

MINUTES

**Tuesday, December 9, 2025
East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California**

Regular Closed Session Meeting

President Marguerite Young called to order the Regular Closed Session Meeting of the Board of Directors at 11:02 a.m. in the Administration Building Boardroom.

ROLL CALL

Directors Luz Gómez, Andy Katz, Valerie D. Lewis, Jim Oddie, Joey D. Smith and President Marguerite Young were present at roll call. Director April Chan was absent (excused).

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

PUBLIC COMMENT

- Addressing the Board was Eric Larsen, President, AFSCME Local 444 who expressed concerns about information in the Meter Reader orientation manual that resulted in a Notice of Intent to terminate two Meter Reader Mechanics for estimating fire service meter reads. He asked the Board to direct staff to address the orientation manual and to provide proper notice to the union.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

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

Regular Business Meeting

ROLL CALL

President Marguerite Young called to order the Regular Meeting of the Board of Directors at 1:16 p.m. in the Administration Building Boardroom.

Directors Luz Gómez, Andy Katz, Valerie D. Lewis, Jim Oddie, Joey D. Smith and President Marguerite Young were present at roll call. Director April Chan was absent (excused).

Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, and Secretary of the District Rischa S. Cole.

BOARD OF DIRECTORS

President Young led the Pledge of Allegiance.

PRESENTATION

Association of California Water Agencies' (ACWA) Huell Howser Excellence in Communication Award for the H2Flow Campaign

General Manager Clifford C. Chan announced that this year, EBMUD released *H2Flow* - a musical collaboration with the Grammy- and Emmy-winning Alphabet Rockers - to celebrate World Water Day and inspire young audiences to learn how EBMUD delivers safe, reliable water. Last week, *H2Flow* was awarded the Huell Howser Excellence in Communication Award at the ACWA fall conference. The award is a statewide honor recognizing outstanding achievements by public water agencies and highlights projects that innovatively and measurably meet public information, communications, or outreach goals while making effective use of available resources. *H2Flow* also won the California Association of Public Information Officials' Star Award earlier this fall, further underscoring the campaign's impact and success. President Young presented the Huell Howser Excellence in Communication Award to Kathryn Horn, Senior Community Affairs Representative; Christine Byrne, Community Affairs Representative III; and Tracie Morales, Public Information Representative III.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

There was no public comment.

COMMITTEE REPORTS

- Filed with the Board were the Minutes for the November 25, 2025 Sustainability Committee and the December 1, 2025 Special Finance/Administration Committee Meetings.
- Chair Lewis reported the Finance/Administration Committee met for a Special Meeting on December 1, 2025 and received updates on Employee Reimbursements of at Least \$100 (AB 1542) – June 30, 2025; Fiscal Year 2025 Audited Financial Statements; External Auditor Selection; Annual Internal Audit Report; Strategic Insurance Program Initiative – Proposed EBMUD Captive Insurance Company; Policy 4.29 – Use of Artificial Intelligence; and Fleet Vehicle and Equipment Telematics. The Committee met earlier for a Special Meeting and received an additional update on the Strategic Insurance Program Initiative – Proposed EBMUD Captive Insurance Company.
- Chair Lewis reported the Planning Committee met earlier and received updates on the Wastewater Interceptor Master Plan and the Records Retention Schedule.
- Director Gómez reported the DERWA Board met on December 8, 2025 and approved the September 22, 2025 Regular Board Meeting Minutes; the Treasurer's Reports for August 31, September 30, and October 31, 2025; the Quarterly Investment Report for September 30, 2025; and the Amendment of the Fiscal Year 2025-2026 Operating and Capital Budget. The

Board also accepted the Independent Auditors' Report for Fiscal Year Ended June 30, 2025 and received the Authority Manager Update.

CONSENT CALENDAR

- Agenda Item 12 was pulled from the Consent Calendar for separate discussion. General Manager Clifford C. Chan and Secretary of the District Rischa S. Cole noted the draft Regular meeting minutes for November 12, 2025 were updated to correct the vote for Agenda Item 14.3.
 - Motion by Director Gómez, seconded by Director Oddie, to approve the recommended actions for Items 1-11, and 13 on the Consent Calendar carried (6-0) by the following voice vote: AYES (Gómez, Katz, Lewis, Oddie, Smith, and Young); NOES (None); ABSTAIN (None); ABSENT (Chan).
1. **Motion No. 247-25** – Approved the Regular meeting minutes of November 12, 2025 and November 25, 2025.
 2. The following correspondence was filed with the Board: **1)** Presentation entitled, “Proposed EBMUD Captive Insurance Company,” dated December 9, 2025; **2)** Presentation entitled, “Emergency Response and Crisis Communications Training,” dated December 9, 2025; **3)** Speakers’ Bureau and Outreach Record CY25, dated December 9, 2025; **4)** Revised Draft Minutes for the November 12, 2025 Regular Board Meeting; **5)** Email dated December 8, 2025 from April Chan to Rischa Cole and Clifford Chan regarding Questions Submitted for Captive Insurance Proposal; **6)** Email dated December 9, 2025 from Ivette Rivera to Office of the Secretary regarding Please add the following screen shots and youtube (sp) link to correspondence for EACH EBMUD Board Director...; and **7)** Email dated December 9, 2025 from Ivette Rivera to Office of the Secretary regarding Happy Holidays! Re: Pierce/Bland case against EBMUD & Craig Spencer; The 9th Circuit hearing is on February 21, 2026...
 3. **Motion No. 248-25** – Awarded a contract to the lowest responsive/responsible bidder, Bockmon & Woody Electric Co., Inc., in an amount not to exceed \$1,822,190 for the construction of the Walnut Creek Water Treatment Plant Control Systems Refresh Project, under Specification 2202.
 4. **Motion No. 249-25** – Authorized an agreement beginning on or after November 12, 2025 with Hakari Enterprises, Inc. in an amount not to exceed \$116,511 for replacing and upgrading the global positioning system radio endpoint surveillance monuments and remote monitoring system at Camanche Reservoir.
 5. **Motion No. 250-25** – Authorized an agreement beginning on or after December 9, 2025, with Hot Line Construction, Inc., in an amount not to exceed \$160,778 for improvements and evaluation of Pardee’s seven-kilovolt power distribution system serving Pardee Center.
 6. **Motion No. 251-25** – Authorized an agreement beginning on or after December 9, 2025 with Origami Risk LLC for \$240,088 for three years, with two options to renew for additional two-year periods for a total amount, including option years, not to exceed \$517,288 for replacement of the liability and claims database with Origami Risk, a modern risk management information system.

7. **Motion No. 252-25** – Authorized an amendment to the agreement originally authorized under Board Motion No. 195-14 with TELUS Health (formerly Morneau Shepell Limited) to increase the agreement amount by \$3,400,000 to a total amount not to exceed \$8,400,000 and extend the agreement term to December 31, 2027, with three options to renew for additional one-year periods for consulting services related to health and welfare benefits administration.
8. **Motion No. 253-25** – Authorized an amendment to the agreement originally authorized under Board Motion No. 097-15 with Alliant Insurance Services, Inc. to increase the agreement amount by \$676,322 to a total amount not to exceed \$1,756,322 and extend the agreement term to December 31, 2027 with three options to renew for additional one-year periods to provide employee benefits consulting services.
9. **Motion No. 254-25** – Authorized an amendment to the agreement originally authorized under the General Manager’s authority with Shermco Industries, Inc. to increase the agreement amount by \$26,000, to a total amount not to exceed \$87,000 for grid modeling and testing for the Pardee Powerhouse as required by California Independent System Operator Corporation and the Pacific Gas and Electric Company.
10. **Motion No. 255-25** – Authorized additional funding for the purchase made under Board Motion No. 114-23 with ConvergeOne, Inc. for supplying Juniper Network hardware and support services through September 15, 2026 for a total cost, after the addition of taxes, not to exceed \$863,000. This purchase will be made under State of California contracts available for use by local governments.
11. **Motion No. 256-25** – Authorized the Office of General Counsel to continue the employment of the law firm of Spiegel & McDiarmid, LLP, for specialized legal services related to the relicensing of the Lower Mokelumne River Project, Federal Energy Regulatory Commission License No. 2916 and other federal energy law matters, in an additional amount not to exceed \$125,000.
- 12.1.- **Authorize the formation of a single parent East Bay Municipal Utility District Captive**
- 12.3. **Insurance Company and commit initial funding; authorize the General Manager to designate four District representatives to serve on the Captive’s Board of Directors, anticipated to be the Director of Finance, Manager of Risk Management, Treasury Manager, and Manager of Budget and to identify and designate one Utah resident director as required by Utah state regulation; and additionally, authorize the General Manager, or designee, to submit the captive business plan and license application to the Utah Department of Insurance and to report back to the Finance/Administration Committee upon approval and at appropriate intervals thereafter.**

Manager of Risk Management Vladimir Bessarabov provided the presentation on the proposal to establish an EBMUD Captive Insurance Company. The Finance/Administration Committee met earlier to receive additional information in response to questions raised on this item during the December 1, 2025 Special Finance/Administration Committee meeting. Finance/Administration Committee Chair Valerie D. Lewis highlighted why the District is seeking to establish a captive insurance company and reported the Committee supports the staff recommendations. The proposed captive, which would be domiciled in Utah, would provide greater control over coverage, claim handling, and risk-management decisions; reduce reliance on the public-sector

insurance market; provide access to the wholesale reinsurance market; ensure long-term stability; and help stabilize insurance costs over time. Mr. Bessarabov reviewed the District's current insurance structure noting while the District's layered insurance model has generally worked, rising costs, reduced market competition, and expanding exclusions now create significant budget uncertainty. He outlined options for addressing current insurance market challenges, noting captives have been used by both private and public entities for decades, with more than 6,000 active captives nationwide and 464 licensed in Utah as of year-end 2024. He reviewed how a captive functions; benefits and possible risks; the District's current layered insurance model compared to the proposed captive model; and annual captive funding requirements. First year costs would be approximately \$1.39 million and future estimated annual costs would be about \$1.07 million. Although formation costs would increase expenditures modestly during the first two years, actuarial projections indicate the captive would accumulate approximately \$6.6 million in reserves by year ten under conservative assumptions. This level of reserves would improve the District's ability to respond to future claims and market changes without unexpected financial burdens. The captive's governance structure would include a Board of Directors comprised of four EBMUD representatives and a Utah resident as required by Utah state regulation. Best practice is for the EBMUD Board to authorize the General Manager, or a designee, to nominate and appoint the captive's initial five-member Board. The captive would operate as a separate legal entity but remain subject to applicable District policies and procedures, and accountability and ethics requirements and EBMUD staff would provide annual actuarial reviews, external audits, and ongoing reports to the Finance/Administration Committee. Mr. Bessarabov addressed Board questions regarding Utah state regulations; recruiting and payment for the Utah resident Board member; and messaging to ratepayers. General Manager Clifford C. Chan noted the Finance/Administration Committee had requested a future update on captive costs and reserves management. The Board reiterated the request for staff to update the Finance/Administration Committee and asked staff to consider a new name for the captive; develop messaging to ratepayers; and develop policy recommendations on managing captive reserves.

- Director Oddie left the meeting at 1:46 p.m. and returned at 1:51 p.m.
- Director Oddie left the meeting at 1:52 p.m. and did not return for this portion of the meeting.
- Motion by Director Lewis, seconded by Director Katz, to approve the recommended actions for Item 12.1-12.3 carried (6-0) by the following voice vote: AYES (Gómez, Katz, Lewis, Oddie, Smith, and Young); NOES (None); ABSTAIN (None); ABSENT (Chan).

Resolution No. 35472-25 – Resolution Authorizing Formation Of East Bay Municipal Utility District Captive Insurance Company.

13. **Resolution No. 35471-25** – Authorize Equity Adjustment Increases For The Following Classifications Represented By The American Federation Of State, County And Municipal Employees, Local 444: Electrical Technician, Instrument Technician, And Facility Specialist II.

DETERMINATION AND DISCUSSION

14. Legislative Update.

Manager of Legislative Affairs Kathy Viatella reviewed the following State legislative priorities for the 2026 legislative year: 1) Sponsor Legislation to Preserve Water Supply Assessment Law; 2) Housing and Development; 3) Water Affordability; 4) Water Supply Reliability and Environmental Protection; 5) Wildfire Preparedness and Emergency Management; and 6) Workforce Development. The Board asked staff to track Artificial Intelligence bills that could potentially impact the District and to reach out to legislators regarding bills related to wildfires and natural disasters and about potential funding for vegetation management. Ms. Viatella confirmed staff is scheduled to provide an update on federal activities and priorities in January 2026 and that in addition to legislation related to the priorities, staff will continue to monitor other legislation that may impact the District.

– Director Lewis left the meeting at 2:09 p.m. and returned at 2:10 p.m.

- Motion by Director Katz, seconded by Director Smith, to approve the recommended actions for Item 14 carried (5-0) by the following voice vote: AYES (Gómez, Katz, Lewis, Smith, and Young); NOES (None); ABSTAIN (None); ABSENT (Chan and Oddie).

Motion No. 257-25 – Approved the following State legislative priorities for the 2026 legislative year: 1) Sponsor Legislation to Preserve Water Supply Assessment Law; 2) Housing and Development; 3) Water Affordability; 4) Water Supply Reliability and Environmental Protection; 5) Wildfire Preparedness and Emergency Management; and 6) Workforce Development.

15. Consider appointing an Ad Hoc Committee to develop guidelines for naming or renaming District facilities, programs, awards, and other District assets and a proposal to honor former Director William “Bill” Patterson.

Following the passing of former Director William “Bill” Patterson in October, the Board expressed interest in exploring meaningful ways to honor his legacy. Staff recommends appointing an Ad Hoc Committee to review and recommend guidelines for naming or renaming District facilities, programs, awards, and other District assets in honor of individuals for Board consideration. Special Assistant to the General Manager Derry L. Moten reviewed options to honor former Director Patterson including renaming the Boardroom and Training Resource Center in the Administration Building; renaming the Peralta Cohort Program (a partnership between EBMUD and the Peralta Community College District); and establishing an employee award reflecting the values he championed. If the Board appoints an Ad Hoc Committee, the Committee will review and finalize the guidelines and the proposals to honor former Director Patterson. The Board discussed the options for honoring former Director Patterson. Director Lewis pointed out that discussions about honoring former Director Patterson began shortly after his passing and included discussion of guidelines for clarity going forward. It was expressed that while the proposed options relate to former Director Patterson’s civic contributions, there was a desire to rename the Boardroom in his honor. President Young called for volunteers for the Ad Hoc Committee. Directors Katz, Lewis, and Smith volunteered, with an opportunity reserved for Director Oddie to participate. General Manager Clifford C. Chan clarified the proposals for honoring former Director Patterson. There was additional discussion about establishing guidelines

before renaming the Boardroom. There was additional discussion regarding the significance of renaming the Boardroom to honor former Director Patterson. Director Lewis put forth a motion to rename the Boardroom in honor of former Director Patterson and for the Ad Hoc Committee to identify additional options to honor him.

- Motion by Director Smith, seconded by Director Lewis to appoint Directors Valerie D. Lewis, Jim Oddie, and Joey D. Smith to an Ad Hoc Committee to develop guidelines for naming or renaming District facilities, programs, awards, and other District assets and to identify additional options to honor former Director William “Bill” Patterson carried (5-0) by the following voice vote: AYES (Gómez, Katz, Lewis, Smith, and Young); NOES (None); ABSTAIN (None); ABSENT (Chan and Oddie).

Motion No. 258-25 – Appointed an Ad Hoc Committee consisting of Directors Valerie D. Lewis, Jim Oddie and Joey D. Smith, to develop guidelines for naming or renaming District facilities, programs, awards, and other District assets and to identify additional options to honor former Director Patterson.

- Motion by Director Lewis, seconded by Director Smith to approve renaming the Administration Building Boardroom the “William B. Patterson Boardroom,” in honor of former Director William “Bill” Patterson and approve the Ad Hoc Committee identifying additional options to honor former Director Patterson carried (5-0) by the following voice vote: AYES (Gómez, Katz, Lewis, Smith, and Young); NOES (None); ABSTAIN (None); ABSENT (Chan and Oddie).

Motion No. 259-25 – Approved renaming the Administration Building Boardroom the “William B. Patterson Boardroom,” in honor of former Director William “Bill” Patterson and approved the Ad Hoc Committee identifying additional options to honor former Director Patterson.

16. **General Manager’s Report.**

General Manager Clifford C. Chan announced the Six-Month Forecast of Board Committee and Workshop Agenda Topics for 2026 and Summary of 2025 Committee and Workshop Topics as well as the November 2025 Monthly Report were provided in the agenda materials. He highlighted workshops scheduled for 2026 and consumption levels, billed consumption, water sales and revenue data in the Monthly Report. He also noted the Speakers’ Bureau and Outreach Record CY25 had been provided at Board places.

DIRECTOR COMMENTS

17. **Other Items for Future Consideration.**

None.

18. **Director Comments.**

- Director Gómez reported attending the DERWA Board meeting in Dublin on December 8; Leadership San Ramon Valley sessions which included being a guest panelist on a Diablo Valley College Business Beyond the Classroom Business and Sustainability Class; the ACWA fall conference in San Diego from December 2-4; and plans to present an EBMUD update at the Pleasant Hill City Council meeting on December 15.

- Director Lewis thanked Board members for the opportunity to serve on the Board.
- Director Smith wished her mother a happy 81st birthday.
- President Young reported on plans to attend the Siesta Valley Foundation open house at the Siesta Valley Bowl (former California Shakespeare Theater site) in Orinda on December 13. President Young thanked the Board for the opportunity to serve as Board President.
- Directors Chan, Katz and Oddie had no reports.

President Young adjourned the Regular Business meeting at 2:45 p.m. and announced the Board would reconvene at 3:15 p.m. to continue the Regular Business meeting in the Administration Building Large Training Resource Center to conduct crisis communications training. President Young announced this portion of the meeting would be conducted in-person only.

Regular Business Meeting (Continued)

President Marguerite Young called to order the continued Regular Business Meeting of the Board of Directors at 3:16 p.m. in the Large Training Resource Center.

ROLL CALL

Directors Luz Gómez, Andy Katz, Valerie D. Lewis, Jim Oddie, Joey D. Smith and President Marguerite Young were present at roll call. Director April Chan was absent (excused).

Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Director of Operations and Maintenance David A. Briggs, Special Assistant to the General Manager Kelly A. Zito, and Secretary of the District Rischa S. Cole. Additional participants included Progress Public Affairs consultants Will Reisman and Jason Overman.

DETERMINATION AND DISCUSSION

19. **Receive crisis communications training developed by staff to explain the District's emergency operations plans, staff and Board roles and responsibilities in a major incident, and best practices around public communications and media relations.**

General Manager Clifford C. Chan introduced the training, and Director of Operations and Maintenance David A. Briggs highlighted the training objectives. Mr. Briggs reviewed the District's emergency management framework, which is structured and standardized through an Incident Command System (ICS) used by all levels of government, emergency responders, and utilities; District emergency preparedness; mutual aid and assistance; activating the District's Emergency Operations Team; early response priorities; recovery priorities for the Water and Wastewater systems; the basic ICS structure; policy group (Board of Directors, General Manager and General Counsel) responsibilities; responding to multi-jurisdictional emergencies; and the process for declaring a District emergency. General Counsel Derek T. McDonald discussed

Board meeting requirements during emergencies, noting that the Board would continue to meet in accordance with the Brown Act unless modified by gubernatorial executive order. He summarized meeting noticing and quorum requirements, and conditions for remote meetings. Next, he touched on procedures for declaring an emergency and activating Board Standby Officers to serve if a Board member is unavailable in a state or local emergency. General Manager Clifford C. Chan described how the Board would receive information in an emergency, expectations for information sharing, and the Board's role in providing observations as well as feedback from the community and elected officials. Special Assistant to the General Manager Kelly A. Zito reviewed the District's crisis communications framework; the Emergency Operations Plan crisis communications annex; communications team responsibilities; and coordinating messaging during major incidents through unified command and the Joint Information System. She also outlined the Board's role in supporting operational priorities through engagement with constituents, the community and elected official engagement, reiterating the Board will receive regular updates from the General Manager and in some instances, may be asked to provide official comments. Progress Public Affairs consultants Will Reisman and Jason Overman discussed communications best practices in an emergency. They reviewed examples of strong messaging, media engagement, and sample videos of elected officials speaking during an emergency.

Staff conducted an exercise with the Board to test two-way communication between the Board and General Manager; understand guidelines to determine a quorum of the Board and when to activate Standby Officers; test scheduling a special or emergency meeting at an alternative location; and to understand incident timelines and clarify the Board's role throughout an emergency.

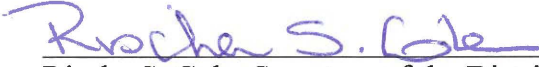
- President Young left the meeting at 4:15 p.m. and Vice President Gómez began chairing the meeting.
- Director Lewis left the meeting at 4:15 p.m.

The Board discussed the exercise; transportation considerations to reach alternative meeting locations in an emergency, specifically the Orinda Watershed headquarters; duration of time before the General Manager begins contacting Standby Officers during an emergency; and communication options if cell towers are down. Board members asked if door hangers used during an emergency would be available in non-English languages; expectations for the Main Wastewater Treatment Plant and sanitation; backup staff for the Emergency Operations Director; options to text customers; and messaging priorities. General Manager Clifford C. Chan clarified Board members should notify him and the Secretary when they are traveling outside the service area. Special Assistant to the General Manager Kelly A. Zito provided a recap of the key lessons and next steps. General Manager Clifford C. Chan said feedback would be incorporated into emergency response plans and updates would be presented to the Board. Staff will conduct an annual emergency exercise with the Board and Standby Officers, and provide additional training (e.g., ICS training) and resources for Board members.

ADJOURNMENT

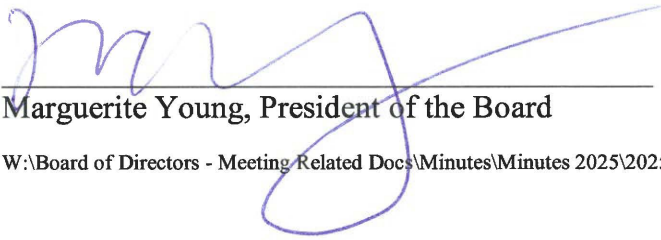
Vice President Gómez adjourned the Regular Business Meeting at 4:57 p.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: January 13, 2026



Marguerite Young, President of the Board

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