

MINUTES

Tuesday, March 26, 2024

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

Special Meeting

President Lesa R. McIntosh called to order the Special Meeting of the Board of Directors at 9:31 a.m. in the Administration Building Boardroom. The Board met in workshop session to receive an update on the District's recycled water goal, California policy and regulatory impacts relating to recycled water, the process to prepare the 2024 Recycled Water Strategic Plan, key recycled water project updates and challenges, changed conditions and considerations, and potential future opportunities.

ROLL CALL

Directors April Chan, 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, Director of Water and Natural Resources Michael T. Tognolini, Manager of Water Supply Improvements Linda H. Hu, Supervisor of Water Recycling Florence T. Wedington, Associate Civil Engineer Reena G. Thomas, and Secretary of the District Rischa S. Cole.

Public Comment. None.

Presentations/Documentation. 1) Presentation entitled "Recycled Water Strategic Plan Update Workshop," dated March 26, 2024.

General Manager Clifford C. Chan introduced the workshop. Manager of Water Supply Improvements Linda H. Hu reviewed the agenda, the workshop goal and objective, and the history of the District's water recycling program and goal. Staff is seeking feedback from the Board on key elements to guide development of the update to the Recycled Water Strategic Plan.

Supervisor of Water Recycling Florence T. Wedington presented an overview of California water policy. The Governor adopted the California Water Supply Strategy plan in August of 2022 which committed the State to development of new water supplies, including recycled water and desalinated water. Statewide recycled water goals are to reuse approximately 800,000 acre feet per year by the year 2030 and 1.8 million acre feet by the year 2040. The State is actually close to meeting its 2030 goal with approximately 750,000 acre feet per year of recycled water produced in 2022, the most current information that is available. Previous State budgets have included funding for recycled water projects however the current State budget deficit may impact this funding. Next, she reviewed regulations governing direct and indirect potable reuse and the process and tasks completed for updating the 2024 Recycled Water Strategic Plan which began in July 2023. Staff worked with a consultant to evaluate the District's recycled water program and projects and develop a revised recycled water projects priority list based on recommended revised reuse goals. Upcoming tasks include stakeholder outreach while evaluating alternatives and developing project cost estimates, as

well as prioritizing and recommending project alternatives and goal. Staff is seeking Board feedback on the evaluation criteria and weighting factors for projects; potential changes to the District's recycled water goal; the Board's level of interest in developing potable reuse; and considering potable reuse in the District's future recycled water goal. Ms. Wedington highlighted other reports in progress that will be used to inform updates to the plan including the East Bayshore Water Quality pilot; the East Bayshore Recycled Water Project (EBRWP) Hydraulic Model; EBMUD-Contra Costa Central Sanitary District (Central San) Recycled Water Project Concept Evaluation Study; and the Dublin San Ramon Services District-EBMUD Regional Water Authority (DERWA) Supply and Operations Plan update. The EBMUD-Central San Recycled Water Project Concept Evaluation Study evaluated the following non-potable reuse projects: the Lamorinda project which would provide tertiary treated recycled water from Central San to District irrigation customers in Walnut Creek, Lafayette, Orinda, and Moraga; satellite water recycling facilities which would consist of packaged treatment facilities owned and operated on-site by large irrigation customers; the San Ramon Valley Recycled Water Program expansion which would involve permanent operation of the existing temporary raw wastewater diversion from Central San to DERWA to provide additional tertiary treated recycled water to EBMUD irrigation customers that are also Central San wastewater customers in the San Ramon Valley; and the refinery recycled water exchange project which would recycle Central San's available wastewater supply through further treatment and provide the recycled water to Contra Costa Water District (CCWD) to serve the two oil refineries near Central San's wastewater treatment plant in lieu of their current raw water deliveries. The study also evaluated concepts for two indirect potable reuse project alternatives that both involve advanced purification of Central San's available wastewater supply and conveyance to local surface water reservoirs (CCWD's Los Vaqueros Reservoir and the District's Briones Reservoir) and two concepts for direct potable reuse projects that involve advanced purification of Central San's available wastewater supply and conveyance to the District's water supply system through either the District's Mokelumne Aqueducts or the Walnut Creek Water Treatment Plant. The study determined the following projects would be considered for further consideration in the District's Recycled Water Strategic Plan update: the San Ramon Valley Recycled Water Program; the two direct potable reuse project alternatives; and the Briones Reservoir indirect potable reuse project alternative. Ms. Wedington, Director of Water and Natural Resources Michael T. Tognolini, and General Manager Clifford C. Chan responded to questions from the Board to clarify the State's goal for developing new water supplies; potential projects that can use recycled water from the EBRWP for cooling towers; potential impacts to DERWA if EBMUD and Central San does not come to agreement regarding the proposed projects; and options for requiring recycled water customers to implement more conservation options.

Associate Civil Engineer Reena G. Thomas reviewed the criteria, assessment descriptions, and recommended weighting factors used to evaluate projects being considered for inclusion in the Recycled Water Strategic Plan; and key updates on the original and updated planned build-out as well as concerns with the following projects in the 2019 Recycled Water Master Plan Update: East Bayshore Recycled Water Project; Chevron Refinery; San Ramon Valley Recycled Water Program; San Leandro Water Recycled Facility; Richmond Wastewater Treatment Plant; Phillips 66 Refinery Project; and planned satellite projects. There was considerable Board discussion regarding the information presented by Ms. Thomas. Ms. Thomas, General Manager Clifford C. Chan, and Manager of Water Supply Improvements Linda H. Hu responded to Board questions on the original and updated planned build-out information and changing needs for refineries; the lifespan of a recycled water plant facility; addressing lower demand for recycled water throughout the service area; reducing the District's recycled water goal; meeting State recycled water requirements; having a well-balanced, diversified water supply portfolio; and other California agencies that employ potable reuse and how it is perceived. Next, Ms. Thomas discussed potable reuse project options; significant challenges if the

District implements potable reuse; current statewide initiatives to educate the public and build trust in purified water produced by potable reuse projects; and ongoing and planned outreach efforts for the Recycled Water Strategic Plan update.

Manager of Water Supply Improvements Linda H. Hu summarized some of the challenges and changes in the current recycled water program that have resulted in updates to the draft forecast of 2040 recycled water demand. These challenges and changes include decreased wastewater flows; changing wastewater quality; reduced recycled water demands and increased conservation; and refinery industry change and uncertainty. EBMUD's previous need for water analysis from the 2020 Urban Water Management Plan assumed a level of projected demand increase, however actual demand is lower than previously projected which resulted in the need to re-evaluate the amount of supplemental supply the District would need in the third year of a drought from water recycling, water transfers, and regional projects. She discussed future analysis that will be needed to determine the District's need for water and said the Urban Water Management Plan will be updated by 2026 with the recommendations. General Manager Clifford C. Chan commented as the District looks at the assumptions made in the Water Supply Management Plan 2040, all variables in the water supply management portfolio (recycled water, conservation, Central Valley Project availability, water transfers, groundwater, Los Vaqueros, etc.) must be evaluated to determine the right portfolio. Ms. Hu continued with an overview of drivers impacting the need for water and asked for Board feedback on the following points: the Board's level of interest in developing potable reuse and including it in the future recycled water goal; changes to the District's recycled water goal; and developing tiers of recycled water projects. There was considerable Board discussion on potable reuse; benefits from partnering with other agencies on recycled water and supplemental supply projects; uncertainty around keeping or reducing the District's recycled water goals; concerns about potential stranded resources or costs for facilities built to process recycled water; customer perception and public opinion on potable reuse; the cost to include potable reuse in the District's water supply portfolio; and the examples presented on developing tiers of recycled water projects. General Manager Clifford C. Chan summarized the Board's input noting that while customers may not be ready, the District should consider surveying customers and investing in ongoing education around potable reuse. Ms. Hu closed out with an overview of next steps which include completing the remaining tasks to update the Recycled Water Strategic Plan (Board feedback will be incorporated); developing recommendations for preferred projects and the District's recycled water goal; and presenting final recommendations to the Board in September 2024 prior to finalizing the Recycled Water Strategic Plan by the end of 2024.


The Board requested the following:

- A list of potential East Bayshore Recycled Water projects that can use recycled water for cooling towers
- Information on potable reuse regulations and their current applications
- Information on the costs for various water supply options and the potential yield from each option
- Information comparing the State's recycled water goal to total municipal and industrial usage

ADJOURNMENT

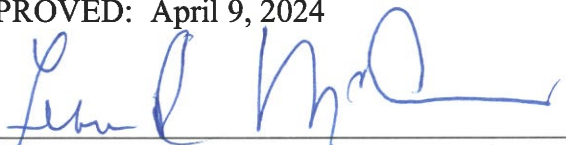
President McIntosh adjourned the Special Meeting at 10:56 a.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: April 9, 2024



Lesla R. McIntosh, President of the Board