



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

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

Notice of Time Change

**FINANCE/ADMINISTRATION
COMMITTEE**

Tuesday, October 22, 2024

9:00 a.m.

Boardroom

375 11th Street

Oakland, CA 94607

Notice is hereby given that the Tuesday, October 22, 2024 Finance/Administration Committee meeting of the Board of Directors has been rescheduled from 10:00 a.m. to 9:00 a.m. The meeting will be held in the Administration Building Boardroom at 375 11th Street, Oakland, California.

Dated: October 17, 2024



Rischa S. Cole

Secretary of the District

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

375 – 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA
Finance/Administration Committee
Tuesday, October 22, 2024
9:00 a.m.
Boardroom
375 11th Street
Oakland, CA 94607**

Committee Members Andy Katz {Chair}, April Chan, and William B. Patterson

***** 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.

DETERMINATION AND DISCUSSION:

1. Monthly Investment Transactions Report (Skoda)
2. Quarterly Financial Reports: (Skoda)
 - Quarterly Payroll, Disbursement and Real Estate Summary Reports for the Water and Wastewater Systems for Quarter Ended September 30, 2024
 - Quarterly Investment Report — September 30, 2024
3. Fiscal Year 2024 Annual Power Revenue Report (Briggs)
4. Fiscal Year 2024 Total Annual Budget and Performance Report (Skoda)
5. Annual Internal Audit Report (Gardin)
6. Camanche Mobilehome Park Rent – Stabilization Bank Proposal (Tognolini)
7. Draft Board Governance Manual and Policies – Next Steps (McDonald)

ADJOURNMENT:

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.



Finance/Administration Committee Meeting

*EBMUD Board committee meetings will be conducted in person and accessible via Zoom.
These meetings are live streamed on the District's website.*

Online*

<https://ebmud.zoom.us/j/92433162059?pwd=emM4YjRrQTJtK3M0NnAxTDRoVzh5Zz09>

Webinar ID: 924 3316 2059

Passcode: 282322

By Phone*

Telephone: 1 669 900 6833

Webinar ID: 924 3316 2059

Passcode: 282322

International numbers available: <https://ebmud.zoom.us/u/kdjdx0Kd06>

*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 in the subject of the email. Contact information is optional.
- **Please email by 4 p.m. the day prior to the scheduled regular meeting;** written comments and other materials submitted to the Board of Directors will be filed in the record.

To view the livestream of Board meetings, please visit:

<https://www.ebmud.com/about-us/board-directors/board-meetings/>

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 17, 2024

MEMO TO: Board of Directors

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

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Monthly Investment Transactions Report

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 Committee will review the September 2024 report at the October 22, 2024 Finance/Administration Committee meeting.

DISCUSSION

Pursuant to Policy 4.07, staff prepares 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 September 2024, the portfolio decreased from \$604.6 million to \$592.9 million. Net transactions decreased the total by \$12.7 million. Interest received added approximately \$923,000 to the portfolio. Deposits into short-term liquidity funds totaled \$11.2 million, and withdrawals totaled \$14.4 million. The District purchased \$20.0 million in securities, and \$20.0 million in securities matured. No securities were called or sold. Net transactions at the District's commercial bank resulted in a decrease of approximately \$9.5 million.

NEXT STEPS

This item will be brought to the Board for consideration at its October 22, 2024 meeting.

CCC:SDS:rlh

Attachment: September 2024 Monthly Investment Transactions Report

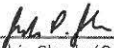
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Monthly Investment Transactions Report
September 2024

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



Sophia Skoda (Oct 7, 2024 13:41 PDT)
Approved by: Sophia D. Skoda, Finance Director

Oct 7, 2024

Date

SDS:KM:SLS



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Transactions Summary
September 2024

Portfolio	Beginning Balance*	Monthly Net Transaction Activity	Monthly Interest Activity	Ending Balance
001 - Water System Consolidated	455,736,595	-	428,528	456,165,123
007 - Wastewater Consolidated	94,056,871	-	204,822	94,261,693
049 - Ferc Partnership	2,136,883	-	-	2,136,883
009 - BACWA	2,423,657	-	7,693	2,431,350
015 - DERWA	1,083,378	-	17,504	1,100,883
002 - FRWA	1,082,089	-	11,542	1,093,631
014 - IICP	167,718	-	7,190	174,908
010 - UMRWA	71,203	-	2,050	73,253
003 - Employees Retirement	5,358,541	(3,189,000)	31,509	2,201,050
099 - Wells Fargo**	42,523,380	(9,514,873)	212,500	33,221,007
Total	604,640,316	(12,703,873)	923,339	592,859,781

* 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.

Sherry Sarcos
 Prepared by: Sherry Sarcos, Accounting Technician

10/3/24
 Date

Kevin Ma
 Kevin Ma (Oct 4, 2024 10:14 PDT)

Oct 4, 2024
 Date

Reviewed by: Kevin Ma, Accounting Supervisor

Date

David Glasser

Oct 7, 2024
 Date

Approved by: David Glasser, Controller

Date



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Investment Activity
 September 2024

Portfolio	Buys	Deposits	Matured	Calls	Sales	Withdrawals	Non-Investment Transactions*	Net Transaction Activity
001 - Water System Consolidated	16,000,000	-	(16,000,000)	-	-	-	-	-
007 - Wastewater Consolidated	4,000,000	-	(4,000,000)	-	-	-	-	-
049 - Ferc Partnership	-	-	-	-	-	-	-	-
009 - BACWA	-	-	-	-	-	-	-	-
015 - DERWA	-	-	-	-	-	-	-	-
002 - FRWA	-	-	-	-	-	-	-	-
014 - IICP	-	-	-	-	-	-	-	-
010 - UMRWA	-	-	-	-	-	-	-	-
003 - Employees Retirement	-	11,192,000	-	-	-	(14,381,000)	-	(3,189,000)
Investment Activity Total	20,000,000	11,192,000	(20,000,000)	-	-	(14,381,000)	-	(3,189,000)
099 - Wells Fargo	(20,000,000)	(11,192,000)	20,000,000	-	-	14,381,000	(12,703,873)	(9,514,873)
Total	-	-	-	-	-	-	(12,703,873)	(12,703,873)

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

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

Oct 7, 2024

Date

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

Oct 7, 2024

Date



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Investment Activity
 September 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	FFCB 4 9/19/2025	3133ERTZ4	9/13/2024	9/19/2024	9/19/2025	16,000,000	15,997,760	0	15,997,760
					Total		16,000,000			
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FFCB 4 9/19/2025	3133ERTZ4	9/13/2024	9/19/2024	9/19/2025	4,000,000	3,999,440	0	3,999,440
					Total		4,000,000			
							20,000,000	19,997,200	0	19,997,200



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
September 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	9/27/2024	9/27/2024	N/A	5,582,000	5,582,000	-	5,582,000
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	9/13/2024	9/13/2024	N/A	5,610,000	5,610,000	-	5,610,000
Total							11,192,000			

11,192,000 11,192,000 - 11,192,000



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Investment Activity
 September 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Matured										
001 - Water System Consolidated	US Treasuries	T-Note 0.375 9/15/2024	91282CCX7	9/15/2024	9/15/2024	9/15/2024	16,000,000	16,000,000	-	16,000,000
					Total		16,000,000			
007 - Wastewater Consolidated	US Treasuries	T-Note 0.375 9/15/2024	91282CCX7	9/15/2024	9/15/2024	9/15/2024	4,000,000	4,000,000	-	4,000,000
					Total		4,000,000			
							20,000,000	20,000,000	-	20,000,000



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
September 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



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
September 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



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Investment Activity
 September 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Withdrawals										
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	9/30/2024	9/30/2024	N/A	14,381,000	14,381,000	-	14,381,000
					Total		14,381,000			
							14,381,000	14,381,000	-	14,381,000



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
September 2024

Portfolio	Total Interest Received	Interest Transferred to Wells Fargo*	Net Interest Activity (Reinvested)**
001 - Water System Consolidated	598,528	(170,000)	428,528
007 - Wastewater Consolidated	247,322	(42,500)	204,822
049 - Ferc Partnership	-	-	-
009 - BACWA	7,693	-	7,693
015 - DERWA	17,504	-	17,504
002 - FRWA	11,542	-	11,542
014 - IICP	7,190	-	7,190
010 - UMRWA	2,050	-	2,050
003 - Employees Retirement	31,509	-	31,509
Interest Transactions Total	923,339	(212,500)	710,839
099 - Wells Fargo	-	212,500	212,500
Total	923,339	-	923,339

*Coupon and other interest received; reinvestment unavailable.

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

Sherry Sarcos
 Prepared by: Sherry Sarcos, Accounting Technician

10/3/24
 Date

Kevin Ma
 Reviewed by: Kevin Ma (Oct 4, 2024 10:14 PDT)

Oct 4, 2024
 Date

David Glasser
 Approved by: David Glasser, Controller

Oct 7, 2024
 Date



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Interest Activity
 September 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	Local Government Investment Pool	CAMP LGIP	CAMP6035	9/30/2024	9/30/2024	N/A	-	-	138,187	138,187
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	9/30/2024	9/30/2024	N/A	-	-	98,828	98,828
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	9/30/2024	9/30/2024	N/A	-	-	92,354	92,354
001 - Water System Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	9/30/2024	9/30/2024	N/A	-	-	99,159	99,159
							Total			428,528
007 - Wastewater Consolidated	Cash	WELLS FARGO Cash	CASH2017	9/3/2024	9/3/2024	N/A	-	-	89,834	89,834
007 - Wastewater Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	9/30/2024	9/30/2024	N/A	-	-	33,417	33,417
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	9/30/2024	9/30/2024	N/A	-	-	28,697	28,697
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	9/30/2024	9/30/2024	N/A	-	-	23,886	23,886
007 - Wastewater Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	9/30/2024	9/30/2024	N/A	-	-	28,989	28,989
							Total			204,822
002 - FRWA	Cash	WELLS FARGO Cash	CASH2017	9/3/2024	9/3/2024	N/A	-	-	11,542	11,542
							Total			11,542
003 - Employees Retirement	Cash	WELLS FARGO Cash	CASH2017	9/3/2024	9/3/2024	N/A	-	-	31,509	31,509
							Total			31,509
009 - BACWA	Cash	WELLS FARGO Cash	CASH2017	9/3/2024	9/3/2024	N/A	-	-	7,693	7,693
							Total			7,693
010 - UMRWA	Cash	WELLS FARGO Cash	CASH2017	9/3/2024	9/3/2024	N/A	-	-	2,050	2,050
							Total			2,050
014 - IICP	Cash	WELLS FARGO Cash	CASH2017	9/3/2024	9/3/2024	N/A	-	-	7,190	7,190
							Total			7,190
015 - DERWA	Cash	WELLS FARGO Cash	CASH2017	9/3/2024	9/3/2024	N/A	-	-	17,504	17,504
							Total			17,504
							Total		710,839	710,839

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 17, 2024

MEMO TO: Board of Directors

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

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Quarterly Payroll, Disbursement and Real Estate Summary Reports for the Water and Wastewater Systems for Quarter Ended September 30, 2024

SUMMARY

File the September 30, 2024 quarterly payroll, disbursement, and real estate reports for the Water and Wastewater Systems with the Board. This report will be presented at the October 22, 2024 Finance/Administration Committee meeting.

DISCUSSION

As directed by Board Resolution Nos. 32834-94 and 32837-94, attached is a record of the payment of demands and real estate transactions. The transactions for the properties in the report were executed at fair market price.

CCC:SDS:lc

Attachments: 1. First Fiscal Quarterly Payroll and Disbursement Summary Report
2. Real Estate Services Quarterly Report

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**EAST BAY MUNICIPAL UTILITY DISTRICT
FIRST FISCAL QUARTERLY PAYROLL AND DISBURSEMENT SUMMARY REPORT**

**PAYROLL SUMMARY
(RESOLUTION NO. 32834-94)**

	<u>July 2024</u>		<u>August 2024</u>		<u>September 2024</u>		<u>QUARTERLY TOTALS</u>	
	WSG	WWG	WSG	WWG	WSG	WWG	WSG	WWG
District Payments								
Gross Pay	\$ 19,481,457	\$ 3,416,606	\$ 29,163,715	\$ 4,977,749 *	\$ 21,721,604	\$ 3,623,106	\$ 70,366,776	\$ 12,017,461
Retirement	\$ 7,846,446	\$ 1,341,435	\$ 11,858,506	\$ 2,007,227 *	\$ 7,961,206	\$ 1,329,763	\$ 27,666,158	\$ 4,678,425
FICA	\$ 1,477,499	\$ 260,339	\$ 2,184,659	\$ 376,375 *	\$ 1,551,580	\$ 257,299	\$ 5,213,738	\$ 894,013
Kaiser	\$ 2,628,539	\$ 423,351	\$ (2,016)	\$ -	\$ 2,606,646	\$ 423,351	\$ 5,233,169	\$ 846,702
Sutter Health	\$ 242,729	\$ 51,598	\$ (14,693)	\$ (3,075)	\$ 256,933	\$ 49,644	\$ 484,969	\$ 98,167
Blue Cross	\$ 778,631	\$ 108,465	\$ (33,972)	\$ (5,373)	\$ 379,205	\$ 51,761	\$ 1,123,864	\$ 154,853
VSP	\$ 57,837	\$ 9,444	\$ (23)	\$ (13)	\$ 28,990	\$ 4,633	\$ 86,804	\$ 14,064
Delta Dental	\$ 324,588	\$ 49,104	\$ 191,163	\$ 26,532	\$ 270,900	\$ 45,913	\$ 786,651	\$ 121,549
Life Insurance	\$ 204,077	\$ 32,530	\$ (119,930)	\$ (16,762)	\$ 41,383	\$ 6,771	\$ 125,530	\$ 22,539
Long Term Disability	\$ 103,817	\$ 17,707	\$ 214,011	\$ 32,452	\$ 52,642	\$ 8,807	\$ 370,470	\$ 58,966
Unemployment Insurance	\$ 12,548	\$ 3,150	\$ 14,202	\$ -	\$ -	\$ -	\$ 26,750	\$ 3,150
TOTAL	\$ 33,158,168	\$ 5,713,729	\$ 43,455,622	\$ 7,395,112	\$ 34,871,089	\$ 5,801,048	\$ 111,484,879	\$ 18,909,889

**DISBURSEMENT SUMMARY
(RESOLUTION NO. 32837-94)**

	<u>July 2024</u>		<u>August 2024</u>		<u>September 2024</u>		<u>QUARTERLY TOTALS</u>	
	WSG	WWG	WSG	WWG	WSG	WWG	WSG	WWG
Voucher Payments	\$ 47,822,952	\$ 6,703,859	\$ 46,578,836	\$ 6,921,454	\$ 51,426,848	\$ 5,728,189	\$ 145,828,636	\$ 19,353,502
Electronic payments	\$ 806,448	\$ -	\$ 584,232	\$ -	\$ 511,388	\$ -	\$ 1,902,068	\$ -
Pcard payments	\$ 1,211,910	\$ -	\$ 1,261,197	\$ -	\$ 1,277,045	\$ -	\$ 3,750,152	\$ -
TOTAL	\$ 49,841,310	\$ 6,703,859	\$ 48,424,265	\$ 6,921,454	\$ 53,215,281	\$ 5,728,189	\$ 151,480,856	\$ 19,353,502

NOTE: * Three payroll periods in August 2024

By: 
Sophia D. Skoda, Director of Finance

10/15/2024
Date

By: David Glasser
David Glasser, Controller

Oct 10, 2024
Date

REAL ESTATE SERVICES QUARTERLY REPORT July – September 2024

PROPERTY PURCHASES

OWNER	LOCATION	SIZE	TYPE	PROJECT/PURPOSE	AMOUNT PAID	DATE
-	-	-	-	-	-	-

PROPERTY DISPOSITIONS

APPLICANT	LOCATION	SIZE	TYPE	PURPOSE	AMOUNT RECEIVED	DATE
Ventura Telephone Services LLC	APN: 222-270-003-7	17.23 acres	Application Fee	Temporary Construction Easement – Application Fee	\$2,700.00	7/25/24
Emeren US LLC	Oakport Property	5.00 acres	Option-to-Lease Fee	Extension on an Option-to-Lease on Oakport	\$5,200.00	8/26/24

Approved by:

mattelawady

Matt Elawady, Manager of Real Estate Services

10/02/24

Date

Cc: Andrew Lee
Kevin Ma

Signature: 
mattelawady (Oct 2, 2024 07:46 PDT)

Email: matt.elawady@ebmud.com

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 17, 2024

MEMO TO: Board of Directors

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

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Quarterly Investment Report – September 30, 2024

SUMMARY

In accordance with Section 53646 of the California Government Code, the Treasurer of the District submits to the General Manager, the Internal Auditor, and the Board of Directors the attached September 30, 2024 quarterly investment report. This report will be presented at the October 22, 2024 Finance/Administration Committee meeting.

DISCUSSION

The investments held by the District as of September 30, 2024 are shown in Attachment A and totaled \$592.9 million. The portfolio is in compliance with the Board's adopted policy regarding District investments and as of September 30, 2024, had an average yield to maturity of 4.43 percent. Investments also reflect the working capital of the District's associated Joint Powers Authorities and the East Bay Municipal Utility District Employees' Retirement System.

Attachment B shows the composition and credit allocation of the District's investment portfolio. It also shows a comparison of the yield of the District's portfolio against the yield on the 90-day Treasury Bill and the Federal Funds Rate. On September 30, 2024, the Federal Funds Rate was 5.00 percent (upper bound) and the yield on the 90-day Treasury Bill was 4.73 percent. Forecasts of the projected cash balances of the Water and Wastewater Systems' General Funds for the six months through March 2025 are also included. In compliance with Section 53646(b)3 of the California Government Code, this report indicates the District will meet expenditure requirements for the next six months from a combination of maturing investments and revenues from budgeted operations.

CCC:SDS:rlh

Attachment: Quarterly Investment Report

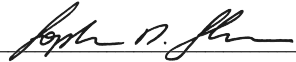
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EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Summary
September 30, 2024

ATTACHMENT A

Description	Face Amount Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
US Treasuries	382,000,000	380,069,350	379,588,743	64.38	4.23	267
Money Market Mutual Funds	74,768,265	74,768,265	74,768,265	12.66	4.87	1
Federal Agency Issues Coupon	40,000,000	39,466,400	39,368,383	6.68	4.58	306
Local Government Investment Pool	39,760,413	39,760,413	39,760,413	6.73	5.29	1
Cash	33,576,841	33,576,841	33,576,841	5.69	4.50	1
LAIF	22,754,262	22,754,262	22,754,262	3.85	4.57	1
Total / Average	592,859,781	590,395,531	589,816,907	100.00	4.43	193



Sophia D. Skoda
Director of Finance

10/7/2024

Date

*LAIF includes Retirement funds of \$2,139,380

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



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Non-Cash Portfolio Holdings by Fund
September 30, 2024

ATTACHMENT A

Water:

Description	Face Amount Shares	Market Value	Book Value
US Treasuries	323,800,000	322,359,755	321,867,993
Money Market Mutual Funds	58,368,455	58,368,455	58,368,455
Local Government Investment Pool	32,017,793	32,017,793	32,017,793
Federal Agency Issues Coupon	32,000,000	31,573,120	31,494,706
LAIF	9,974,794	9,974,794	9,974,794
Total/Average	456,165,123	454,297,998	453,727,823

Wastewater:

Description	Face Amount Shares	Market Value	Book Value
US Treasuries	58,200,000	57,709,595	57,720,750
Money Market Mutual Funds	16,399,810	16,399,810	16,399,810
Federal Agency Issues Coupon	8,000,000	7,893,280	7,873,677
Local Government Investment Pool	7,742,620	7,742,620	7,742,620
LAIF	3,719,678	3,719,678	3,719,678
Cash	199,586	199,586	199,586
Total/Average	94,261,693	93,664,568	93,656,120



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Non-Cash Portfolio Holdings by Fund
September 30, 2024

ATTACHMENT A

JPA:

BACWA	Face Amount Shares	Market Value	Book Value
LAIF Local Government Investment Pool	2,417,460	2,417,460	2,417,460
Cash	13,890	13,890	13,890
Total/Average	2,431,350	2,431,350	2,431,350

DERWA

LAIF Local Government Investment Pool	1,068,444	1,068,444	1,068,444
Cash	32,439	32,439	32,439
Total/Average	1,100,883	1,100,883	1,100,883

FRWA

1068444.07	1,068,444	1,068,444	1,068,444
Cash	25,187	25,187	25,187
Total/Average	1,093,631	1,093,631	1,093,631

IICP

LAIF Local Government Investment Pool	160,800	160,800	160,800
Cash	14,108	14,108	14,108
Total/Average	174,908	174,908	174,908

UMRWA

LAIF Local Government Investment Pool	68,379	68,379	68,379
Cash	4,874	4,874	4,874
Total/Average	73,253	73,253	73,253



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Non-Cash Portfolio Holdings by Fund
September 30, 2024

ATTACHMENT A

Other:

Employee Retirement System	Face Amount Shares	Market Value	Book Value
LAIF Local Government Investment Pool	2,139,380	2,139,380	2,139,380
Cash	61,670	61,670	61,670
Total/Average	2,201,050	2,201,050	2,201,050

FERC

LAIF Local Government Investment Pool	2,136,883	2,136,883	2,136,883
Total/Average	2,136,883	2,136,883	2,136,883

Cash

Wells Fargo	33,221,007	33,221,007	33,221,007
Total/Average	33,221,007	33,221,007	33,221,007



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details by Fund - Investments
September 30, 2024

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moodys	S&P	YTM @ Cost	Days To Maturity
Water:										
US Treasuries										
T-Note 2.75 5/15/2025	91282CEQ0	6/22/2022	72,500,000	71,826,475	72,239,327	71,285,059	Aaa	AA+	3.36	227
T-Note 2.75 5/15/2025	91282CEQ0	8/12/2024	40,500,000	40,123,755	40,034,662	39,934,215	Aaa	AA+	4.64	227
T-Note 4.5 11/15/2025	91282CFW6	3/15/2024	40,000,000	40,256,400	39,878,721	39,820,000	Aaa	AA+	4.78	411
T-Note 2.75 5/15/2025	91282CEQ0	3/11/2024	35,000,000	34,674,850	34,566,951	34,179,688	Aaa	AA+	4.82	227
T-Note 0.75 11/15/2024	91282CDH1	6/22/2022	30,000,000	29,850,300	29,908,538	28,256,250	Aaa	AA+	3.29	46
T-Note 3.625 5/15/2026	91282CHB0	12/15/2023	24,000,000	23,961,600	23,795,257	23,694,960	Aaa	AA+	4.18	592
T-Note 1 12/15/2024	91282CDN8	1/5/2024	16,000,000	15,882,560	15,876,038	15,437,280	Aaa	AA+	4.86	76
T-Note 1.75 3/15/2025	91282CED9	3/15/2024	16,000,000	15,816,480	15,768,964	15,492,000	Aaa	AA+	5.05	166
T-Note 4.625 11/15/2026	91282CJK8	1/5/2024	16,000,000	16,319,360	16,149,111	16,200,800	Aaa	AA+	4.15	776
T-Note 2.25 11/15/2024	912828G38	3/6/2024	15,300,000	15,251,040	15,245,746	15,000,426	Aaa	AA+	5.16	46
T-Note 0.75 11/15/2024	91282CDH1	1/9/2023	14,000,000	13,930,140	13,940,086	13,119,531	Aaa	AA+	4.33	46
T-Note 2.75 5/15/2025	91282CEQ0	2/21/2023	2,500,000	2,476,775	2,474,128	2,407,227	Aaa	AA+	4.52	227
T-Note 0.75 11/15/2024	91282CDH1	2/21/2023	2,000,000	1,990,020	1,990,462	1,868,750	Aaa	AA+	4.75	46
Subtotal/Average			323,800,000	322,359,755	321,867,993	316,696,185				
Money Market Mutual Funds										
Federated MM	GOFXX	12/16/2021	19,953,631	19,953,631	19,953,631	19,953,631	Aaa	AAA	4.84	1
State Street MM	GVMXX	10/20/2022	19,890,085	19,890,085	19,890,085	19,890,085	Aaa	AAA	4.94	1
Morgan Stanley MM	MVRXX	12/17/2021	18,524,740	18,524,740	18,524,740	18,524,740	Aaa	AAA	4.83	1
Subtotal/Average			58,368,455	58,368,455	58,368,455	58,368,455				
CAMP CA Asset Mgmt Program										
CAMP LGIP	CAMP6035	5/9/2014	32,017,793	32,017,793	32,017,793	32,017,793	5.29	1	5.43	1
Subtotal/Average			32,017,793	32,017,793	32,017,793	32,017,793				
Federal Agency Issues Coupon										
FFCB 4 9/19/2025	3133ERTZ4	9/19/2024	16,000,000	15,981,920	15,997,828	15,997,760	Aa	AAA	4.01	354
FHLB 0.5 6/13/2025	3130AJKW8	7/2/2024	16,000,000	15,591,200	15,496,879	15,320,000	Aaa	AA+	5.15	256
Subtotal/Average			32,000,000	31,573,120	31,494,706	31,317,760				
LAIF Local Government Investment Pool										
LAIF LGIP	LGIP1001	6/30/2011	9,974,794	9,974,794	9,974,794	9,974,794	NR	NR	4.57	1
Subtotal/Average			9,974,794	9,974,794	9,974,794	9,974,794				
Cash										
WELLS FARGO Cash	CASH2017	8/1/2024	4,081	4,081	4,081	4,081	NR	NR	4.50	1
Subtotal/Average			4,081	4,081	4,081	4,081				
Total/Average			456,165,123	454,297,998	453,727,823	448,379,068				



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details by Fund - Investments
September 30, 2024

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
Wastewater:										
US Treasuries										
T-Note 2.75 5/15/2025	91282CEQ0	6/22/2022	9,500,000	9,411,745	9,465,843	9,340,801	Aaa	AA+	3.36	227
T-Note 2.75 5/15/2025	91282CEQ0	8/12/2024	6,500,000	6,439,615	6,425,316	6,409,195	Aaa	AA+	4.64	227
T-Note 3.625 5/15/2026	91282CHB0	12/15/2023	6,000,000	5,990,400	5,948,814	5,923,740	Aaa	AA+	4.18	592
T-Note 1.625 5/15/2026	912828R36	6/30/2022	5,000,000	4,835,750	4,882,659	4,719,531	Aaa	AA+	3.18	592
T-Note 2.75 5/15/2025	91282CEQ0	3/11/2024	5,000,000	4,953,550	4,938,136	4,882,813	Aaa	AA+	4.82	227
T-Note 0.75 11/15/2024	91282CDH1	6/22/2022	4,000,000	3,980,040	3,987,805	3,767,500	Aaa	AA+	3.29	46
T-Note 1 12/15/2024	91282CDN8	1/5/2024	4,000,000	3,970,640	3,969,010	3,859,320	Aaa	AA+	4.86	76
T-Note 1.75 3/15/2025	91282CED9	3/15/2024	4,000,000	3,954,120	3,942,241	3,873,000	Aaa	AA+	5.05	166
T-Note 2.25 11/15/2025	912828M56	6/30/2022	4,000,000	3,928,600	3,961,073	3,883,125	Aaa	AA+	3.17	411
T-Note 4.625 11/15/2026	91282CJK8	1/5/2024	4,000,000	4,079,840	4,037,278	4,050,200	Aaa	AA+	4.15	776
T-Note 2.25 11/15/2024	912828G38	3/6/2024	2,700,000	2,691,360	2,690,426	2,647,134	Aaa	AA+	5.16	46
T-Note 2.75 5/15/2025	91282CEQ0	2/21/2023	2,000,000	1,981,420	1,979,303	1,925,781	Aaa	AA+	4.52	227
T-Note 0.75 11/15/2024	91282CDH1	2/21/2023	1,500,000	1,492,515	1,492,847	1,401,563	Aaa	AA+	4.75	46
Subtotal/Average			58,200,000	57,709,595	57,720,750	56,683,702				
Money Market Mutual Funds										
State Street MM	GVMXX	10/20/2022	5,814,823	5,814,823	5,814,823	5,814,823	Aaa	AAA	4.94	1
Federated MM	GOFXX	12/16/2021	5,793,885	5,793,885	5,793,885	5,793,885	Aaa	AAA	4.84	1
Morgan Stanley MM	MVRXX	12/17/2021	4,791,102	4,791,102	4,791,102	4,791,102	Aaa	AAA	4.83	1
Subtotal/Average			16,399,810	16,399,810	16,399,810	16,399,810				
CAMP CA Asset Mgmt Program										
CAMP LGIP	CAMP6035	8/19/2016	7,742,620	7,742,620	7,742,620	7,742,620	NR	AAA	5.29	1
Subtotal/Average			7,742,620	7,742,620	7,742,620	7,742,620				
LAIF Local Government Investment Pool										
LAIF LGIP	LGIP1001	6/30/2011	3,719,678	3,719,678	3,719,678	3,719,678	NR	NR	4.57	1
Subtotal/Average			3,719,678	3,719,678	3,719,678	3,719,678				
Federal Agency Issues Coupon										
FFCB 4 9/19/2025	3133ERTZ4	9/19/2024	4,000,000	3,995,480	3,999,457	3,999,440	Aa	AAA	4.01	354
FHLB 0.5 6/13/2025	3130AJKW8	7/2/2024	4,000,000	3,897,800	3,874,220	3,830,000	Aaa	AA+	5.15	256
Subtotal/Average			8,000,000	7,893,280	7,873,677	7,829,440				
Cash										
WELLS FARGO Cash	CASH2017	8/1/2024	199,586	199,586	199,586	199,586	NR	NR	4.50	1
Subtotal/Average			199,586	199,586	199,586	199,586				
Total/Average			94,261,693	93,664,568	93,656,120	92,574,836				



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details by Fund - Investments
September 30, 2024

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
JPA:										
BACWA										
LAIF LGIP	LGIP1001	6/30/2011	2,417,460	2,417,460	2,417,460	2,417,460	NR	NR	4.24	1
Cash	CASH2017	8/1/2024	13,890	13,890	13,890	13,890	NR	NR	4.50	1
Subtotal/Average			2,431,350	2,431,350	2,431,350	2,431,350				
DERWA										
LAIF LGIP	LGIP1001	2/1/2017	1,068,444	1,068,444	1,068,444	1,068,444	NR	NR	4.24	1
Cash	CASH2017	8/1/2024	32,439	32,439	32,439	32,439	NR	NR	4.50	1
Subtotal/Average			1,100,883	1,100,883	1,100,883	1,100,883				
FRWA										
LAIF LGIP	LGIP1001	6/30/2011	1,068,444	1,068,444	1,068,444	1,068,444	NR	NR	4.24	1
Cash	CASH2017	8/1/2024	25,187	25,187	25,187	25,187	NR	NR	4.50	1
Subtotal/Average			1,093,631	1,093,631	1,093,631	1,093,631				
IICP										
LAIF LGIP	LGIP1001	6/30/2011	160,800	160,800	160,800	160,800	NR	NR	4.24	1
Cash	CASH2017	8/1/2024	14,108	14,108	14,108	14,108	NR	NR	4.50	1
Subtotal/Average			174,908	174,908	174,908	174,908				
UMRWA										
LAIF LGIP	LGIP1001	6/30/2011	68,379	68,379	68,379	68,379	NR	NR	4.24	1
Cash	CASH2017	8/1/2024	4,874	4,874	4,874	4,874	NR	NR	4.50	1
Subtotal/Average			73,253	73,253	73,253	73,253				



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details by Fund - Investments
September 30, 2024

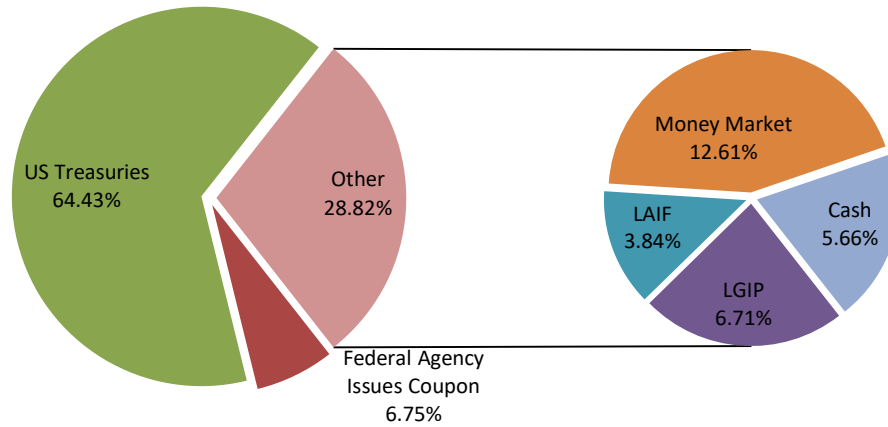
Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
Other:										
Employee Retirement System										
LAIF LGIP	LGIP1005	6/30/2011	2,139,380	2,139,380	2,139,380	2,139,380	NR	NR	4.24	1
Cash	CASH2017	8/1/2024	61,670	61,670	61,670	61,670	NR	NR	4.50	1
Subtotal/Average			2,201,050	2,201,050	2,201,050	2,201,050				
FERC										
LAIF LGIP	LGIP1001	6/30/2011	2,136,883	2,136,883	2,136,883	2,136,883	NR	NR	4.24	1
Subtotal/Average			2,136,883	2,136,883	2,136,883	2,136,883				
Cash										
WELLS FARGO Cash	CASH2017	4/1/2017	33,221,007	33,221,007	33,221,007	33,221,007	NR	NR	5.18	1
Subtotal/Average			33,221,007	33,221,007	33,221,007	33,221,007				



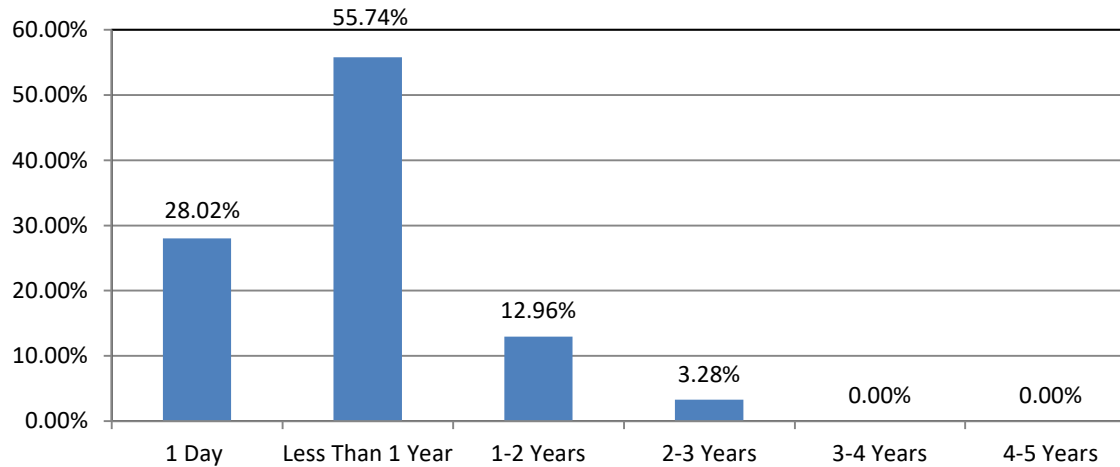
EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition - by Asset Class
September 30, 2024

ATTACHMENT B-1

Portfolio Holding Distribution by Asset Class



Portfolio Holdings Distribution by Maturity Range



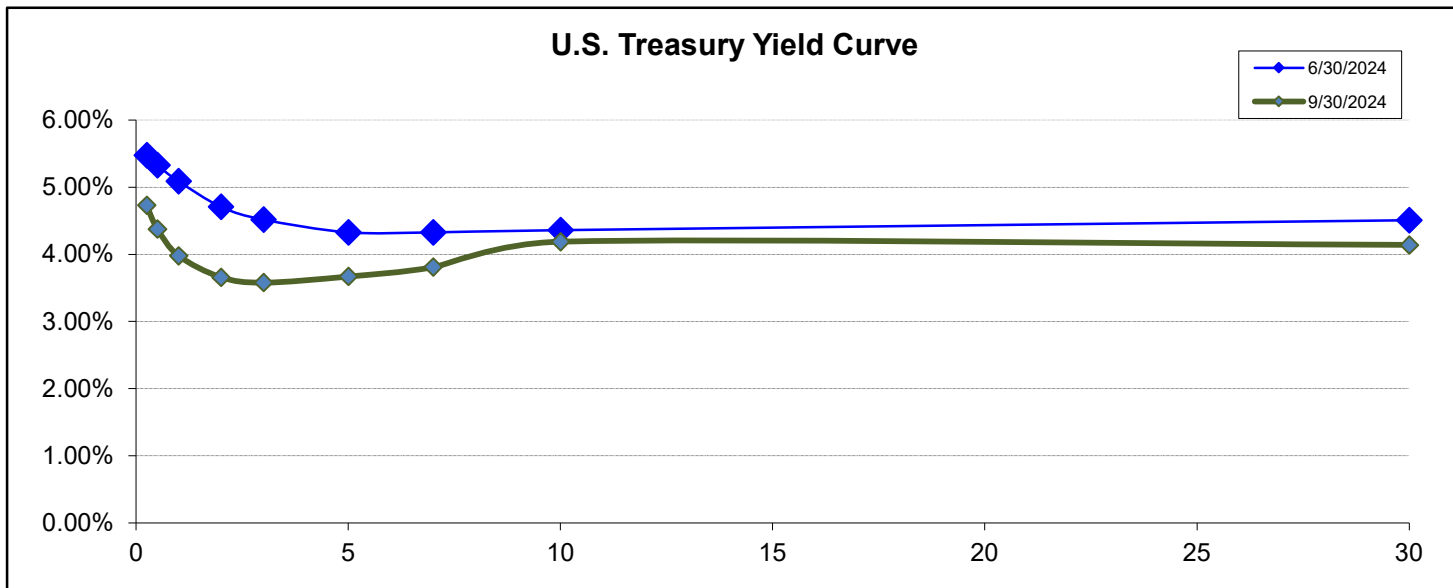
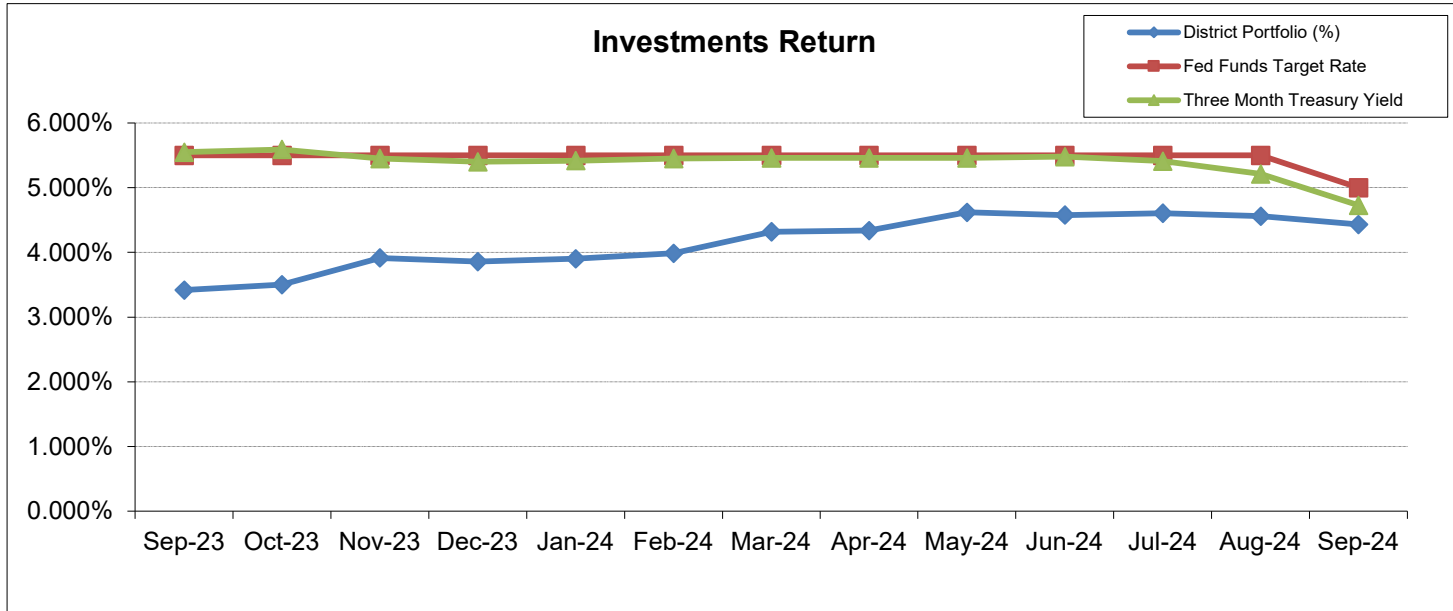
Ratings & Amounts

<u>U.S. Treasuries</u>		
T-Bills	AA+	-
T-Notes	AA+	382,000,000
<u>Agency Bonds</u>		
FAMC	AA+	-
FFCB	AA+	20,000,000
FHLB	AA+	20,000,000
FHLMC	AA+	-
FNMA	AA+	-
<u>Municipal Bonds</u>		
Municipal	AAA category	-
Municipal	AA category	-
<u>Corporate Bonds</u>		
Corporate	AAA category	-
Corporate	AA+ category	-
Corporate	AA- category	-
<u>Overnight Liquidity</u>		
LGIP	AAAmf	39,760,413
MMF	AAAmf	74,768,265
LAIF	N/A	22,754,262
Cash	N/A	33,576,841
		<u>\$ 592,859,781</u>



EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition of Investment Portfolio
September 30, 2024

ATTACHMENT B-2





EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition of Investment Portfolio
September 30, 2024

ATTACHMENT B-3

Projected Cash Flow (in \$Millions)

Water System

Month End	Matured Investments	Projected			Matured Reinvested
		Receipts	Disbursements	Cash & Investments	
Sep-24				451.1	
Oct-24	0.0	80.6	82.8	448.9	0.0
Nov-24	61.3	71.8	144.0	376.7	61.3
Dec-24	16.0	90.4	82.8	384.3	16.0
Jan-25	0.0	61.6	83.4	362.5	0.0
Feb-25	0.0	58.7	82.8	338.4	0.0
Mar-25	16.0	58.1	84.1	312.4	16.0

Wastewater System


Month End	Matured Investments	Projected			Matured Reinvested
		Receipts	Disbursements	Cash & Investments	
Sep-24				103.9	
Oct-24	0.0	11.1	14.1	100.9	0.0
Nov-24	8.2	11.1	22.8	89.2	8.2
Dec-24	4.0	33.1	14.1	108.2	4.0
Jan-25	0.0	11.1	14.1	105.2	0.0
Feb-25	0.0	11.1	14.1	102.2	0.0
Mar-25	4.0	11.1	14.1	99.2	4.0


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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 17, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

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

SUBJECT: Fiscal Year 2024 Annual Power Revenue Report

SUMMARY

The attached Fiscal Year 2024 (FY 2024) Annual Power Revenue Report summarizes the District's activities from July 1, 2023 through June 30, 2024. Revenue in FY 2024 was \$15.4 million or 192 percent of the budgeted revenue of \$8.0 million. Forecasted power revenue for FY 2025 is \$11.5 million. The FY 2024 Annual Power Revenue Report will be presented at the October 22, 2024 Finance/Administration Committee meeting.

DISCUSSION

The District sold power under Board Resolution Nos. 33157-99, 33240-01, 33375-03, and 33962-14. These resolutions delegate authority to staff to buy and sell power and require monthly and annual power sales reporting to the Board. Energy and energy-related products are sold through the following Board-authorized agreements:

- An agreement to sell energy and Renewable Energy Certificates (RECs) to Marin Clean Energy (MCE) authorized on June 23, 2015
- An agreement to sell energy, RECs, and Resource Adequacy (RA) to Shell Energy North America authorized on October 13, 2015
- An agreement to sell RA to MCE authorized on September 13, 2016
- An agreement to sell RA and RECs to Ava Community Energy, formerly known as East Bay Community Energy, authorized on October 27, 2020
- An agreement to sell RA to NRG Business Marketing LLC authorized on October 10, 2023

Total revenue for FY 2024 was greater than the initial forecast and budget due to the increased revenue from RA sales and high carryover storage and slightly wetter hydrology compared to budget assumptions. RA revenue was greater than the forecast because the present regulatory framework in California is driving up the value of RA. The latest RA agreements included additional RA capacity at the recent market prices. Energy revenue, transaction costs, and definitions are included in the attached report.

Fiscal Year 2024 Annual Power Revenue Report
Finance/Administration Committee
October 17, 2024
Page 2

NEXT STEPS

The Committee will consider acceptance of the FY 2024 Annual Power Revenue Report, pursuant to Board Resolution Nos. 33240-01 and 33962-14.

CCC:DAB:sd

Attachment: Annual Power Revenue Report – Fiscal Year 2024

I:\Sec\2024 Board Related Items\Committees 2024\102224 Fin-Admin Ctte\OMD – Fiscal Year 2023Annual Power Revenue Report.docx

ATTACHMENT

**Annual Power Revenue Report
Fiscal Year 2024**

INTRODUCTION

In June 2024, the District completed its 24th year of operation as an independent power producer. The District also completed its ninth year of delivering power and selling Renewable Energy Certificates (RECs) to Marin Clean Energy (MCE) under a ten-year Power Purchase Agreement (PPA). The District sold another energy-related product, Resource Adequacy (RA), to supplement the District’s revenue. RA is a regulatory requirement for electric load-serving entities to improve statewide grid reliability by ensuring sufficient generator capacity commitments are procured from actual resources. The District sold RA from the Pardee Powerhouse to Shell Energy North America (SENA), East Bay Community Energy/Ava Community Energy (Ava), and NRG Business Marketing LLC (NRG). In addition, the District sold RA from the Camanche Powerhouse to SENA and Ava. RA sales contributed significantly to the District’s revenue, approximately \$4.7 million in Fiscal Year 2024 (FY 2024). The total FY 2024 hydropower revenue, \$15.4 million, exceeded the budgeted revenue \$8.0 million.

FY 2024 ENERGY REVENUE

Monthly FY 2024 revenue and transactional costs are given in the table below:

Month	Generation (MWh)	Average Price (\$/MWh)	FY 2024 REVENUE AND EXPENSES					Monthly Net Revenue
			SC Fees	Net Energy Sales	REC Sales to MCE	RA Sales	Other REC Sales	
23-Jul	28,716	\$53.88	(\$5,000)	\$1,547,099	\$273,920	\$604,560		\$2,420,579
23-Aug	17,442	\$77.54	(\$5,000)	\$1,352,431	\$158,690	\$792,416	\$366,180	\$2,664,717
23-Sep	14,365	\$41.75	(\$5,000)	\$599,723	\$138,510	\$1,059,903		\$1,793,136
23-Oct	15,605	\$65.67	(\$5,000)	\$1,024,814	\$149,930	\$304,250		\$1,473,994
23-Nov	2,922	\$77.14	(\$5,000)	\$225,404	\$27,960	\$43,175		\$291,539
23-Dec	3,500	\$49.66	(\$5,000)	\$173,787	\$31,420	\$6,020		\$206,227
24-Jan	11,193	\$77.50	(\$5,000)	\$867,497	\$107,530	\$76,590		\$1,046,617
24-Feb	14,193	\$39.93	(\$5,000)	\$566,684	\$95,074	\$76,905		\$733,663
24-Mar	21,694	\$33.57	(\$5,000)	\$728,282	\$142,611	\$93,640		\$959,533
24-Apr	20,232	\$29.10	(\$5,000)	\$588,752	\$128,590	\$150,555		\$862,897
24-May	27,834	\$15.76	(\$5,000)	\$438,668	\$146,489	\$490,973		\$1,071,130
24-Jun	19,328	\$28.31	(\$5,000)	\$547,257	\$109,221	\$1,012,950	\$206,960	\$1,871,388
Total	197,024	\$43.96	(\$60,000)	\$8,660,398	\$1,509,945	\$4,711,937	\$573,140	\$15,395,420

Energy generated through the District’s photovoltaic projects is not included. This energy is used to offset electrical utility bills on the District’s accounts.

Generation: Actual FY 2024 hydropower generation was 197,024 megawatt hours (MWh) and was greater than forecasted generation of 149,800 MWh due to additional generation associated with excess flow on the Mokelumne River at the start and end of FY 2024. After all obligations were met, hydropower generation was scheduled daily to increase energy production during peak energy pricing hours. In FY 2024, this strategy increased revenue by approximately \$750,000.

Generation optimization adhered to prescribed ramping criteria, environmental restrictions, and District flow requirements.

Scheduling Coordinator (SC) Fees: Scheduling services and settlement calculations for the District's water and wastewater power sales were provided by SENA under a three-year agreement authorized by the Board on September 27, 2022.

Energy Sales: Energy from the District's hydropower facilities was sold under the ten-year PPA with MCE which expires on July 1, 2025. The monthly energy revenue is the sum of the daily energy scheduled to MCE in the California Independent System Operator (CAISO) day-ahead market at the market price. Energy revenue from the MCE agreement total \$8,660,398 including payments and charges from CAISO and resettlements from APX, the District's previous scheduling coordinator. Charges from CAISO (e.g., bid transactions, system operations, settlements, and metering charges) totaled approximately \$82,000 in FY 2024 and are included in the net energy sales value, \$8,660,398. Energy revenue in FY 2024 was lower than FY 2023 because the Mokelumne River's runoff for water year ending September 30, 2024 was below average (i.e., 91 percent of average) and wholesale market prices for energy in FY 2024 were approximately half of those paid in FY 2023).

REC Sales (bundled): The Camanche and Pardee power plants are considered renewable energy resources per the California Renewable Portfolio Standard. The District transfers bundled RECs associated with day-ahead generation schedules to MCE for a fixed price. Additional bundled RECs may be sold to MCE and SENA through existing enabling agreements or sold as unbundled RECs to others. During FY 2024, sale of bundled RECs to MCE totaled \$1,509,945.

Additional REC Sales (bundled): The sale of 8,616 and 3,180 bundled RECs to SENA added \$366,180 and \$206,960 in revenue in August 2023 and June 2024, respectively.

RA Sales: Capacity, also referred to as RA, from the Pardee and Camanche generators was sold to multiple companies: Ava, SENA, and NRG in FY 2024. Revenue from Pardee RA sold to Ava, SENA, and NRG totaled \$4,346,808. Revenue from Camanche RA sold to Ava and SENA totaled \$365,129. The total FY 2024 revenue from RA sales from Pardee and Camanche was \$4,711,937. September 2023 was the month with the greatest RA revenue, \$1,059,903. September 2024 is also the month with the greatest RA revenue planned for FY 2025.

FY 2025 FORECASTED REVENUE

The current forecasted FY 2025 Mokelumne power revenue is \$11.5 million including net energy revenue (i.e., CAISO and MCE), revenue from REC sales, and revenue from RA sales. Specifically, the FY 2025 forecast is based on the following conditions:

- Revenue earned through August 2024 (i.e., \$3.13 million)
- Median water year (i.e., 50 percent exceedance) forecast for the remainder of FY 2025
- Monthly weighted average energy pricing (i.e., approximately \$28 per MWh)
- REC pricing per the agreement with MCE
- RA pricing per the agreements with NRG, Ava, and SENA

Month	Generation (MWh)	FORECASTED FY 2025 REVENUE			
		Price (\$/MWh)	Net Energy Sales	Resource Adequacy	RECs
Jul-24	5,070	94	\$478,630	\$906,730	\$42,790
Aug-24	3,939	87	\$344,475	\$1,321,296	\$39,151
Sep-24	5,300	43	\$223,061	\$1,348,240	\$53,000
Oct-24	15,900	35	\$539,100	\$424,600	\$159,000
Nov-24	7,200	35	\$243,300	\$70,822	\$72,000
Dec-24	10,500	35	\$355,500	\$75,820	\$105,000
Jan-25	9,100	30	\$262,400	\$82,880	\$91,000
Feb-25	18,200	30	\$526,300	\$80,213	\$182,000
Mar-25	20,300	31	\$607,094	\$55,675	\$142,100
Apr-25	18,500	29	\$509,655	\$178,650	\$129,500
May-25	27,700	10	\$247,800	\$241,000	\$193,900
Jun-25	28,700	20	\$543,800	\$473,000	\$200,900
Total	170,409	\$28	\$4,881,115	\$5,258,926	\$1,410,341
FORECASTED TOTAL NET REVENUE \$11,550,382					

RELATED ACTIVITIES

Revenue meter maintenance, data management, and qualified reporting entity services for the District’s hydropower and biogas generators were performed through an agreement with Trimark Associates, Inc. In addition to daily hydropower sales, staff manage the following RA agreements with a total potential revenue of approximately \$5.3 million in FY 2025:

- Complete monthly showings for the agreement with NRG for Pardee RA for a total potential revenue of approximately \$3.4 million in FY 2025
- Complete monthly showings for the agreement with Ava for Camanche RA for a total potential revenue of approximately \$57,000 in FY 2025
- Prepare final invoice for the agreement with SENA for Pardee RA for a total potential revenue of approximately \$690,000 in FY 2025

- Complete monthly showings for new agreement with NRG for Pardee and Camanche RA for a total potential revenue of approximately \$1.1 million in FY 2025

The District's ten-year sales agreement with MCE for energy and bundled RECs expires on July 1, 2025. The District plans to advertise a Request for Proposals (RFP) for a 10-year agreement to sell energy and bundled RECs to one or more vendors. Long-term agreements for renewable energy are desirable to load serving entities and Community Choice Aggregators (CCAs) who by regulation must include renewables in their respective portfolios. The RFP will be advertised to CCAs, Western Systems Power Pool members, and other interested parties. The RFP is planned for release in January 2025. RFPs for RA for calendar years 2026 and beyond are released annually in July. RA agreements for calendar year 2025 have already been executed.

NEXT STEPS

The following tasks are planned for FY 2025:

- Release a RFP to sell energy and RECs from Pardee, Camanche, and Wastewater biogas, in January 2025
- Bring new long-term energy and corresponding RECs sales agreements to the Board for approval (April 2025)
- Review new RA market rules to inform future RA agreements
- Monitor hydrologic conditions for opportunities to market additional RA
- Execute agreements to sell excess RECs when they become available

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 17, 2024

MEMO TO: Board of Directors

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

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Fiscal Year 2024 Total Annual Budget and Performance Report

SUMMARY

Attached is the Fiscal Year 2024 (FY 2024) Total Annual Budget and Performance Report for the year ending June 30, 2024. This report covers the District's actual expenses as compared to budgeted expectations and includes analysis of performance and the reasons for variances from expectations. The report will be presented at the October 22, 2024 Finance/Administration Committee meeting.

DISCUSSION

Total Water System revenues of \$1.13 billion were \$20.8 million, or 2 percent more than budget, and total expenses of \$1.10 billion were \$5.6 million, or about 0.5 percent less than budget. Revenue deviances were driven by above-budget income from power sales, property taxes, interest income, and bonds and grants. The deviances were offset by system capacity charge revenue that was below budget by \$9 million, or 26 percent below expectations, due to fewer large developments. Capital expenses were greater than planned cash flows by \$47.4 million, or 10 percent, which was offset by savings of \$47.3 million in operating expenses.

Total Wastewater System revenues of \$201 million were \$9.8 million, or 5 percent above budget, and total expenses of \$192.5 million were \$8.7 million, or 5 percent above budget. Revenue deviances were driven by above-budget income from resource recovery, property taxes, and new bond proceeds, as well as grant revenues. Expenses were below-budget for non-labor expenses and debt service, which was offset by capital spending that exceeded planned cash flows by \$14.3 million, or 29 percent.

CCC:SDS:saf

Attachment: FY 2024 Total Annual Budget & Performance Report

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Executive Summary

This section details the Fiscal Year 2024 (FY 2024) budget performance for the Water and Wastewater Systems including an analysis of total revenues and expenditures, major capital expenses, and a summary of grant activities.

District-wide Overview

The District ended FY 2024 in a stable financial position. Careful budget development that considered inflationary pressures, particularly in energy, chemicals, and labor costs, along with conservative assumptions around post-drought water consumption, led to the solid performance compared to budget. Overall, total revenues, including debt issuance, was greater than total expenses across both systems, with operating expenses remaining below budget. Capital spending exceeded budgeted cash flows due to significant investments in water treatment facilities, distribution pipelines, power generation including biogas, and interceptors and pump stations. The issuance of more than \$300 million in Water and Wastewater bonds, combined, in March 2024 was the reason the budget was balanced, as otherwise there would have been significant deficits, led by capital spending.

Water System Overview

- **Operating Revenues:** Total operating revenues were \$815.4 million, or \$8.2 million greater than budget.
- **New Bond Proceeds:** New bonds proceeds were \$275.0 million, or \$5.5 million greater than budget.
- **Capital & Grant Revenues:** Capital and grant revenues were \$42.5 million, or \$7.1 million above budget.
- **Operating Expenses:** Total operating expenses were \$348.3 million, or \$47.3 million less than budget.
- **Debt Service:** Debt expenses were \$233.5 million, or \$5.1 million less than budget.
- **Capital Cash Flow Expenses:** Total capital cash flow spending was \$525.5 million, or \$47.4 million more than budget.

Wastewater System Overview

- **Operating Revenues:** Total operating revenues were \$172.3 million, or \$6.0 million greater than budget.
- **New Bond Proceeds:** New bonds proceeds were \$27.5 million, or \$2.6 million greater than budget.
- **Other Capital Revenues:** Other capital revenues were \$1.3 million, or \$1.3 million greater than budget.
- **Operating Expenses:** Total operating expenses were \$96.6 million, or \$4.3 million less than budget.
- **Debt Service:** Debt expenses were \$31.5 million, or \$1.4 million less than budget.
- **Capital Cash Flow Expenses:** Total capital cash flow spending was \$64.4 million, or \$14.3 more than budget.

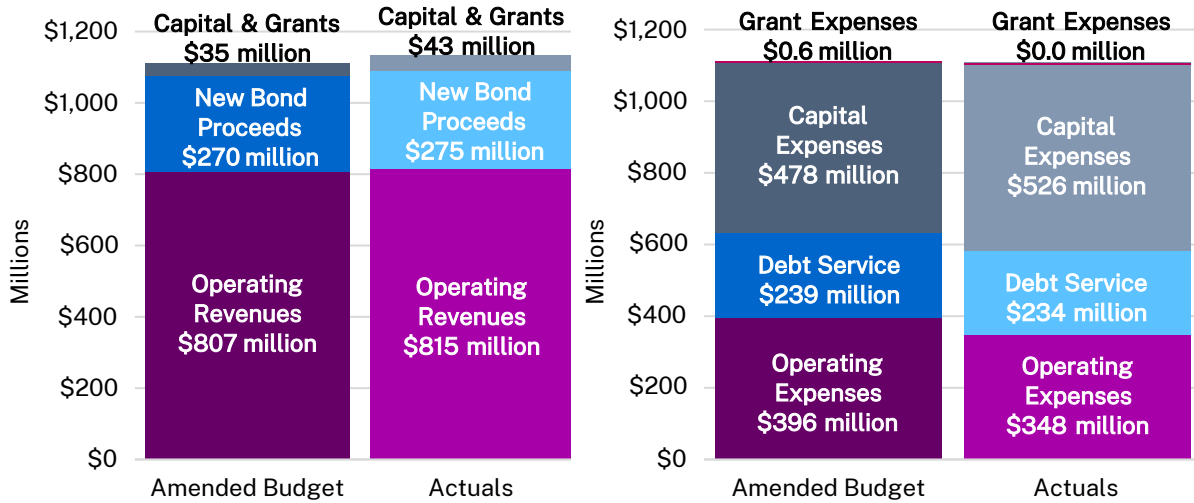
Water System

Summary of Revenues and Expenses

The following charts compare actuals to budget for revenues, operating expenses, and capital cash flow expenses.

- Operating revenues were \$815.4 million, or 101 percent of budget.
- New bond proceeds totaled \$275.0 million, or 102 percent of budget.
- Capital and grant revenues totaled \$42.5 million, or 120 percent of budget.
- Operating expenses totaled \$348.3 million, or 88 percent of budget.
- Debt service expenses were \$233.5 million, or 98 percent of budget.
- Capital cash flow expenses totaled \$525.5 million, or 110 percent of budget.
- Grant expenses totaled \$0.01 million, or 2 percent of budgeted expectations.

Water System All Revenues and Expenses Summary



Water System All Revenues and Expenses Summary

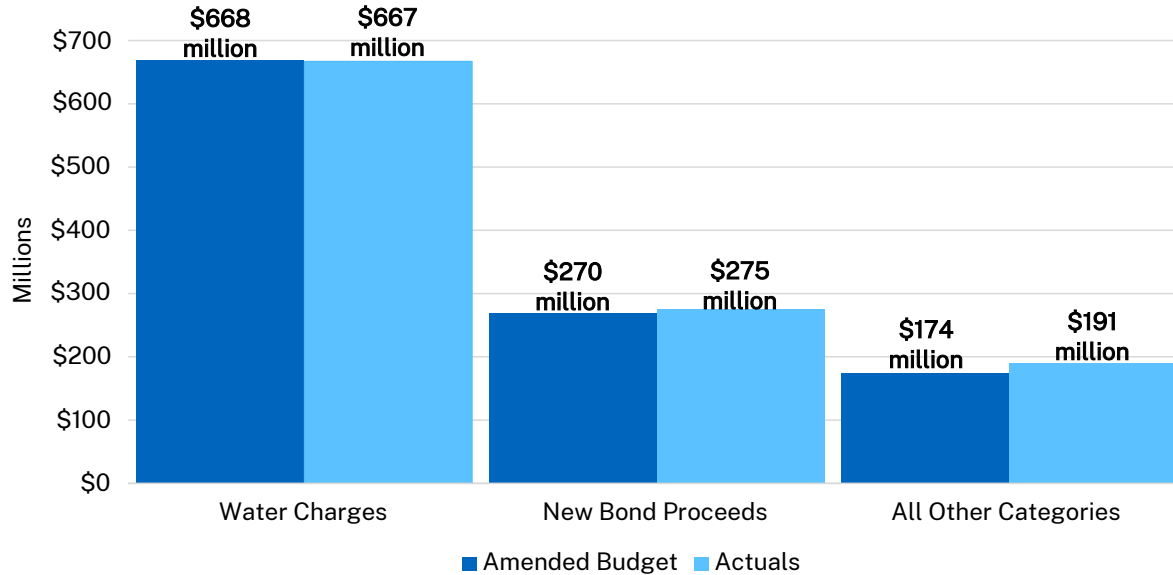
All Revenues and Expenses Summary (\$ Thousands)				
	Amended Budget	Actuals	Over / (Under)	%
Operating Revenues	807,206	815,366	8,160	101%
New Bond Proceeds	269,500	275,000	5,500	102%
Capital & Grants	35,400	42,504	7,104	120%
Total Revenues	1,112,106	1,132,871	20,764	102%
Operating Expenses	395,614	348,295	(47,319)	88%
Debt Service	238,673	233,538	(5,136)	98%
Capital Expenses	478,131	525,547	47,416	110%
Grant Expenses	576	11	(565)	2%
Total Expenses	1,112,994	1,107,392	(5,603)	99%
Revenues less Expenses	(888)	25,479	26,367	

FY 2024 Total Annual Budget & Performance Report
Water System – Water System Revenues

Water System Revenues

The following chart shows the major categories of revenue in comparison to budget, and the table below the chart shows additional detail. Combined revenues were \$1.13 billion, which represents 102 percent of the \$1.11 billion budget. Details of major revenue variances are explained on the following page.

Water System Major Revenue Categories



Water System Detailed Revenue Summary

Detailed Revenue Summary (\$ Thousands)				
	Amended Budget	Actuals	Over / (Under)	%
Water Charges	668,306	667,119	(1,187)	100%
Property Taxes	47,000	52,824	5,824	112%
Power Sales	8,000	14,189	6,189	177%
Interest Income	13,900	16,901	3,001	122%
SCC Revenue	35,000	25,909	(9,091)	74%
Reimbursements	14,000	13,185	(815)	94%
All Other Revenue	21,000	25,239	4,239	120%
Operating Revenues	807,206	815,366	8,160	101%
New Bond Proceeds	269,500	275,000	5,500	102%
Grants	-	4,572	4,572	-
Capital Reimbursements	35,400	36,628	1,228	103%
Other Capital Revenue	-	1,305	1,305	-
Capital Revenues	304,900	317,504	12,604	104%
Total Revenues	1,112,106	1,132,871	20,764	102%

FY 2024 Total Annual Budget & Performance Report
Water System – Water System Revenues

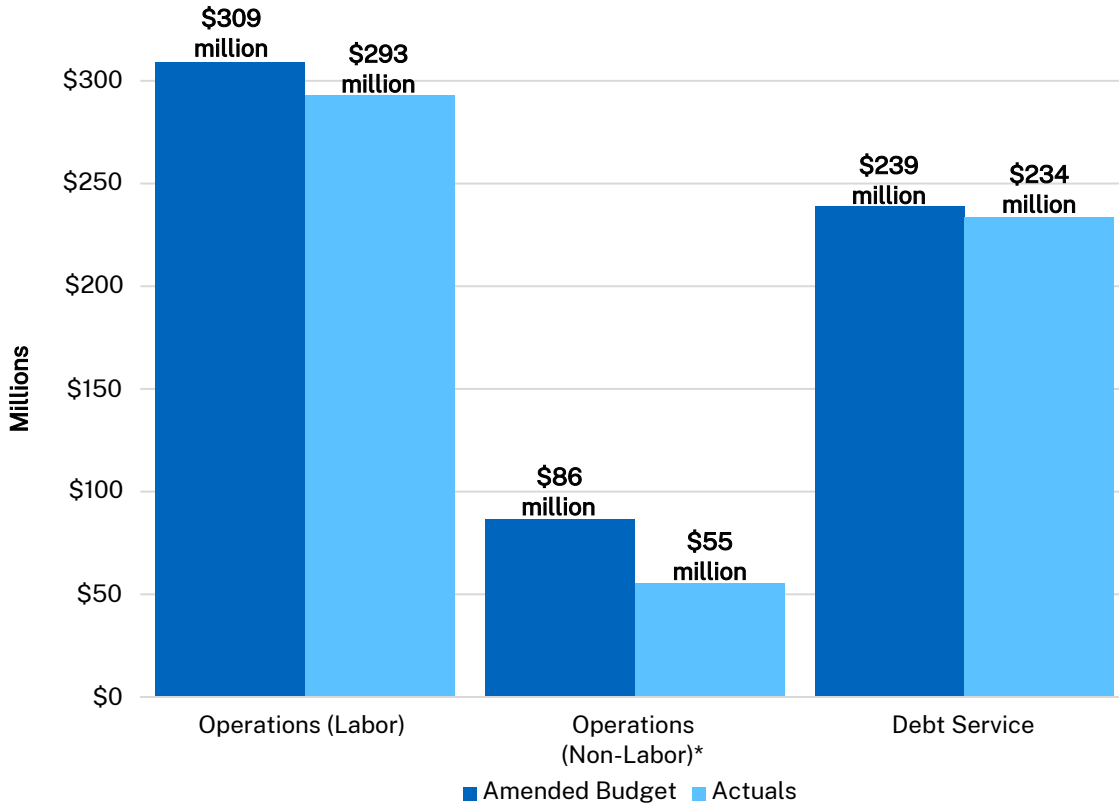
Major revenue variances were:

- **Water Charges** were \$667.1 million, which is nearly 100 percent of budget. Water consumption was 136.4 million gallons per day (MGD) as compared to water consumption of 133.7 MGD for the same period in FY 2023, for a year-over-year increase of 2.0 percent. Though consumption increased slightly, Water Charges were \$1.2 million below budget due to lower-than-projected usage, as consumption patterns gradually return to normal following the drought.
- **System Capacity Charges (SCC)** revenue was \$25.9 million, which is 74 percent of budget. The budget for SCC revenue was in part based on strong building activity continuing from FY 2023. However, there were fewer large-scale developments that typically drive higher SCC revenue, though smaller-scale developments, such as accessory dwelling units, continued to contribute to SCC revenue.
- **Power Sales** were \$14.2 million, which is 177 percent of budget. This significant performance above budget was driven by higher-than-expected per-unit energy prices, favorable wholesale markets, and strong water supply conditions.
- **Interest Income** was \$16.9 million, which is 122 percent of budget. The Federal Reserve held interest rates steadily high through FY 2024, significantly increasing interest earnings on the District's investment portfolio. Additionally, the portfolio's large growth in March from the issuance of Water Revenue Bonds provided additional funds to be invested.
- **New Bond Proceeds** were \$275.0 million compared to the \$269.5 million planned in the budget. The Water System Revenue Bonds, Series 2024A were issued in March to provide funding for the District's Capital Improvement Program. Bond funding was slightly higher than budgeted to fund capital expenses that were above budget.
- **Grants revenues** were \$4.6 million, primarily from the Proposition 1 Integrated Regional Water Management (IRWM) Implementation Grant for water conservation programs, FEMA COVID-19 Pandemic Grant, and FEMA Hazard Mitigation Grant for the Moraga Creek Landslide. Most grant revenues are reimbursement-based for multi-year projects. The timing of the grant reimbursements are unknown and normally not budgeted.

Water System Operating Expenses

The following chart depicts non-capital expenses in comparison to budgets. Total non-capital expenses totaled \$581.8 million, which is 92 percent of their \$634.3 million budget. Major variances in the three categories are described in further detail below.

Water System Operating Expense Categories



*Includes capital support offsets.

Water System Operating (Non-Capital) Expense Details

Operating (Non-Capital) Expense Details (\$ Thousands)				
	Amended Budget	Actuals	Over / (Under)	%
Operations (Labor)	309,138	292,829	(16,309)	95%
Operations (Non-Labor)*	86,476	55,466	(31,009)	64%
Total Operations Expenses	395,614	348,295	(47,319)	88%
Debt Service	238,673	233,538	(5,136)	98%
Total Non-Capital Expenses	634,287	581,833	(52,454)	92%

*Includes capital support offsets.

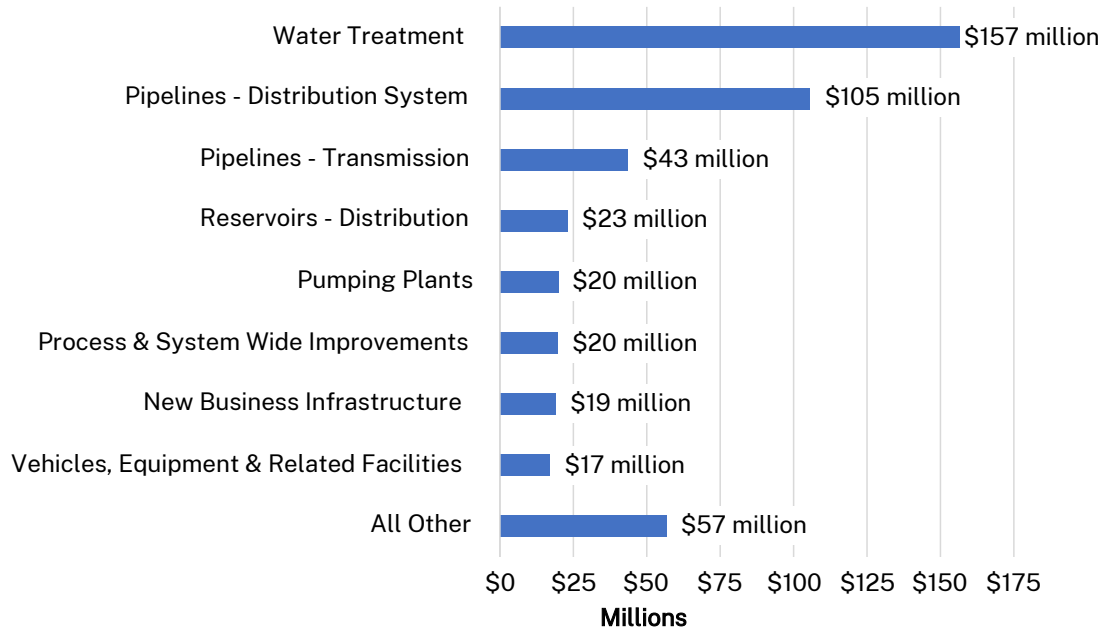
The major variances in spending are attributable to:

- **Operations (Labor):** Operating labor expenses were \$292.8 million, or 5 percent less than budget, primarily due to more staff time spent on capital work than planned, as well as vacancy savings resulting from the lead time to recruit for vacant positions.
- **Operations (Non-Labor):** Operating non-labor expenses were \$55.5 million, or 36 percent less than budget, primarily due to unspent contingency and increased Capital Support expenses, which relieves the operating budget of expenses charged to capital. In addition, expenditures in most departments' non-labor budgets stayed under budget.
- **Debt Service:** Actuals were \$5.1 million, or 2 percent less than budget. The budget assumed debt issuance at the start of the year, requiring an interest payment in December, however bonds were issued in March, with the first interest payment in June, leading to savings in the first half of the fiscal year as compared to budget.

Water System Capital Cash Flow Expenses

The following chart illustrates the capital cash flow spending for major capital awards in the Water System. Capital cash flow expenditures totaled \$525.5 million. Of this amount, direct capital project costs totaled \$460.5 million and the remaining \$65.0 million represents capital support expenses.

Water System Cash Flow Expenses by Award Purpose



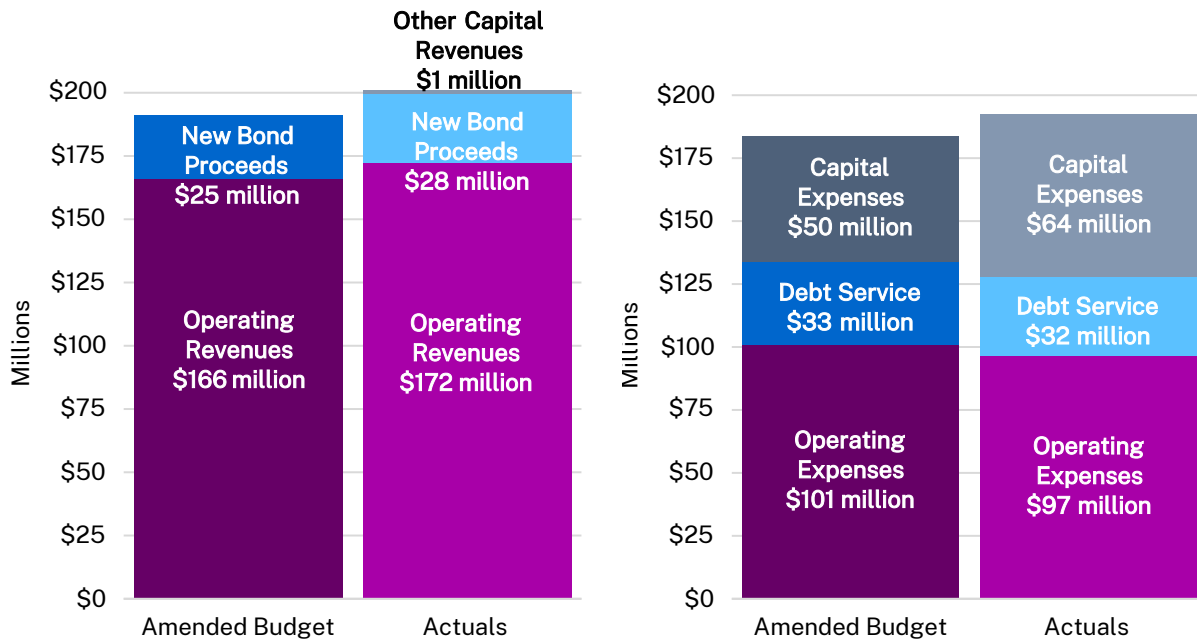
Wastewater System

Summary of Revenues and Expenses

The following charts compare actuals to budget for total revenues, operating expenses, and capital cash flow expenses.

- Operating revenues totaled \$172.3 million, or 104 percent of budget.
- New bond proceeds totaled \$27.5 million, or 110 percent of budget.
- Other capital revenues totaled \$1.3 million, which was unbudgeted.
- Operating expenses totaled \$96.6 million, or 96 percent of budget.
- Debt service totaled \$31.5 million, or 96 percent of budget.
- Capital cash flow expenses totaled \$64.4 million, or 129 percent of budget.

Wastewater System Revenues and Expenses Summary



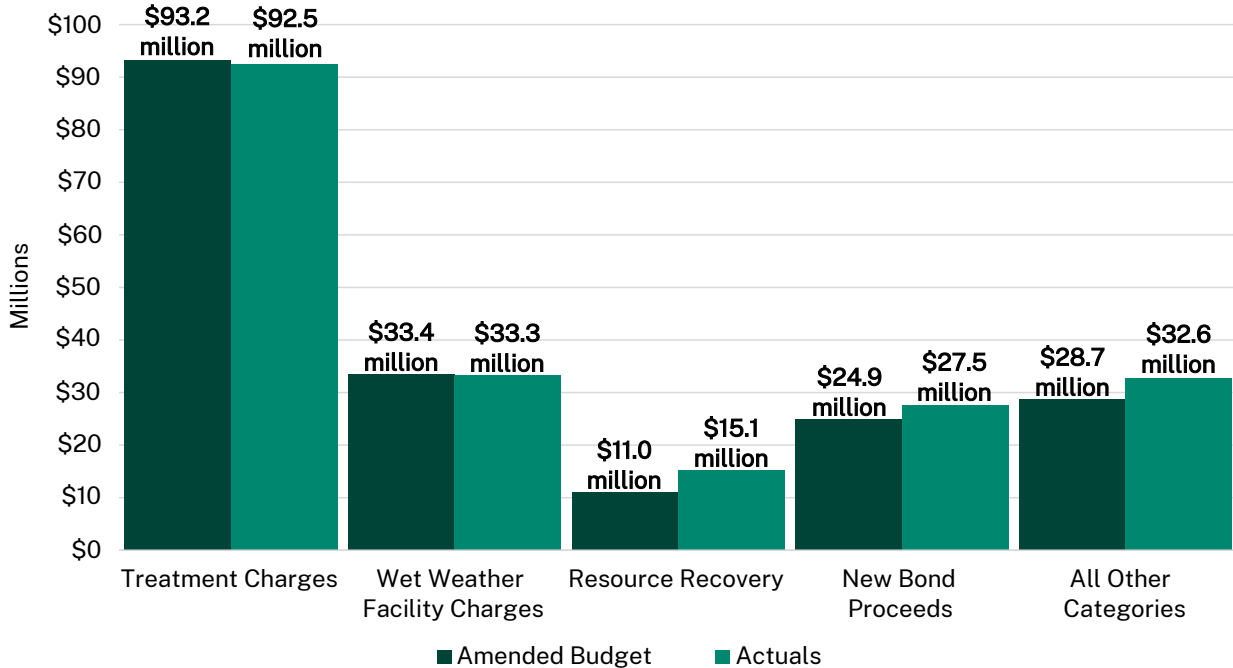
Wastewater System All Revenues and Expenses Summary

All Revenues and Expenses Summary (\$ Thousands)				
	Amended Budget	Actuals	Over / (Under)	%
Operating Revenues	166,300	172,293	5,993	104%
New Bond Proceeds	24,900	27,500	2,600	110%
Other Capital Revenues	-	1,253	1,253	-
Total Revenues	191,200	201,046	9,846	105%
Operating Expenses	100,924	96,599	(4,325)	96%
Debt Service	32,869	31,502	(1,367)	96%
Capital Expenses	50,030	64,379	14,349	129%
Total Expenses	183,824	192,480	8,656	105%
Revenues less Expenses	7,376	8,566	1,190	

Wastewater System Revenues

The following chart shows the major sources of revenue compared to budget, and the table below shows a more detailed breakdown of system revenues. The combined revenues were \$201.0 million, which is 105 percent of the \$191.2 million budget. Details of the major revenue variances are discussed below.

Wastewater System Major Revenue Categories



Wastewater System Detailed Revenue Summary

Detailed Revenue Summary (\$ Thousands)				
	Amended Budget	Actuals	Over / (Under)	%
Treatment Charges	93,200	92,465	(735)	99%
Wet Weather Facility Charges	33,400	33,312	(88)	100%
Resource Recovery	11,000	15,141	4,141	138%
Property Taxes	7,500	8,705	1,205	116%
Interest Income	3,100	3,295	195	106%
Laboratory Services	4,900	5,244	344	107%
Reimbursements	1,800	2,137	337	119%
Permit Fees	1,700	1,663	(37)	98%
Capacity Charges	3,500	3,534	34	101%
All Other Revenue	6,200	6,797	597	110%
Operating Revenues	166,300	172,293	5,993	104%
New Bond Proceeds	24,900	27,500	2,600	110%
Other Capital Revenues	-	1,253	1,253	-
Capital Revenues	24,900	28,753	3,853	
Total Revenues	191,200	201,046	9,846	105%

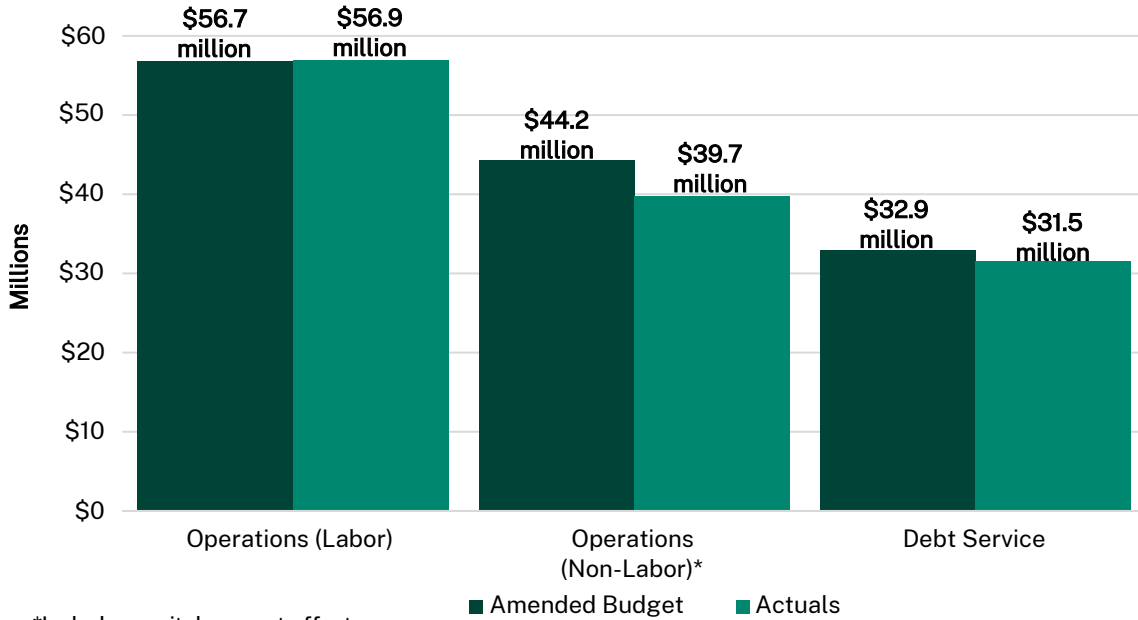
Major revenue variances were:

- **Resource Recovery** revenue totaled \$15.1 million, which is 138 percent of budget due to a conservative approach to budgeting because this source is driven by, and subject to the volatility of, market demand.
- **Property Tax** revenue was \$8.7 million, which is 116 percent of budget due to a conservative approach to budgeting.
- **New Bond Proceeds** were \$27.5 million compared to the \$24.9 million planned in the budget. The Wastewater System Revenue Bonds, Series 2024A, were issued in March to provide funding for the District's Capital Improvement Program. Bond funding was slightly higher than budgeted to meet the higher growth in capital expenses.
- **Other Capital Revenues** were \$1.3 million which includes interest earned on capital reserves and grant revenue from the FEMA COVID-19 Pandemic Grant.

Wastewater System Operating Expenses

The following chart and table depict non-capital expenses compared to budgets. Operating and debt service expenses totaled \$128.1 million, which is 96 percent of the \$133.8 million amended budget.

Wastewater System Operating Expense Categories



*Includes capital support offsets.

Wastewater System Operating (Non-Capital) Expense Details

Operating (Non-Capital) Expense Details (\$ Thousands)				
	Amended Budget	Actuals	Over / (Under)	%
Operations (Labor)	56,714	56,913	199	100%
Operations (Non-Labor)*	44,210	39,686	(4,524)	90%
Total Operations Expenses	100,924	96,599	(4,325)	96%
Debt Service	32,869	31,502	(1,367)	96%
Total Non-Capital Expenses	133,793	128,101	(5,692)	96%

*Includes capital support offsets.

The major variances in spending are attributable to:

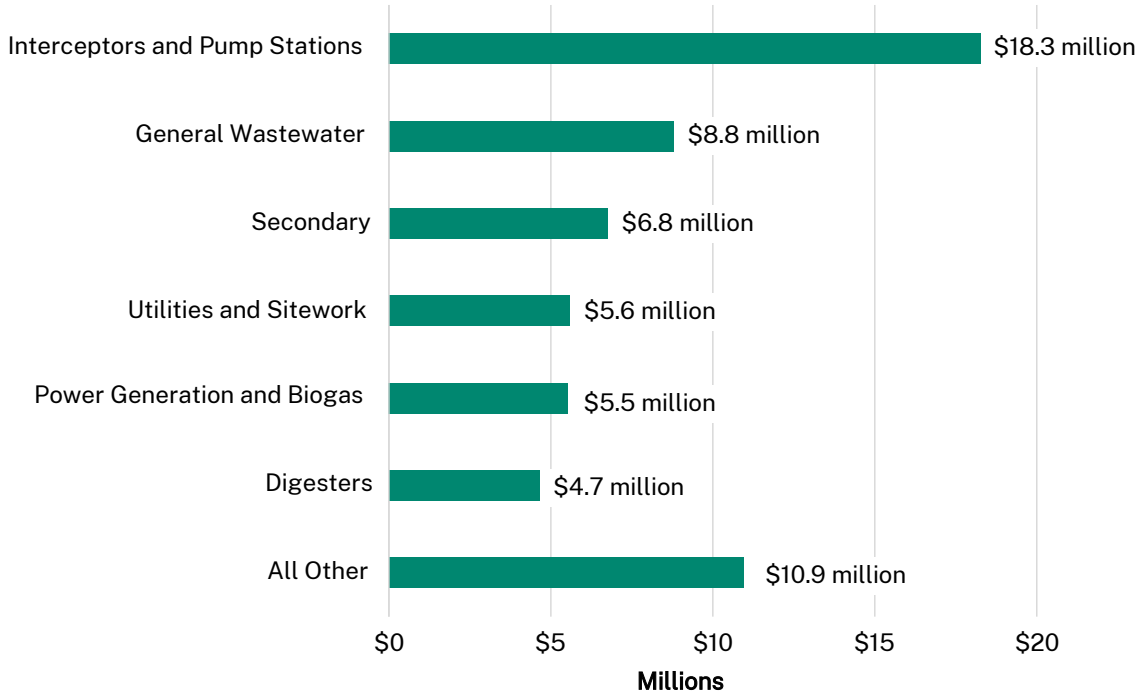
- **Operations (Labor):** Labor expenses were \$56.9 million and exceptionally close to budget, exceeding the budget by less than one-tenth of a percent. This slight overage was due to recent cost increases in health benefits that were not accounted for in the budget.
- **Operations (Non-Labor):** Operating non-labor expenditures were \$39.7 million, or 10 percent less than budget. Savings were primarily due to lower expenses for chemical and contracts as well as unspent contingency.
- **Debt Service:** Expenses were 96 percent of the amended budget. The budget assumed debt issuance at the start of the year, requiring an interest payment in December, however bonds were issued in March, with the first interest payment in June, leading to savings in the first half of the fiscal year as compared to budget.

Wastewater System Capital Cash Flow Expenses

The following chart illustrates the capital cash flow spending for the capital awards for the Wastewater System. Capital cash flow expenditures totaled \$64.4 million. Of this amount, direct capital project costs totaled \$60.5 million, and the remaining \$3.9 million represents capital support expenses.

The largest category of spending was for interceptors and pump stations at \$18.3 million, with general improvements and investments at the Main Wastewater Treatment Plant the second-largest category at \$8.8 million.

Wastewater System Cash Flow Expenses by Capital Award



Grants and Loans

Grants

In FY 2024, the District was awarded four new grants, most of which were in the application stages in prior years. The table below is a summary of all grant activities.

Grant Project	Submittal Year	Amount (\$)	Status as of 6/30/2024
Wastewater FEMA Hazard Mitigation Grant Influent Pump Station Seismic Retrofit – Phase 1	FY 2024	2,539,965	Planning and Design phases are ongoing
Wastewater FEMA Hazard Mitigation Grant Influent Pump Station Seismic Retrofit – Phase 2	TBD	27,405,035	Pending successful completion of Phase 1
California Department of Water Resources – Mokelumne River Habitat Restoration	FY 2024	7,500,000	Awarded, project is ongoing
USBR WaterSMART Water and Energy Efficiency Grant - Expanded AMI Deployment	FY 2024	5,000,000	Awarded, project is ongoing
USBR WaterSMART Mokelumne River Floodplain Reconnection and Restoration Project (Improving Conditions for California’s Central Valley Anadromous Fisheries)	FY 2024	650,000	Awarded, project is ongoing
Cooperative Grant: CalFire Wildlife Prevention - Grizzly Peak Shaded Fuel Break (Lead Agency: East Bay Regional Park District)	FY 2024	464,800	Awarded in FY 2024; amount is District’s share of \$2.8M total award
USBR: Pinole Creek Tomato Stand Fish Passage Project	FY 2024	180,000	Awarded, project is ongoing
EPA Community Grant for EBMUD Upper San Leandro Water Treatment Plant	FY 2023	3,500,000	Awarded and quarterly reporting has begun
Federal Emergency Management Agency (FEMA) COVID-19 Pandemic Grant	FY 2021	1,709,124	Ongoing
Proposition 1 Integrated Regional Water Management (IRWM) Grant	FY 2020	4,177,875	In Progress
FEMA Hazard Mitigation Grant for the Moraga Creek Landslide	FY 2018	5,252,300	Completed

Highlights

FEMA COVID-19 Pandemic Grant

Through June 30, 2024, the District received \$1.4 million for COVID-19 related expenses, including in FY 2024, \$371,554 for cleaning, sanitizing and disinfecting, and \$178,499 for temporary workstation modifications. An additional \$282,000 was submitted and has not been received by the District, for a total of \$1.7 million.

Additionally, the District received an additional \$50.6 million for two rounds of the California Water and Wastewater Arrearage Program (CWWAP) over the past three fiscal years. The funds are almost entirely used to reduce the unpaid balances on customer accounts, which does not generate additional revenue. Favorably, the program supports the continuation of the moratorium on shut-offs as it has allowed the District to reduce its uncollected payments without consequences to residential customers. However, after receiving \$37 million in the most recent round, up to \$19 million was returned (in FY 2025) as the full allocation could not be used to reduce customer accounts. A small portion of the total funding, less than \$1 million, was used for administrative costs.

FEMA Hazard Mitigation Grant for Influent Pump Station Seismic Retrofit

This grant funds critical seismic retrofit and resiliency projects for the Influent Pump Station (IPS) the Main Wastewater Treatment Plant. The IPS is a single-point-of-failure and in an earthquake, a failure of this building would prevent wastewater from entering the treatment plant. The main elements of the seismic retrofit include ground/soil improvements, foundation improvements, and additional structural strengthening within the building.

The grant is expected to be awarded in two phases – Phase 1 for Planning and Design phases, and Phase 2 for the Construction phase. Phase 1 has already begun and \$208,000 was submitted for reimbursement as of the end of FY 2024 but had not yet been received. Upon successful completion of Phase 1, Phase 2 can commence and would be awarded at that time, if key milestones and compliance requirements are met during Phase 1.

Loans


There was no new loan activity in FY 2024.


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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 17, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Barry N. Gardin, Internal Auditor Supervisor 

SUBJECT: Annual Internal Audit Report

SUMMARY

This report is being provided to the Board in accordance with the professional audit standard of independence and as prescribed by the Board in Policy 4.24 – Internal Audit. This policy stipulates the Internal Auditor provides a report on the results of audits, investigations, and any other audit-related activities to the Board of Directors on a semi-annual basis or immediately when/if issues or concerns arise that warrant immediate Board consideration or attention. In addition to requiring a report on the results of internal audit activities, the policy stipulates that proposed audits for the upcoming year be reviewed with the Board to provide an opportunity to ensure audit efforts are aligned with the Board’s goals, objectives, and priorities and to provide Board members with an opportunity to redirect/reprioritize audit activities to address areas that are of most concern.

This report provides a status of all the projects listed in the Fiscal Year 2024 (FY 2024) Internal Audit Plan as well as a listing of the audits proposed for FY 2025.

FY 2024 INTERNAL AUDIT ACTIVITIES

During this reporting period, no material findings, control weaknesses, risks, or other significant issues requiring Board action or immediate attention have been noted. In accordance with Policy 4.24, any issues requiring immediate attention will be brought, without delay, directly to the Board.

Purchasing Compliance and Control

This review entailed an assessment of procedures and tests of transactions to determine whether purchases are properly authorized and conducted in accordance with the purchasing provisions outlined in the Municipal Utility District (MUD) Act as well as associated guidelines prescribed in the District’s policies and procedures.

No exceptions or other reportable conditions were identified during this review.

Facility Access and Control

This review included an assessment of the controls and restrictions in place to access District facilities including accountability for physical keys and access badges; off-hour access; maintenance of access logs; maintenance of alarm systems; and compliance with notification procedures for accessing unstaffed facilities.

The results of this review are currently being summarized.

Equipment Acquisition and Utilization

To evaluate the acquisition and use of District heavy equipment to confirm the equipment acquisitions are appropriate and determine if equipment use is maximized.

The results of this review are currently being summarized in coordination with an ongoing investigation.

Purchase Card (PCard) Activity and Use

This review included an assessment of the PCard procedures to confirm that sufficient controls are in place and complied with to ensure PCards are used in an appropriate manner that is consistent with the program guidelines. This included completing tests to ensure PCards are properly authorized and accounted for; items purchased have an appropriate business need and are consistent with District operating activities; adequate supporting documentation obtained justifies expenditures; management review of PCard transactions is being conducted; and suspected improper and/or inappropriate use is investigated and addressed.

PCards and related expenditures were found to be appropriate and properly authorized. However, opportunities to improve accountability and limit exposure to underutilized PCards were identified.

Capital Budget Expenditure and Accountability

This effort included a review of capital budget award appropriations to determine the extent to which appropriations have been adjusted from the original Board authorization and whether projects for which funds have been transferred from have had a delay and/or commensurate reduction in scope to warrant the appropriation reduction. A review of specific expenditures was also conducted to ensure they were consistent with award objectives and confirm that appropriation transfers are properly documented and authorized.

Additional evaluation is being performed to summarize and report results.

Staffing Plan and Utilization

This review which was initially scoped to determine whether anticipated conditions to support the staffing plan have been realized and to confirm that staffing levels and utilization are consistent with the rationale provided by management. Additional considerations related to the impact of telecommuting on staffing levels and utilization metrics have been added.

This audit has been delayed and will be completed in FY 2025.

Information Technology (IT) Control Implementation

This effort entails continuing support for the Information Systems Department's effort to implement Center for Internet Security Safeguards (i.e. Controls). This includes coordinating on the establishment of a methodology that will ensure safeguards are satisfactorily implemented as well as a process for evaluating and ensuring ongoing compliance. Internal Audit will conduct formal implementation assessments at various intervals as safeguards are implemented.

OTHER AREAS OF CONSIDERATION

No issues were identified during this period which were deemed to create significant exposure and/or risk to the District such that they required immediate Board attention. However, three concerns, one related to the District being inaccurately invoiced for services and two allegations related to financial improprieties were brought to the attention of Internal Audit. Due to the nature of the concerns (involving ongoing expenditures) and their apparent credibility, immediate efforts were made to review and assess the underlying conditions (i.e., internal controls) and determine whether the allegations were valid.

Review of the issue related to improper invoicing confirmed that improper charges were being assessed. Efforts have been made to recover the improper charges identified and procedural controls have been implemented to prevent further occurrences. Review of the allegations of impropriety in one instance could not be substantiated or verified and in one instance revealed control weaknesses that are currently being assessed.

CCC:BNG

Attachment: FY 2025 Internal Audit Plan

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**EAST BAY MUNICIPAL UTILITY DISTRICT
Fiscal Year 2025 (FY 2025) INTERNAL AUDIT PLAN**

Project Title	Q1	Q2	Q3	Q4
FY 2024 Summary and Resolution	—————			
Commuter Subsidy		—————		
Material Accountability and Inventory Control		—————		
Asset, Inventory, and Material Disposal and Salvage			—————	
Accounts Payable and Miscellaneous Payments			—————	
Water Consumption Accountability and Invoicing				—————
IT (Cybersecurity) Safeguard Implementation	- - - - -	- - - - -	- - - - -	- - - - -

- - - Ongoing throughout FY 2025

AUDIT OBJECTIVES

FY 2024 Summary and Resolution – First quarter efforts to summarize and report results of FY 2024 planned (Capital Budget Expenditure and Accountability, Equipment Utilization, and Facility Access) as well as FY 2024 unplanned (allegations of theft and/or impropriety) efforts.

Commuter Subsidy – This review includes confirming that conditions related to payment of improper and inaccurate subsidy payments identified during the previous audit have been resolved and that recommended controls have been implemented and are being complied with.

Material Accountability and Inventory Control – This review includes evaluating the procedures for inventory and material accountability and use. This audit will also entail an assessment of the use of all material which is not accounted for in inventory to determine if materials are being fully accounted for at the appropriate level.

Asset, Inventory, and Material Disposal and Salvage – This review will include an assessment of the procedures used to identify and dispose of assets, inventory, and materials which have been deemed surplus, obsolete, and/or are no longer of use to ensure disposals are conducted in the best financial interest of the District.

Accounts Payable and Miscellaneous Payments – This review will include an evaluation of the process used to make payments to confirm that controls in place to ensure payments are adequately supported, properly approved, accurate, appropriate, and properly accounted for.

Water Consumption Accountability and Invoicing – This review will include a review of the process used to account for water consumption and verifying the accuracy of customer billing for water consumption and other fees and charges. This includes a follow-up of the conditions that can result in water loss previously identified, including water theft and unmetered consumption.

IT (Cybersecurity) Safeguard Implementation – This effort entails coordination with ISD as well as assessment of the ongoing effort to implement IT controls (i.e., CIS Safeguards) to ensure cybersecurity risks are satisfactorily mitigated.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 17, 2024

MEMO TO: Board of Directors

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

FROM: Michael T. Tognolini, Director of Water and Natural Resources *MTT*

SUBJECT: Camanche Mobilehome Park Rental Rates

SUMMARY

This memo describes a proposal to cap annual rental rate increases for the Camanche Recreation Area Mobilehome Parks (MHP). This proposal would not alter the existing formula that uses the U.S. Department of Housing and Urban Development (HUD) Fair Market Rents (FMR) adjustments to determine annual changes to MHP rental rates in place since 2010, but would develop a “carryforward balance” that would distribute larger annual increases over multiple years. This item will be discussed at the October 22, 2024 Finance/Administration Committee meeting.

DISCUSSION

The District owns and operates three MHP’s with a total of 195 sites in the Camanche Recreation Area. Space rental rates are established by the District’s Board of Directors (Board) and listed in the Recreation Use Fees for Camanche Recreation Area. These Board adopted rental rates are adjusted annually based on the HUD FMR for two-bedroom homes in Amador and Calaveras counties which are published by October 1 each year. FMR are gross rent estimates that are primarily used to determine payment amounts for the Housing Choice Voucher Program and initial rents for housing assistance programs.

For 2024, the average percent increase in the HUD FMR for two-bedroom homes for Amador and Calaveras counties was 12.5 percent.¹ In response to the 2024 increase, the Camanche Regional Park Advisory Board (CRPAB) with input from MHP residents, recommended the Board continue to use the formula based on the HUD FMR to determine rental rate increases, with an annual cap of 5 percent and a minimum increase of 2 percent. The Board did not accept the CRPAB proposal, as it would limit District revenue from MHP fees. Water and Wastewater systems serving the MHPs are in need of significant capital improvements and a study is

¹ From 2010 to 2023, the percent change in mobilehome space fees ranged from negative 5.50% to positive 5.10%, resulting in an overall increase of 1.6% per year over that 14 year period.

underway to evaluate these systems. For 2025, the average percent increase in the HUD FMR for two-bedroom homes for Amador and Calaveras counties was 9.9 percent.

The current proposal for consideration would continue to use the HUD FMR formula to determine changes to the MHP rental rate but would cap annual increases initially at 5 percent with the ability to increase the cap up to 10 percent. The balance of a rental rate increase in excess of 5 percent would be placed into a fee carryforward balance and applied to the next year's rental rate adjustment up to the cap. Any balance remaining that was not applied due to the cap would carry forward to the following year. If the HUD FMR increases more than 5 percent over multiple consecutive years, resulting in a carryforward balance in excess of 8 percent, the cap would increase to 8 percent. If the carryforward balance exceeds 12 percent, the cap would increase to 10 percent. As the carryforward balance decreases over time, the cap would decrease accordingly. This proposal does not include a minimum annual increase. The table below shows carryforward balance and corresponding rent increase.

MHP Carryforward Balance from Previous Year	Annual MHP Fee Cap
0-8%	5%
8%-12%	8%
>12%	10%

The table below shows how the cap and carryforward balance would function over a 10-year period using hypothetical future HUD FMR calculations. The HUD FMR average and calculated fees are illustrative only and intended only to demonstrate the function of the proposed approach. This table does not show actual future HUD FMR or actual future increases.

Year	Base Rental Rate (Previous Year's Rate)	HUD FMR % Increase	Carryforward Balance	Effective Increase (Surplus + HUD FMR)	Effective Cap	Increase %	Increase \$	Rental Rate	Surplus HUD FMR to Bank
1	\$708.97	9.85%	0.00%	9.85%	5.00%	5.00%	\$35.45	\$744.42	4.85%
2	\$744.42	6.10%	4.85%	10.95%	5.00%	5.00%	\$37.22	\$781.64	5.95%
3	\$781.64	1.40%	5.95%	7.35%	5.00%	5.00%	\$39.08	\$820.72	2.35%
4	\$820.72	13.50%	2.35%	15.85%	5.00%	5.00%	\$41.04	\$861.76	10.85%
5	\$861.76	4.00%	10.85%	14.85%	8.00%	8.00%	\$68.94	\$930.70	6.85%
6	\$930.70	7.00%	6.85%	13.85%	5.00%	5.00%	\$46.53	\$977.23	8.85%
7	\$977.23	1.10%	8.85%	9.95%	8.00%	8.00%	\$78.18	\$1,055.41	1.95%
8	\$1,055.41	1.00%	1.95%	2.95%	5.00%	2.95%	\$31.13	\$1,086.55	0.00%
9	\$1,086.55	-2.00%	0.00%	-2.00%	5.00%	-2.00%	-\$21.73	\$1,064.82	0.00%
10	\$1,064.82	3.20%	0.00%	3.20%	5.00%	3.20%	\$34.07	\$1,098.89	0.00%
11	\$1,098.89	7.40%	0.00%	7.40%	5.00%	5.00%	\$54.94	\$1,153.83	2.40%

Staff recommends that the District's Recreation Use Fees for 2025 (as adopted June 11, 2024) be amended to incorporate the proposed cap on MHP fees.

Camanche Mobilehome Park Rental Rates
Finance/Administration Committee
October 17, 2024
Page 3

NEXT STEPS

With input from the Finance/Administration Committee, the cap and carryforward balance proposal can be brought to the EBMUD Board for consideration in December 2024 with time to implement the new cap for the rental rate increases planned for April 2025 after the 90-day notice to MHP lessees.

CCC:MTT:cb

I:\Sec\2024 Board Related Items\Committees 2024\102224 Finance Ctte\WNR - Camanche MHP Fee Proposal.docx

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 17, 2024

MEMO TO: Board of Directors

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

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

SUBJECT: Draft Board Governance Manual and Policies – Next Steps

SUMMARY

At the September 24, 2024 Finance/Administration Committee meeting, staff discussed next steps and a proposed timeline for Board members to review and approve the Board Governance Manual and Board-related District policies (two existing and one new). Board members were asked to review and provide feedback on the draft documents by October 8. Staff has updated the documents and compiled comments received from Board members to date. This item will be discussed at the October 22, 2024 Finance/Administration Committee meeting.

DISCUSSION

On September 24, staff presented the draft Board Governance Manual and three governance policies (revised Policy 6.04 - Ethics of the EBMUD Board of Directors; revised Policy 4.14 - Reimbursement of Director Expenses; and a new policy on the Protection of Whistleblowers) to the Finance/Administration Committee. The documents were developed based on feedback from the Committee and Board members. Comments on the draft Board Governance Manual are shown on the draft document (Attachment 1); no comments have been received on the draft policies (Attachment 2).

NEXT STEPS

With concurrence from the Finance/Administration Committee, staff will present the updated documents and the proposed timeline for the Board to adopt the manual and policies at the October 22 Regular Board meeting. Once all Board comments have been received, staff will prepare the final governance documents for Board consideration at its Regular meeting on November 12, 2024.

CCC:RSC

Attachments: 1. EBMUD Draft Board Member Governance Manual
2. Board Governance Policies - Policy 6.04; Policy 4.14; and Protection of Whistleblowers policy (new)

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(Title Page)

East Bay Municipal Utility District Draft Board Member Governance Handbook

Thank you for your commitment to the East Bay Municipal Utility District (EBMUD). Your role as an EBMUD Board member is critical in supporting the vibrant East Bay community and protecting the environment we all cherish.

You are not alone in this incredible endeavor. Your fellow Board members and skilled and dedicated staff are here to assist you. The General Manager, General Counsel, and Secretary of the District will be your primary points of contact during your tenure on the EBMUD Board.

This handbook contains information to help you understand your role as an EBMUD Board member. All documents referenced in this handbook are available electronically; the Secretary of the District will assist you in accessing these files.

We trust you will find your time on the EBMUD Board rewarding and an opportunity to make a significant impact on the communities we serve.

With sincere appreciation.

Lesa R. McIntosh,
2024 President

William B. Patterson
2024 Vice President

April B. Chan

Luz M. Gómez

Andy Katz

Doug A. Linney

Marguerite Young

Rischa S. Cole
Secretary of the District

Clifford C. Chan
General Manager

Derek T. McDonald
General Counsel

(Table of Contents Page)

Contents

Section 1. Introduction	1
1.01 What is a Special District?	1
1.02 EBMUD Mission Statement.....	1
1.03 Principles of Governance	1
1.04 EBMUD Values	1
Section 2. Municipal Utility District Act	2
Section 3. Role of the Board of Directors.....	2
3.01 Purpose of the Board	2
3.02 Authority of the Board and Individual Board Members	2
3.03 Board Duties	3
3.04 Role of Board Officers.....	4
(a) Role of the Board President	4
(b) Role of the Board Vice President	5
(c) Role of the President Pro Tem.....	5
(d) Role of Committee Chairs	5
3.05 Appointees of the Board of Directors	5
(a) Role of the General Manager	5
(b) Role of the General Counsel	6
(c) Role of the Secretary of the District.....	7
Section 4. Principles of Conduct.....	8
4.01 General Principles of Conduct	8
4.02 Conduct Between Board Members	8
4.03 Conduct When Representing EBMUD in Public.....	9
4.04 Working with Staff	9
(a) Working with the General Manager	9
(b) Working with the General Counsel	10
(c) Working with the Secretary of the District.....	10
(d) Working with EBMUD Staff.....	10
4.05 Relationship with Union Representatives.....	11
Section 5. Ethics of the Board of Directors	11
5.01 Principles of Ethics.....	11
5.02 Failure to Abide by Principles of Ethics and Conduct.....	11

- Section 6. Protection of Whistleblowers..... 12
- Section 7. Election of Board Officers 12
 - 7.01 Process for Election 12
 - (a) Time of Election..... 12
 - (b) Nomination of Officers 12
 - (c) Vote for Board Officers 12
 - 7.02 Qualifications of Board Officers..... 12
 - 7.03 Term of Board Officers 13
 - 7.04 Removal of Board Officers 13
- Section 8. Filling Director Vacancies..... 13
- Section 9. Board Member Orientation and Training..... 14
 - 9.01 Onboarding and Training of Newly Elected or Appointed Board Members 14
 - 9.02 Office of General Counsel Presentation on Governance Laws and Litigation. 15
 - 9.03 Required Ongoing Training 15
 - 9.04 Failure to Complete Required Onboarding and Ongoing Training 16
- Section 10. Training, Educational Programs, Conferences, and Professional Meetings
16
- Section 11. Meetings of the Board of Directors 17
 - 11.01 Application of the Sturgis Standard Code of Parliamentary Procedure 17
 - 11.02 Types and Purpose of Meetings 17
 - (a) Regular..... 17
 - (b) Closed Session 17
 - (c) Special..... 18
 - 11.03 Role of Standing Committees..... 18
 - (a) Roles and Responsibilities for Standing Committees 18
 - (b) Roles and Responsibilities for Each Standing Committee..... 18
 - 11.04 Time and Place of Meetings 19
 - (a) Regular Board Meetings..... 19
 - (b) Planning Committee 19
 - (c) Legislative/Human Resources Committee..... 19
 - (d) Finance/Administration Committee..... 19
 - (e) Sustainability Committee 19
 - (f) Board Workshops 19
 - (g) Retirement Board 19
 - (h) Date, Time, and Place Considerations for All Meetings 19

11.05	Attendance at Meetings.....	20
11.06	Quorum and Majority.....	20
11.07	Setting Meeting and Committee Agendas.....	20
(a)	Regular Board Meeting Agendas.....	20
(b)	Committee Meeting Agendas.....	20
(c)	Workshop or other Special Meeting Agendas.....	21
(d)	Agenda Items Originating from a Board Member.....	21
(e)	The Public's Role in Setting Meeting Agendas.....	21
(f)	Urgency Agenda Items.....	21
11.08	Posting Meeting Agendas.....	22
11.09	Public Comment at Board Meetings.....	22
(a)	Opportunity for Public Comment.....	22
(b)	Management of Public Comment.....	22
(c)	Manner of Public Comment.....	22
(d)	Disruption of Board Meetings.....	23
Section 12.	Committee, Liaison, Retirement Board, JPA Assignments.....	23
12.01	Committee Assignments.....	23
12.02	Creation and Role of Ad Hoc Committees.....	23
12.03	Board Member Service on Joint Powers and Other Authorities.....	24
12.04	Board Member Service on the Retirement Board.....	24
Section 13.	Board of Directors Compensation and Benefits.....	24
13.01	Determination of Compensation.....	24
13.02	Annual Review of Compensation.....	25
13.03	Board Member Benefits.....	26
Section 14.	Reimbursement of Director Expenses.....	26
Section 15.	Board Members' Role in Emergency Situations; Succession Planning....	26
15.01	Selection and Appointment of Standby Officers.....	27

Section 1. Introduction

This handbook provides guidance on the practices the Board employs in exercising its authority, complying with various legal requirements, working with the public and EBMUD staff, and otherwise conducting EBMUD business.

Throughout this manual, the terms “EBMUD” and the “District” will be used interchangeably. References throughout are provided in [The Dashboard on OneDrive](#).¹

1.01 What is a Special District?

State law defines a special district as “any agency of the state for the local performance of governmental or proprietary functions within limited boundaries.” In plain language, a special district is a separate local government that delivers specific public services to a geographically limited area, such as water and wastewater service. Special districts have four distinguishing characteristics – they are a form of government; have governing boards; provide services and facilities; and have defined boundaries.²

1.02 EBMUD Mission Statement

EBMUD’s mission is “to manage the natural resources with which the District is entrusted; to provide reliable, high-quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations.”

1.03 Principles of Governance

The principles used in accomplishing EBMUD’s mission are:

- Exercise responsible financial management
- Ensure fair and reasonable rates and charges
- Provide responsive quality customer service
- Promote ethical behavior in the conduct of EBMUD business
- Ensure fair and open processes involving the public
- Provide a healthy work environment
- Promote diversity and ~~equality~~ equity in personnel matters and contracting
- Promote environmental, economic, and social sustainability

1.04 EBMUD Values

EBMUD has adopted the following values in support of our Board members and employees as they work to achieve the District’s mission:

¹ [The Dashboard is an electronic library of reference documents and materials in a limited-access OneDrive folder provided to the Board and maintained by the Secretary’s Office.](#)

² **Reference:** *Institute for Local Governments What’s So Special About Special Districts?*
<https://www.ca-ilg.org/post/about-special-districts>

Commented [A1]: Director Comment: Board members may be unfamiliar with this.

Commented [A2R1]: Staff Reply: We have added a footnote to explain.

Commented [A3]: Director Comment: Do we mean “equity” here?

Commented [A4R3]: Staff Reply: Yes. Edit made.

- Stewardship: I am a steward of our resources and committed to public service
- Integrity: I act with integrity
- Respect: I treat others with respect
- Teamwork: We are EBMUD and we are one team³

Section 2. Municipal Utility District Act

The Municipal Utility District (MUD) Act of California, enacted in 1921, provides the legal framework for the formation and operation of municipal utility districts within the state.⁴ These districts are public agencies that provide essential services such as water, wastewater, electricity, and waste collection to their communities. Unlike private utility companies such as Pacific Gas & Electric, which are regulated by the California Public Utilities Commission, municipal utility districts operate independently and derive their powers directly from the MUD Act. The MUD Act enables districts to levy taxes, issue bonds, and acquire, construct, or operate infrastructure necessary to delivery these services with the goal of ensuring reliable and cost-effective public utilities while maintaining local control over resource management.⁵

Section 3. Role of the Board of Directors

The Board of Directors is the legislative body of EBMUD. The Board sets policy for EBMUD and operates in accordance with and as outlined in MUD Act Article 4, Powers and Duties of Directors and all other applicable laws. As discussed in subsection 3.03, the Board exercises legislative and ministerial powers in providing direction to EBMUD.

3.01 Purpose of the Board

The Purpose of the Board is to:

- Develop policies that implement the mission and values of EBMUD.
- ~~Determine the results~~ Establish performance standards and outcomes that reflect the policies set by the Board.
- Provide oversight of EBMUD's performance against the standards established by the Board.
- Make decisions necessary to carry out the mission of EBMUD.

3.02 Authority of the Board and Individual Board Members

The Board of Directors is the unit of authority for EBMUD. It is the legislative body of EBMUD and determines all questions of policy.⁶ Under the MUD Act, it is empowered to supervise and regulate the utility services provided by EBMUD, including setting rates and fees, and making and enforcing rules, regulations, contracts and practices in

³ **Resource:** EBMUD Values Splashpad Page, <https://splashpad.ebmud.com/district/values>

⁴ **Reference:** Public Utilities Code § 11501 *et seq.*

⁵ **Reference:** A hard copy of the MUD Act is provided to every new Board member.

⁶ **Reference:** Public Utilities Code § 11883.

Commented [A5]: Director Comment: Would it be more accurate to state "public municipal utility districts?"

Commented [A6R5]: Staff Reply: A "municipal" entity is a public entity.

Commented [A7]: Director Comment: Consider adding: A hard copy of the MUD Act is provided to every new Board member. Consider adding a little more about the difference with Private utilities, and how the CPUC does not regulate us like they do private utilities

Commented [A8R7]: Staff Reply: Footnote added re copy of the MUD Act. Language added explaining difference between MUDs and private utilities.

Commented [A9]: Director Comment: According to the MUD Act the Board is the legislative body of EBMUD. But it is not merely legislative as it also has executive functions. The Board is also a ministerial body and possesses executive powers. This needs a bit more context.

Commented [A10R9]: Staff Reply: Added reference to executive functions, which appear in more detail in section 3.03, and to the MUD Act.

Commented [A11]: Director Comment (#1): This sentence is unclear.

Director Comment (#2): It is unclear what this means. Does this mean the Board determines the criteria that will be used to evaluate the effectiveness of policies it sets? OR does it mean the Board determines the desired outcomes of these policies?

Commented [A12R11]: Staff Reply: Edited for clarity.

Commented [A13]: Director Comment: "As established by the Board" seems unnecessary.

Commented [A14R13]: Staff Reply: The term is meant to establish the performance metric for which the Board provides oversight, as opposed to more general "performance." Additional language added for clarity.

connection with any service, product, or commodity owned or controlled by EBMUD.⁷ The specific duties of the Board, as authorized by the MUD Act, are detailed in subsection 3.03.

The authority above must be exercised by a quorum of the Board, meaning four out of seven Board members. Individual Board members may not commit EBMUD to any policy, act, or expenditure unless authorized by a quorum of the Board.⁸

Individual Board members should respect the decisions made by the Board, regardless of their personal position. Individual Board members may voice their individual opinion about the decisions of the Board, but in doing so, should make it clear that it is their own opinion and not the opinion of the Board or other Board members. Individual Board members are encouraged to notify the General Manager in advance when they plan to speak publicly in opposition to EBMUD's decisions, policies or actions.

3.03 Board Duties

The key duties of Board members are to:

- Adopt and regularly update a Strategic Plan for EBMUD that reflects its mission, values and vision.
- Adopt written policies that further the Strategic Plan and mission of EBMUD, while ensuring a high-quality of governance and clear roles in decision-making between the Board and EBMUD staff.
- Adopt rates, rules and regulations for the services provided by EBMUD.
- Approve budgets, rates and long-range capital plans to ensure the long-term ability of EBMUD to fulfill its mission.
- Hire, regularly evaluate and, when necessary, discharge the General Manager and General Counsel.
- Identify and track the performance metrics that reflect the policies set by the Board.
- Provide oversight and track compliance with all relevant laws, regulations, permits and the performance of EBMUD.
- Ensure the organization operates effectively and efficiently to fulfil its mission.
- Comply with the open governance requirements of the Ralph M. Brown Act and the California Public Records Act.
- Communicate with EBMUD customers and community stakeholders to understand their concerns, values and viewpoints.
- Serve as ambassadors for EBMUD and build relationships throughout EBMUD's service area and in those areas of the state impacted by EBMUD's policies and activities.
- Maintain open lines of communication with employee unions and ~~and seek~~ approve collective bargaining agreements and seek alignment with EBMUD's vision and goals.

⁷ Reference: Public Utilities Code § 11885.

⁸ Reference: Public Utilities Code § 11909.

Commented [A15]: Director Comment: This refers to Board Member Conduct, not Authority. The Board's Authority is granted by the MUD Act which includes overseeing the provision of utility services and managing district affairs. Perhaps it is worth summarizing the authority here (please add/subtract based on MUD act authority):

- General governance and policy-making authority
- Control of utility services
- Financial management
- Acquisition and management of property
- Entering into contracts and agreements
- Hiring and management of GM, GC. and Secretary.
- Regulatory and legal compliance
- Imposing fees and assessments
- Eminent domain
- Environmental stewardship

Commented [A16R15]: Staff Reply: The purpose of this section is to distinguish between the Board's authority and that of individual Board members. We have edited this to clarify and reference the MUD Act.

Commented [A17]: Staff Comment: Added per Director comment below.

Commented [A18]: Director Comment: "and seek alignment" should be "which seek alignment" or "in alignment with."

Commented [A19R18]: Staff Reply: Edit made.

- Strive to equitably address the needs of impacted all communities served by EBMUD, with a special emphasis on addressing the needs of impacted communities.
- Set Ward boundaries following each decennial census and in accordance with the Fair Maps Act so that each ward accurately reflects population changes and racial diversity.
- Take such actions as are required by law.

Commented [A20]: Director Comment: This needs to be stronger in terms of addressing environmental justice. Maybe adding "with special emphasis on addressing needs in communities which have historically been disproportionately impacted."

Commented [A21R20]: Staff Reply: Edited in response to this suggestion.

3.04 Role of Board Officers

The Board Officers are the President and Vice President.⁹ While not considered Board officers, this subsection also describes the role of the President Pro Tem, the chairs of standing committees, and the representatives on the governing bodies of Joint Powers Authorities to which EBMUD is a party.

(a) Role of the Board President

The role of the President is to:

- Serve as presiding officer at all Board meetings.
- Develop and approve the regular Board meeting agenda in consultation with the General Manager.
- Administer regular Board meetings under appropriate parliamentary procedure and in accordance with this manual, by:
 - Managing the meeting time;
 - Ensuring appropriate opportunities for public participation;
 - Keeping the Board focused on the discussion at hand; and
 - Avoiding diversions from the agenda or disruptions in the conduct of EBMUD business.
- Sign resolutions, ordinances, and other Board-approved documents on behalf of the Board.
- Make appointments to Standing Board Committees, Ad Hoc Committees, Joint Powers Authorities (JPAs), and as representatives to outside agencies.
- Act as a mentor for newly elected or appointed Board members while avoiding violations of the Brown Act.¹⁰
- Act as an official representative of EBMUD for ceremonial purposes.
- Ensure Board members abide by Policy 6.04, Ethics of the Board of Directors, and the principles of conduct stated in this manual; in a prompt and timely fashion, investigate reported perceived violations of the Ethics Policy by a Board member, and consider any appropriate action warranted.

Commented [A22]: Director Comment: Add provision regarding acting as a mentor for new Board members.

Commented [A23R22]: Staff Reply: We have included recommended language and have referenced the Brown Act.

Commented [A24]: Director Comment (#1): Add the role of the President described under Ethics to this section as well: "The Board President is responsible for ensuring Board members abide by the Ethics Policy and principles of conduct stated in this manual."

Director Comment (#2): Address board member inquiries or concerns regarding potential violations of policies, including the ethics policy, by other board members in prompt and timely fashion.

Commented [A25R24]: Staff Reply: Language added to address both comments.

⁹ **Reference:** Public Utilities Code § 11882.

¹⁰ Any Board member who serves as a mentor to other Board members should first consult with the General Counsel for advice on providing mentorship in a manner that does not violate the Brown Act.

(b) Role of the Board Vice President

The Role of the Vice President is to:

- Perform the duties of the President in the President's absence or due to any conflict of interest the President may have under the law or EBMUD policies and procedures.
- Act as a mentor for newly elected or appointed Board members while avoiding violations of the Brown Act.

(c) Role of the President Pro Tem

If both the President and Vice President are absent, the Board member with seniority among the Board members present will serve as president pro tem until such time as the President or Vice President is present.

(d) Role of Committee Chairs

The role of a Committee Chair is to:

- Serve as the presiding officer at committee meetings.
- Develop and approve the committee meeting agenda in consultation with the General Manager.
- Administer committee meetings under appropriate parliamentary procedure and in accordance with this manual.
 - Managing the meeting time;
 - Ensuring appropriate opportunities for public participation;
 - Keeping the committee focused on the discussion at hand; and
 - Avoiding diversions from the agenda or disruptions in the conduct of EBMUD business.
- Report to the Board at the next regular Board meeting following a committee meeting any discussions held at the committee meeting and any recommendations by the committee on actions to be taken by the Board.

3.05 Appointees of the Board of Directors

The Board directly appoints the General Manager, the General Counsel, and the Secretary of the District.¹¹

(a) Role of the General Manager

The General Manager serves at the pleasure of the Board pursuant to the terms and conditions set forth in an employment agreement with EBMUD. The General Manager is responsible for the management of EBMUD and its employees in accordance with the policies approved by the Board.

The General Manager is responsible for:

¹¹ Reference: Public Utilities Code §§ 11926 & 11931.

Commented [A26]: Director Comment: Add provision regarding acting as a mentor for new Board members.

Commented [A27R26]: Staff Reply: We have included recommended language and have referenced the Brown Act.

Commented [A28]: Director Comment: Add provision regarding acting as a mentor for new Board members.

Commented [A29R28]: Staff Reply: The president pro tem is a temporary position and may change based on the seniority of Board members present at a meeting or during the absence of the Officer.

- Administering the business affairs of EBMUD.
- Enforcing all EBMUD ordinances, rules and regulations.
- Executing Board directives and reporting back to the Board on progress.
- Administering the EBMUD civil service system.
- Hiring, managing and removing EBMUD employees necessary for the administration of the affairs of EBMUD, in accordance with the provisions of the civil service system.
- Managing communications and requests between the Board and staff.
- Attending all regular, special and committee meetings of the Board unless excused.
- Bringing to the attention of the Board matters requiring or deserving its consideration.
- Preparing an annual budget for approval by the Board reflecting the Board's policy and strategic directives.
- Preparing general and specific reports updating the Board on the affairs of EBMUD, including keeping the Board informed on the progress of programs and specific matters.
- Preparing draft agendas and all documents necessary for the Board's governance of EBMUD at regular Board meetings and committee meetings.
- Ensuring that EBMUD effectively interacts with the public it serves and other governmental agencies to inform them of matters of concern and to promote EBMUD policies and programs.
- The full charge and control of the construction of the works of EBMUD and of their maintenance and operations.
- Performing additional duties as the Board may require.¹²

The General Manager performs these duties either directly or through EBMUD staff or contractors, as necessary and appropriate, in accordance with Board policies, EBMUD procedures, and the EBMUD civil service system.

(b) Role of the General Counsel

The General Counsel is ~~an attorney~~ licensed to practice law in the State of California ~~and shall have been actively engaged in the practice of their profession for not less than three years next preceding their appointment.~~¹³ ~~The General Counsel is the chief legal officer of EBMUD~~ and serves at the pleasure of the Board pursuant to the terms and conditions set forth in an employment agreement with EBMUD. ~~The General Counsel is the chief legal officer of EBMUD.~~¹⁴

The General Counsel is responsible for:

- Overseeing and directing EBMUD's strategy in all lawsuits and other legal proceedings in which EBMUD is a party or in which it is legally interested.

¹² **Reference:** Public Utilities Code §§ 11926, 11937 & 12501 *et seq.*

¹³ **Reference:** Public Utilities Code § 11932.

¹⁴ **Reference:** Public Utilities Code § 11939.

Commented [A30]: Director Comment: Strike "an attorney."

Commented [A31R30]: Staff Reply: Done. Additional language from the MUD Act has also been added.

- Advising the Board on compliance with the Brown Act, conflict of interest laws, and other laws related to the Board's governance of EBMUD.
- Providing legal advice to the General Manager and members of the Senior Management Team.
- Providing legal advice in support of the work of EBMUD staff or whenever required by the Board.
- Reporting to the Board situations that present a legal risk to EBMUD that come to the General Counsel's attention.
- Approving as to form all EBMUD ordinances, resolutions, contracts, bonds, and other legal documents connected with the business of EBMUD.
- Attending all regular, special and committee meetings of the Board unless excused.
- Performing additional duties as the Board may require.

The General Counsel performs these duties either directly or through the attorneys and staff of the Office of General Counsel or in conjunction with special counsel retained by the Office of General Counsel, as necessary and appropriate, in accordance with Board policies and EBMUD procedures.

(c) **Role of the Secretary of the District**

The Secretary of the District acts ~~for~~ on behalf of the Board members in a variety of executive, administrative, legal and record-keeping functions, and is part of the EBMUD Senior Management Team. These functions include preparation and distribution of Board and Committee agendas, notices, meeting materials, and minutes; compliance with applicable regulations, including the MUD Act, Public Health and Safety Code, Brown Act, Political Reform Act, and Public Records Act; records management; administration of elections; adherence to Fair Political Practices Commission requirements; compliance with ethics laws; maintenance of Board policies and related administrative procedures; and special projects.

The Secretary of the District:

- Makes independent decisions as necessary to implement Board requests, decisions and official actions.
- Provides administrative support to Board members.
- Performs all duties in compliance with applicable regulations.
- Serves as custodian of the EBMUD seal and the official records of EBMUD.
- Attends all regular, special and committee meetings of the Board unless excused.
- Produces, as appropriate, the minutes and official records of Board and Committee actions.
- Serves as the Filing Official under EBMUD's Conflict of Interest Code and serves as EBMUD's Election Officer to oversee EBMUD election procedures with the Counties of Alameda and Contra Costa.
- May perform any other duties ~~as~~ from time to time as may be prescribed by the Board of Directors.

Commented [A32]: Director Comment: Should this state "on behalf of"?

Commented [A33R32]: Staff Reply: Edit made.

Section 4. Principles of Conduct

The Board is committed to acting in the best interests of its ratepayers and the public, providing excellence in leadership and prioritizing EBMUD's mission over personal or other interests. This section presents general principles of Board member conduct.

4.01 General Principles of Conduct

The following are the general principles of conduct to be observed by the Board.

- Board members must always demonstrate loyalty to EBMUD by acting in the best interest of EBMUD, its ratepayers and the public, not allowing their actions to be dictated by personal, financial or political interests.
- Board members should make decisions that prioritize the long-term sustainability, financial health, and operational efficiency of EBMUD, while ensuring reliable service to the public.
- Board members should be prepared for Board meeting deliberations in which they are required to or wish to take part.
- Board members should demonstrate EBMUD's values of Stewardship, Integrity, Respect, and Teamwork.
- Board members should endeavor to conduct themselves with civility, respect, and professionalism with each other, EBMUD staff, and the public.
- Each Board member should respect the decision-making authority of the Board and abide by Board-adopted policies and EBMUD-adopted procedures.
- Board members should familiarize themselves with and comply with all applicable laws, regulations and Board-adopted policies regarding governance of EBMUD, about which Board members may seek advice from the General Manager or Secretary of the District, or legal advice from the General Counsel, when necessary.

Board members are encouraged to:

- Stay informed about the issues facing the water and wastewater industry.
- Ask the General Manager questions about Board meeting agenda items ahead of Board and committee meetings to allow time for staff to prepare helpful responses to support the Board's discussion and decision-making.
- Manage conflict carefully and with civility.
- Be respectful of their fellow Board members, staff, guests, and the public.
- ~~Board members~~ Be timely in their attendance ~~of at~~ all Board, ~~and~~ committee, ~~and special~~ meetings.

4.02 Conduct Between Board Members

The following principles apply to all conduct between Board members when interacting with each other.

Commented [A34]: Director Comment: Add a bullet (run-on sentence).

Commented [A35R34]: Staff Reply: Done.

Commented [A36]: Director Comments: There appears to be a typo here.

Commented [A37R36]: Staff Reply: Extraneous words removed.

Commented [A38]: Director Comment: Change to "at."

Commented [A39R38]: Staff Reply: Edit made, and added special meetings.

- Each Board member should respect the dignity, values and opinions of other Board members, focusing on policy issues and not personalities.
- The Board is encouraged to work as a team, striving to reach consensus on policy decisions to the extent possible, recognizing that each Board member may have a unique perspective on a policy issue.
- No Board member should put the personal interests of any other Board member above the interests of EBMUD.
- Board members shall not communicate with each other outside of publicly noticed meetings in a manner that violates the **Brown Act**.

4.03 Conduct When Representing EBMUD in Public

The following principles apply to the conduct by Board members when interacting with constituents or representing EBMUD in public settings.

- When responding to constituent requests and concerns, Board members are **encouraged expected** to be courteous and respond to individuals promptly and in a positive manner. The General Manager and the Community Affairs Representative for the Board member's ward are available to provide information or assistance to a Board member in responding to members of the public.
- In communicating with the governing bodies of other agencies, the press, or other members of the public:
 - Board members may speak on behalf of EBMUD or the Board when discussing adopted EBMUD policies or stated Board decisions.
 - In all other circumstances, Board members should make it clear that their opinions and representations are their own and do not reflect the opinions or policies of EBMUD or the Board as a whole.
 - Board members are encouraged to notify the General Manager in advance if they plan to speak publicly in opposition to an EBMUD decision or policy.
- Board members should endeavor to express their individual opinions in a responsible manner that is not detrimental to EBMUD or other Board members and staff.

4.04 Working with Staff

The MUD Act charges the General Manager with the day-to-day management of EBMUD staff.¹⁵ This subsection describes how the Board works with those EBMUD officers appointed by the Board, as well as with EBMUD staff.

(a) Working with the General Manager

The Board provides policy direction and instructions to the General Manager on matters within the authority of the Board. The General Manager is responsible for execution of

¹⁵ **Reference:** See Public Utilities Code §§ 11926 & 11937.

Commented [A40]: Director Comment: This appears to be the first reference to the Brown Act with respect to Board members. I recommend mentioning this earlier with some background on the act. Perhaps under 3.03 - Duties: "Abide by the Brown Act" and a brief sentence on it.

Commented [A41R40]: Staff Reply: Language regarding the Brown Act added to section 3.03.

Commented [A42]: Director Comment: Change "encouraged" to "expected".

Commented [A43R42]: Staff Reply: Edit made.

Commented [A44]: Director Comment: Should this section say something about reporting communications with elected officials or their staffs about EBMUD matters? I believe that is a policy.

Commented [A45R44]: Staff Reply: A 2017 Board President's directive requires Board members to announce at the beginning of meetings:

- Any ex parte communications (i.e., an oral or written communication not on the public record) that they have had with legislators or legislative staff which relate to matters under consideration at the Board or a Committee meeting;
- Any ex parte communications that they have had with public officials, developers, consultants, vendors, or others which relate to matters under consideration at the Board or a Committee meeting; and
- Any public statements or presentations outside of a Board meeting concerning items to be addressed or discussed at the Board or a Committee meeting.

The Board should consider if they want to continue this directive as policy and include it here.

the Board's policy direction and instructions. Members of the Board should deal with matters within the authority of the General Manager through the General Manager.

(b) Working with the General Counsel

The General Counsel provides the legal support for the policies adopted by the Board and the procedures approved by the General Manager to implement those policies.

- Board members should consult directly with the General Counsel on any questions regarding compliance with the Brown Act, ethics laws or other laws related to Board governance.
- The General Counsel provides advice to Board members in their official capacity and cannot advise Board members in their individual capacity.
- The General Counsel cannot advise Board members in their capacities as campaign candidates except insofar as their positions as Board members may impose certain legal obligations on them under campaign finance laws.

(c) Working with the Secretary of the District

The Secretary of the District and staff provides administrative support to the Board and performs additional duties as the Board may require. Board members should consult with the Secretary of the District on questions regarding but not limited to EBMUD-related travel, attending conferences, expenses and reimbursement, training requirements, schedule coordination, Board meeting material distribution, Board meeting attendance, [elections](#), [FPPC filings \(e.g. Form 700\)](#), general information (outside of information requested from General Manager), and other regulatory requirements that may govern their role.

(d) Working with EBMUD Staff

When working with or interacting with EBMUD staff, each Board member should:

- Consult directly with the General Manager for information or clarification regarding EBMUD policies, procedures or operations, especially those involving personnel decisions, operations and finances.
- Not exercise individual authority over staff and direct [inquiries regarding](#) the actions of any EBMUD staff member to the General Manager.
- Respect the role and authority of the General Manager and EBMUD's Senior Management Team and employees in the day-to-day management and operations of EBMUD.
- Share concerns about or criticism of the actions of EBMUD staff with the General Manager, in order to respect the privacy or due process rights afforded to all staff.
- Be mindful of requests (e.g., preparing [memoranda](#), reports, or plans) and the impact on the use of staff time and [resources](#), [as follows](#):
 - Board members may work directly with the Community Affairs Representative for their ward in responding to constituent concerns, preparing for meetings with constituents, or on such other matters in which a Board member may interact with a constituent.

Commented [A46]: Director Comments: Correct typo.

Commented [A47R46]: Staff Reply: Done.

Commented [A48]: Director Comment: Add "including the following".

Commented [A49R48]: Staff Reply: Added "as follows," since the following text provides the details of how to be mindful of requests for staff time.

- o Board members are encouraged to keep the General Manager and Secretary of the District apprised of any need to work with a Community Affairs Representative.
- o Other than as set forth above, Board members should direct all individual requests for information, memoranda, plans, documents or other materials to the General Manager or the Secretary of the District.
- o Board members should recognize that they are the highest authority at EBMUD and, in order to avoid disruption to the work of EBMUD employees and allow for the free exchange of information, should avoid attending staff meetings or staff events or entering into staff offices or cubicles unless their presence is requested.

4.05 Relationship with Union Representatives

Board members are encouraged to maintain open lines of communication with union leaders to understand concerns associated with pending Board matters, contracts, and employee relations concerns, but should not disclose confidential information to union representatives. Board members should inform the General Manager of discussions with union representatives, as appropriate. Board members should not represent their individual opinions as being the policy or position of EBMUD and should clearly distinguish between personal opinion and the position of EBMUD in such communications.

Commented [A50]: Director Comment: Consider adding language regarding representing individual member opinions as union policy or positions.

Commented [A51R50]: Staff Reply: Please confirm if added text addresses your comment.

Commented [A52R50]: Looks good.

Section 5. Ethics of the Board of Directors

5.01 Principles of Ethics

Board members should avoid impropriety or the appearance of impropriety in their activities. Board members will uphold the highest standards of integrity, honesty, and ethical behavior in all EBMUD-related activities and in accordance with Policy 6.04, Ethics of the EBMUD Board of Directors. Board members are encouraged to review Policy 6.04 and to direct any questions regarding the Policy to the General Counsel.

5.02 Failure to Abide by Principles of Ethics and Conduct

The Board President is responsible for ensuring Board members abide by the Ethics Policy and principles of conduct stated in this manual. Violations of Policy 6.04 – Ethics of the Board of Directors, will be addressed in accordance with the procedures set forth in the Policy. Should any Board member have a concern about a violation of the principles of conduct, the Board member is encouraged to raise the concern in private with the Board member in question, or with the Board President, prior to raising the concern in public. However, in the event that misconduct continues, a Any Board member may call for censure or other actions to be taken against the Board member who has violated the principles of conduct.

Commented [A53]: Director Comment: A Board member should ALWAYS have the ability to call for censure or other actions.

Commented [A54R53]: Staff Reply: Preface words deleted.

Commented [A55]: Director Comment: Violated the Ethics Policy or principles of conduct?

Commented [A56R55]: Staff Reply: Responding to violations of the Ethics Policy is stated in the Ethics Policy. The intent here was to note that and to separately provide for a response to violations of principles of governance.

Section 6. Protection of Whistleblowers

The Board promotes and oversees EBMUD's efforts to maintain a healthy and transparent work environment, free from discrimination, harassment or retaliation based on the reporting of improper activities in the workplace. The Board's role in the protection of whistleblowers at EBMUD is described in Policy 6.XX.

Section 7. Election of Board Officers

7.01 Process for Election

(a) Time of Election

Board Officers shall be elected as the first order of business during the first regular Board meeting of the calendar year.

(b) Nomination of Officers

- Each Board member has the right to nominate a Board member, including themselves, for the role of President or Vice President.
- Each nomination must be seconded by a Board member.
- If more than one Board member is nominated to an Officer position, each nominee must be put to vote in the order the nomination was made.

(c) Vote for Board Officers

The positions of President and Vice President shall be elected by a majority vote of the Board (four of seven Board members).

7.02 Qualifications of Board Officers

It is important that any Board member being considered for election to an Officer position have the qualifications and experience necessary for effective governance. This includes the following:

- Service on the Board for at least one year prior to the date of the Officer election
- Completion of all required Orientation and Training described in this manual

Traditionally, a Board member shall have served as Vice President prior to serving as President.

In circumstances where none of the Board members meet the qualifications stated above, the Board may vote to elect any Board member to serve as President or Vice President.

7.03 Term of Board Officers

The **term** of each Board Officer ~~shall be for one year~~, shall begin immediately following the vote by the Board and shall continue until a new Board Officer is elected.

Commented [A57]: Director Comment: Perhaps we need to be more specific and state up front that the term of each Board Officer is one year and shall begin...

Commented [A58R57]: Staff Reply: Edit made.

A Board member may not serve more than two consecutive one-year terms in each Board Officer position, unless a situation arises in which the majority of the Board votes to allow an Officer to hold three or more consecutive terms.

7.04 Removal of Board Officers

A vote to remove a Board Officer may be initiated following a motion by any Board member and seconded by another Board member. A Board Officer may be removed by a majority vote of the Board (four of seven Board members).

Commented [A59]: Director Comment: If this were to happen, what happens next?

Commented [A60R59]: Staff Reply: We have added suggested text for a process.

Upon removal of a Board Officer, the Board shall calendar the appointment of a new Officer for the next regular Board meeting. New Officers shall be nominated and approved as set forth in subsection 7.01. The Officer appointed to fill the position shall serve for the remainder of the term for the position.

Section 8. Filling Director Vacancies

When a vacancy occurs in a ward before the next general election that is scheduled 90 or more days after the effective date of the vacancy, the Board ~~may must~~ vote to either hold a special election in that ward or to appoint a person to fill the vacancy until the next general election.¹⁶

Commented [A61]: Director Comment: Isn't this mandatory, and thus a "must"?

Commented [A62R61]: Staff Reply: They may choose one or the other, but, yes, they must choose one option. Edit made.

If the Board chooses to appoint a person to fill the vacancy, the following process may be used.

- At a regularly scheduled or special Board meeting, the Board will appoint an ad hoc committee to facilitate the appointment process.
- A Notice of Vacancy in the ward will be posted in three conspicuous places (EBMUD's Administration Building in Oakland and two places in the ward); on EBMUD's website and social media platforms; published in newspapers; and distributed for posting with cities, towns, chambers of commerce, regional agencies, and elected officials in the ward.
- All interested candidates will receive an information packet that will include a description of the application process and a link to a page on EBMUD's website with information about EBMUD.
- Candidates will be required to mail, email, or hand deliver the following application materials by close of business on a date to be determined by EBMUD:
 - A letter expressing their interest and qualifications (no more than 2 pages);
 - A resume; and

¹⁶ **Reference:** See Public Utilities Code § 11865.

- A minimum of three (3) letters of reference. Additional letters of reference will not be accepted after the submission deadline.
- The Office of the Secretary will conduct the initial screening of all application materials for completeness and confirm with the county that the applicant is a resident of and registered voter in the ward.
- The ad hoc committee will screen applications to develop a shortlist of candidates, if necessary, for final interviews with the full Board.
- Candidate interviews will be conducted as follows:
 - The Board will conduct interviews with each candidate recommended by the ad hoc committee at its next regularly scheduled meeting or at a special meeting, in EBMUD's Administration Building Boardroom or at the Board's discretion, a location within the ward with the vacancy.
 - The interviews will be conducted in person, and if conducted in EBMUD's Administration Building Boardroom, viewable online, and livestreamed on EBMUD's website.
 - The Board will deliberate and, if time permits, vote for the recommended candidate at the conclusion of the interviews.
- If the Board does not vote for the recommended candidate at the conclusion of the interviews, the Board may adjourn the meeting to a future meeting to vote for the recommended candidate.
- The appointee will be sworn in and will serve as the Director for the ward exactly as if elected to office, until the next general election for EBMUD.

This process may be started before the effective date of the Board member's vacancy but must be completed within 60 days of the effective date of the vacancy.¹⁷

Section 9. Board Member Orientation and Training

9.01 Onboarding and Training of Newly Elected or Appointed Board Members

In order to effectively govern, new Board members should become familiar with the policies, procedures, and operations of EBMUD. During the first four months following election or appointment, the Board member will participate in the following onboarding presentations (2-4 hours) and tours (2 hours - all day):

- Organization Overview, Public Affairs, Administrative Support (Secretary's Office) and Legislative Programs
- Water Quality and Environmental Protection
- Long-Term Water Supply and East Bay Watershed Master Plan
- Long-Term Infrastructure Investment
- Long-Term Financial Stability and Cybersecurity/Information Systems
- Customer and Community Services
- Workforce Planning and Development, including the Diversity, Equity and Inclusion Strategic Plan

Commented [A63]: Director Comment: If we use the word "will," then participation in onboarding becomes a matter of policy. Where do we want to land on this?

Commented [A64R63]: Staff Reply: This is a matter for Board discussion and determination.

¹⁷ **Reference:** See Public Utilities Code § 11865(a).

- Personal Benefits Orientation and Selection

The following tours will be offered to Board members as part of the orientation and training. Attendance is optional.

- Local Water Distribution System
- East Bay Watershed
- Upcountry Facilities
- Wastewater Facilities

New Board members are also encouraged to complete the California Special Districts Association training for new Board members. The Secretary of the District will assist Board members with enrolling in this training.

Commented [A65]: Director Comment: How do new Board members participate in this?

Commented [A66R65]: Staff Reply: Language added in response to question.

The Board President and General Manager, in coordination with the Secretary of the District will develop the training and orientation schedule for new Board members. The Board President, with assistance from the Secretary of the District, is responsible for monitoring ~~overseeing the~~ progress of new Board members in the timely completion of their orientation and training.

All onboarding presentations and tours will be led by the General Manager and the Senior Management Team. General Board governance training will be conducted from time-to-time by an outside facilitator.

9.02 Office of General Counsel Presentation on ~~Ethics Governance Laws and~~ Litigation Presentation

Commented [A67]: Director Comment: This title doesn't seem to fit the topics. I suggest something like "Office of the General Counsel Training."

Commented [A68R67]: Staff Reply: Edit made in response to suggestion.

In the first month following election or appointment, each Board member will receive a presentation from the Office of General Counsel on:

- The Municipal Utility District Act
- Open meeting requirements under the Ralph M. Brown Act
- Board governance and Ethics of the EBMUD Board of Directors
- California Conflict of Interest Laws
- The Public Records Act

The presentation will also include information regarding any major litigation in which EBMUD is involved.

9.03 Required Ongoing Training

All Board members, as public officials, shall complete the following trainings, as required by law:

Commented [A69]: Director Comment: You may want to add that the Secretary's office will work with Board members to meet this requirement and track compliance.

Commented [A70R69]: Staff Reply: Language added.

- In accordance with Assembly Bill (AB) 1661, at least two hours of preventing harassment training within six months of assuming office and every two years following the initial training.¹⁸
- In accordance with AB 1234, at least two hours of ethics training no later than one year from the date the Board member assumes office and every two years thereafter.¹⁹

The Secretary of the District will assist Board members with enrolling in this training and will maintain records of compliance. Board members' ethics and preventing harassment training certificates will be posted on EBMUD's website.

9.04 Failure to Complete Required Onboarding and Ongoing Training

Board members who fail to complete the onboarding process, including the Office of General Counsel's presentation, and ethics and litigation presentation within the first 6 months of assuming office, and required ongoing training by the prescribed deadlines may:

- Be ineligible to serve as a Board Officer (President or Vice President), chair a standing Board committee, serve on an ad hoc committee, serve on the Retirement Board or serve on the boards of Joint Powers Authorities.
- Be ineligible for approval of travel on behalf of EBMUD or reimbursement of travel expenses.
- Have information posted on the EBMUD website identifying any incomplete training required by law until such time as the required training has been completed.

Section 10. Training, Educational Programs, Conferences, and Professional Meetings

Board members are encouraged to attend training, educational programs, conferences and professional meetings when the purpose is to support EBMUD or their role as Directors. Attendance at these events must be approved by the Board President in advance. The Secretary of the District manages the budget for these activities and will track requests to attend training, educational programs, conferences, and professional meetings to assist the Board President with reviewing and approving requests. Attendance at these events should not conflict with the Board member's in-person attendance at meetings of the Board of Directors (see Section 11), unless approved in advance by the Board President.

Upon return from any conference attended on behalf of EBMUD, a Director shall file with the Secretary of the District a written report on the Director's activities at the conference (e.g., and what was learned at the conference that may be helpful to the Board or EBMUD and what meetings or sessions the Board member attended).

¹⁸ Reference: Government Code § 53237 et seq.

¹⁹ Reference: Government Code § 53234 et seq.

Commented [A71]: Director Comment: Title should include failure to complete onboarding, and section should refer to OGC training.

Commented [A72R71]: Staff Reply: Edits made.

Commented [A73]: Director Comment (#1): If we say "may" we are leaving this very vague and open to interpretation. If we say "will" it becomes a policy. Where do we want to land on this? Who decides if someone is not eligible to serve as Board Officer if they failed to complete this? Under section 9.01 we use the word "will" - if it's OK to use there, perhaps we can use it here too?

Director Comment (#2): At whose discretion are these consequences? This should be changed to, "The Board Secretary will keep individual Board members aware of their status with respect to required training. The Board President will work with board members address any failures. In the event of ongoing non compliance the President may determine that a Board member is ..."

Commented [A74R73]: Staff Reply: This is a matter for Board discussion and determination. Once the Board has provided policy direction, this can be edited accordingly.

- The Secretary of the District shall send a copy of the report to the Board President.
- A Director shall not be eligible for reimbursement until they have filed the report with the Secretary of the District.

Section 11. Meetings of the Board of Directors

A Board “meeting,” as defined by the Brown Act, is any gathering of a quorum of the Board, or of a Board committee, at the same time and place (including electronically) to discuss the business of EBMUD and/or to take action. To comply with the Brown Act, all meetings must be publicly noticed, and the Board’s discussions and actions are limited to the topics specifically stated in the noticed meeting agenda.²⁰

11.01 Application of the Sturgis Standard Code of Parliamentary Procedure

The Board follows the Sturgis Standard Code of Parliamentary Procedure (Sturgis) for all aspects of the conduct of Board meetings not otherwise required by law, to the extent reasonably practicable.²¹

Deviation from Sturgis in the conduct of Board meetings shall not be grounds for the invalidation of any lawful action taken by the Board.

11.02 Types and Purpose of Meetings

There are several types of Board meetings allowed under the Brown Act. Their purpose is described here. The time and place of each meeting described below is stated in subsection 11.04.

(a) Regular

The principal type of meeting at which EBMUD business is conducted is a regular Board meeting.

(b) Closed Session

The Brown Act requires all Board meetings to be held publicly, unless one of the specific, narrow exceptions defined in the Act applies, in which case the topic may be discussed in a noticed “closed session meeting.”²² The most commonly cited exceptions for closed session at EBMUD relate to discussion of litigation, real estate negotiations, labor negotiations and the security of EBMUD infrastructure. Only individuals having an official role in the closed session subject matter may attend the closed session.

The Brown Act explicitly prohibits the unauthorized disclosure of confidential information acquired in a closed session by any person present, including Board members.²³ Some

Commented [A75]: Director Comment: Where can Board members get a copy of this?

Commented [A76R75]: Staff Reply: A copy of Sturgis is provided to each new Board member.

²⁰ **Reference:** Government Code § 54950 *et seq.*

²¹ **Reference:** EBMUD Board Resolution No. 32457.

²² **Reference:** Government Code §§ 54953(a) & 54962.

²³ **Reference:** Government Code § 54963.

actions taken in closed session must be publicly reported during the regular Board meeting, and the votes for or against the actions must be provided. The Board President generally makes these reports following closed session.

(c) **Special**

Occasionally, special Board meetings are held to discuss a particular topic, conduct a workshop or study session or, if necessary, hold a meeting at a time or date other than a regularly scheduled Board meeting. Special Board meetings generally must be convened within EBMUD's service area. State law requires that agendas for special Board meetings be provided to each local newspaper of general circulation and each radio and television station that has requested such notice in writing and be posted in a public place and on EBMUD's website at least 24 hours prior to the meeting. These meetings are open to the public.

11.03 Role of Standing Committees

(a) **Roles and Responsibilities for Standing Committees**

- With the exception of the Retirement Board, each committee consists of three Board members assigned in accordance with subsection 12.01.
- The committee will receive staff updates on topics within the purview of the committee, as stated in subsection 11.03(b).
- For any action to be taken by the Board that was first presented to a committee for consideration, the committee Chair will inform the Board on its discussions regarding the action, including any relevant policy alternatives, and make a recommendation to the Board on the action to take.
- Though committees may recommend a preferred action or policy decision to the full Board, committees do not have the authority to direct staff to exclude any reasonable action or policy alternative from consideration by the full Board.
- Committees may not speak for or act on behalf of the full Board except when expressly authorized by the Board for a specific and time-limited purpose.
- The committee Chair or, in the absence of the Chair, a representative on the committee, will report on the discussions of the standing committee at the Board meeting following the committee meeting.

(b) **Roles and Responsibilities for Each Standing Committee**

- Finance/Administration Committee. Reviews EBMUD investments, debt service, and related policies, fees and charges, audits, contracts and grants, and policies for acquisition of equipment or services.
- Legislative/Human Resources Committee. Discusses legislative goals and programs, human resources related issues, personnel policies, District training and development, and EBMUD Diversity, Equity, and Inclusion activities.
- Planning Committee. Reviews planning of facilities, capital projects, operational standards, and the acquisition, development and disposition of real property.
- Sustainability Committee. Discusses matters related to sustainability, natural resources, and the environment.

11.04 Time and Place of Meetings

(a) Regular Board Meetings

- Regular Board meetings are held on the second and fourth Tuesday of each month.
- The regular meeting is divided into two segments: closed session at 11:00 a.m. and the regular business meeting at 1:15 p.m.
- The Board traditionally cancels the 2nd meeting in July and the 2nd meeting in December to allow for vacation/break.

(b) Planning Committee

Meetings of the Planning Committee will be held at 9:00 a.m. on the second Tuesday of each month.

(c) Legislative/Human Resources Committee

Meetings of the Legislative/Human Resources Committee will be held at 10:00 a.m. on the second Tuesday of each month.

(d) Finance/Administration Committee

Meetings of the Finance/Administration Committee will be held at 10:00 a.m. on the fourth Tuesday of each month.

(e) Sustainability Committee

Meetings of the Sustainability Committee will be held at a time to be determined on the fourth Tuesday, on a quarterly basis.

(f) Board Workshops

Board Workshops are special meetings under the Brown Act that will be held at a time to be determined by the General Manager in consultation with the Board President.

(g) Retirement Board

The EBMUD Retirement Board meets bi-monthly at 9:00 a.m. on the third Thursday of January, March, May, July, September, and November, respectively. The Retirement Board may change the meeting date from a third Thursday to either a second or fourth Thursday if the third Thursday in the month is in the same week as a regular Board meeting.

(h) Date, Time, and Place Considerations for All Meetings

- All Board meetings will be held in the Boardroom of EBMUD's Administration Building located at 375 11th Street, Second Floor, Oakland, California.
- The meeting dates above are subject to cancellation.
- The start times of Board committee meetings stated above may be adjusted to accommodate the agenda for a committee meeting.

11.05 Attendance at Meetings

Board members are expected to attend all assigned meetings. Failure to attend meetings, or excessive tardiness, may result in the loss of compensation for the month in question. See subsection 13.01 for more details.

11.06 Quorum and Majority

Under the MUD Act, four Board members constitutes a quorum of the EBMUD Board and no Board action is valid unless approved by four Board members.²⁴ If fewer than four Board members are present at a meeting, the meeting may not proceed and may be cancelled or adjourned to a future date and time.

Note that the MUD Act or other statutes may require that some actions of the Board be taken by supermajority vote, that is, five Board members.

In committee meetings, committee members may take the actions of receiving a report or voting to recommend the full Board take a certain action. For the purposes of such a vote, a quorum of a committee is two of three committee members. If fewer than two committee members are present at a committee meeting, the meeting may not proceed and may be cancelled or adjourned to a future date and time. If the meeting is cancelled or adjourned, staff may present reports on agenda items to the sole committee member present (and the public) for informational purposes only.

11.07 Setting Meeting and Committee Agendas

(a) Regular Board Meeting Agendas

- The Secretary's Office, in coordination with the General Manager, will prepare a draft of the regular Board meeting agenda. The General Manager will review the agenda with the Board President.
- The Board President may add or delete items for consideration from the regular meeting agenda as the President feels appropriate.
- The Board President shall not remove items for consideration from the regular meeting agenda that are required by law or necessary for EBMUD to conduct its business.

(b) Committee Meeting Agendas

- The Secretary's Office, in coordination with the General Manager, will prepare a draft of all committee meeting agendas. The General Manager will review committee meeting agendas with committee Chairs.
- Committee Chairs may add or delete items to committee meeting agendas.
- The Committee Chairs shall not remove items for consideration from the committee meeting agenda that are necessary for EBMUD to conduct its business.

²⁴ Reference: See Public Utilities Code § 11909.

(c) Workshop or other Special Meeting Agendas

- The Secretary's Office in coordination with the General Manager will prepare drafts of workshop or other special meeting agendas. The General Manager will review these agendas with the Board President.
- The Board President may add or delete items for consideration from the workshop or special meeting agendas as the President feels appropriate.
- The Board President shall not remove items for consideration from the special meeting or workshop agendas that are required by law or for EBMUD to conduct its business.

(d) Agenda Items Originating from a Board Member

Board Members may request that an item be placed on a future Board agenda by making a request to the General Manager or the Board President. Board members may also ask that an item be placed on a future Board agenda during a Board or committee meeting, either as a follow-up to an item on the meeting's agenda or ~~under during~~ the "Other Items for Future Consideration" item on the meeting agenda prior to the close of a Board meeting.

(e) The Public's Role in Setting Meeting Agendas

Members of the public may request that items of concern be placed on a future regular or committee meeting agenda during a meeting's public comment period. The Board President and General Manager will consider the request. The Board President shall have the sole discretion to approve any requested item for consideration on an agenda.

(f) Urgency Agenda Items

In rare cases, a legitimate urgent need may arise that must be acted upon by the Board even though the item was not on the posted agenda. The Board may discuss and take action on an urgency item under the following circumstances:

- A majority of the Board determines that an emergency, as defined by Government Code section 54956.5, exists; or
- Pursuant to a two-thirds vote of the Board Members present at a meeting (or all Board Members if less than five are present), the Board determines that there is an immediate need to take action, and the need arose after the agenda posting deadline.

The General Counsel should be consulted on the addition of any urgency item to a meeting agenda.

11.08 Posting Meeting Agendas

All Board meeting agendas will be posted in accordance with the Brown Act in the front window of the lobby of EBMUD's Main Administration Building and on EBMUD's website.²⁵

11.09 Public Comment at Board Meetings

(a) Opportunity for Public Comment

Members of the public may address the Board at all regular meetings, committee meetings and special meetings on matters within the jurisdiction of the Board.²⁶

- Comments on non-agenda items are heard during the general public comment period at the beginning of the meeting. At special meetings, public comment is limited to agenda items.
- Comments on agenda items are heard when the item is up for consideration.
- Members of the public are encouraged but shall not be required to identify themselves by name in order to make a public comment.

The Board is limited by the Brown Act to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to public comment on items that are not listed on the meeting agenda.

(b) Management of Public Comment²⁷

- Each member of the public who wishes to address the Board will be given three minutes to speak. This time will be doubled if the speaker requires a translator.
- The Board President has the discretion to amend this time for any or all speakers, taking into consideration such factors as the number of speakers or whether a single speaker is representing a group of interested persons.
- The Secretary of the District will call each speaker in the order in which a speaker card was received or, in the case of remote appearances, a hand was raised.
- The Secretary of the District will track time and inform each speaker when the allotted time has concluded.

(c) Manner of Public Comment

Specific procedures for participating in Board meetings in person or via an online platform and for submitting written comments and documents to the Board is detailed on EBMUD's website.²⁸ This process may be updated by the Secretary of the District from time to time.

²⁵ **Reference:** [Government Code § 54954.2.](#)

²⁶ **Reference:** [Government Code § 54954.3.](#)

²⁷ **Reference:** [Government Code § 54954.3\(b\)\(1\).](#)

²⁸ **Resource:** See <https://www.ebmud.com/about-us/board-directors/board-meetings>

(d) **Disruption of Board Meetings²⁹**

- Any person who engages in behavior that disrupts, disturbs, impedes, or renders infeasible the orderly conduct of a Board meeting, including, but not limited to, failing to comply with the procedures of this Governance Policy, may be warned by the presiding officer and, if the behavior continues following the warning, removed from the meeting at the direction of the presiding officer.
- Any person who engages in behavior that constitutes use of force or a true threat of force may be removed from a Board meeting at the direction of the presiding officer without warning.
- The presiding officer may suspend a Board meeting and order the clearing of the Board room in order to stop disruption of the meeting and/or facilitate removal of disruptive persons.

Section 12. Committee, Liaison, Retirement Board, JPA Assignments

12.01 Committee Assignments

The President recommends Board members to serve on standing Board committees, the Retirement Board, and the boards of JPAs (each a “committee”).

- Board members submit their request for committee assignments to the Secretary of the District by the close of business on the Friday following the first Board meeting in January of each year.
- The President of the Board, in coordination with the Secretary of the District, will prepare a proposed list of assignments, including the chair of each EBMUD committee, to be considered by the Board at the second Board meeting in January of each year.
- The Board votes to approve the proposed assignment list by a majority vote of the Board (four of seven Board members) at its second Board meeting in January.
- New committee assignments become effective starting the next meeting following the approval of the assignments.

12.02 Creation and Role of Ad Hoc Committees

The Board may appoint ad hoc committees to serve for a limited duration to address a specific topic of interest to the Board.

- Ad hoc committees may consist of two or three Board members but must consist of less than a quorum of the Board or a quorum of a standing committee.
- The President may recommend members of an ad hoc committee or members may self-nominate for committee membership. The Board shall vote to approve

²⁹ **Reference:** [Government Code § 54957.9 & 54957.95.](#)

the membership of an ad hoc committee by a majority vote of the Board (four of seven Board members).

- Ad hoc committees may set their own meeting schedule. Meetings of an ad hoc committee are not required to be publicly noticed or made open to the public under the Brown Act.
- Each ad hoc committee shall report its activities to the full Board at a publicly noticed regularly scheduled Board meeting, as necessary, with the exception of an ad hoc committee appointed to negotiate contracts or contract amendments with the General Manager and General Counsel, in which case the ad hoc committee may receive direction from the Board in closed session.
- An ad hoc committees will be considered to have dissolved once its purpose has been fulfilled.

12.03 Board Member Service on Joint Powers and Other Authorities

From time to time, the Board may appoint one or more Board members or EBMUD staff to serve as an EBMUD representative on a Joint Powers Authority (JPA), trade association, or liaison committee.

- Board members are expected to follow the principles of conduct in this manual and shall following Policy 6.04, Ethics of the EBMUD Board of Directors.
- At the next regularly scheduled Board meeting following a meeting of a JPA, trade association or liaison committee, the Board member representative shall report on activities of the JPA, trade association or committee.

12.04 Board Member Service on the Retirement Board

The Retirement Board is a separate governing body from the EBMUD Board of Directors. It is publicly charged with responsibility to administer the Retirement System and the Retirement Fund for the benefit of its members, and to secure the payment retirement allowances and other post-retirement benefits authorized by the Retirement Ordinance. It consists of three members (two (2) EBMUD Board members and the General Manager) appointed by the EBMUD Board of Directors, two members elected by and from the membership of the Retirement System (current employees), and one non-voting Retired Member elected by retired members.

Section 13. Board of Directors Compensation and Benefits

13.01 Determination of Compensation

Board members receive monthly compensation in an amount set at a public meeting of the Board of Directors.

- To receive compensation for service in any given month, Board members must attend a minimum of 50 percent of their assigned meetings.³⁰ Meetings include

³⁰ Reference: EBMUD Board Resolution No. 35000-16.

Commented [A77]: Director Comment: Is this a policy?

Commented [A78R77]: Staff Reply: These compensation rules are stated in the current Ethics Policy, but have been removed and put here in this manual because they are not really ethics related. The 50% rule was established in Resolution 35000-16, which has been added as a reference.

regular Board meetings, standing committee meetings, special meetings, joint powers authority meetings, Retirement Board meetings, and closed session meetings.

- Compensation will not be paid to a Board member for any month in which he or she has not attended at least 50 percent of their assigned meetings unless the Board President or committee chair excuses the absence(s) for good cause. Good cause includes, but is not limited to, a Board member's illness, family emergency, or schedule conflict directly related to the business of EBMUD.
- A Board member may not have excused absences for more than three meeting days per calendar year for personal reasons (i.e., vacations) or for attending conferences (even if the conference is directly related to the business of EBMUD). Each meeting day on which a Board member receives an excused absence for either a regular Board meeting, a standing committee meeting, a special meeting, or a combination of these meetings, will be counted as a day for the purposes of this subsection.
- Any Board member arriving 15 or more minutes after roll call for a regular Board meeting, closed session, committee meeting, or special meeting will be considered absent from that meeting for the purposes of determining eligibility for compensation. The Secretary of the District will call roll no later than five minutes after the noticed start time of a meeting unless special circumstances require a later start for the meeting.
- Committee chairs or presiding officers may excuse late arrivals, at their discretion, due to unforeseen circumstances.
- Board members receive compensation based only on attendance at assigned meetings as described above, and do not receive compensation for attendance at non-EBMUD activities.

13.02 Annual Review of Compensation

Any adjustment to Board member compensation will be set annually by the Board at a public Board meeting in compliance with the MUD Act and California Constitution.³¹

- The Board may adjust its compensation by providing an increase or a decrease in compensation.
- The Board may increase its compensation by not more than five percent annually.
- If the Board has elected not to increase its compensation in any calendar year, the next time the Board considers an adjustment it may vote to increase its compensation by up to five percent for each calendar year following the operative date of the last compensation increase. In the event the Board votes to increase its compensation in this manner, it should explicitly state the increase for each year following the year of the last compensation increase (i.e., 2.5 percent in year one, two percent in year two, etc.).

³¹ Reference: Public Utilities Code § 11908.1.

- The Board may not apply any increase in compensation retroactively nor award itself retroactive pay in any circumstance.
- Any Board motion to adjust its compensation shall state the effective date of the compensation adjustment.
- No Board action adjusting its compensation shall provide for an automatic increase to that compensation.
- The calculation of Board member compensation will be rounded down to the nearest cent.

13.03 Board Member Benefits

Board members are entitled to the following benefits from EBMUD:

- EBMUD will provide health care benefits to Board members under the same terms and conditions as benefits are provided to EBMUD employees.
- Board members may participate in EBMUD’s Employee Retirement System as provided in EBMUD’s Retirement Ordinance.
- Board members may participate in EBMUD’s deferred compensation plans under the same rules as eligible EBMUD employees.
- Board members may participate in the Utility District Employee Association and the Utility District Credit Union under the same rules as eligible EBMUD employees.

Section 14. Reimbursement of Director Expenses

Board members are entitled to reimbursement of expenses they incur in conducting EBMUD business, as detailed in [Policy 4.14, Reimbursement of Director Expenses](#).

Section 15. Board Members’ Role in Emergency Situations; Succession Planning

In general, the Board President and Board members have a minimal role in emergency operations. During an emergency, Board members should be available to support the General Manager.

The Board of Directors adopted an Emergency Succession Plan to ensure continuous coverage of the Board of Directors’ duties, critical to the ongoing operations and sustainability of the District,³² 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.

³² **Reference:** EBMUD Board Resolution No. 35038-17. **Resource:** A copy of the Emergency Succession Plan is available on the Dashboard.

Commented [A79]: Director Comment: Is this the right number?

Commented [A80R79]: Staff Reply: Yes, the reimbursement policy is Policy 4.14.

15.01 Selection and Appointment of Standby Officers

Each Board Member shall designate a minimum of two and no more than three Standby Officers to serve in their place in the event of the Board Member's unavailability in an emergency, as defined by the California Emergency Services Act (CESA). Standby Officer No. 1 must reside within each respective Board member's ward. Standby Officer No. 2 must reside outside of the member's ward and may reside outside the District's service area. A Board member may choose, and the Board has the option to appoint, a third Standby Officer (Standby Officer No. 3). That Standby Officer could reside inside or outside the same ward as the Board member, or outside the District's service area.

The list of Standby Officers shall be approved by Board Resolution and reviewed on an annual basis. The General Manager will determine the availability of the Board Members in an emergency. The Board will endeavor to fill vacancies in accordance with the Municipal Utility District Act and CESA within 60 days of the effective date of the vacancy. Upon appointment by the Board through a Board Resolution, the Standby Officer shall take the oath of office, remain informed of the duties, District business, and be prepared to immediately report for duty during an emergency. Details of this process will be documented in the General Manager's Business Continuity Plan.³³

³³ **Reference:** EBMUD Policy 7.03, Emergency Preparedness/Business Continuity.



**ETHICS OF THE EBMUD
BOARD OF DIRECTORS**

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

Promote ethical behavior in the conduct of District business.

Purpose and Scope The proper operation of EBMUD requires that Board members remain objective and responsive to the needs of the public, make decisions within the proper channels of governmental structure, and not use public office for personal gain. To further these objectives, certain ethical principles govern the conduct of each member of the EBMUD Board of Directors.

This policy promotes awareness of ethics, integrity and fidelity as critical elements in Board members' conduct and in achievement of the EBMUD mission. It references relevant policies, practices, and procedures that provide the legal framework and operational guidelines for addressing ethical issues.

Responsibilities of Public Office EBMUD Board members are dedicated to the concepts of effective and democratic government by responsible elected officials. Board members:

- Uphold the Constitution of the United States and the Constitution of the State of California, and carry out the laws of the nation, the state and local governmental agencies;
- Comply with applicable laws regulating their conduct, including open government, conflict of interest, and financial disclosure laws;
- Fulfill all applicable training requirements, including attending two (2) hours of ethics training (AB 1234) and two (2) hours of sexual harassment prevention training and education (AB 1661) every two (2) years; and
- Work in full cooperation with other public officials, unless they are legally prohibited from doing so.

[California Government Code Section 1360; California Government Code 53235; California Government Code Section 87200; California Government Code Section 53237; Article 20, Section 3 of the California Constitution.]

Fair and Open Processes Involving the Public

EBMUD Board members promote fair and open public processes. Board members, and persons elected but who have not yet assumed office as members of the Board, **must fully** comply with California's open meeting law for public agencies (the Brown Act).

Disclosure of Communications

- Board members shall publicly disclose any oral or written communications they have had with persons, including, but not limited to, employees, legislators, legislative staff, public officials, developers, **contractors**, vendors, and consultants, that relate to matters at a Board meeting or Committee meeting in which the Board is performing an adjudicatory or quasi-judicial function.
- The disclosure may be made orally or in **written form** and may be made at the start of the meeting or may be made prior to consideration of the agenda item at the meeting.
- The Board shall make a good faith effort to comply with these Disclosure provisions of this Policy. A good faith failure to comply with these provisions shall not be construed to be a violation of this Policy.

[California Government Code Section 54950 and following; California Government Code Section 54952.1; California Government Code Section 54959.]

Fair and Equal Treatment

EBMUD Board members promote diversity, equity, inclusion, and equality in personnel matters and in contracting, consistent with state and federal laws.

- Board members, in performance of their official duties and responsibilities, will not discriminate against or harass any person on the basis of race, color, religion, creed, sex, gender (including breastfeeding), gender identity (including transgender status), gender expression, marital or registered domestic partnership status, age for individuals forty or older, national origin, ancestry, disability (mental and physical), medical condition (cancer and genetic characteristics), genetic information, sexual orientation, military and veterans status, family or medical leave status, pregnancy (including childbirth or related medical condition), pregnancy disability leave status, or any other status protected by federal, state and/or local laws.
- Upon receiving notice of a violation of District Policy 6.06, Equal Employment Opportunity (EEO), a Board member will immediately report the alleged violation to the General Manager. If a complaint is made against the General Manager, the Board member will report the violation to the General Counsel.
- Board members will not grant any special consideration, treatment, or advantage to any person or group beyond that available to every other person or group in similar circumstances.
- Board members will cooperate in achieving the equal opportunity objectives of EBMUD.

[See, e.g., Article 1, Section 31 of the California Constitution; Age Discrimination in Employment Act of 1967; Americans with Disabilities Act Amendments Act of 2008; Fair Employment and Housing Act; Rehabilitation Act of 1973; Title VII of the Civil Rights Act of 1964; California Labor Code Section 1102. See also EBMUD's Policy 6.06, Equal Employment Opportunity (EEO); Policy 6.08, Contract Equity Program; Policy 6.07, Prevention of Workplace Harassment; and Policy 2.02, Accommodation for Individuals with Disabilities in the Workplace.]

Proper Use and Safeguarding of EBMUD Property and Resources

EBMUD Board members exercise responsible management of District property and resources in the conduct of District business.

- Board members will safeguard EBMUD property, equipment, moneys, and assets against unauthorized use or removal, as well as from loss including criminal acts or breach of trust.
- A Board member will not ask or require an EBMUD employee to perform services for the personal benefit or profit of a Board member or employee.
- Each Board member will protect and properly use any EBMUD asset within his or her control, including information recorded on paper or in electronic form.
- Board members will maintain written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made on EBMUD's behalf.
- Board members will adhere to District policies.

[Article 16, Section 6 of the California Constitution; Penal Code Section 424. See also EBMUD Policy 7.04, Access to District Property for Tours; Policy 7.06, Pardee Conference and Lodging Facility Use; Policy 7.11, Use of District Bay Area Facilities; Policy 4.14, Reimbursement of Director Expenses; Policy 4.20, Use of District Technology Resources]

Use of Confidential Information

Board members will safeguard confidential information.

Board members will not disclose information that legally qualifies as confidential to unauthorized persons without approval of a quorum of the Board. This includes information that:

-(1) has been received for, or during, a closed session Board meeting, either in writing or as part of a discussion,

(2) is protected from disclosure under the attorney/client or other evidentiary privilege, or

(3) is not disclosable under the California Public Records Act.

A Board member may make a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury necessary to establish the alleged illegality of a District action. Prior to disclosing confidential information, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, in a lawful and appropriate manner, to provide an opportunity to cure an alleged violation.

[California Government Code Section 54963; California Government Code Section 1098]

Conflicts of Interest

Board members avoid both actual conflicts of interest and the appearance of conflicts of interest with the District.

- A Board member will not have a financial interest in a contract with the District, or be a purchaser at a sale by the District or a vendor at a purchase made by the District, unless his or her participation is legally authorized.
- A Board member will not participate in the discussion, deliberation or vote on a matter before the Board, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter under California law.
- A Board member will not accept any honoraria.
- A Board member will not accept gifts that exceed the limitations specified in California law. Board members will report all gifts, campaign contributions, income and financial information as required under the District's Conflict of Interest Code and the provisions of the Fair Political Practices Act and Regulations.
- A Board member will not recommend the employment of a relative to the District or to any person known by the Board member to be bidding for or negotiating a contract with the District.

[California Government Code Section 87100 and following; California Government Code Section 1090 and following; California Government Code Section 81000 and following; California Government Code Section 87105; California Government Code Section 89502; Penal Code Sections 68 and 70, and EBMUD Conflict of Interest Code.]

Soliciting Political Contributions

Board members will not solicit political funds or contributions of in-kind services at EBMUD facilities or use EBMUD equipment.

- A Board member will not solicit or direct a political contribution or in-kind services from District officers, employees, consultants or contractors, or from vendors or consultants that have a material financial interest in a contract or other matter while that matter is pending before EBMUD.
- A Board member will not use EBMUD's seal, trademark, stationary, or other indicia of EBMUD's identity or facsimile thereof in any solicitation for political contributions.

[California Government Code Section 3205 and EBMUD Campaign Finance Reform Ordinance.]

Incompatible Offices

Except as expressly permitted by law, Board members appointed or elected to another public office, the duties of which may legally require action contradictory or inconsistent with the interests of the first entity, will resign from the first entity.

(See, generally, [California Government Code Section 109973 Cal. Op. Atty. Gen. 357 \(1999\)](#). See also California Government Code Section 53227, under which a special district employee may not be sworn into office as an elected or appointed member of the same special district unless he or she resigns as an employee.)

~~**Board Member-General Manager Relationship**~~

~~The Board sets District policy and the General Manager is responsible for execution of policy:~~

- ~~• The Board provides policy direction and instructions to the General Manager on matters within the authority of the Board by majority vote of the Board during duly convened Board and Board committee meetings.~~
- ~~• Members of the Board deal with matters within the authority of the General Manager through the General Manager, except when it pertains to the functions of the General Counsel.~~

~~*[Municipal Utility District Act (MUD Act) Sections 11883, 11937 and 11939.]*~~

Exercise Responsible Financial Management

The Board ensures the District exercises responsible financial management.

- The Board ensures that EBMUD maintains a system of auditing and accounting that completely and at all times shows the financial condition of the District in accordance with generally accepted accounting principles and legal requirements.
- The Finance/Administration Committee will interview and recommend [to the Board](#) an independent auditor to conduct an annual audit of the District's books, records, financial affairs, and periodic single audits of federal funds received by the District.
- The independent auditor will provide reports and present the results of their audits, including recommendations made to the Board's Finance/Administration Committee. Reports from the auditor will be provided to the Board upon completion as part of the next Board mailing.
- Staff will respond to audit recommendations and provide periodic updates to the Board on the status of the responses to the recommendations.

[MUD Act Section 11889.]

~~**Improper Activities and the Reporting of Such Activities; Protection of Whistleblowers**~~

~~The Board ensures that EBMUD maintains a healthy and transparent work environment:~~

- ~~• The General Manager has primary responsibility for ensuring compliance with the District's personnel policies and procedures, and ensuring that District employees do not engage in improper activities, for investigating~~

~~allegations of improper activities, and for taking appropriate corrective and disciplinary actions. The Board ensures that the General Manager is operating the District according to law and the policies approved by the Board.~~

- ~~• Board members will disclose to the General Manager, to the extent not expressly prohibited by law, improper activities within their knowledge. Board members will not interfere with the General Manager's responsibilities in identifying, investigating and correcting improper activities, unless the Board determines the General Manager is not properly carrying out these responsibilities.~~
- ~~• A Board member will not directly or indirectly use or attempt to use the authority or influence of his or her position to intimidate, threaten, coerce, command or influence any other person for the purpose of preventing such person from acting in good faith to bring to the attention of the General Manager or the Board any information that, if true, would constitute: a work-related violation by a Board member or District employee of any law or regulation, gross waste of District funds, gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a District official or employee, use of a District office or position or of District resources for personal gain, or a conflict of interest of a District Board member or District employee.~~

~~[Labor Code Section 1102.5 and following; California Government Code Section 53298 and 53298.5; and EBMUD Equal Employment Opportunity (EEO) Policy 6.06.]~~

**Directors'
Compensation and
Expense
Reimbursement**

~~EBMUD Board members receive a monthly stipend for their public service and the amount of that stipend is reviewed annually. EBMUD reimburses Board members for actual reasonable and necessary expenses incurred in the performance of duties authorized or requested by the Board.~~

- ~~• EBMUD Board members receive monthly compensation in an amount set at a public meeting of the Board of Directors. Board members must attend a minimum of 50% of their assigned meetings. Meetings include regular business meetings, standing committee meetings, special meetings, joint powers authority meetings, retirement board meetings, and closed session meetings. Salary shall not be paid to a Board member for any month in which he or she has not attended the minimum number of meetings unless the Board President excuses the absence(s) for good cause. Good cause includes, but is not limited to, a Board member's illness, family emergency, or schedule conflict directly related to the business and interests of the District.~~
- ~~• Any Board member arriving 15 or more minutes late for a Board or Committee meeting will be considered absent from that meeting. Such absences will be taken into account when determining the minimum number of meetings attended for compensation during that period. Committee chairs or presiding officers may excuse late arrivals, at their discretion, due to unforeseen circumstances.~~
- ~~• Each Board member is encouraged to participate in outside activities and organizations that further the interests of the District. Board members do not receive compensation for attendance at non-District activities. Expenses incurred by Board members in connection with such activities are reimbursable, where authorized in advance or subsequently ratified by the Board President. No personal gain or loss to a Board member is intended. The following rules apply:~~

- ~~a) All expenses must be incurred in compliance with Policy 4.14, Reimbursement of Director Expenses. Any expense that is not specified in Policy 4.14 must be approved in a public meeting by the Board, before it is incurred.~~
- ~~b) All expenses must be reasonable and necessary and Board members will exercise prudence in all expenditures, including transportation, food, lodging, telephone, and technology related charges.~~
- ~~c) Each Board member must use government and group rates offered by a transportation or lodging provider when available.~~
- ~~d) EBMUD does not provide credit cards to Board members. Upon incurring expenses, Board members will submit a reimbursement request, accompanied by evidence of payment of such expenses that will meet the District's requirements.~~
- ~~e) At the next Board meeting, each official shall briefly report on meetings attended at District expense. If multiple officials attended, a joint report may be made.~~

~~[MUD Act Sections 11908 and 11908.1; Resolution No. 35000-16, August 9, 2016; Policy 4.14, Reimbursement of Director Expenses; California Government Code Section 53232.2.]~~

Candidate's Statement

A Board member will not include false or misleading information in a candidate's statement for a general District election filed pursuant to Section 13307 of the Elections Code.

~~[Elections Code Sections 13307 and 13313; EBMUD Campaign Finance Reform Ordinance.]~~

Violation of Ethics Policy

A perceived violation of EBMUD's ethics policy by a Board member should be referred to the Board President for investigation and consideration of any appropriate action warranted. In the case of a perceived violation by the Board President, the matter should be referred to the Board Vice President. Nothing in this Governance Policy shall be construed to limit the right of any Board member to request that the perceived violation be placed on the agenda for determination and discussion. A violation of this policy may be addressed by remedies available by law, including but not limited to:

- Adopting a resolution expressing disapproval of the conduct of the Board member who has violated this policy,
- Injunctive relief, or
- Referral of the violation to the California Fair Political Practices Commission, District Attorney and/or the Grand Jury.

Authority

Resolution No. xxx, (date)

References

~~See footnotes~~References are stated in each section above sections.

~~References are available for public review in the Office of the District Secretary.~~

~~Resolution No. 35000-16, August 9, 2016~~

**REIMBURSEMENT OF DIRECTOR EXPENSES****IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS TO:**

Reimburse Directors as provided in the Municipal Utility District Act, Public Utilities Code Section 11908.1, for reasonable, actual and necessary expenses that are incurred in the performance of duties authorized or requested by the Board.

Purpose and Scope

EBMUD reimburses Directors for reasonable, actual and necessary expenses incurred in the performance of duties authorized or requested by the Board. Each Director is encouraged to participate in outside activities and organizations that further the interests of the District. Expenses incurred by Directors in connection with such activities are reimbursable, where authorized in advance or subsequently ~~ratified~~ approved by the Board President. No personal gain or loss to a Director is intended.

Reimbursable Expenses

Directors are eligible for the reimbursement of expenses they incur in connection with attendance as a representative of the District at ~~such~~ events such as conferences and association meetings. Reimbursable expenses include:

- Travel;
- Lodging;
- Meals;
- Technology Expenses; and
- Other related expenses incurred in the performance of official District business in accordance with the *Guidelines for Reimbursement of Board of Director Expenses*, attached to this Policy.

Authorization of Reimbursement

Reimbursement of Director expenses must be approved as follows:

- The President of the Board of Directors will approve Reimbursable Expenses incurred by fellow Directors.
- The Vice President of the Board of Directors will approve expenses incurred by the Board President, and in the President's absence, may approve expenses incurred by fellow Directors.
- In the absence of both the President and Vice President, the Immediate Past President may also approve expenses of fellow Directors, including the President and Vice President.
- Any expense that is not specified in this Policy must be approved by the Board in a public meeting before it is incurred.
- Under no circumstance may any Director be authorized to approve their own expenses.

Rules Applicable to Reimbursable Expenses

The following rules apply to Reimbursable Expenses:

- Directors will exercise responsible fiscal management in incurring expenses as required by Policy 6.04, Ethics of the EBMUD Board of Directors. All expenses must be reasonable and necessary, and Directors will exercise prudence in all expenditures.
- Reimbursable Expenses will be incurred and reimbursed in accordance with the *Guidelines for Reimbursement of Board of Director Expenses*, attached to this Policy.

- Each Director must use government and group rates offered by a transportation or lodging provider, when available.
- EBMUD does not provide credit cards to Directors. Upon incurring expenses, Directors will submit a reimbursement request, accompanied by evidence of payment of such expenses that will meet the District's requirements.
- Upon return from any conference attended on behalf of the District, a Director shall file with the Secretary of the District a written report on the Director's activities at the conference (e.g., and what was learned at the conference that may be helpful to the Board or the District and what meetings or sessions the Board member attended).
 - The Secretary shall send a copy of the report to the Board President.
 - A Director shall not be eligible for reimbursement until they have filed the report with the Secretary.
- At the next Board meeting, following attendance at a conference or meeting for which a Director has received expense reimbursement, the Director each official shall briefly report on the meetings attended at District expense. If multiple ~~officials-Directors~~ attended, a joint report may be made.

ReferencesAuthority

Resolution No. xxx, [date]Policy 6.04 – Ethics Policy of the EBMUD Board of Directors

AuthorityReferences

Government Code Section 53232.2
Government Code Section 53232.3
 Public Utilities Code Section 11908.1
 IRS Publication 463 – Travel, Entertainment, Gift and Car Expenses
Policy 6.04GP.XX - Ethics of the EBMUD Board of Directors

GUIDELINES FOR REIMBURSEMENT OF BOARD OF DIRECTOR EXPENSES

PURPOSE – These guidelines are used to reimburse Board of Directors (Director) for actual, reasonable and necessary expenses while engaged in official District business, as provided in MUD Act Section 11908.1, pursuant to Policy X.XX.

Internal Revenue Service (IRS) Requirement

The District operates under an Accountable Plan, as defined in Internal Revenue Service Regulations 1.62.2. An Accountable Plan is one in which expense reimbursements are not taxable income, not wages, and not included as income. To be an Accountable Plan (according to the IRS), your employer's reimbursement or allowance arrangement must include the following rules:

- Your expenses must have a business connection - that is, you must have been paid or incurred deductible expenses while performing services as a 'Director of the District'.
- You must adequately account to your employer for these expenses within a reasonable period of time.
- You must return any excess reimbursement or allowance within a reasonable period of time.

Reasonable Period of Time: The definition of reasonable period of time depends on the facts and circumstances of your situation. However, regardless of the facts and circumstances of your situation, actions that take place within the times specified in the following list will be treated as taking place within a reasonable period of time.

- You receive an advance within 30 days of the time you have an expense.
- You adequately account for your expenses within 60 days after they were paid or incurred.
- You return any excess reimbursement within 120 days after the expense was paid or incurred.

You are given a periodic statement (at least quarterly) that asks you to either return or adequately account for outstanding advances and you comply within 120 days of the statement.

Authorization

Reimbursable Expenses That Require Prior Authorization

- Conferences, seminars, or similar training courses requiring either a registration fee or overnight lodging costing \$100 or more.
- Travel to destinations in excess of 150 miles from the Director's normal place of work or for overnight lodging of more than one night related to business travel.
- Travel advances and/or prepayment of business expenses that require submission to the Office of the Secretary.

Note: The Board President approves all prior authorization requests from Directors. The Board Vice President approves all prior authorization requests from the Board President, and in the President's absence, may approve **fellow Director's** authorization requests. In the absence of the President and/or the Vice President, the Immediate Past President may also approve authorization requests **including requests from the President or Vice President**. Any expenses incurred without prior written approval will not be reimbursed unless it is an emergency related to District business.

Reimbursable Expenses That Do Not Require Prior Authorization

- Conference, seminar or similar training registration fees costing less than \$100.
- One day travel less than 150 miles from the Director's normal place of work.
- Training with no registration fee or overnight stay.
- Business meetings or District sponsored events:
 - Regular, adjourned regular, and special meetings of the Board.
 - Board committee meetings (as a member or alternate at the request of the committee chairperson) whether standing or ad hoc.
 - Seminars, and non-District meetings or functions when attending as a representative of the Board.
 - Other services rendered as a Director.
- Typical reimbursed monthly expenses:
 - Meals – Refer to meals section.
 - Mileage – Refer to use of private owned vehicles section.
 - Tolls – No receipt required.
 - Parking – Receipt required.
 - Monthly internet charges – Reviewed and approved by Chief Information Officer. Expenses must be submitted within six months of being incurred or expense payment being made.

Qualifications

Director business expenses are reimbursed or paid directly by the District provided they are ordinary, necessary, reasonable, and within the scope of District business for the individual requesting reimbursement. Expenses must meet the following general qualifications:

- Expenses incurred must comply with the provisions of this policy and all expenses must be properly authorized.
- Expenses and business purpose to the District must be adequately documented and explained. Reimbursement of actual expenses requires submission of receipts for all expenses except per diem reimbursement for luggage handling and housekeeping tipping, or reimbursement of bridge tolls.

Allowable Expenses

Registration Fees

Registration fees incurred to participate in conferences, training courses or other similar activities directly related to District business or interests are reimbursable.

Meals

Reimbursement for meals requires an itemized receipt and is limited to the IRS approved per diem rate for the area of travel. Per diem rates are subject to change at any time. The IRS approved per diem rate will be disbursed in whole dollar amounts to approximate 20 percent for breakfast, 30 percent for lunch, and 50 percent for dinner. Current per diem rates can be reviewed at the U.S. General Services Administration website, [GSA Home](#). Click the link to "Per Diem Lookup".

Meal expenses (breakfast, lunch, or dinner) are reimbursable for Directors under these specified conditions:

- For one-day training, conferences, seminars, meetings, and trips.
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- Business meal costs incurred must be reasonable, necessary and at appropriate locations. You must include the names of participants (if being claimed for reimbursement), and the specific business purpose of the meal. Food may be provided at on-site gatherings such as ward events.

It is the Director's responsibility to make necessary arrangements with the host for special dietary requirements. If the Director's special dietary needs request is denied by the host, the Director should receive a meal reimbursement for that meal. The Director is required to provide written details from the host indicating the special dietary needs request cannot be fulfilled.

Car Rentals

Car rentals are only approved if public transportation is not reasonably available in the area of travel. Car rentals should be for compact or mid-sized models without upgrades for one or two persons sharing transportation. For three or more persons, or as required to meet District business needs, a larger model may be rented.

The District may contract with a vehicle rental company as a preferred provider. Such a preferred provider will offer governmental rates to Directors for all travel and will not offer liability or collision insurance to Directors on District business because the District is self-insured.

Use of Privately Owned Vehicles

Reimbursement for mileage expenses incurred shall be determined as follows:

- Local and long-distance travel shall be reimbursed at the authorized IRS rate per mile.
- Long distance travel - Mileage expenses shall be based upon direct mileage between destinations as determined from established tables of highway distances.
- Directors are personally responsible to pay all traffic citations, parking tickets and any resulting towing or impound charges.
- Mileage to and from the airport and parking at the airport. A receipt is required for cabs, ride-sharing, shuttle service or airport parking.

Note: The mileage reimbursement, plus related en-route expenses per Director, shall not exceed the corresponding lowest quoted round-trip airfare plus an allowance of \$50 covering avoided costs from Oakland, San Francisco, Sacramento or San Jose to the terminal point nearest the point of destination. Lowest quoted round-trip airfare must be documented through services such as Expedia, Travelocity and Orbitz. Questions regarding "in lieu" fare levels can be verified with the Secretary of the District in advance of travel.

Lodging

Lodging expenses must be reasonable. When possible, rates should not exceed the maximum group rates published for the conference. Lodging expenses will be reimbursed only when overnight absence from the Director's home is required. An itemized receipt must be attached to the Expense Report. Overnight lodging is not authorized for conferences or seminars that are within the service area without specific advance written approval from the Board President.

Note: If double, deluxe, suite, or other premium-cost accommodations are requested, reimbursement will be at the standard rate for single room occupancy. The receipt should be annotated to show the "standard single" rate if the cost of the accommodations exceeds that rate.

Government, corporate or conference rates must be requested, when available,

and used if these rates are less than otherwise posted rates.

Transient Occupancy Tax (TOT)

When reserving a hotel reservation for a stay in City of Rancho Mirage, San Francisco and Sacramento cities and counties, complete the TOT exemption form. When you check in, show the hotel staff the form, show them your District ID and sign the TOT exemption form. Exemption forms are found on the Travel and Expense (T&E) Splashpad page
https://splashpad.ebmud.com/Travel&Expense/Transient_Occupancy_Tax.pdf.

Airline Fares

Each airline ticket purchased must be at the lowest fare consistent with the business purpose. The District does not reimburse the costs of travel agent fees incurred for the purpose of purchasing airlines tickets. Directors traveling by air for business have the option to reserve and purchase airline tickets on the Internet using their personal credit card and documenting the available fare options that reasonably meet the business purpose.

The following travel service websites are available to research and book reservations:

- Expedia.com
- Travelocity.com
- Orbitz.com
- Travelzoo.com
- Kayak.com

Not all airlines are affiliated with these travel service websites, including Southwest, Jet Blue, ATA, etc. Therefore, those airline websites should also be reviewed for cost comparisons for available flights.

After locating the lowest airfare consistent with the business purpose of the trip, if the airfare is greater than \$250 the Director must provide the information from the website(s) (travel service website and, where used, specific airline website) indicating the alternative options available, in addition to the option ticketed. That documentation must show the lowest fare available for the business trip and must accompany the Expense Report for reimbursement or payment to the District.

Miscellaneous

- Internet Access at the hotel or conference center for business use and access to District Information systems.
 - Limits on gratuities are described below:
 - Business meals – 15 percent of the total cost of the meal for an individual or as automatically charged by the restaurant for a group business meal when substantiated by an itemized receipt.
 - Taxi – 10 percent of the cost of taxi fares.
 - Luggage handling and housekeeping – limited to the IRS per diem rate for the area.
 - Laundry services are only reimbursed when travel extends beyond five business days.
 - Minor purchases are reimbursable up to \$500 for non-stock/non-repetitive supplies, or materials that cannot be procured economically through normal
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channels due to time or the value of the purchase.

**Unauthorized
Expenses**

Meals

- Meal allowances are not paid for meals en route by air when food is provided by the airline, included with the conference registration, or otherwise provided. (Snacks and continental breakfasts such as rolls, juice and coffee shall not be considered meals.)
- Business discussions during mealtime between Directors, and a Director and employees do not constitute a business meal eligible for reimbursement.
- Alcoholic beverages are not reimbursed except for specific events with prior written approval of the Board President.

Car Rental Insurance and Citations

Directors should not purchase, nor shall the District reimburse the cost of liability or collision insurance as the District is self-insured. Insurance authorized by the Director at the time of rental will not be reimbursed. In the event of an accident while using a rental car, refer the car rental agency to the District's Risk Management Division.

Directors are personally responsible for paying all traffic citations, parking tickets and resulting towing or impound charges in a timely manner.

Airline Fares

Directors will not be reimbursed for the following airline fees:

- Upgraded seating such as first-class, business class, or economy plus
 - When a Director prefers to use a higher class than the economy ticket for reimbursement, the Director must pay the incremental cost of the airfare and provide documentation that shows the incremental cost.
- Early Bird check-in
- Frequent flyer miles or rewards programs
- Cancellation protection or insurance
- Additional travel insurance or premiums

Any requests for a particular airline or routing which results in higher fares will not be reimbursed. The additional costs of airline fares will be the responsibility of the Director.

Miscellaneous

The District provides a cell phone allowance or District cell phones for business related telephone expenses. The District does not provide any additional reimbursement for business or non-business related telephone expenses.

**Travel and
Expense
Authorization**

Travel and Expense Authorizations:

- Must be completed in Elsie for reimbursement of expenses before the expense is incurred unless these guidelines specifically state otherwise.
 - Must be completed by each Director for all travel and approved by the Board President.
 - Travel and Expense Authorizations become a public record upon submission to the District for payment.
-

**Processing Travel
and Expense
Authorizations**

Director

- Requests Secretary of the District to complete Travel and Expense Authorization in Elsie before expenses are incurred.
- Provides copies of the conference, seminar or training course schedule/agenda to include with the Travel and Expense Authorization.
- Provides written justification stating business purpose for the expense to include with the Travel and Expense Authorization.
- Completes the local TOT exemption form for lodging in California at time of check in if available in that city.

Office of the Secretary

- Prepares Travel and Expense Authorization in Elsie, attaches the required documentation and written request from the Director and obtains approval from the Board President.
- Reviews and approves use of the District Purchase Card for travel and business related expenses and direct travel-related expense payments for up to the total approval amounts shown on Travel and Expense Authorization for transactions requiring payment via purchase/credit card.
- Determines the “reasonableness” of expenses eligible for reimbursement based on time and location of travel, duration of trip and purpose of travel.
- Enters Travel and Expense Authorization with supporting documentation and approvals in Elsie for processing by the Accounting Division.

Board President

- Reviews and approves Travel and Expense Authorization for reasonableness and forwards it to the Office of the Secretary.

Board Vice President

- Reviews and approves, for the Board President and all other Directors in the President’s absence, Travel and Expense Authorization for reasonableness and forwards it to the Office of the Secretary.

Immediate Past President

- In the absence of the Board President and/or the Vice President, reviews and approves for the President, Vice President or other Director’s Travel and Expense Authorization for reasonableness and forwards it to the Office of the Secretary.

Accounting Division

- Accounts Payable (AP) staff, under the direction of the Controller, audits Travel and Expense Authorizations submitted for compliance with procedures.
- Prepares direct travel-related expense payments for up to the total approval amounts shown on the Travel and Expense Authorization for transactions requiring payment by check.

Expense Report

Expense Reports must always be completed by each Director for reimbursement of any business expense after the expense is incurred unless these guidelines specifically state otherwise. All Expense Reports must include adequate documented explanations of the business purpose of the expenses. Expense Reports become a public record upon submission to the District for payment.

**Processing
Expense Report**

Director

- Submits Expense Report and supporting receipts to the Office of the Secretary. Do not include any personal information such as personal credit card information, bank account information, home address or personal phone numbers.
- Always check the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- The Director incurring the expense cannot approve their own Expense Report.
- Information in the Expense Report must be authorized in writing (e.g., via email) by the Director incurring the expense

Office of the Secretary

- Reviews Expense Report and attachments.
- Sends Expense Report to the Board President for approval.
- Enters Expense Report with supporting documentation and approvals in Elsie for processing by the Accounting Division.

Board President

- Reviews Expense Report for approval after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Expense Report to Office of the Secretary for final review before Office of the Secretary enters Expense Report with supporting documentation and approvals into Elsie.

Board Vice President

- Reviews and approves Expense Report for the Board President and all other Directors in the President's absence after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Expense Report to Office of the Secretary for final review before entering in Elsie.

Immediate Past President

- In the Board President and/or Vice President's absence, reviews and approves Expense Report of the President, Vice President or other Directors after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Expense Report to Office of the Secretary for final review before entering in Elsie.

Accounting Division

- Audits all Expense Reports for compliance with procedures.
- Returns incomplete Expense Reports to the Office of the Secretary with a request for adjustment or explanation.

Advises Office of the Secretary when reimbursement is available for distribution to Director.

Prepayment of

Directors requesting prepayment of expenses for a business trip are required to

Expenses

submit their requests to the Secretary of the District at least ten (10) working days prior to their scheduled departure date or event.

If the District issued a prepayment of expenses, a copy of the Travel and Expense Authorization must be attached to the request. In order to account for prepaid expenses, Expense Reports must be submitted within 15 working days of completion of the business trip.

For periodic expenses when a Travel and Expense Authorization is not required (tolls, BART fares, personal car mileage, etc.) an Expense Report should be submitted within six months.

If the Director chooses not to purchase an airline ticket, the information regarding the ticket selection should be sent to the Secretary of the District who will purchase the ticket at the request of the Director. The charge for the amount of the ticket will be recorded as a prepaid expense to be cleared by a subsequent approved Expense Report.

Cancellations

When traveling on District business, the Director must be reasonably certain that they will be able to complete the trip. Canceling a trip for personal reasons must be approved by the Board President and may result in the Director being responsible for any non-refundable costs. Where possible, another Director may be substituted with the approval of the Board President. If a substitution needs to be made, notify the Secretary's Office and copy the Board President.

Business and Personal Combined

Any Director who wishes to combine personal and business travel should consult with the Secretary of the District who in consultation with the Controller will determine a reasonable allocation of costs. Any cost variance in airfare, car rental, or lodging must be clearly identified on the Travel and Expense Authorization. Charges to accommodate personal preferences will not be reimbursed. Use of frequent flyer miles will not be reimbursed. All other expense reimbursement rules apply.

Public Report to the Board

~~At the next Board Meeting, the Director will make an oral or written presentation to the Board regarding any authorized events attended after business travel outside of the District service area or meetings attended at the District's expense are completed. If multiple Directors attended, a joint report may be made.~~

Substantiation of Travel Expenses

Travel expenses shall be substantiated by any of the following sources:

- Board meeting minutes
- Certification of committee attendance signed by the committee chair
- Verification of attendance at authorized meetings and functions signed by the Board President



Policy 6.XX

EFFECTIVE DD MON YY

PROTECTION OF WHISTLEBLOWERS

SUPERSEDES N/A

Purpose and Scope	The District strives to maintain a healthy and transparent work environment, free from discrimination, harassment, or retaliation based on the reporting of improper activities in the workplace. This Governance Policy describes the roles and responsibilities of the Board of Directors and the General Manager in protecting District whistleblowers.
Improper Activities	For the purposes of this Governance Policy, “improper activities” includes any violation of state or federal statute; a violation of or noncompliance with a local, state, or federal rule or regulation; or unsafe working conditions or work practices in an employee’s place of employment.
Role of the General Manager	The General Manager has primary responsibility for ensuring compliance with the District’s personnel policies and procedures, ensuring District employees do not engage in improper activities, investigating allegations of improper activities, and taking appropriate corrective and disciplinary actions.
Role of the Board of Directors	<p>The Board ensures that the General Manager is operating the District according to law and the policies approved by the Board.</p> <p>Board members will disclose to the General Manager, to the extent not expressly prohibited by law, improper activities within their knowledge. Board members will not interfere with the General Manager’s responsibilities in identifying, investigating and correcting improper activities, unless the Board determines the General Manager is not properly carrying out these responsibilities.</p> <p>A Board member will not directly or indirectly use or attempt to use the authority or influence of their position to intimidate, threaten, coerce, command or influence any other person for the purpose of preventing such person from acting in good faith to bring to the attention of the General Manager or the Board any information that, if true, would constitute: a work-related violation by a Board member or District employee of any law or regulation, gross waste of District funds, gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a District official or employee, use of a District office or position or of District resources for personal gain, or a conflict of interest of a District Board member or District employee.</p>
Claims Against the General Manager or General Counsel	The Board will be notified if, in the initial intake interview for any formal complaint that the General Manager or General Counsel has engaged in an improper activity, the complainant has alleged a prima facie case of an improper activity.
Authority	Resolution No. xxx, (date)
References	<p>Labor Code Section 1102.5 <i>et seq.</i></p> <p>Government Code Sections 53298 & 53298.5</p> <p>Policy 6.06, EBMUD Equal Employment Opportunity (EEO)</p>

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