	Percent of HIB											
Less than 5	0%											
5-9	25%											
10-14	50%											
15-19	75%											
20 or more	100%											
	An eligible surviving spouse/domestic partner may receive a Health Insurance Benefit of up to \$450 per month.											
Changes in Plan Provisions:	None since the prior valuation.											

5800954v1/10419.001



BOARD ACTION

Agenda Number:	13.	Meeting Date:	February 27, 2024
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TITLE	CONSIDERATION OF AMENDMENTS TO EBMUD CAMPAIGN FINANCE REFORM ORDINANCE NO. 316 (FIRST READING)
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ACTION	☐ Motion:	☐ Resolution:	☒ Ordinance:
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RECOMMENDED ACTION	Consider a first reading of amendments to East Bay Municipal Utility District Campaign Finance Reform Ordinance No. 316.
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SUMMARY	The District's Campaign Finance Reform Ordinance (CFRO) was enacted in 1992 and has been amended several times to reflect changes in federal and state law, including the California Political Reform Act of 1974 (PRA) and the California Election Code. It was last updated in January 2010. Since that time, there have been changes in the PRA and its implementing regulations that are recommended for incorporation into the CFRO. In addition, the Office of General Counsel (OGC) has edited definitions and text in the CFRO for clarity and consistency. Proposed revisions to the CFRO are shown in Exhibit A. They are discussed below and are based on the review and recommendations of OGC, outside counsel with expertise in campaign finance law, and input from the Legislative/Human Resources Committee, which met and considered revisions to the CFRO on January 9, 2024 and February 13, 2024, and the Board of Directors on February 13, 2024.
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At the Regular Board meeting on February 27, 2024, the Board will conduct a first reading of the CFRO and will be asked to provide further input and direction on revisions to the CFRO.

DISCUSSION	The revisions to the CFRO reflect the new applicability of the Levine Act (Government Code section 84308) to local elected officials, Fair Political Practice Commission (FPPC) rules on advertising disclosures, and edits for additional clarity and consistent use of terminology. The specific revisions to each paragraph are discussed below.
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Additional revisions have been made based on input and direction received from the Legislative/Human Resources Committee on January 9, 2024 and February 13, 2024, and the Board of Directors on February 13, 2024. These include increases to contributions limits and eliminating the ban on contractors who have violated the CFRO, replacing it with a Board member recusal provision.

Recitals

Minor clarifying edits have been made to the Recitals.

Paragraph I, "Findings and Declarations," and Paragraph II, "Purpose of this Ordinance"

No changes are being recommended for Paragraphs I or II.

Originating Department: Office of General Counsel	Department Director or Manager: Derek McDonald	CEP Forms? N/A	Board Action Type: Administrative
Funds Available: N/A	Budget Coding: N/A		Approved: 
Attachment(s): Proposed Revisions to East Bay Municipal Utility District Campaign Finance Reform Ordinance			

Title:	Consideration of Amendments to EBMUD Campaign Finance Reform Ordinance No. 316 (First Reading)	Meeting Date:	February 27, 2024
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Paragraph III, "Definitions"

The definitions in this paragraph were reorganized alphabetically for ease of reference. Minor changes are being recommended to clarify certain definitions, such as stating that the fair rental value of a premises is not to be included in calculating the costs of holding a fundraising event in a person's home or office when reporting the value of the fundraising event as a "contribution."

Several changes are recommended for the definition of a "Qualified Campaign Expenditure." The words "broadcast or print" have been removed as a qualifier for communications costs to reflect the nature of modern media. The limitation of "by name or image" has been removed as a reference to identification of campaign communications based on FPPC advice that any identification of a candidate qualifies as a communication in connection to election to a future term of office.

The definition of a "small contributor committee" has been updated to more clearly match that stated in the PRA.

Paragraph IV, "Campaign Contribution Limitations"

Paragraph IV.1.a, "Limitations on Contributions from Persons"

When last amended in 2010, the CFRO provided a contribution limit from persons of \$600, to be adjusted annually based on the Consumer Price Index (CPI). Today the limit, after CPI adjustments since 2010, is \$890. At the February 13, 2024 Legislative/Human Resources Committee meeting, Committee members recommended the limit be increased to \$1,000.

It is also recommended that the CFRO mandate publishing of the limit biennially on the District's website, as reflected in the draft language.

Paragraph IV.2, "Limitations on Contributions from Small Contributor Committees"

In 2010 the CFRO set a \$1,200 limit for contributions from Small Contributor Committees and did not provide for CPI adjustments. At the February 13, 2024 Legislative/Human Resources Committee meeting, Committee members recommended that this limit be raised to \$2,000, which is double the recommended new limit for persons, and is a common standard for local jurisdictions. Additionally, draft language has been added to reflect outside counsel's recommendation that the contribution limit for Small Contributor Committees be adjusted biennially based on the CPI, and that the adjustment be published on the District's website.

Paragraph IV.4, "Prohibition on Contributions from Contractors Doing Business With the District"

Paragraph IV.4 of the CFRO prohibits contributions from any person contracting with the District through a competitive process. In 2022, the Levine Act was amended to apply to officials of agencies with elected governing bodies. The Levine Act prohibits an officer of the agency from accepting, soliciting, or directing a contribution of more than \$250 from any "party" or "participant" with a matter pending before the agency involving a license, permit, entitlement, or contract, both during the matter's pendency and for 12 months following.

Title:	Consideration of Amendments to EBMUD Campaign Finance Reform Ordinance No. 316 (First Reading)	Meeting Date:	February 27, 2024
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Paragraph IV.4 of the CFRO has been amended with a recommended addition to explicitly state that section 84308 now applies to the District.

Paragraphs IV.4.b and c have been amended, for the Board's consideration, to clarify that donations from any persons contracting with the District are prohibited, not just those with contracts subject to Board approval.

Paragraph IV.4.d of the CFRO currently bars any person who makes a contribution in violation of the CFRO from contracting with the District for one year from the date of the violation. At the January 9, 2024 Legislative/Human Resources Committee meeting, Committee members expressed a concern that this ban on contracting could present operational problems for the District if it prevented the District from obtaining necessary contractor services. OGC presented the Board with options for altering this paragraph at the February 13, 2024 Legislative/Human Resources Committee. Based on this discussion, the Committee has recommended that the ban be replaced by alternatives similar to those in the Levine Act. Under the proposed revisions, a person submitting a proposal for a contract must disclose any candidate contributions within 72 hours of making the contribution. A Board member who has received a contribution may recuse themselves from participation in the consideration of the contract or, if the contribution was received before the Board member knew of the contract, may return the contribution within 30 days and participate in the contract approval proceeding.

Paragraph IV.6, "Post-Election Fundraising"

This paragraph states that a candidate may only accept donations post-election to the extent the donations do not exceed "net debts outstanding" for the election, and has been amended with recommended updates that clarify the definition of "net debts outstanding from the election" by separately defining the component definitions of "outstanding debts" and "assets."

Paragraph V, "Voluntary Expenditure Ceiling"

Paragraph V.4 has been amended with a recommended increase in the voluntary expenditure limit from \$0.53 (fifty-three cents) to \$0.80 (eighty cents) per ward resident to reflect CPI adjustments since the CFRO was last updated. Additionally, recommended language has been added to clarify that the ceiling shall be adjusted biennially and published on the District's website.

Paragraph VII, "Independent Expenditures in District Elections"

Paragraph VII has been edited with recommended updates for compliance with FPPC requirements for advertisement disclaimers. The amount of \$5,000 is included as the recommended threshold for the identification of top contributors.

Recommended Revisions throughout the CFRO

Certain revisions are recommended for adoption that appear throughout the CFRO. The term "he or she" has been replaced with the more inclusive, nonbinary "their." References to the PRA have been updated for consistency. References to the "San Francisco/Oakland Consumer

Title:	Consideration of Amendments to EBMUD Campaign Finance Reform Ordinance No. 316 (First Reading)	Meeting Date:	February 27, 2024
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Price Index for Urban Wage Earners and Clerical Workers” have been changed to the “San Francisco-Oakland-Hayward Consumer Price Index for Urban Consumers” to reflect the correct name for the CPI region and the fact that the broader CPI-U covers 93 percent of the population whereas the CPI-W covers only 29 percent.

SUSTAINABILITY**Economic**

Revisions to the CFRO will not have an economic impact on the District.

Social

The intent of the CFRO is to provide equal opportunities for all candidates to participate in District elections, and to ensure that all business conducted by the Board is free of unlawful influence.

Environmental

Revisions to the CFRO will not have an environmental impact.

ALTERNATIVE

Do not adopt amendments to the CFRO. This alternative is not recommended because certain changes to the CFRO, as outlined above, reflect compliance with updates to the PRA.

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EAST BAY MUNICIPAL UTILITY DISTRICT CAMPAIGN FINANCE REFORM ORDINANCE

BE IT ENACTED by the Board of Directors of East Bay Municipal Utility District that this Ordinance is adopted as the policy of East Bay Municipal Utility District setting forth that:

Campaigns for election to the Board of Directors of the East Bay Municipal Utility District be conducted fairly and that each candidate for election to the District Board be aware of the District's commitment to fair campaigns.

Candidates for election to the Board of Directors of the East Bay Municipal Utility District be permitted to accumulate the resources necessary to effectively advocate and to campaign for election to the Board.

Campaigns for election to the Board of Directors of the East Bay Municipal Utility District be free of corruption or the appearance of corruption.

Campaigns for election to the Board of Directors of East Bay Municipal Utility District be free from improper influence stemming from the dependence of candidates on large campaign contributions.

Campaign contributions be reasonably limited so as to not unduly infringe upon the First Amendment rights of political expression and association and not have a significant adverse effect on the funding of campaigns for District office.

The contribution limits set forth herein shall apply for each election to the Board of Directors of the East Bay Municipal Utility District.

I. FINDINGS AND DECLARATIONS

The Board of Directors of the East Bay Municipal Utility District find and declare each of the following:

- (a) Monetary contributions to political campaigns are a legitimate form of participation in the American political process. However, disproportionately large contributions from certain persons or organizations may lead to a perception that they exercise a disproportionate or controlling influence upon candidates.
- (b) The increasing costs of political campaigns compel many candidates to raise larger percentages of money from interest groups with a specific financial stake in matters which may come before the Board of Directors. This has caused a public perception that votes may be improperly influenced by monetary contributions.
- (c) The tendency for campaign contributions to be dominated by a small number of very large contributors undermines the integrity of the

governmental process, the competitiveness of campaigns, and the public's confidence in local officials and local agencies.

II. PURPOSE OF THIS ORDINANCE

The Board of Directors enacts this Ordinance to accomplish the following purposes:

- (a) To improve methods of financing campaigns in order to ensure the public's right-to-know, combat corruption and undue influence, and promote citizen participation in the political process.
- (b) To prevent parties with a specific financial interest in the District's decisions from exerting undue influence over those decisions by means of large campaign contributions.
- (c) To improve the disclosure of contribution sources in reasonable and effective ways.
- (d) To restore public trust in governmental and electoral institutions.

III. DEFINITIONS

1. Unless otherwise specifically provided in this Ordinance or required by the context, the words and phrases in this Ordinance shall have the same meanings as in the ~~California Elections Code and in the~~ Political Reform Act of 1974 as amended (Government Code section 81000 *et seq.*, hereafter "Political Reform Act") and regulations adopted thereunder by the Fair Political Practices Commission (hereafter "FPPC").
2. "Candidate" means a candidate for election to the Board of Directors of the East Bay Municipal Utility District, or an incumbent who holds that office.
3. "Contribution" has the same meaning as in the Political Reform Act of 1974, Government Code section 82015, and includes a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received unless or if it is clear from the surrounding circumstances that ~~it~~ the payment is not made for political purposes. A non-monetary contribution shall be valued at the true or estimated fair market value of the goods, services, or facilities contributed to the campaign. A fair market value is the price that a person would be required to pay to acquire the same goods or services or facilities in the open market place.

The term "contribution" does not include a payment made by an occupant of a home or office for costs related to any meeting or fundraising event held in the occupant's home or office if the ~~total~~ costs for the meeting or fundraising event are five hundred dollars (\$500) or less, ~~exclusive of the fair rental value of the premises~~; nor does it include volunteer personal services or payments

made by any individual for ~~his or her~~their own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be, directly or indirectly, repaid ~~for such expenses~~to him or her.

A contribution to the committee designated by the candidate for ~~his or her~~their election to the District ~~Board of Directors~~ is deemed a contribution to the candidate.

4. “District” means the East Bay Municipal Utility District.

5. “Expenditure” has the same meaning as in the Political Reform Act of 1974, Government Code section 82025 and includes a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, unless it is clear from surrounding circumstances that it is not made for political purposes. “Expenditure” does not include a candidate’s use of ~~his or her~~their own money to pay for either a filing fee for a declaration of candidacy or a candidate statement prepared pursuant to Section 13307 of the Elections Code. An expenditure is made on the date the payment is made or on the date consideration, if any, is received, whichever is earlier.

6. “Officeholder expenses” means those expenditures that arise out of the performance of the officeholder’s official duties, directly assist the officeholder in performing ~~his or her~~those official duties, or are directly related to a governmental purpose. Officeholder expenses include, ~~but are not limited to:~~

(a) Donations to charitable organizations;

(b) Cost of tickets to political or community events;

(c) Postage, office supplies, stationery and similar expenses related to the conduct or performance of the officeholder’s governmental activities and duties;

(d) Reasonable expenses for travel to conferences, seminars, educational events or similar activities related to the officeholder’s position; or

(e) Costs of books or publications reasonably related to the officeholder’s position.

The expenses listed in (a) through (e) shall be considered officeholder expenses as long as they are not used in connection with the candidate’s election to a future term of office.

~~3.1. “Small Contributor Committee” means a committee of persons that has been in existence for more than six months and within 36 months before making a contribution has received contributions from 100 or more persons of no more than \$200 per person per calendar year and has made contributions to five or~~

~~more candidates of at least \$25 each. For purposes of this paragraph, the term “Candidate” shall have the same meaning as in the Political Reform Act of 1974 (Government Code Section 82007).~~

~~4.1. “District” means the East Bay Municipal Utility District.~~

~~5.1. “Contribution” has the same meaning as in the Political Reform Act of 1974, Government Code section 82015, and includes a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received unless it is clear from the surrounding circumstances that it is not made for political purposes. A non-monetary contribution shall be valued at the true or estimated fair market value of the goods, services, or facilities contributed to the campaign. A fair market value is the price that a person would be required to pay to acquire the same goods or services in the open market place.~~

~~The term “contribution” does not include a payment made by an occupant of a home or office for costs related to any meeting or fundraising event held in the occupant’s home or office if the costs for the meeting or fundraising event are five hundred dollars (\$500) or less; nor does it include volunteer personal services or payments made by any individual for his or her own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be, directly or indirectly, repaid to him or her.~~

~~A contribution to the committee designated by the candidate for his or her election to the District board is deemed a contribution to the candidate.~~

~~6.7. “Person” means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, limited liability company, corporation, association, committee, and any other organization or group of persons acting in concert.~~

~~7.1. “Expenditure” has the same meaning as in the Political Reform Act of 1974, Government Code section 82025 and includes a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, unless it is clear from surrounding circumstances that it is not made for political purposes. “Expenditure” does not include a candidate’s use of his or her own money to pay for either a filing fee for a declaration of candidacy or a candidate statement prepared pursuant to Section 13307 of the Elections Code. An expenditure is made on the date the payment is made or on the date consideration, if any, is received, whichever is earlier.~~

8. “Qualified Campaign Expenditure” means any expenditure made or incurred by a candidate or ~~his or her~~their agent for the purpose or with the primary effect of influencing or attempting to influence the actions of the voters for or against the election of the candidate. Such expenditures shall include, but are not limited to:

- (a) Payments for fundraising and campaign strategy expenses for election to a future term of office;
- (b) Payments for mass mailings, political advertising, opinion polls or surveys, and other ~~broadcast or print~~ communications in connection with election to a future term of office. For purposes of this ~~section~~paragraph, a mass mailing, political advertisement, opinion poll or survey, or other communication shall be considered “in connection with election to a future term of office” if it makes reference to the candidate’s future election or status as a candidate for a future term of office, or if it is made by an incumbent officeholder within three (3) months prior to an election for which he or she will be a candidate and it features the candidate ~~by name or image~~;
- (c) Payments for services and actual expenses of political consultants, the campaign treasurer and other campaign staff, pollsters and other persons providing services directly in connection with a future election;
- (d) Payments for office space, postage, office supplies, stationery, newsletters, and equipment which is used primarily for the administration of the candidate’s campaign to a future term of office;
- (e) Payments for voter registration and get-out-the-vote drives;
- (f) That portion of the total cost of a slate mailing or mailing of other campaign literature produced or authorized by more than one candidate which is the cost actually paid or incurred by the candidate; and
- (g) A non-monetary contribution provided at the request of or with the approval of the candidate or his or her agent which is made in connection with the candidate’s future election.

“Qualified campaign expenditure” does not include officeholder expenses.

~~9.1. “Officeholder expenses” means those expenditures that arise out of the performance of the officeholder’s official duties, directly assist the officeholder in performing his or her official duties, or are directly related to a governmental purpose. Officeholder expenses include:~~

- ~~(a) Donations to charitable organizations;~~
- ~~(b)(a) Cost of tickets to political or community events;~~
- ~~(c)(a) Postage, office supplies, stationery and similar expenses related to the conduct or performance of the officeholder’s governmental activities and duties;~~

~~(d)(a) Reasonable expenses for travel to conferences, seminars, educational events or similar activities related to the officeholder's position; or~~

~~(e)(a) Costs of books or publications reasonably related to the officeholder's position.~~

~~The expenses listed in (a) through (e) shall be considered officeholder expenses as long as they are not used in connection with the candidate's election to a future term of office.~~

9. "Small Contributor Committee" has the same meaning as in the Political Reform Act, Government Code section 85203 and Cal. Code of Regulations, title 2, section 18503, and includes means:

(a) A committee of persons that has been in existence for more than six months, and

(b) Within 36 months before making a contribution has received contributions from 100 or more persons, and

(c) Maintains campaign funds that do not include any contributions of no more than \$200 per person per calendar year, and

(d) Has made contributions to five or more candidates every 36 months of at least \$25 each.

For purposes of this Pparagraph III.9 only, the term "Candidate" shall have the same meaning as in the Political Reform Act of 1974 (Government Code sSection 82007).

IV. CAMPAIGN CONTRIBUTION LIMITATIONS

1. Limitations on Contributions from Persons

(a) Except as provided in Paragraph IV.2 of this Ordinance, no person shall make to any candidate and no such candidate shall solicit or accept any contribution which would cause the total amount contributed by that person to that candidate to exceed \$~~1,000,000~~ for each election. The District shall adjust this amount in January of every odd-numbered year starting on January 1, 2025 based on the increase or decrease in the San Francisco-/Oakland-Hayward-Consumer Price Index for Urban ~~Wage Earners and Clerical Workers~~ Consumers. This adjustment shall be rounded to the nearest ten dollars (\$10) and shall be published on the District's website no later than the 1st day of February in the year the adjustment is made.

- (b) No person shall make an anonymous contribution or contributions to a candidate, and no candidate shall accept or solicit an anonymous contribution, totaling twenty-five dollars (\$25) or more for an election.
- (c) A candidate shall maintain a written record of the name and address of each person from whom contributions of twenty-five dollars (\$25) or more are received for an election.
- (d) The provisions of this paragraph shall not apply to a candidate's contribution of ~~his or her~~their own personal funds to ~~his or her~~their designated candidate committee. "Personal funds" includes a loan obtained from a commercial lending institution.
- (e) A candidate may not personally loan to ~~his or her~~their campaign an amount, the outstanding balance of which exceeds ten thousand dollars (\$10,000).

2. Limitations on Contributions from Small Contributor Committees

No small contributor committee shall make contributions to any candidate and no candidate shall solicit or accept any contribution which would cause the total amount contributed by that small contributor committee to that candidate to exceed ~~\$2,000~~\$1,200 for each election. The District shall adjust this amount in January of every odd-numbered year starting on January 1, 2025 based on the increase or decrease in the San Francisco-/Oakland-Hayward Consumer Price Index for Urban Wage Earners and Clerical WorkersConsumers. This adjustment shall be rounded to the nearest ten dollars (\$10) and shall be published on the District website no later than the 1st day of February in the year the adjustment is made.

3. Return of Excess Contributions

A contribution need not be reported nor shall it be deemed accepted if it is not cashed, negotiated, or deposited and is returned to the contributor before the closing date of the campaign statement on which the contribution would otherwise be reported.

4. Prohibition on Certain Contributions ~~f~~From ~~Contractors Doing~~Persons with Business Before~~With~~ the District

(a) Contributions from participants, parties and their agentsor participants in a proceeding before the District involving a license, permit, or other entitlement for use shall be subject to the restrictions and prohibitions of the ~~Levine Act~~Political Reform Act, Government Code section 84308 and applicable regulations of the FPPC.

~~(a)(b)~~ In addition to the prohibitions and restrictions imposed by Government Code section 84308 and applicable regulations of the FPPC, ~~N~~no

person who contracts with the District, pursuant to a contract approved by the Board of Directors or under the authority of the Board of Directors for the rendition of personal services, for the furnishing of any material, supplies, or equipment to the District or for selling of any land or building to the District, whenever the contract was not obtained as a result of a competitive bidding process, shall make any contribution to a candidate at any time between the submittal of a proposal for said contract and ~~one year~~twelve months following the completion of the performance under such contract.

~~(b)~~(c) No person who submits a proposal to contract with the District, pursuant to a contract to be approved by the Board of Directors or under the authority of the Board of Directors for the rendition of personal services, for the furnishing of any material, supplies, or equipment to the District or for the selling of any land or building to the District, when the contract is not subject to the competitive bidding process, shall make any contribution to a candidate at any time between the submittal~~ssion~~ of a proposal for said contract and a final determination by the District to reject the proposal.

~~(e)~~(d) No candidate, or ~~his or her~~their agent, shall knowingly solicit or accept any contribution from any person or organization prohibited by Paragraph IV.4(a), ~~or (b)~~ or (c) of this Ordinance from making such contribution.

~~(e)~~ ~~No person who knowingly violates Paragraph IV.4(a) or (b) of this Ordinance shall be awarded a contract a which is not obtained as a result of a competitive bidding process for one (1) year after the date of the violation.~~Any person who submits a proposal to contract with the District shall disclose to the District any contribution(s) made to a candidate during the time period between submission of the proposal and a final decision by the District to accept or reject the proposal. Such disclosure shall occur no later than 72 hours after making the contribution except that such disclosure shall occur immediately upon making the contribution if the proposal will be subject to decision by the District within the following 72 hours.

~~(f)~~ Prior to rendering any decision on a contract to be approved by the Board of Directors, each Board member who has received a contribution from a party to the contract shall disclose that fact on the record of the proceeding. The Board member shall not make, participate in making, or in any way attempt to use the Board member's official position to influence the decision in a proceeding involving the contract if Board member has willfully or knowingly received a contribution from a party to the contract.

(g) If Board member has received a contribution from a person who submitted a proposal to contract with the District, and the contribution was received prior to the time the Board member knew or had reason to know of the submittal of the proposal, and returns the contribution within 30 days from the time the Board member knows, or should have known, about the contribution and the proceeding involving the contract, the Board member shall be permitted to participate in the proceeding.

5. Limitations on Transfers from Candidate Controlled Committees

Contributions received by any other committee controlled by a candidate shall be subject to the contribution limitations set forth in this Ordinance when such contributions are transferred to the candidate's committee for election to the District ~~B~~oard of Directors. The following method shall be utilized to calculate the amount that is in compliance with the contribution limitations.

- (a) The candidate shall review the contributions which have been received by the candidate controlled committee beginning with the last contribution received and working back in time until the total amount of cash and cash equivalents held by the candidate controlled committee is reached.
- (b) Should the review indicate that the aggregate amount of contributions from a contributor in the candidate controlled committee and in the candidate's committee for election to the District ~~B~~oard exceeds any applicable limitation, the total amount that may be transferred shall be reduced by the amount in excess of the applicable contribution limitation.

6. Post-Election Fundraising

- (a) A contribution for an election may be accepted by a candidate after the date of the election only to the extent that the contribution does not exceed net debts outstanding from the election, and the contribution does not otherwise exceed the applicable contribution limit for that election.

(b) "Net debts outstanding from the election" means the total of a committee's outstanding debts minus its assets.

~~(b)~~(c) "Outstanding debts" includes all of the following:

- (1) An amount necessary to cover the cost of raising funds as permitted under this Ordinance.
- (2) Costs related to complying with the post-election filing requirements of this Ordinance and the Political Reform Act ~~of~~

~~1974~~ and for other reasonable and necessary administrative costs related to winding down the campaign, including office space rental, staff salaries, and office supplies.

- (3) Legal fees and expenses incurred directly in connection with monitoring the count of absentee or provisional ballots for the election, or with a ballot recount.

(4) The total amount of unpaid debts, loans and accrued expenditures incurred with respect to the election.

~~(4)~~(d) ~~“Assets” includes all of the following; less the sum of both of the following:~~

~~(A)~~(1) The total cash on hand available to pay those debts and obligations, including: currency; balances on deposit in banks, savings and loan institutions, and other depository institutions; traveler's checks; certificates of deposit; treasury bills; and any other committee investments valued at fair market value.

~~(B)~~(2) The total amounts owed to the ~~candidate-controlled~~candidate-controlled committee in the form of credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount based on the collectability of those credits, refunds, returns, or receivables.

~~(e)~~(e) Raising Funds. A candidate may accept contributions after the date of the election only up to the amount of net debts outstanding from the election. The contributions accepted are subject to the applicable contribution limit for that election. The candidate shall reduce the total amount of net debts outstanding as additional funds are received. The candidate and ~~his or her~~their controlled committee(s) may not accept a contribution that exceeds the total amount of net debts outstanding on the date the contribution is received. A contribution that exceeds the amount of net debts outstanding shall be treated in the same manner as a contribution in excess of the contribution limits.

~~(f)~~(f) Paying Net Debt. A candidate may only use a contribution accepted after the election for payment of net debts outstanding from the election. The candidate shall use available funds to pay net debts outstanding as soon as practicable.

~~(g)~~(g) Transfer. A candidate may transfer campaign funds from another of ~~his or her~~their controlled committees for the purpose of paying the net debts outstanding of ~~his or her~~their District committee. A transfer of this type is subject to the ~~contribution limit~~transfer and attribution requirements ~~of this Ordinance~~in Paragraph IV.5.

7. Surplus Funds

- (a) Funds remaining in the committee established by the candidate for ~~his or her~~their election to the District ~~B~~oard ~~of Directors~~ as of the end of the first postelection reporting period after the candidate is defeated or has left office may be used only for the following purposes:
 - (1) To pay campaign debts or debts from officeholder expenses;
 - (2) To refund contributions;
 - (3) To donate to any bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organization, where no substantial part of the proceeds will have a material financial effect on the candidate, any member of ~~his or her~~their immediate family, or ~~his or her~~their campaign treasurer; and
 - (4) To pay professional services reasonably required by the committee to assist in the performance of its administrative functions, including payment for attorney's fees for litigation arising directly out of the candidate's duties or status as a candidate or elected officer, including, but not limited to, an action to enjoin defamation, defense of an action brought of a violation of state or local campaign, disclosure, or election laws, and an action from an election contest or recount.
- (b) Funds remaining in the committee established by the candidate for ~~his or her~~their election to the District ~~B~~oard as of the end of the first postelection reporting period after the candidate is defeated or has left office may not be used for ~~his or her~~their election to any other office unless they are first transferred to a committee set up for that other office.

V. VOLUNTARY EXPENDITURE CEILING

1. Ballot Designation of Candidate Accepting Voluntary Expenditure Ceiling

Candidates who adopt the voluntary expenditure ceiling as defined below shall be designated in the voter information portion of the sample ballot as having voluntarily agreed to the expenditure ceiling set forth in this paragraph.

2. Statement Accepting Voluntary Expenditure Ceiling

All candidates who accept the voluntary campaign expenditure ceiling as defined below must file a statement with the Secretary of the District indicating acceptance of the expenditure ceiling and acknowledging such decision to be irrevocable. Said statement shall be filed no later than the time for filing the FPPC Form 501 (Candidate Statement of Intention). A candidate

who does not adopt the voluntary campaign expenditure ceiling by filing the required statement shall be presumed to have rejected the expenditure ceiling.

3. Statement Declining Voluntary Expenditure Ceiling

Candidates who decline to accept the voluntary campaign expenditure ceiling as defined below shall file a statement with the Secretary of the District indicating their decision not to adopt the expenditure ceiling. Said statement shall be filed no later than the time for filing the FPPC Form 501 (Candidate Statement of Intention). A candidate who has filed a statement with the Secretary of the District indicating ~~his or her~~their decision not to accept the expenditure ceiling may, no later than the deadline for filing nomination papers within section 8020 of the Elections Code, revoke such decision by filing with the Secretary of the District a statement accepting the expenditure ceiling and a separate statement, signed under penalty of perjury, verifying that the candidate's qualified campaign expenditures to date have not exceeded the expenditure ceiling.

4. Amount of Expenditure Ceiling

(a) Candidates who agree to expenditure ceilings shall not incur qualified campaign expenditures during the election cycle exceeding \$0.~~53-80~~ (fifty-three)~~eighty~~ cents) multiplied by the number of residents in the ward in which the candidate seeks election. At the beginning of each election cycle, the number of residents in each ward shall be determined by the Secretary of the District based upon EBMUD's redistricting plan or federal census data, whichever provides the most current information.

(b) The District shall adjust the amount otherwise determined under this Paragraph V.4 in January of every odd-numbered year commencing January 1, 2025, based on the increase or decrease in the San Francisco-~~Oakland-Hayward~~ Consumer Price Index for Urban ~~Wage Earners and Clerical Workers~~Consumers. The adjusted expenditure ceiling is adjustment shall be rounded to the nearest one hundred dollars (\$100) and shall be published on the District website no later than the 1st day of February in the year the adjustment is made.

5. Expenditure Ceiling Lifted

If any candidate declines to accept the campaign expenditure ceiling by the deadline provided in ~~Paragraph V.3 of this section~~, then the expenditure ceiling shall no longer be binding on any candidate.

VI. DISCLOSURE

1. Statements of Organization, Candidate Intention Statements, and Campaign Statements.

Any Statement of Organization (Form 410), Candidate Intention Statement (Form 501) and Campaign Statements (including Forms 460, 465, 470, 495, 496 or 497) required to be filed under the Political Reform Act ~~of 1974~~ ~~(Government Code Section 81000 et seq.)~~ shall also be filed at the same time with the Secretary of the District. The candidate's obligation to file such campaign statements with the Secretary of the District shall continue until such time as the candidate has filed all campaign statements required by the Political Reform Act ~~of 1974~~ for the period ending December 31 following the election, including the Semi-Annual Campaign Statement (Form 460) due on January 31 following the election.

2. Statement Accepting or Declining Voluntary Expenditure Ceiling

Each candidate shall file a statement with the Secretary of the District accepting or declining the voluntary expenditure ceiling for each election as set forth in ~~P~~paragraphs VI.1 and VI.2 ~~of this Ordinance~~. The Secretary shall provide each candidate with a form that may be used for this purpose.

3. Press Disclosure

The Secretary of the District shall, upon determining that a candidate has failed to comply with any filing deadline set forth in this Ordinance, immediately notify the candidate of the apparent violation by any method that provides for confirmation of receipt, including but not limited to certified mail, telephone call and e-mail. The candidate shall be given five (5) working days from the date of actual notification to either cure the violation or to demonstrate that the required filings have been made. Upon conclusion of the five-day period, if the candidate has not demonstrated that full compliance has occurred, the Secretary shall disclose to the public by press release the name of any candidate who has failed to file any statements required under this Ordinance in the current election.

VII. INDEPENDENT EXPENDITURES IN DISTRICT ELECTIONS

1. Campaign Advertising Disclosure

~~(a) In addition to the disclaimers required to appear on advertisements by the Political Reform Act, Government Code sections 84501 et seq. and the regulations of the Fair Political Practices CommissionFPPC, aAny committee that spends at least \$1,000 on advertisements to primarily formed to support or oppose candidates in the District Board election that makes, during the calendar year in which the election is held, more than \$1000 in independent expenditures to support or oppose any candidate for election to the District Board shall list the following information in its advertisements in a clear and legible manner on the bottom one third of the front page of any printed communication, including mailings, yard signs, billboards, bumper stickers and~~

~~campaign buttons 10 inches in diameter or larger, paid for by the committee that mentions a candidate or the election: “Ad p~~
~~Ad p~~
Paid for by
[name of committee]. ~~Major funding by~~
Ad Committee’s Top Funders:
[name and occupation of ~~two-three~~ largest contributors of \$5,000 or more to the committee within the prior 12 months].”

(b) The requirements of this paragraph shall not apply to any communication distributed by an organization solely to its own members, employees, shareholders, or families of members, employees, or shareholders.

2. Independent Expenditure Reports

~~In addition to the reporting requirements of the Political Reform Act of 1974, a~~
~~Any committee primarily formed to support or oppose a District candidate that makes independent expenditures totaling five hundred dollars~~
~~(\$500) or more within 90 days of a District election in a calendar year to support or oppose a candidate for election to the District Board of Directors shall file a copy of their Form 496 24-Hour Independent Expenditure Report with the Secretary of the District. a copy of all campaign statements required to be filed under the California Political Reform Act of 1974. The deadline for filing such campaign statements with the Secretary shall be the same deadline for filing campaign statements with the California Secretary of State or any county clerk as set forth in the California Political Reform Act of 1974.~~
\$1,000
of Directors
shall file a copy of their Form 496 24-Hour Independent Expenditure Report
with the Secretary of the District.
a copy of all campaign statements required
to be filed under the California Political Reform Act of 1974. The deadline for
filing such campaign statements with the Secretary shall be the same deadline
for filing campaign statements with the California Secretary of State or any
county clerk as set forth in the California Political Reform Act of 1974.

VIII. ENFORCEMENT

1. Campaign Statement Review

- (a) The Secretary of the District shall monitor all campaign forms and statements filed by candidates for the District Board and shall notify the candidate of any of the following apparent violations of this Ordinance:
- (1) The non-filing or late filing of any required campaign forms or statements.
 - (2) A statement that does not conform on its face with the requirements of this Ordinance.
 - (3) Any reported contributions that exceed the allowable maximums established under this Ordinance.
- (b) The Secretary of the District shall also investigate any report or information received indicating that a candidate may have failed to file a statement required under this Ordinance, if the Secretary has sufficient information to reasonably conduct such investigation.

- (c) The candidate shall be allowed to correct any reports within five days after receipt of notice of an apparent violation by the Secretary of the District.
- (d) The Secretary of the District shall refer to the ~~Fair Political Practices Commission~~FPPC any complaint alleging a violation of the Political Reform Act ~~of 1974~~ (Government Code Section 81000 *et seq.*) by any candidate or committee and shall cooperate in any investigation conducted by the ~~Commission~~FPPC as a result of such referral.

2. Violations

- (a) In addition to any other remedies provided in this Ordinance, the East Bay Municipal Utility District and any person residing in the District may bring a civil action against any person or committee who intentionally or negligently violates the reporting requirements or the contribution and expenditure limitations set forth herein, and may also sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this Ordinance. Any such action must be brought within 4 (four) years of the date of the violation.
- (b) In any legal action brought under this Ordinance for injunctive relief or civil liability, the court may award to a plaintiff or defendant who prevails ~~his or her~~their costs of litigation, including reasonable attorney's fees.
- (c) In any legal action brought under this Ordinance for injunctive relief or civil liability, where it is determined that the candidate has accepted a contribution or contributions in excess of the applicable limit set forth herein, the full amount of said contribution(s) shall be forfeited to the District general fund. If funds are not available in the candidate's designated committee account for this purpose, the candidate shall be personally liable to pay said amount to the District general fund.

3. Enforcement by Other Agencies

Nothing in Paragraph VII shall be construed as limiting the authority of any law enforcement agency, prosecuting attorney or other person to enforce the provisions of this Ordinance, under any circumstances where such law enforcement agency, prosecuting attorney or other person has lawful authority to do so.

IX. APPLICABILITY OF OTHER LAWS

Nothing in this Ordinance shall exempt any person or committee from applicable provisions of any other laws of this State.

X. SEVERABILITY

If any provision of this Ordinance shall be held invalid, the remainder of this Ordinance to the extent it can be given effect, shall not be affected thereby, and to this extent the provisions of this Ordinance are severable.

THE EFFECTIVE DATE of this Ordinance shall be May 26, 1992; the amendments adopted on February 8, 1994 shall take effect on May 11, 1994 provided however that the contribution limits specified in Paragraphs IV.1(a) and IV.2(a) shall take effect on, January 25, 1994; the amendments adopted on March 12, 1996 shall take effect on April 11, 1996; the amendments adopted on June 9, 1998 shall take effect on July 9, 1998; the amendments adopted on August 11, 1998 shall take effect on September 10, 1998; the amendments adopted on January 8, 2002 shall take effect on February 7, 2002; the amendments adopted on January 12, 2010 shall take effect on February 12, 2010; the amendments adopted on _____, 2024 shall take effect on _____, 2024.



BOARD ACTION

Agenda Number:	14.	Meeting Date:	February 27, 2024
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TITLE	APPROVE THE PROCESS AND OTHER ACTIONS FOR FILLING THE ANTICIPATED VACANT BOARD SEAT IN EAST BAY MUNICIPAL UTILITY DISTRICT WARD 2
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ACTION	☒ Motion:	☐ Resolution:	☐ Ordinance:
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RECOMMENDED ACTION	Consider approving the following actions related to filling the anticipated vacant Board seat in East Bay Municipal Utility District (EBMUD) Ward 2 as recommended by the Board of Directors' Ad Hoc Committee. 1. Approve the Notice of Vacancy and distribution plan. 2. Approve the Candidate Appointment Process. a. Approve the Candidate Information Packet b. Approve the Candidate Application Process c. Approve the Candidate Evaluation Process
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SUMMARY	At the January 23, 2024 Board meeting, Director John A. Coleman announced his resignation as Director of EBMUD Ward 2 effective March 8, 2024. At its February 13, 2024 meeting, the Board approved an appointment process for filling the vacant Board seat in Ward 2 and appointed an Ad Hoc Committee comprised of Directors April Chan, Andy Katz, and Marguerite Young to develop the process. The Ad Hoc Committee met on February 15, 2024 and developed the proposed Recommended Actions. The Board is being asked to approve the proposed Recommended Actions at its February 27, 2024 meeting. If approved, staff will begin implementing the appointment process.
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DISCUSSION	Under Municipal Utility District (MUD) Act section 11865 <i>et seq.</i>, 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 May 7, 2024). If the Board does not exercise one of these options, the Contra Costa County Board of Supervisors would have until June 6 to either fill the vacancy by appointment or order EBMUD to call a special election. At its February 13, 2024 meeting, the Board voted to fill the vacant Board seat in Ward 2 by appointment and appointed an Ad Hoc Committee to develop the process. The Ad Hoc Committee met on February 15, 2024 and agreed on the distribution plan and locations for the Notice of Vacancy; items to be included in the candidate information packet; the application process; the application evaluation process; and the appointment process.
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Originating Department: Office of the Secretary	Department Director or Manager: Rischa S. Cole	CEP Forms? N/A	Board Action Type: Administrative
Funds Available: N/A	Budget Coding: N/A		Approved: 
Attachment(s): Draft Notice of Vacancy; Draft Appointment Timeline			

Title:	Approve the Process and Other Actions for Filling the Anticipated Vacant Board Seat in EBMUD Ward 2	Meeting Date:	February 27, 2024
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Notice of Vacancy Distribution

The MUD Act states 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 Ad Hoc Committee recommends the notice be posted at the EBMUD Administration Building in Oakland; Contra Costa County Clerk-Recorder's Office in Martinez; City of Lafayette City Hall Offices in Lafayette; EBMUD's website and social media platforms; published in the Oakland Tribune, Contra Costa Times, San Ramon Valley Times, East County News, Lamorinda Weekly, Walnut Creek Journal, and on the PublicCEO website; and distributed for posting with cities, towns, chambers of commerce, regional agencies, and elected officials in Ward 2.

Candidate Appointment Process

The District will provide all interested candidates an information packet that will include a description of the application process and a link to a page on ebmud.com with information about the District.

Candidates will be required to mail, email, or hand deliver the following application materials by 4:30 p.m. on Friday, March 22: 1) a letter expressing their interest and qualifications (no more than 2 pages); 2) a resume; and 3) a minimum of three (3) letters of reference.

The Office of the Secretary will conduct the initial screening of all application materials for completeness and confirm the applicant is a resident in Ward 2. The Ad Hoc Committee will screen applications to develop a shortlist of candidates, if necessary, for final interviews with the full Board.

The full Board will interview each candidate forwarded by the Ad Hoc Committee. Each interview will last 15 minutes. The Board may ask clarifying questions, and the time to respond to those questions will not count against the candidates' 15 minutes.

The Board will conduct interviews at its regular meeting on Tuesday, April 9, 2024 beginning at 4:00 p.m. in the Administration Building Boardroom. The interviews will be conducted in person, and will be viewable on Zoom, and livestreamed on the District's website. If the Board does not vote to conduct interviews at its regular meeting on Tuesday, April 9, the Board will need to vote to hold a special meeting to conduct interviews on either Tuesday, April 16 or Wednesday, April 17.

The Board will vote for the recommended candidate at one of the April meetings and vote on appointing the recommended candidate at its regular meeting on Tuesday, April 23, 2024. The appointee's first Board meeting will be Tuesday, May 14, 2024; the appointee will serve as Director for Ward 2 until the general election on November 5, 2024.

These actions support the District's Customer and Community Services Strategic Plan goal.

Title:	Approve the Process and Other Actions for Filling the Anticipated Vacant Board Seat in EBMUD Ward 2	Meeting Date:	February 27, 2024
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SUSTAINABILITY

Economic

The Fiscal Year 2024 adopted operating budget does not include funding for this unplanned expense. The fiscal impact associated with this action will be absorbed within the existing budget appropriation.

Social

The notice of vacancy will be widely distributed throughout Ward 2. The appointment process recommended by the Ad Hoc Committee is open and transparent and allows ample opportunity for public participation.

ALTERNATIVES

Do not approve the appointment process recommended by the Ad Hoc Committee. This alternative is not recommended because the Board appointed the Ad Hoc Committee to develop an appointment process. The process recommended by the Ad Hoc Committee will allow the Board to appoint a candidate within the 60-day timeframe in the MUD Act.

Do not approve the appointment process and hold a special election. This alternative is not recommended because the Board voted to use an appointment process to fill the vacant Board seat in Ward 2. The cost to hold a special election is approximately \$1.3 million to \$2.1 million.

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

Notice is hereby given that a vacancy exists on the Board of Directors of the East Bay Municipal Utility District (EBMUD) representing Ward 2. Ward 2 lies in Contra Costa County and its boundaries include the Cities of Alamo, Lafayette, Walnut Creek, Town of Danville; portions of San Ramon and Pleasant Hill and communities of Blackhawk and Diablo. The position will be vacant due to the resignation of John A. Coleman effective March 8, 2024. The EBMUD Board of Directors will appoint an individual to fill this seat.

The appointee will hold the seat until the next general election in November 2024. The individual subsequently elected in November 2024 would then serve the remainder of John A. Coleman's term - until December 31, 2026. The person selected to fill this vacancy in Ward 2 must be a registered voter and resident of the geographical boundaries of Ward 2. Eligibility can be verified by calling the Contra Costa County Registrar of Voters at (925) 335-7800.

Regular meetings of the Board of Directors are held on the second and fourth Tuesday of each month beginning at 11:00 a.m. Additionally, duties include service on Board Committees (which typically meet in the morning on the second and fourth Tuesday each month), representing EBMUD on Joint Powers Authority boards, attendance at special meetings and other meetings as required. Board members that meet minimum meeting requirements receive \$1,606.50 in monthly compensation. Board members are also eligible to receive medical, dental, vision and other benefits provided by EBMUD.

Persons wishing to be considered for this seat must submit an application packet consisting of a letter expressing their interest and qualifications for selection (no more than two pages), a resume, and a minimum of three letters of reference. Application packets can be submitted as follows:

Mail to: EBMUD, Attn: Board of Directors, P.O. Box 24055, MS806, Oakland, CA 94623
In person: EBMUD, Office of the Secretary, 375 11th Street, MS806, Oakland, CA 94607
Monday-Friday, 8:00 a.m. – 4:30 p.m.
Email: Rischa.Cole@ebmud.com

Application packets are due no later than 4:30 p.m. on Friday, March 22. For additional information about EBMUD or the appointment process, please contact Secretary of the District Rischa S. Cole at (510) 287-0404.

The Board of Directors will interview candidates in early April 2024. The appointment will be made at a regularly scheduled meeting of the Board not later than April 23, 2024.

A copy of this NOTICE OF VACANCY is being posted in three or more conspicuous places in the District as follows: EBMUD Administrative Offices in Oakland; the Contra Costa County Clerk-Recorder's Office in Martinez; and City of Lafayette Administrative Offices in Lafayette. This notice is also being published in the Oakland Tribune, Contra Costa Times, San Ramon Valley Times, and other publications in Ward 2.

I, Rischa S. Cole, Secretary of the District of the East Bay Municipal Utility District, hereby declare that I have caused to be posted a NOTICE OF VACANCY on this [DATE].

Rischa S. Cole
Secretary of the District

Ward 2 Vacancy Appointment Timeline

Date(s)	Action
Tuesday, February 27	Board Meeting - Board of Directors approve appointment process developed by Ad Hoc Committee - Board of Directors vote to interview and select candidate at April 9 meeting or special meeting on either April 16 or April 17
Friday, March 1	Begin posting/distributing Notice of Vacancy
Friday, March 22	Deadline for candidates to submit application materials
Monday, March 25	Secretary screens applications for completeness
Tuesday, March 26	Board Meeting - Secretary sends applications to Ad Hoc Committee - Full Board receives list of proposed interview questions
Wednesday, March 27 to Thursday, March 28	Ad Hoc Committee screens applications and provides list of candidates to Secretary
Friday, March 29	Secretary contacts candidates to schedule interviews and sends confirming letters
Tuesday, April 9	Board Meeting Board interviews and selects candidate
OR Tuesday, April 16 or Wednesday, April 17	Special Board Meeting Board interviews and selects candidate <i>(IF Board does not interview and select candidate on April 9)</i>
Tuesday, April 23	Board Meeting Board appointment
Tuesday, May 14	Board Meeting First meeting for appointee

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 27, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager CCC

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

SUBJECT: Water Supply Update – February 27, 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 27, 2024 Board meeting.

CCC:DAB:sd

Attachment: Water Supply Update Presentation

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Water Supply Update

Board of Directors
February 27, 2024

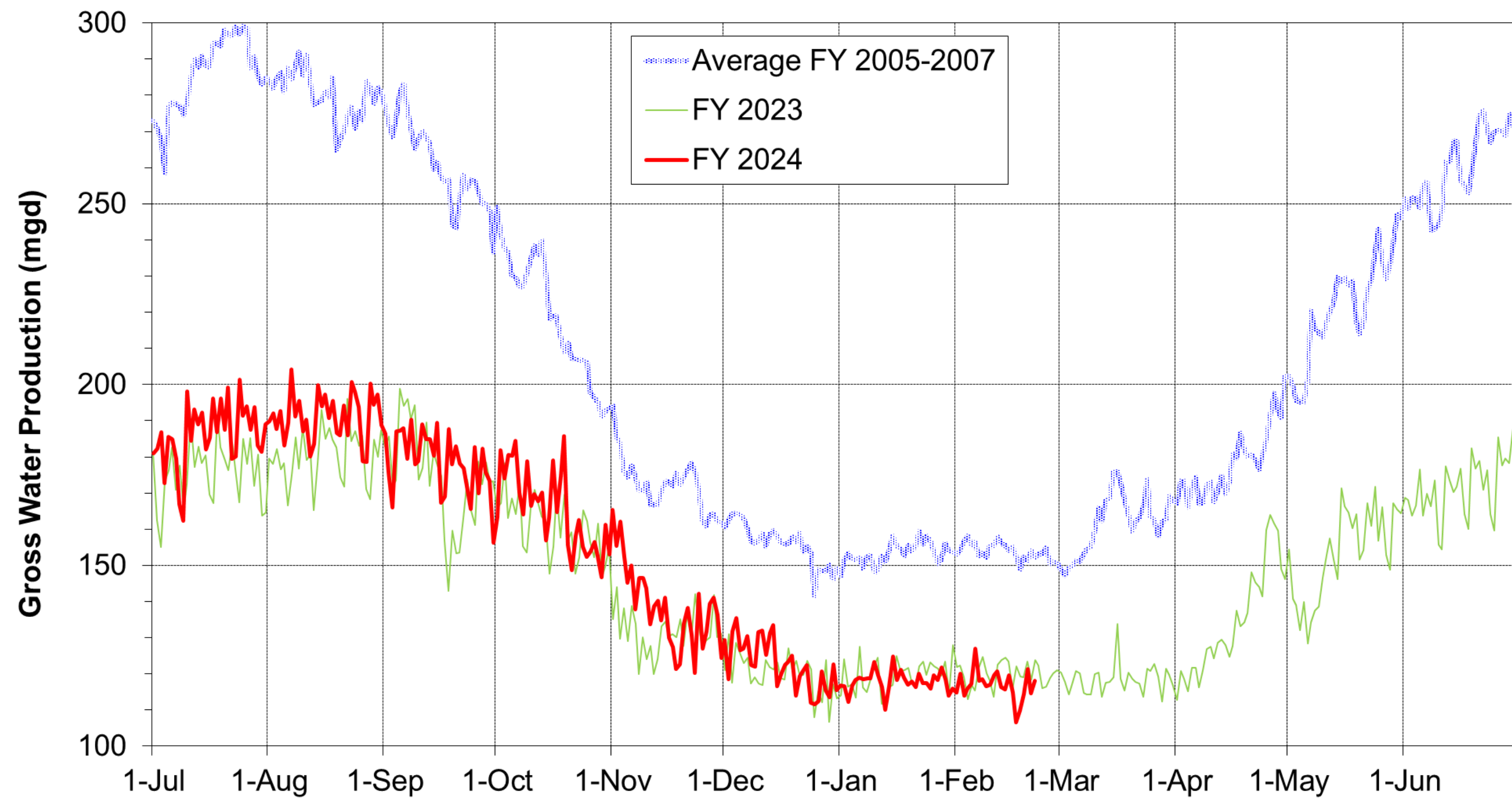
Water Supply Briefing

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



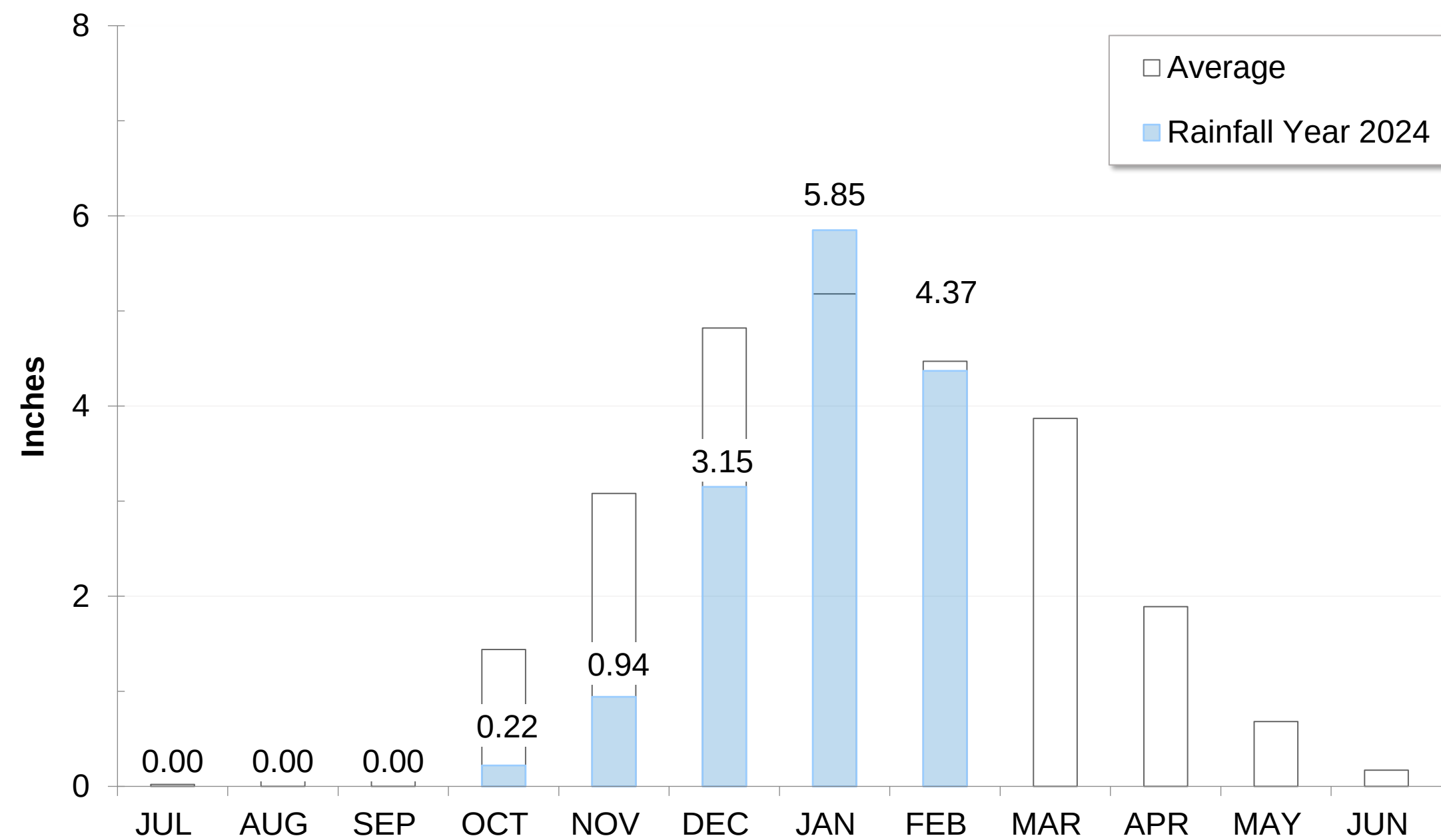
Current Water Supply

Gross Water Production



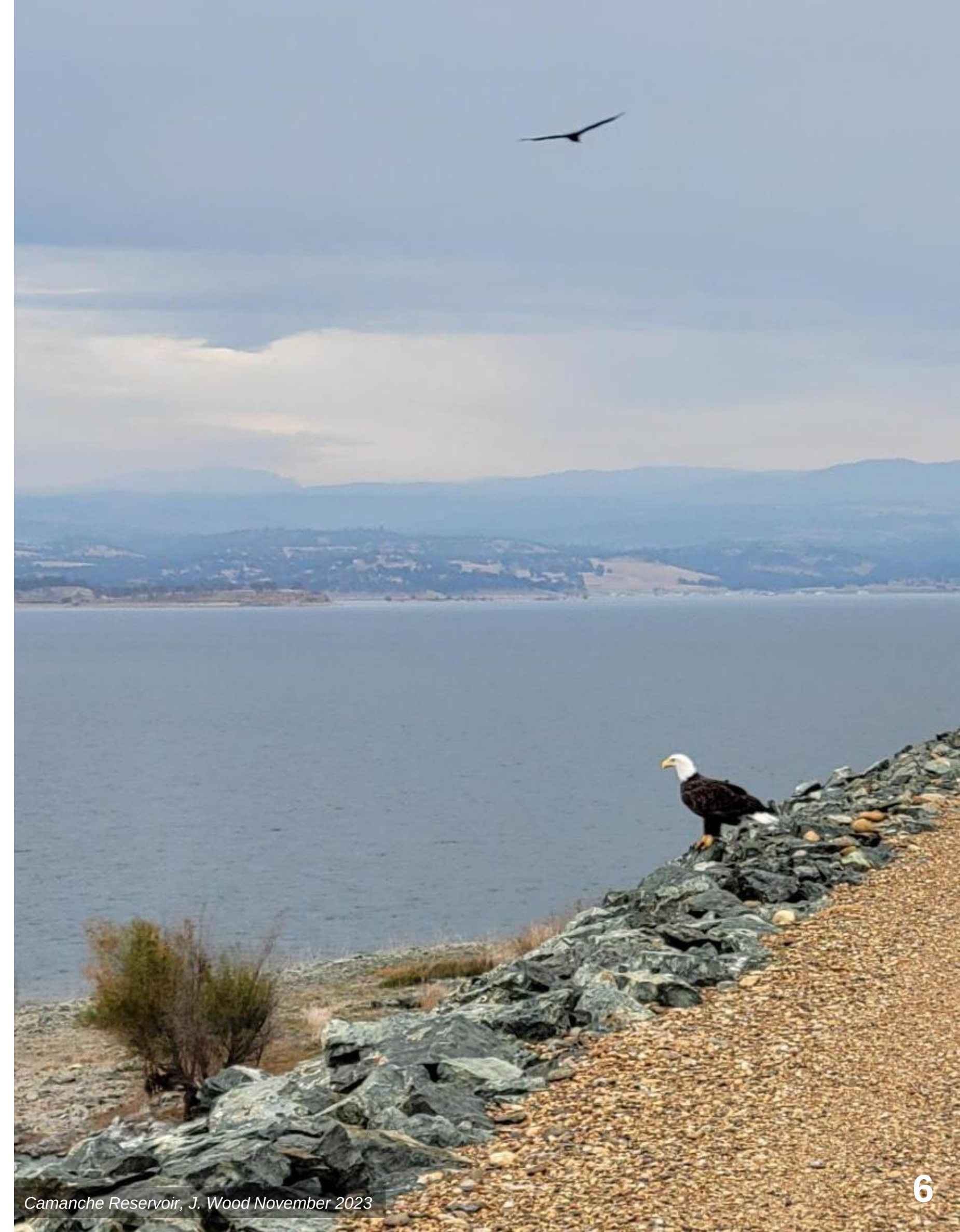
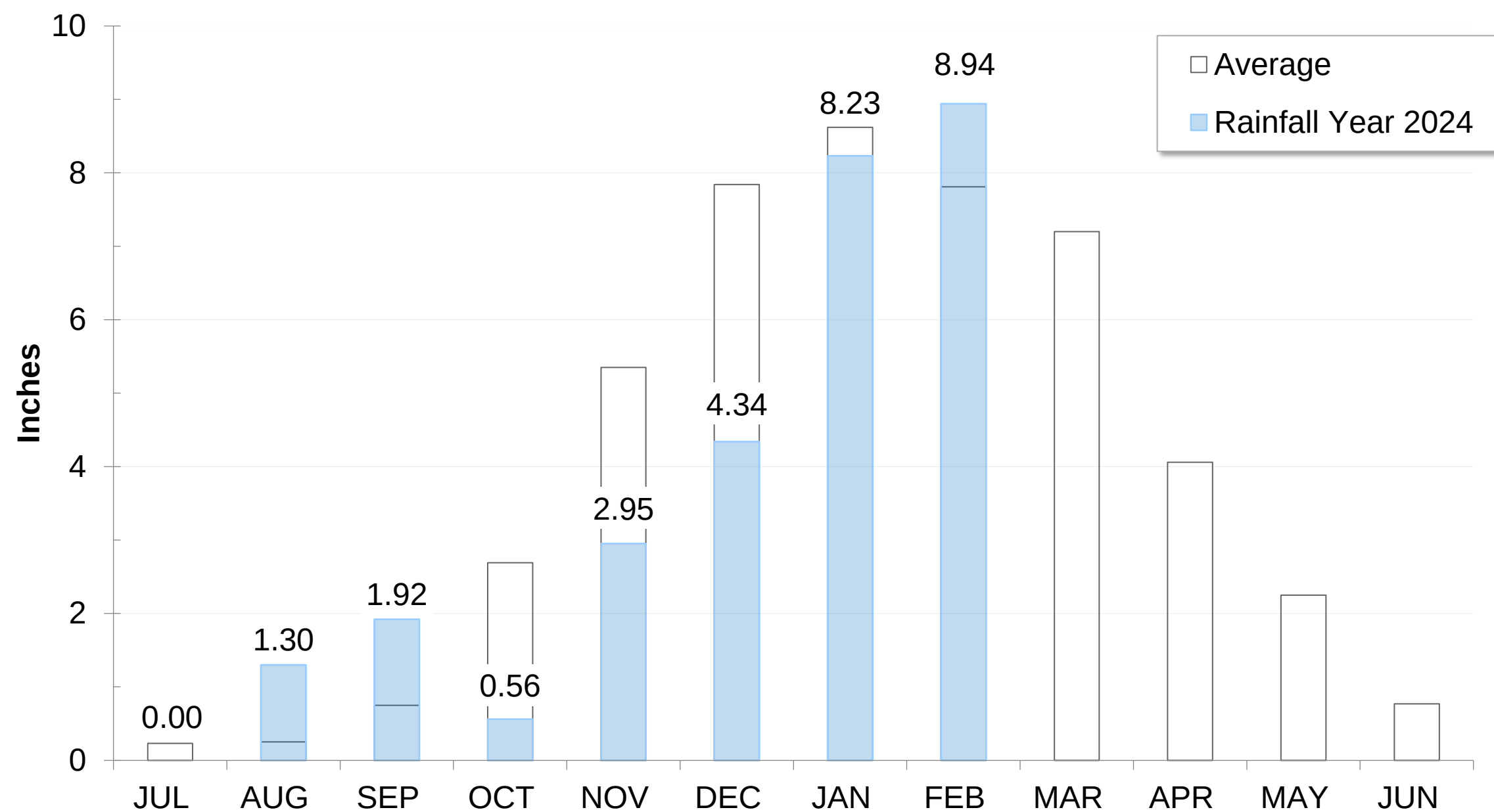
Precipitation as of February 22

East Bay: 14.53" (77% of average)



Precipitation as of February 22

Mokelumne: 28.24" (88% of Average)



Camanche Reservoir, J. Wood November 2023

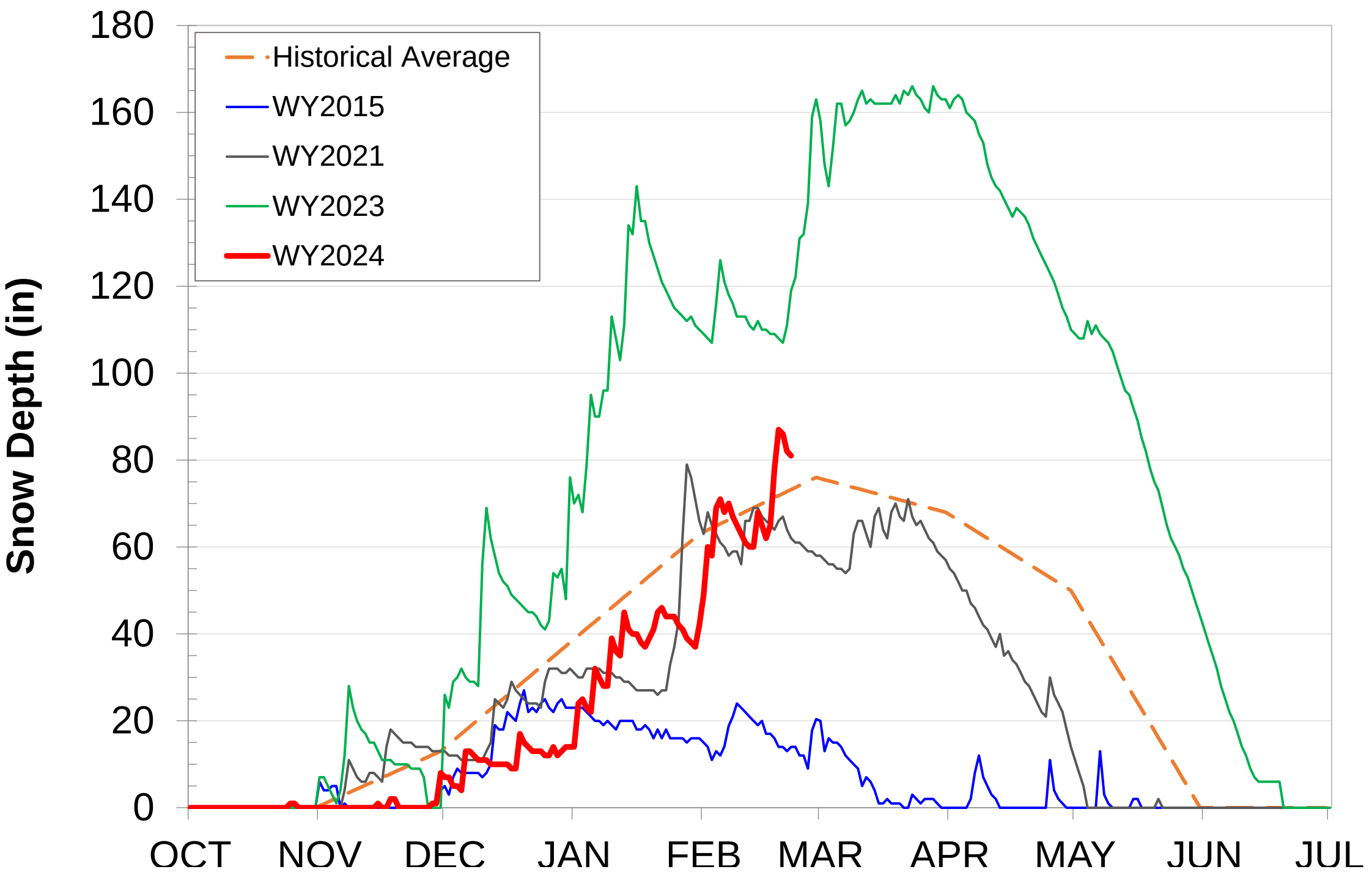
Caples Lake Snow as of February 22

Snow Depth

81" (111% of average)

Snow Water Content

21.51" (85% of average)

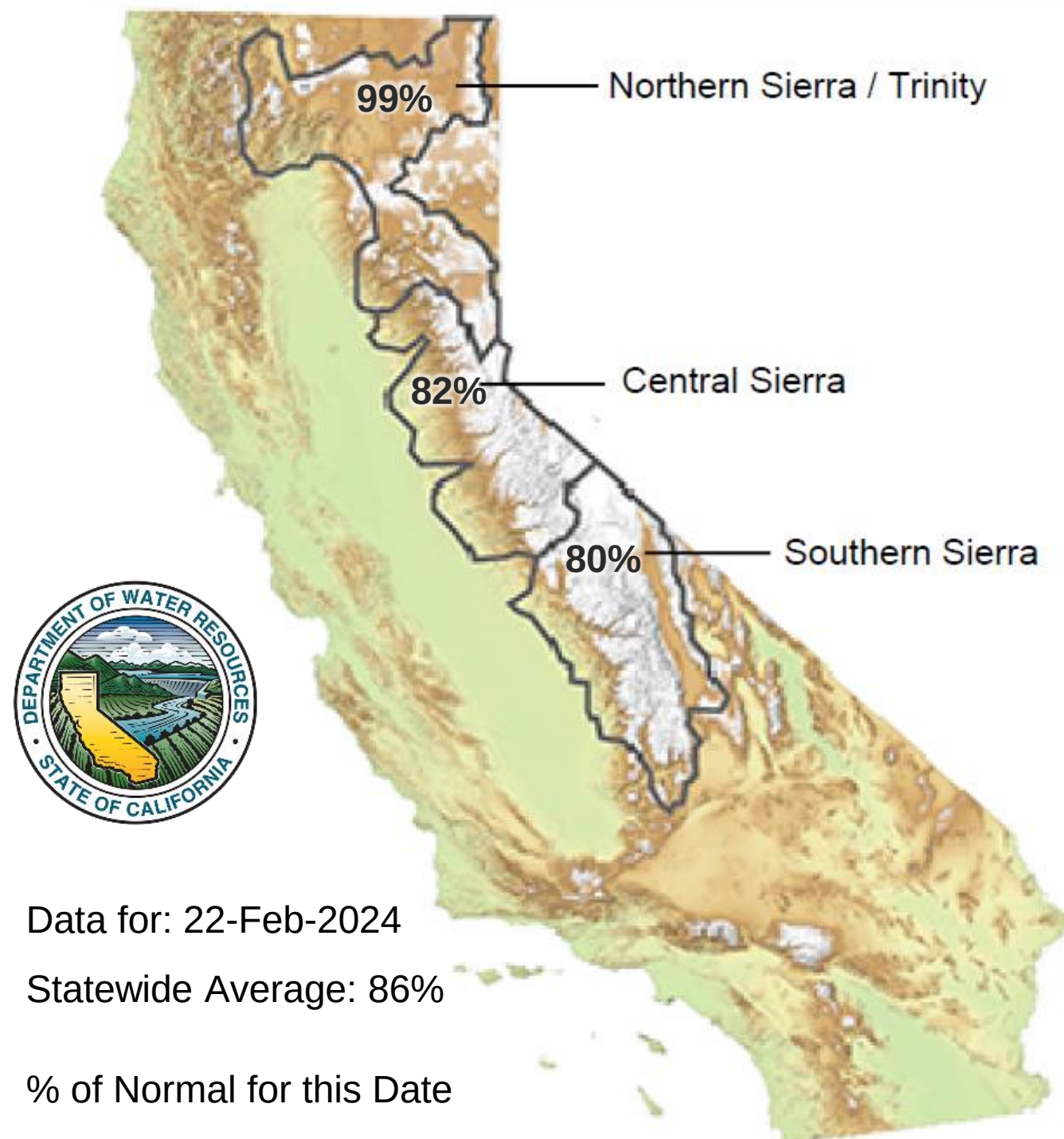


California Water Supply



Snowpack as of February 22

Snow Water Equivalent:
82% in Central Sierra



Data for: 22-Feb-2024

Statewide Average: 86%

% of Normal for this Date



Water Supply Projections

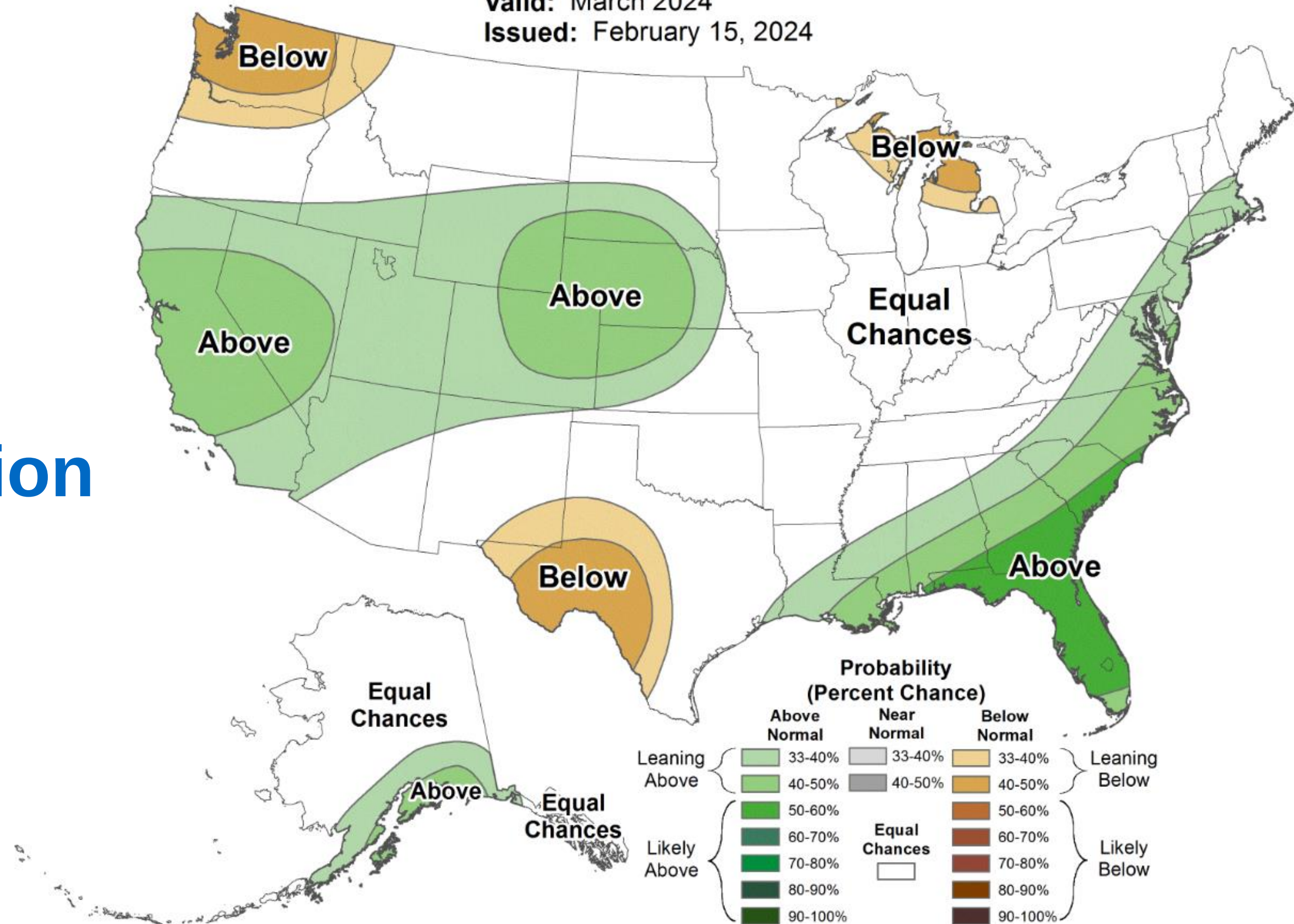


Monthly Precipitation Outlook



Valid: March 2024
Issued: February 15, 2024

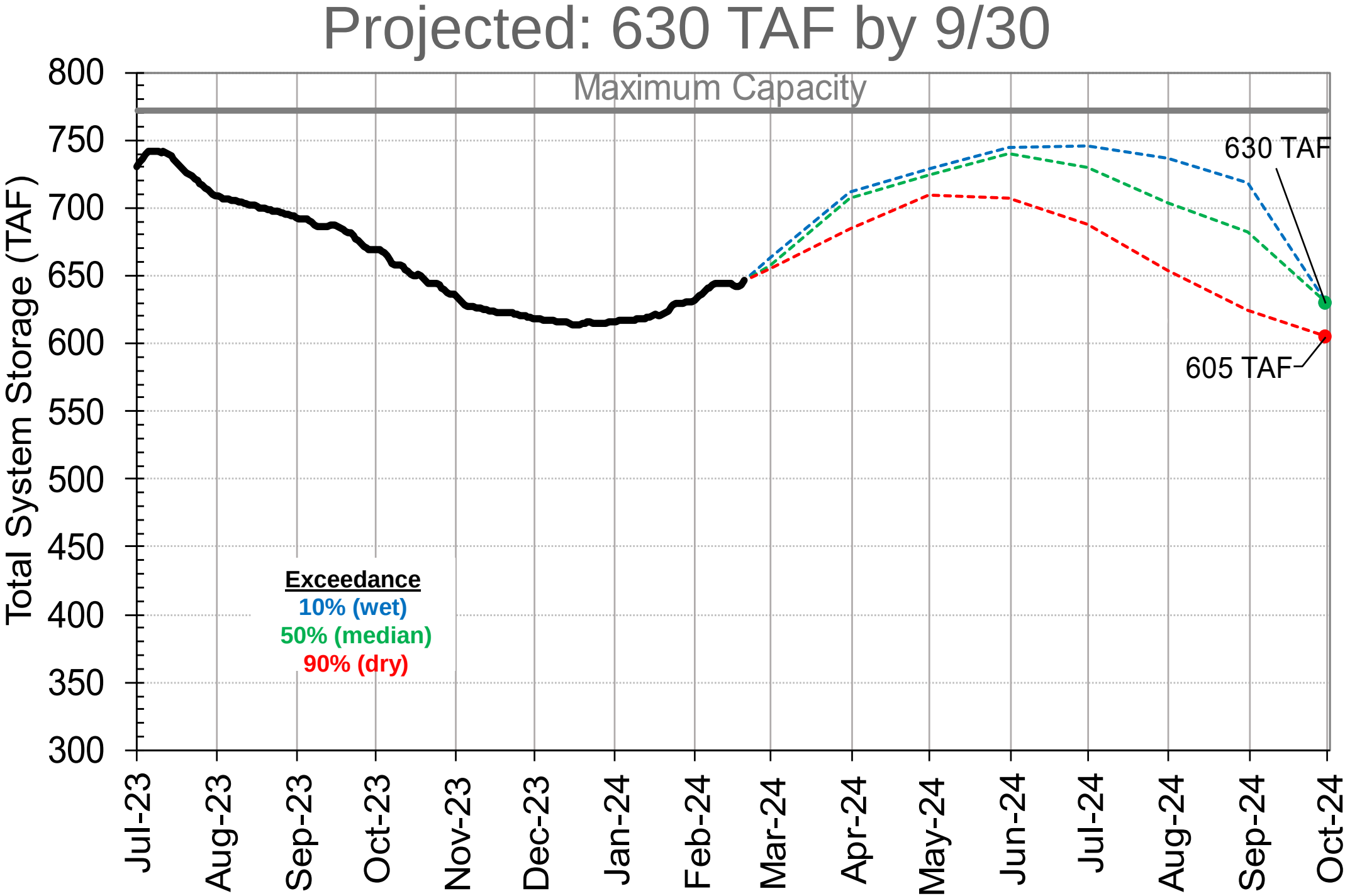
30-Day Precipitation Outlook (Climate Prediction Center)



Total System Storage as of February 22

Current: 651 TAF (112% of Average)

Reservoir	Current Storage, TAF	Percent of Average	Percent of Capacity
Pardee	179	98%	88%
Camanche	333	124%	80%
East Bay	139	105%	92%
Total System	651	112%	84%



TAF: Thousand Acre-Feet

Questions?



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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 22, 2024

MEMO TO: Board of Directors

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

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

SUBJECT: Planning Committee Minutes – February 13, 2024

Chair Marguerite Young called to order the Planning Committee meeting at 9:01 a.m. in the Administration Building Boardroom. Directors April Chan and Doug A. Linney were present at roll call. Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Director of Engineering and Construction Olujimi O. Yoloeye, Engineering Manager David J. Rehnstrom, Attorney III Karen L. Donovan, and Secretary of the District Rischa S. Cole.

Public Comment. Addressing the Committee was Ivette Rivera who commented on the Pierce/Bland case.

Presentations/Documentation. 1) Presentation entitled, “Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line,” dated February 13, 2024; and 2) Document titled, “US District Court Pierce et al., v. EBMUD Case 3:21-cv-04325-AGT Document 291 filed February 5, 2024.”

Policy 3.08 – Advisory Election for Annexations Outside the Contra Costa County (CCC) Urban Limit Line (ULL). Engineering Manager David J. Rehnstrom provided the presentation. At its November 28, 2023 meeting, the Board approved administrative changes to Policy 3.08 and requested a discussion on available options to oppose annexations outside the CCC ULL and potential changes to the policy. Mr. Rehnstrom reviewed District policies regarding annexations (Policy 3.01 – Annexations, Policy 3.05 – considerations for Extension of Water Service Beyond the ULL, and Policy 3.08); descriptions of service area, sphere of influence, ultimate service, and county ULL boundaries; the history of Policy 3.08, including the Board’s decision in 2003 to call an advisory election if a land use planning agency (e.g., CCC) designates the District as the preferred water service provider for a proposed development outside the CCC ULL as it was amended in 2000; and described advisory elections, their purpose (to seek general voter opinion regarding a matter), and potential election costs that could range from \$640,000 to \$2.3 million. Mr. Rehnstrom noted the District does not have the authority to impose fees on applicants to cover election costs on territory outside the District service area. Attorney III Karen L. Donovan discussed the Local Agency Formation Commission’s (LAFCO) process for applicant petitions for annexation into the District’s service area, the special provision in LAFCO statutes for special districts like EBMUD, and the District’s options for responding to LAFCO to accept or oppose an annexation petition. Because Policy 3.08 complements and supplements existing District policies regarding land use issues and annexations, staff recommends rescinding Policy 3.08 and updating Policy 3.01 to include direction on responding to annexation petitions that include territory beyond the CCC ULL. In response to a question from the Committee, Ms. Donovan responded if Policy 3.08 is rescinded, the District could still receive public input on annexation petitions through the LAFCO process or through the California Environmental Quality Act review process for an Environmental Impact Report or Mitigated Negative Declaration. The Committee agreed to recommend rescinding Policy

3.08 and updating Policy 3.01 to include elements of Policy 3.08 and clarifying language on receiving public input. Staff will present the revisions to Policy 3.01 and the request to rescind Policy 3.08 to the Finance/Administration Committee for review and the Board for consideration on February 27, 2024. It was moved by Director Linney, seconded by Director Chan, and carried (3-0) by voice vote to support the staff recommendation.

Adjournment. Chair Young adjourned the meeting at 9:22 a.m.

CCC:RSC

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: February 22, 2024

MEMO TO: Board of Directors

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

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

SUBJECT: Legislative/Human Resources Committee Minutes – February 13, 2024

Chair John A. Coleman called to order the Legislative/Human Resources Committee meeting at 10:00 a.m. in the Administration Building Boardroom. Directors Lesa R. McIntosh and William B. Patterson were present at roll call. Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Special Assistant to the General Manager Derry L. Moten, Manager of Intergovernmental Affairs Kathy Viatella, Special Assistant I Debbie Michel, Manager of Diversity and Inclusion Jennella M. Sambour-Wallace, and Secretary of the District Rischa S. Cole.

Public Comment. Addressing the Committee was Ivette Rivera who commented on information in EBMUD's 2014 Affirmative Action Plan.

Presentations/Documentation. 1) Presentation entitled, "EBMUD Campaign Finance Reform Ordinance (CFRO)," dated February 13, 2024; 2) Presentation entitled, "Diversity, Equity, and Inclusion Strategic Plan Update," dated February 13, 2024; and 3) Handout titled, "2014 Affirmative Action Plan."

Chair Coleman announced the Legislative Update would be presented before the Diversity, Equity, and Inclusion Strategic Plan Update.

Proposed Revisions to EBMUD's Campaign Finance Reform Ordinance (CFRO).

General Counsel Derek T. McDonald provided the presentation. The District's CFRO was enacted in 1992 and has been amended several times since to reflect changes in federal and state law. The CFRO was last updated in January 2010. Since that time, there have been several changes in the Political Reform Act (PRA) and its implementing regulations that are recommended for incorporation into the CFRO. In addition, the Office of General Counsel has updated recommended contribution limits and edited text for clarity. All recommended changes have been drafted or reviewed in coordination with the District's outside legal counsel who has expertise in campaign finance and elections laws. These proposed revisions were presented to the Legislative/Human Resources Committee at its January 9, 2024 meeting. Mr. McDonald highlighted the recommended "housekeeping" revisions to update definitions; reorganize the document information; mandate website publishing of contribution limits as a best practice; correct and update reference to the CPI; using non-binary terms when referencing persons; and update references to the PRA and other common terms for consistency. Other revisions include clarifying and updating definitions of a contribution, qualified campaign expenditure, and small contributor committee; adjusting the limits on contributions from small contributor committees biennially based on CPI; incorporating the Levine Act into the CFRO; updating the voluntary expenditure limit from \$0.53 to \$0.80 per ward resident to reflect CPI adjustments since the CFRO was last updated in 2010; and updating advertisement disclaimer requirements. At the January 9 Legislative/Human Resources Committee meeting, staff also reviewed revisions to the CFRO to

increase contribution limits from persons (\$600 to \$900) and small contributor committees (\$1,200 to \$1,800); prohibit donations from any District contractor, not just for Board-approved contracts; and to prohibit a contractor who violates the CFRO's contribution prohibitions from being awarded any contract for one year following the violation, even if the contract is a low-bid contract. Based on Committee discussion and feedback, Mr. McDonald clarified the Board can vote to increase or decrease contribution limits for persons and small contributor committees. Additionally, to address potential impacts to District operations from current CFRO prohibitions on contractor donations, the Board may elect to follow the Levine Act to either allow recusal of a Board member who has received a donation in any amount or eliminate absolute prohibition on contractor donations. Alternatively, the Board could also vote to apply a ban on contracting unless "necessity" of contracting with one contractor arises, in which case recusal would be authorized. The Committee discussed the proposed revisions and asked questions about the distinction between a small contributor committee and a person; the difference between a political action committee and a small contributor committee; campaign contribution limits at other agencies; and additional increases to contribution limits from persons and small contributor committees. It was moved by Director Patterson, seconded by Director McIntosh, and carried (3-0) by voice vote to recommend increasing contribution limits for person from \$600 to \$1000 and from \$1,200 to \$2,000 for small contributor committees. It was moved by Director McIntosh, seconded by Director Patterson, and carried (3-0) by voice vote to recommend allowing recusal of a Board member who has received a donation in any amount; and to follow the Levine Act regarding contractor donations. Staff was asked to clarify if a political action committee is considered a "person" a "small contributor committee" with respect to campaign contribution limits and to provide a chart of campaign contribution limits for other agencies. The first reading of the revised CFRO is scheduled for the February 27 Regular Board meeting and the second reading for the Regular meeting on March 12. If the Board adopts the revised CFRO on March 12, in accordance with the Municipal Utility District Act, a summary of the revised CFRO would be published once a week for two successive weeks in a local newspaper of general circulation published within the District. The revised CFRO would take effect on April 11, 2024, 30 days after the second reading.

Legislative Update. Special Assistant I Debbie Michel reviewed Legislative Report No. 01-24. S. (TBD) (Padilla) The Low-Income Household Water Assistance Program (LIHWAP) Establishment Act would permanently establish a LIHWAP program at the federal level to award grants to eligible entities (states or tribes) to provide funds to owners and operators of public water systems or treatment works. These funds would 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. Staff is recommending a "support" position for the bill. It was moved by Director Patterson, seconded by Director McIntosh, and carried (3-0) by voice vote to support the staff recommendation.

Diversity, Equity, and Inclusion Strategic Plan (DEISP) Update. The DEISP is divided into five strategic pillars (Leadership Commitment, Workforce Diversity, Inclusive Culture, Supplier Diversity, and Social Responsibility), which guide plan implementation. Special Assistant III Derry L. Moten and Manager of Diversity and Inclusion Jennella M. Sambour-Wallace presented an update focused on Strategic Pillar 2 – Workforce Diversity. Mr. Moten reviewed internal advancement and promotion data by gender and ethnicity for Fiscal Year (FY) 2024 and an update on the Peralta Cohort Program. Out of the 47 employees that participated in the first two cohorts, 61 percent promoted to higher level

positions within the District. The current cohort is in its last semester and has 17 participants. In FY 2024, 93 employees participated in the District's Career Coaching and Tuition Reimbursement programs and on February 1, the Black Employee Network Affinity Group launched a six-month, staff mentoring program pilot focused on the professional and personal development of participants. He highlighted the key objectives and upcoming events planned by the newly launched Women Employees' Resource Opportunity Collaboration Community (WE ROCC) Affinity Group. In March, the group will celebrate Women's History Month at the District and will also work with staff to address initiatives impacting female wellbeing and retention at the District. Ms. Sambour-Wallace provided an overview of the District's Internship Program which is currently comprised of sponsored internships (interns are employed/paid via a partner organization (employer of record)) and direct internships (part time and limited-term interns that are recruited, employed, and paid by the District). She reviewed how participants in sponsored internships can gain experience to compete for part-time or limited-term direct internships and/or permanent, full-time civil service careers, the District's partnership with Toolworks to host specialty internships for individuals with disabilities, and the 2023 High School Summer Internship Program. This year, the High School Summer Internship Program will be expanded to include a one-week pilot for students at upcountry facilities. In FY 2024, the District reallocated 41 positions in the staffing plan to centralize and consistently administer District internships. Ms. Sambour-Wallace walked through the requirements and timelines to administer internships and highlighted upcoming planned internships. In FY 2023, the District was a host placement site for the BAYWORK stackable internship which provides an intern an opportunity to rotate between multiple BAYWORK agencies over a one-year period. In FY 2024, the District will host a mechanical maintenance intern who had a previous BAYWORK stackable rotation at a partner wastewater agency. In closing she reviewed the District's current partnerships with community agencies and program outreach initiatives. In response to questions raised by the Legislative/Human Resources Committee at its December 12, 2023 meeting, Mr. Moten discussed exit survey data as well as the DEISP reporting process which uses an external contractor to conduct a labor force utilization statistical analysis and exit survey data. There was considerable discussion by the Committee and questions about the status of Peralta Cohort participants that did not promote to higher level positions; additional detail regarding the various data presented; and the District's policy for tracking participants in internship programs. Addressing the Committee was Ivette Rivera who commented on the 2014 Affirmative Action Plan, the District's internship programs, and exit surveys. The Committee requested a breakdown of the data presented for internal promotions, career coaching, tuition reimbursement, internship programs, and the Peralta Cohort Program to show the ethnicities and gender for people of color. The information should cover the past ten years. The Committee also requested information on the status of Peralta Cohort Program graduates that did not promote to higher level positions; the schools attended by the 2023 High School summer interns; the number of interns that have become EBMUD employees; and for staff to develop metrics to track the long-term performance of the Internship Program.

Adjournment. Chair McIntosh adjourned the meeting at 11:07 a.m.

CCC/RSC

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