



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

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA
Tuesday, April 9, 2013**

**REGULAR CLOSED SESSION
11:00 a.m., Board Room**

ROLL CALL:

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

ANNOUNCEMENT OF CLOSED SESSION AGENDA:

1. Initiation of litigation pursuant to Government Code section 54956.9(c): one matter.
2. Conference with Labor Negotiators Glen Berkheimer from the Industrial Employers Distributors Association (I.E.D.A.), Alexander R. Coate, Carol Nishita, Eric Sandler, and Michael Rich pursuant to Government Code Section 54957.6: Employee Organizations International Federation of Professional and Technical Engineers AFL-CIO, Local 21; International Union of Operating Engineers, Local 39; and American Federation of State, County and Municipal Employees, Locals 444 and 2019.

(The Board will hold Closed Session in Conference Room 8A/B)

**REGULAR BUSINESS MEETING
1:15 p.m., Board Room**

ROLL CALL:

BOARD OF DIRECTORS:

- Pledge of Allegiance

ANNOUNCEMENTS FROM CLOSED SESSION:

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

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

1. Approve the Regular Meeting Minutes of March 26, 2013.
2. File correspondence with the Board.
3. Authorize a contract to the lowest responsible/responsive bidder, Flexi-Liner Corporation, in the amount of \$300,000 for supplying and installing up to 30 chemical tank liners at various District facilities for a period beginning April 15, 2013 and ending April 14, 2016 with two options to renew for an additional one year period under Proposal No. PUR082.
4. Award a contract to the lowest responsible/responsive bidder, State Pipe & Supply, Inc. dba West Coast Pipe, in the estimated total amount of \$1,086,974.16, for supplying various sized steel pipe for the period beginning May 1, 2013 and ending April 30, 2014 under Proposal No. 1307.
5. Declare an end to the District emergency initiated on January 31, 2013 and ratified by the Board of Directors on February 13, 2013, per Board Resolution 33915-13, to repair the leak on the 36-inch steel main serving the Dinjee Pressure Zone.
6. Authorize the Office of General Counsel to retain the law firm of Carlson, Calladine & Peterson, LLP for specialized legal services related to professional liability litigation.
7. Authorize the Office of General Counsel to continue the employment of the law office of Ginn & Crosby, LLP, for specialized legal services related to construction, contract, claims and litigation matters.
8. Authorize the Office of General Counsel to continue the employment of the law office of Hanson Bridgett, LLP, for specialized legal services related to construction, contract, claims and litigation matters.
9. Approve revisions to District Policy 4.14 – Reimbursement of Director Expenses. (Resolution)
10. Adopt a proclamation to commemorate the 262nd anniversary of James Madison's birth and national Sunshine Week and to affirm the District's ongoing commitment to openness, transparency and public accountability in the District's governance. (Resolution)

DETERMINATION AND DISCUSSION:

11. Legislative Update:
 - Receive Legislative Report No. 04-13 and consider positions on the following bills:
AB 416 (Gordon) State Air Resources Board: Local Emission Reduction Program;
AB 1365 (J. Perez) State and Local Agency Reports: Submission to Legislative Counsel;
and SB 123 (Corbett) Environmental and Land-Use Court
 - Update on Legislative Issues of Interest to EBMUD
12. General Manager's Report:
 - Monthly Report – March 2013
 - Water Supply Update

REPORTS AND DIRECTOR COMMENTS:

13. Committee Reports:
 - Planning
 - Finance/Administration
14. Director Comments.

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, April 23, 2013 in the Administration Center Board Room, 375 Eleventh Street, Oakland, California.

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.

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BOARD CALENDAR

Date	Meeting	Time/Location	Topics
Tuesday, April 9	Budget Workshop Board of Directors	8:30 a.m. Training Resource Center 11:00 a.m. 1:15 p.m.	<ul style="list-style-type: none">• Closed Session• Regular Meeting
Tuesday, April 23	Finance/Administration Committee Coleman (Chair), Linney, Patterson Board of Directors	10:00 a.m. Training Resource Center 11:00 a.m. 1:15 p.m.	<ul style="list-style-type: none">• Closed Session• Regular Meeting
Tuesday, May 14	Planning Committee Foulkes (Chair), Linney, McIntosh Legislative/Human Resources Committee * McIntosh (Chair), Coleman, Mellon Board of Directors	9:15 a.m. Training Resource Center 10:15 a.m. Training Resource Center 11:00 a.m. 1:15 p.m.	<ul style="list-style-type: none">• Closed Session• Regular Meeting
Monday, May 27	Memorial Day		<ul style="list-style-type: none">• Offices Closed
Tuesday, May 28	Finance/Administration Committee Coleman (Chair), Linney, Patterson Board of Directors	10:00 a.m. Training Resource Center 11:00 a.m. 1:15 p.m.	<ul style="list-style-type: none">• Closed Session• Regular Meeting

MINUTES

Tuesday, March 26, 2013

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

Regular Closed Session Meeting

President Andy Katz called to order the Regular Closed Session Meeting of the Board of Directors at 11:00 a.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Katy Foulkes, Doug Linney, Lesa R. McIntosh, Frank Mellon, William B. Patterson, and President Andy Katz were present at roll call.

Staff present included General Manager Alexander R. Coate, General Counsel Jylana Collins, Attorney Xanthe M. Berry (Item 1a), Director of Engineering and Construction Xavier J. Irias (Item 1a), Manager of Employee Relations Michael K. Rich (Item 2), Attorney Lourdes Matthew (Item 2), and I.D.E.A. Representatives Glenn Berkheimer and Bruce Heid (Item 2).

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Andy Katz announced the Closed Session agenda. The Board convened to Conference Room 8A/B for discussion.

Regular Business Meeting

President Andy Katz called to order the Regular Business Meeting of the Board of Directors at 1:15 p.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Katy Foulkes, Doug Linney, Lesa R. McIntosh, Frank Mellon, William B. Patterson, and President Andy Katz were present at roll call.

BOARD OF DIRECTORS

President Katz led the Pledge of Allegiance.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

There were no announcements required from closed session.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

- Motion by Director Mellon, seconded by Director Patterson, to approve Items 1-9 on the Consent Calendar, carried (7-0) by voice vote.
1. **Motion No. 035-13** -- Approved the Regular Meeting Minutes of February 26, 2013.
 2. The following correspondence was filed with the Board: 1) Revised Policy 4.14R, Reimbursement of Director Expenses; 2) Presentation entitled "South East Bay Plain Basin Groundwater Management Plan," GMP³ Adoption Public Hearing, dated March 26, 2013; 3) Presentation entitled "CIS Board Update," dated March 26, 2013; and 4) Presentation entitled "Water Supply Board Briefing," dated March 26, 2013.
 3. **Motion No. 036-13** -- Awarded a contract to the lowest responsible/responsive bidder New Leaf Paper in the estimated annual amount of \$57,940.70 for supplying recycled white paper for printing of the customer billing insert publication "Pipeline" for the period beginning April 1, 2013 and ending March 31, 2015 with one option to renew for an additional one year period for a total estimated amount of \$173,822.10 under Proposal No. 1310.
 4. **Motion No. 037-13** -- Authorized an agreement with Athens Administrators in the estimated amount of \$250,000 per year to serve as the District's Third Party Administrator in support of the District's Liability and Subrogation program, beginning April 1, 2013 and ending March 31, 2016 with two separate two-year options to extend the agreement.
 5. **Motion No. 038-13** -- Authorized an agreement with the City of Oakland in an amount not to exceed \$1,170,000 to relocate approximately 650 feet (each) of 30-inch and 8-inch diameter pipelines as part of the City's Lake Merritt Channel Improvements at 10th Street Project.
 6. **Motion No. 039-13** -- Authorized an agreement with V&A Consulting Engineers, Inc. in an amount not to exceed \$982,295 for wastewater pump station discharge line condition assessment and corrosion prevention work in the wastewater collection system during the period March 27, 2013 to June 30, 2015.
 7. **Motion No. 040-13** -- Approved the Water Supply Assessment requested by the City of Oakland for the West Oakland Specific Plan pursuant to California Water Code, Sections 10910-10915.

8. **Resolution No. 33919-13** -- Adopting Revised Policy 4.14, Reimbursement of Director Expenses; and Revised Policy 9.05, Non-Potable Water.

Following the Board's vote to adopt the policies, there was discussion regarding Revised Policy 4.14, Reimbursement of Director Expenses. The Board requested that staff reschedule consideration of the policy at the next Board meeting to clarify the officers who will be identified as having signature authority.

9. **Resolution No. 33920-13** -- Adopting Revised Policy Number 4.07, "Investment Policy."

DETERMINATION AND DISCUSSION

10. **Conduct a Public Hearing to Consider Adoption of the South East Bay Plain Basin Groundwater Management Plan.**

President Andy Katz opened the Public Hearing at 1:22 p.m.

Manager of Water Supply Improvements Michael T. Tognolini presented an update on the South East Bay Plain (SEBP) Groundwater Management Plan (GMP) development. The GMP includes objectives and actions to assist water providers to effectively monitor and manage local groundwater resources in the basin for current and future beneficial uses. Mr. Tognolini reported that since the EBMUD Board adopted the Notice of Intent to prepare a GMP in 2011, staff has been working with a Stakeholder Liaison Committee to develop a draft technical report. He said the GMP was released for stakeholder review and comment on February 28, 2013 and public review and newspaper announcements were scheduled for March 2013. Four agencies provided comments on the draft GMP and comments included concerns about jurisdictional boundaries and authority, and the details regarding implementation of the recommended actions. The comments resulted in changes that were incorporated into the final GMP. Following Board adoption, Mr. Tognolini said stakeholder cities will be encouraged to adopt the GMP.

There was no public comment on this item. President Katz closed the Public Hearing at 1:30 p.m.

- Motion by Director Coleman, seconded by Director Foulkes, to approve the recommended action for Item 10, carried (7-0) by voice vote.

Resolution No. 33921-13 -- Adopting the Groundwater Management Plan for the South East Bay Plain Basin.

11. Legislative Update.

Special Assistant to the General Manager Marlaigne K. Dumaine highlighted the recommended positions in Legislative Report No. 03-13.

- Motion by Director Coleman, seconded by Director Foulkes, to approve the recommended positions in the Legislative Report, carried (7-0) by voice vote.

Motion No. 041-13 -- Received Legislative Report No. 03-13 and approved positions on the following bills: SUPPORT AB 122 (Rendon) Energy: Energy Assessment: Nonresidential Buildings: Financing; SUPPORT AB 803 (Hueso) Water Recycling Act of 2013; SUPPORT SB 727 (Jackson) Medical Waste: Pharmaceutical Product Stewardship Program; and SUPPORT AND AMEND SB 750 (Wolk) Building Standards: Water Meters: Multiunit Structures.

Next, Ms. Dumaine announced appointments to the State Water Resources Control Board and the Delta Stewardship Council. She thanked Board members for their recent participation in meetings with legislators and said that she would be notifying them of additional meeting opportunities. Next, she presented an update on federal legislative activities related to the Water Resources Development Act and impacts of the sequestration.

12. General Manager's Report.

Information Systems Division Manager Andrew J. Levine presented a status update of the transition to the new Customer Information System (CIS) and Customer Services Manager Regina Cullado presented an update on current and future activities to improve bill handling. Mr. Levine pointed out that the CIS replacement has presented a number of challenges due to the complexity of integrating several key information systems into the new system. He said the CIS transition's most publicly visible challenge has been a larger than normal percentage of delayed bills.

Customer Services Manager Regina Cullado reported on the process for handling delayed bills and the District's response to address customer concerns. She reported that Customer Service Representatives have participated in training so that all staff understands the reasons for the problem and have the knowledge needed to handle delayed bill inquiries consistently. In addition staff has been making courtesy calls to customers before mailing out any statements with three billing periods or more. Ms. Cullado said staff is reviewing the billing system workflow to identify process improvements that will reduce the delayed backlog to at or below historic levels.

Following a question and answer period, the Board suggested that staff consider making courtesy calls to customers earlier in the process when bills are delayed. General Manager Coate said that staff will provide the Board with timely updates on its progress.

Director of Operations and Maintenance Michael J. Wallis reported that since the last update the Dingee pipeline has been repaired and was returned to service on March 18th. District staff will complete most of the restoration and demobilize in the next two weeks. Final restoration will be completed by the end of April. He said that since the emergency declaration, a total of \$515,000 in purchase orders has been awarded. In addition, District staff have expended 3,806 hours to investigate the leak, design a repair, and restore the main. A written report to the Board will be prepared summarizing the events, lessons learned, recommendations, and final project cost after the final restoration has been completed. The Board commended staff on its work to complete the repairs before water demands increased.

Operations and Maintenance Department Manager Eileen M. White presented an update on statewide and local water supplies. She reported that statewide snow water content was 57% of average, Mokelumne watershed snow water content was 60% of average, and overall EBMUD reservoir system storage is good. Additionally, she reported that the East Bay precipitation was only 0.5 inch to date and the Mokelumne watershed precipitation was 2.32 inches. She noted that despite lower than average precipitation in 2013, we are ahead of 2012 totals. Ms. White also noted that staff would provide the Board with the Water Supply and Deficiency Report following the April 1 snow survey.

REPORTS AND DIRECTOR COMMENTS

13. Committee Reports.

- Filed with the Board were the Minutes of the February 26, 2013 Sustainability/Energy and Finance/Administration Committees.

14. Director Comments.

- Director Coleman reported attending/participating in the following events: DERWA Board meeting on March 13 in Dublin; ACWA H2O Finance Task Force meeting on March 15 in Sacramento; ACWA Executive Committee teleconference meeting on March 18 from Washington, D.C.; ACWA Executive Committee teleconference meeting on March 25 from Oakland; and ACWA Region 1-5 Nominating Committee teleconference meeting on March 26 in Oakland. He reported on plans to attend/participate in the following upcoming events: ACWA Region 6-10 Nominating Committee teleconference meeting on March 27 in Oakland; Retirement event for Barry Nelson of the Natural Resources Defense Council on March 28 in San Francisco; ACWA meetings on March 29 in Sacramento; ACWA Executive Committee teleconference meeting on April 1; and ACWA Executive Committee teleconference meeting on April 8.
- Director Foulkes reported attending/participating in the following events: El Sobrante MAC meeting on March 13; meetings with the staff of Senator Mark DeSaulnier and Assemblymember Nancy Skinner on March 18 in Sacramento; Piedmont City Council meeting on March 18; and meeting with Senator Corbett and Assemblymember Quirk on March 21 in Sacramento.

- Director Linney had no comment.
- Director McIntosh reported attending a meeting with the City of El Cerrito and the League of Women Voters on March 23.
- Director Mellon reported attending/participating in the following events: DERWA Board on March 13 in Dublin; EBMUD Retirement Board meeting on March 21 in Oakland; and the EBMUD/EBRPD Liaison Committee meeting on March 25 in Oakland.
- Director Patterson reported attending the EBMUD Retirement Board meeting on March 21 in Oakland and the EBMUD/EBRPD Liaison Committee meeting on March 25 in Oakland.
- President Katz reported attending the El Cerrito Environmental Quality Committee meeting on March 12 in El Cerrito and the Alameda County Mayors' Conference on March 13 in Union City.

ADJOURNMENT

President Katz adjourned the meeting in memory of former California State Senator Nicolas C. Petris. He noted that Senator Petris was a powerful force in state government, holding his seat in the Assembly from 1958 to 1966 and the Senate from 1966 to 1996. He not only championed the rights of the mentally ill, but he also worked with Save the Bay to protect the San Francisco Bay from development and championed laws prohibiting smoking in California buses and airplanes.

President Katz adjourned the meeting at 2:27 p.m.

SUBMITTED BY:

Lynelle M. Lewis, Secretary of the District

APPROVED: March 26, 2013

Andy Katz, President of the Board



AGENDA NO.
MEETING DATE

3.
April 9, 2013

**TITLE TREATMENT PLANT UPGRADES – CHEMICAL TANK LINERS AND
 INSTALLATION**

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize a contract to the lowest responsible/responsive bidder, Flexi-Liner Corporation, in the amount of \$300,000 for supplying and installing up to 30 chemical tank liners at various District facilities for a period beginning April 15, 2013 and ending April 14, 2016 with two options to renew for an additional one year period under Proposal No. PUR082.

SUMMARY

Work includes supply and replacement of 30 flexible vinyl polymer (PVC) chemical tank liners. The liners will extend the life of existing steel chemical tanks at the District's water treatment plants.

DISCUSSION

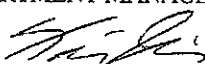

The District has 87 chemical storage tanks at eight water treatment facilities. Replacement of the chemical tank liners is a cost-effective alternative in lieu of replacing the aging tanks and has been successfully used for 27 steel tanks since 2006. Liner replacement will take place over the next three to five years on an as-needed basis.

VENDOR SELECTION

Requests for proposals were sent to three resource organizations and to 32 potential proposers.

CONTRACT EQUITY PROGRAM EFFORTS

The completed P-035 and P-061 forms are attached.

Funds Available: FY12-13; CIP #000437, Page 2.4-54		Budget Code: WSC/557/7999/2003083:39
DEPARTMENT SUBMITTING Engineering and Construction	DEPARTMENT MANAGER or DIRECTOR  Xavier J. Irias	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

FISCAL IMPACT

This item is included in the FY12-13 Capital Improvement Program for Treatment Plant Upgrades under the Water Treatment Program.

UNION NOTIFICATION

Local 444 was notified of this contract on March 1, 2013. Local 444 did not raise any specific issues related to this contract.

ALTERNATIVES

No Project. This alternative is not recommended because many of the steel tanks have reached the end of their useful lives and require liner replacement.

Perform Work with District Forces. This alternative is not recommended because District staff does not have the experience or expertise to perform this work. Additionally, the liner manufacturer warranty will be voided if District staff were to install the liners.

Attachments: Contract Equity Program Summary (P-035)
Affirmative Action Summary (P-061)



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE PROPOSAL NO.: PUR 082 Chemical Tank Liners and Installation - Three-Year Contract with 2 One-Year Renewal Options						DATE: March 15, 2013						
CONTRACTOR: Liner Technologies, Inc. dba Flex-Liner Corp. Pomona, CA					PERCENTAGE OF CONTRACT DOLLARS							
BID/PROPOSER'S PRICE: \$300,000		FIRM'S OWNERSHIP		White Men		Contracting Objectives		Participation				
		Ethnicity	Gender	White Women		2%		0.0%				
		White	Men	Ethnic Minorities		25%		0.0%				
CONTRACT EQUITY PARTICIPATION												
COMPANY NAME		ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
				M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: Liner Technologies, Inc. dba Flex-Liner Corp.		\$300,000	White	X		100.0%	---	---	---	---	---	---
SUBS: None						---	---	---	---	---	---	
						---	---	---	---	---	---	
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TOTAL		\$300,000			100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)												
		White Men		White Women		Ethnic Minorities		Total Employees				
No. of Employees:		4		0		12		16				
Percent of Total Employees:		25.0%		0.0%		75.0%						
MSA Labor Market %:		20.2%		16.4%		63.5%						
MSA Labor Market Location:		Los Angeles-Long Beach										
COMMENTS												
Contract Equity Participation - 100% White Men participation and no subcontract opportunities exist.												
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended				
NA				NA								



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Chemical Tank Liners and Installation - Three-Year Contract with 2 One-Year Renewal Options		Ethnic Minority Percentages From U.S. Census Data						
			B	H	A/PI	AI/AN	TOTAL	
		National	10.5	10.7	3.7	0.7	27.3	
Proposal #: PUR 082		DATE: 3/15/2013	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
			Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT
								MSA %
RP	WM	Company Wide	-	12	-	-	12	75.0%
Liner Technologies, Inc. dba Flex-Liner Corp. Tait Eyre 3198 Factory Drive Pomona, CA 91768 909-594-6610		Manager/Prof	-	-	-	-	0	0.0%
		Technical/Sales	-	1	-	-	1	33.3%
		Clerical/Skilled	-	1	-	-	1	100.0%
		Semi/Unskilled	-	10	-	-	10	90.9%
		Bay Area	-	-	-	-	-	NA
		AA Plan on File:	NA		Date of last contract with District:		10/2/2012	
		Co. Wide MSA:	Los Angeles-Long Beach		# Employees-Co. Wide:		16 Bay Area: 0	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	
P	EMW:H	Company Wide	-	21	-	2	23	74.2%
Field Linng Systems, Inc. Kristy K. Lagunas 439 S. 3rd Avenue Avondale, AZ 85323 823-842-1255		Manager/Prof	-	-	-	-	0	0.0%
		Technical/Sales	-	-	-	-	-	NA
		Clerical/Skilled	-	13	-	-	13	72.2%
		Semi/Unskilled	-	8	-	2	10	100.0%
		Bay Area	-	-	-	-	-	NA
		Co. Wide MSA:	Arizona		# Employees-Co. Wide:		31 Bay Area: 0	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	

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



AGENDA NO.

MEETING DATE

4.

April 9, 2013

TITLE STEEL PIPE FOR STOCK (MORTAR-LINED AND COATED, MORTAR-LINED AND PLASTIC COATED)

☒ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION

Award a contract to the lowest responsible/responsive bidder, State Pipe & Supply, Inc. dba West Coast Pipe, in the estimated total amount of \$1,086,974.16, for supplying various sized steel pipe for the period beginning May 1, 2013 and ending April 30, 2014 under Proposal No. 1307.

SUMMARY

The pipe required under this contract will be used for repair and new installations in the water distribution system. The estimated quantities are based on historical data and departmental input. Purchases will be made to meet actual District needs and may exceed the estimated quantities. The term of the contract is for a single year due to the volatility of market prices for steel.

DISCUSSION

Steel pipe is a highly critical materials and supplies purchase.

SERVICE PROVIDER/CONSULTANT/VENDOR SELECTION



Requests for proposals were sent to 3 resource organizations and to 103 potential proposers. Three bid responses were received, with West Coast Pipe being the lowest bidder.

CONTRACT EQUITY PROGRAM EFFORTS

The completed P-035 and P-061 forms are attached.

FISCAL IMPACT

Funds are available for this purchase in the FY 13-14 budget.

Funds Available: FY 13-14		Budget Code: VAR/VAR
DEPARTMENT SUBMITTING Finance	DEPARTMENT MANAGER or DIRECTOR  Eric L. Sandler	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

Steel Pipe for Stock (Mortar-Lined and Coated, Mortar-Lined and Plastic Coated)
April 9, 2013
Page 2

UNION NOTIFICATION

Union notification is not required for this contract.

ALTERNATIVES

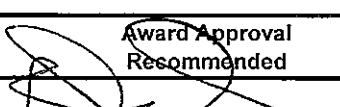
Reject all bids and support ongoing requirements by purchasing each replenishment order on the open market. This approach is not recommended as it will increase administrative costs and the District will likely not receive volume pricing, thereby resulting in higher prices being paid for steel pipe.

Conduct a competitive bid process for a multi-year award. The current and ongoing volatility of the steel market does not support this strategy, as vendors cannot guarantee pricing over an extended time period.

Attachments

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE PROPOSAL NO.: 1307 Steel Pipe for Stock (Mortar-Lined and Coated, Mortar-Lined and Plastic Coated) - One-Year Contract		DATE: March 21, 2013									
CONTRACTOR: West Coast Pipe Rialto, CA		PERCENTAGE OF CONTRACT DOLLARS									
BID/PROPOSER'S PRICE: \$1,086,974		White Men 25%	80.5%								
FIRM'S OWNERSHIP		White Women 2%	0.0%								
Ethnicity Asian		Gender Men	Ethnic Minorities 25%								
19.5%		19.5%									
CONTRACT EQUITY PARTICIPATION											
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	CONTRACTING PARTICIPATION								
			GENDER		White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
M	W										
PRIME: West Coast Pipe	\$211,974	Asian	X		---	---	19.5%	---	---	---	---
SUBS: Roscoe Moss Mfg. Co.	\$645,000	White	X		59.3%	---	---	---	---	---	---
Shawcor Pipe Protection, LLC	\$230,000	White	X		21.2%	---	---	---	---	---	---
TOTAL		\$1,086,974			80.5%	0.0%	19.5%	0.0%	0.0%	0.0%	0.0%
CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)											
White Men		White Women		Ethnic Minorities		Total Employees					
No. of Employees:		13		4		37		54			
Percent of Total Employees:		24.1%		7.4%		68.5%					
MSA Labor Market %:		28.2%		23.4%		48.3%					
MSA Labor Market Location:		Riverside/San Bernardino, CA									
COMMENTS											
Contract Equity Participation - 87.7% White Men participation and 12.3% Ethnic Minority participation.											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				YES							



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Steel Pipe for Stock (Mortar-Lined and Coated, Mortar-Lined and Plastic Coated) - One-Year Contract		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
Proposal #: 1307		9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9		
DATE: 3/21/2013		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2		
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
RP	EMM:A/PI	Company Wide	-	34	3	-	37	68.5%	47.8%
West Coast Pipe Honggie Kim 2180 N. Locust Avenue Rialto, CA 92377 909-356-5670		Manager/Prof	-	-	3	-	3	42.9%	
		Technical/Sales	-	1	-	-	1	14.3%	
		Clerical/Skilled	-	26	-	-	26	78.8%	
		Semi/Unskilled	-	7	-	-	7	100.0%	
		Bay Area	-	-	-	-	-	NA	39.9%
		AA Plan on File:	NA				Date of last contract with District: 12/10/2012		
		Co. Wide MSA:	Riverside/San Bernardino, CA				# Employees-Co. Wide: 54	Bay Area: 0	
S	WM	Company Wide	41	171	10	-	222	60.7%	42.4%
ShawCor Pipe Protection, LLC V.L. Shaw 3838 N. Sam Houston Parkway East, Ste. 300 Houston, TX 77032 281-886-2350		Manager/Prof	4	12	6	-	22	28.9%	
		Technical/Sales	-	2	-	-	2	15.4%	
		Clerical/Skilled	4	34	2	-	40	46.5%	
		Semi/Unskilled	33	123	2	-	158	82.7%	
		Bay Area	-	-	-	-	-	NA	39.9%
		Co. Wide MSA:	Texas				# Employees-Co. Wide: 366	Bay Area: 0	
S	WM	Company Wide	1	70	1	-	72	75.8%	63.5%
Roscoe Moss Mfg. Company Roscoe Moss, Jr. 4360 Worth Street Los Angeles, CA 90063 323-263-4111		Manager/Prof	1	-	-	-	1	14.3%	
		Technical/Sales	-	-	-	-	-	NA	
		Clerical/Skilled	-	4	1	-	5	71.4%	
		Semi/Unskilled	-	66	-	-	66	81.5%	
		Bay Area	-	-	-	-	-	NA	39.9%
		Co. Wide MSA:	Los Angeles-Long Beach				# Employees-Co. Wide: 95	Bay Area: 0	
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:					# Employees-Co. Wide:	Bay Area:	
P	Publicly-Held Corporation	Company Wide	15	105	11	-	131	55.7%	16.5%
Northwest Pipe Company Scott Montross 5721 S.E. Columbia Way, Suite 200 Vancouver, WA 98661 951-739-4681		Manager/Prof	1	13	1	-	15	78.9%	
		Technical/Sales	1	6	-	-	7	36.8%	
		Clerical/Skilled	13	69	10	-	92	53.8%	
		Semi/Unskilled	-	17	-	-	17	65.4%	
		Bay Area	-	-	-	-	-	NA	39.9%
		Co. Wide MSA:	Portland/Vancouver, OR-WA				# Employees-Co. Wide: 235	Bay Area: 0	
P	WM	Company Wide							
Imperial Pipe Robert Raber 12375 Brown Avenue Riverside, CA 92509 951-682-3307		Manager/Prof	Information Not Provided						
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							39.9%
		Co. Wide MSA:	Riverside/San Bernardino, CA						

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



AGENDA NO.

5

MEETING DATE

April 9, 2013

TITLE DINGEE PIPELINE BREAK – CONCLUSION OF DISTRICT EMERGENCY☒ MOTION ☐ RESOLUTION ☐ ORDINANCE**RECOMMENDED ACTION**

Declare an end to the District emergency initiated on January 31, 2013 and ratified by the Board of Directors on February 13, 2013, per Board Resolution 33915-13, to repair the leak on the 36-inch steel main serving the Dingee Pressure Zone.

SUMMARY



On Tuesday, January 29, 2013, the 36-inch steel main serving the Dingee Pressure Zone experienced a leak. The leak was located somewhere under Highway 24. This transmission main is the primary source of water to approximately 13,500 services in the Dingee Pressure Zone and the pressure zones above, which includes parts of the cities of Piedmont and Oakland. Repairing the pipe required an extended shutdown that needed to be completed prior to demands increasing in March.

On January 31st, in order to repair the leak as quickly as possible and to ensure that customers in the affected area were not impacted, the General Manager, in consultation with the Board President, declared a "District Emergency" in accordance with Policy 7.03, Emergency Preparedness/Business Continuity, and Board Resolution 33564-06.

The pipeline was repaired by inserting a smaller diameter high density polyethylene pipe inside the existing 36-inch main. District staff and outside contractors completed the repair and the pipeline was returned to service on March 18th. Site restoration at Lake Temescal, including reseeding, temporary fence removal, sidewalk repairs and parking lot striping will be completed by April 10, and the permanent paving on Chabot Road will be completed by mid-May. No customers were impacted during the repair, which was completed two weeks ahead of schedule.

FISCAL IMPACT

A total of \$606,000 in purchase orders was awarded to a number of contractors to support the repair, and expenditures are projected to total approximately \$590,000. The total cost of the repair and site restoration is estimated to be \$1,050,000, which includes District labor and materials, actual charges to-date, pending payments and other estimated costs.

Funds Available FY:		Budget Code:
DEPARTMENT SUBMITTING	DEPARTMENT MANAGER or DIRECTOR	APPROVED
Operations and Maintenance	 Michael J. Wallis	 General Manager



AGENDA NO.
MEETING DATE

6.
April 9, 2013

TITLE AUTHORIZE EMPLOYMENT OF SPECIAL COUNSEL CARLSON, CALLADINE & PETERSON, LLP

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize the Office of General Counsel to retain the law firm of Carlson, Calladine & Peterson, LLP for specialized legal services related to professional liability litigation in an amount not to exceed \$60,000. In awarding this contract, the Board of Directors finds that this work cannot be satisfactorily performed under civil service.

DISCUSSION

The Office of General Counsel recommends and seeks authorization to retain Carlson, Calladine & Peterson, LLP in an amount not to exceed \$60,000 for specialized legal services related to professional liability litigation matters. As a supplement to this BD-1, a separate confidential memorandum from the Office of General Counsel is being provided to the Board of Directors setting forth the details of the litigation and the services to be performed by special counsel.

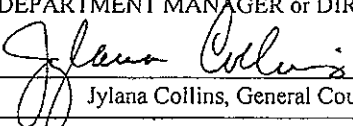
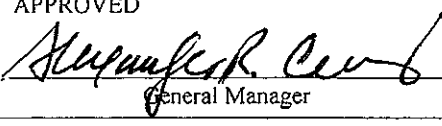
CONTRACT EQUITY PROGRAM EFFORTS

The completed P-035 and P-061 forms are attached.

FISCAL IMPACT

Sufficient monies have been budgeted in the OGC budget for FY 2013 and FY 2014 for this request for specialized legal assistance.

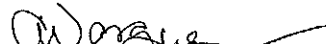
Attachments

Funds Available: FY 2013 & FY 2014		Budget Code: WSC 130 8511 5231
DEPARTMENT SUBMITTING <u>OFFICE OF GENERAL COUNSEL</u>	DEPARTMENT MANAGER or DIRECTOR  Jylana Collins, General Counsel	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Professional Services Agreement Authorize Employment of Special Counsel Carlson, Calladine & Peterson							DATE: March 28, 2013				
CONTRACTOR: Carlson, Calladine & Peterson, LLC San Francisco, CA					Small Business Sole Source		PERCENTAGE OF CONTRACT DOLLARS				
BID/PROPOSER'S PRICE: \$60,000		FIRM'S OWNERSHIP Ethnicity: White Gender: Men			Availability Group White Men		Contracting Objectives 25%		Participation 100.0%		
					White Women 6%		0.0%		0.0%		
					Ethnic Minorities 25%		0.0%		0.0%		
CONTRACT EQUITY PARTICIPATION											
COMPANY NAME		ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION					
				M	F	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit
PRIME: Carlson, Calladine & Peterson, LLC		\$60,000	White	X		100.0%	---	---	---	---	---
SUBS: None						---	---	---	---	---	---
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TOTAL		\$60,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)											
		White Men		White Women		Ethnic Minorities		Total Employees			
No. of Employees:		7		14		7		28			
Percent of Total Employees:		25.0%		50.0%		25.0%					
MSA Labor Market %:		28.0%		23.6%		48.4%					
MSA Labor Market Location:		California									
COMMENTS											
Contract Equity Participation - 100% White Men participation and no subcontract opportunities exist.											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Authorize Employment of Special Counsel Carlson, Calladine & Peterson		Ethnic Minority Percentages From U.S. Census Data						
			B	H	A/PI	AI/AN	TOTAL	
		National	10.5	10.7	3.7	0.7	27.3	
Professional Services Agreement		DATE: 3/28/2013	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
			Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT
								MSA %
RP	WM - SBE	Company Wide	2	2	3	-	7	25.0%
Carlson, Calladine & Peterson, LLC Donald W. Carlson 353 Sacramento Street San Francisco, CA 94111 415-391-3911		Manager/Prof	1	-	1	-	2	13.3%
		Technical/Sales	-	1	-	-	1	25.0%
		Clerical/Skilled	1	1	2	-	4	44.4%
		Semi/Unskilled	-	-	-	-	-	NA
		Bay Area	2	-	3	-	5	21.7%
		AA Plan on File:	NA		Date of last contract with District:		NA	
		Co. Wide MSA:	California		# Employees-Co. Wide:		28 Bay Area: 23	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:	

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



AGENDA NO.
MEETING DATE

7
April 9, 2013

TITLE AUTHORIZE CONTINUED EMPLOYMENT OF THE LAW OFFICE OF GINN & CROSBY, LLP AS SPECIAL COUNSEL

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize the Office of General Counsel to continue the employment of the law office of Ginn & Crosby, LLP, in an additional amount not to exceed \$200,000 for specialized legal services related to construction, contract, claims and litigation matters.

DISCUSSION

The firm of Ginn & Crosby, LLP has been retained to assist the Office of General Counsel in construction, contract, claims and litigation matters. The Office of General Counsel is now requesting authorization for additional funds for services described in a separate confidential memorandum to the Board of Directors.

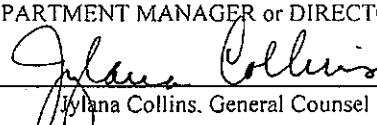

CONTRACT EQUITY PROGRAM EFFORTS

The completed P-035 and P-061 forms are attached.

FISCAL IMPACT

Sufficient monies have been budgeted in FY 2013 for this request for specialized legal assistance.

Attachments

Funds Available: FY 2013		Budget Code: WSO 130 8511 5231
DEPARTMENT SUBMITTING OFFICE OF GENERAL COUNSEL	DEPARTMENT MANAGER or DIRECTOR  Jylana Collins, General Counsel	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Amendment to Professional Services Agreement Authorize Continued Employment of the Law Office of Ginn & Crosby, LLP as Special Counsel						DATE: April 2, 2013					
CONTRACTOR: Ginn & Crosby, LLP Walnut Creek, CA				Local/Small Business				PERCENTAGE OF CONTRACT DOLLARS			
BID/PROPOSER'S PRICE: \$200,000		FIRM'S OWNERSHIP		White Men		25%		Participation		100.0%	
		Ethnicity	Gender	White Women		6%		0.0%			
		White	Men	Ethnic Minorities		25%		0.0%			
CONTRACT EQUITY PARTICIPATION											
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	F	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: Ginn & Crosby, LLP	\$200,000	White	X		100.0%	---	---	---	---	---	---
SUBS: None					---	---	---	---	---	---	---
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TOTAL	\$200,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)											
	White Men		White Women		Ethnic Minorities		Total Employees				
No. of Employees:	3		2		2		7				
Percent of Total Employees:	42.9%		28.6%		28.6%						
MSA Labor Market %:	33.3%		28.2%		38.5%						
MSA Labor Market Location:	Contra Costa County										
COMMENTS											
Contract Equity Participation - 100% White Men participation.											
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA				NA							



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Authorize Continued Employment of the Law Office of Ginn & Crosby, LLP as Special Counsel		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
Professional Services Agreement DATE: 4/2/2013		9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9		
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2		
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
RP	WM - L/SBE	Company Wide	1	-	1	-	2	28.6%	38.5%
Ginn & Crosby, LLP David W. Ginn 1981 N. Broadway, Suite 275 Walnut Creek, CA 94596 925-256-4466		Manager/Prof	-	-	1	-	-	16.7%	
		Technical/Sales	-	-	-	-	-	NA	
		Clerical/Skilled	1	-	-	-	-	100.0%	
		Semi/Unskilled	-	-	-	-	-	NA	
		Bay Area	1	-	1	-	2	28.6%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		11/26/2012		
		Co. Wide MSA:	Contra Costa County		# Employees-Co. Wide:		7 Bay Area: 7		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area						39.9%	
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area						39.9%	
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area						39.9%	
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area						39.9%	
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area						39.9%	
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:		

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



AGENDA NO.
MEETING DATE

8.
April 9, 2013

TITLE AUTHORIZE CONTINUED EMPLOYMENT OF THE LAW OFFICE OF HANSON BRIDGETT, LLP AS SPECIAL COUNSEL

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize the Office of General Counsel to continue the employment of the law office of Hanson Bridgett, LLP, in an additional amount not to exceed \$600,000 for specialized legal services related to construction, contract, claims and litigation matters.

DISCUSSION

The firm of Hanson Bridgett, LLP has been retained to assist the Office of General Counsel in construction, contract, claims and litigation matters. The Office of General Counsel is now requesting authorization for additional funds for services described in a separate confidential memorandum to the Board of Directors.

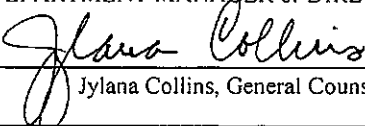

CONTRACT EQUITY PROGRAM EFFORTS

The completed P-035 and P-061 forms are attached.

FISCAL IMPACT

Sufficient monies have been budgeted in FY 2013 for this request for specialized legal assistance.

Attachments

Funds Available: FY 2013		Budget Code:
DEPARTMENT SUBMITTING OFFICE OF GENERAL COUNSEL	DEPARTMENT MANAGER or DIRECTOR  Jylana Collins, General Counsel	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Amendment to Professional Services Agreement Authorize Continued Employment of the Law Office of Hanson Bridgett, LLP as Special Counsel			DATE: April 2, 2013									
CONTRACTOR: Hanson Bridgett, LLP San Francisco, CA			PERCENTAGE OF CONTRACT DOLLARS									
BID/PROPOSER'S PRICE: \$600,000	FIRM'S OWNERSHIP		White Men	25%	100.0%							
	Ethnicity	Gender	White Women	6%	0.0%							
	White	Men	Ethnic Minorities	25%	0.0%							
CONTRACT EQUITY PARTICIPATION												
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION							
			M	F	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign	
PRIME: Hanson Bridgett, LLP	\$600,000	White	X		100.0%	---	---	---	---	---	---	---
SUBS: None					---	---	---	---	---	---	---	
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TOTAL					100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)												
	White Men	White Women	Ethnic Minorities	Total Employees								
No. of Employees:	70	101	77	248								
Percent of Total Employees:	28.2%	40.7%	31.0%									
MSA Labor Market %:	30.8%	25.1%	44.0%									
MSA Labor Market Location:	San Francisco, CA											
COMMENTS												
Contract Equity Participation - 100% White Men participation.												
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended				
NA				NA								



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

Title: Authorize Continued Employment of the Law Office of Hanson Bridgett, LLP as Special Counsel		Ethnic Minority Percentages From U.S. Census Data						
			B	H	A/PI	AI/AN	TOTAL	
		National	10.5	10.7	3.7	0.7	27.3	
Professional Services Agreement		DATE: 4/2/2013	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
			Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT
								MSA %
RP	WM	Company Wide	16	19	40	2	77	31.0%
Hanson Bridgett, LLP Howard Ashcraft 425 Market Street, 26th Floor San Francisco, CA 94105 415-777-3200		Manager/Prof	2	4	4		-	9.3%
		Technical/Sales	2	1	1		4	50.0%
		Clerical/Skilled	12	14	35	2	63	47.4%
		Semi/Unskilled	-	-	-	-	-	NA
		Bay Area	16	19	40	2	77	31.0%
		AA Plan on File:	NA		Date of last contract with District:		11/26/2012	
		Co. Wide MSA:	San Francisco, CA		# Employees-Co. Wide:		248 Bay Area: 248	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:			
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:			
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:			
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:			
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						39.9%
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:			

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

AGENDA NO. 9.MEETING DATE April 9, 2013**TITLE REVISIONS TO DISTRICT POLICY 4.14 – REIMBURSEMENT OF DIRECTOR
EXPENSES**☐ MOTION ☒ RESOLUTION ☐ ORDINANCE**RECOMMENDED ACTION**

Approve revisions to District Policy 4.14 – Reimbursement of Director Expenses.

DISCUSSION


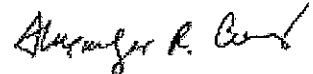
Staff conducts bi-annual reviews of District policies and procedures to consider whether any organizational, regulatory, or other changes in operations would necessitate their modification. Policies which are identified as requiring modification are forwarded to the Board for consideration and approval. Attached is Policy 4.14 with modifications that are proposed by staff. This policy change was reviewed with the Finance/Administration Committee on March 26, 2013.

The Board of Directors reviewed and approved several changes to Policy 4.14 on March 26, 2013, but requested staff make additional edits to clarify the approval authority of the vice president and immediate past president in the absence of the president and/or vice president.

POLICY RECOMMENDED FOR REVISION**Policy 4.14 – Reimbursement of Director Expenses**

This policy has been modified to update approval authority and responsibility to include the immediate past president and outline circumstances in which approval authority is delegated.

This policy was last modified on March 26, 2013 to: add the IRS accountable plan definition and requirements; maintain consistency with Procedure 438 (Reimbursement of Employee Business Expenses); change the due date for Board members to request travel advances from three working days to 10 working days prior to their departure date; limit housecleaning tips to per diem rates; and add a requirement to complete a Transit Occupancy Tax exemption form for a stay in California.

Funds Available FY:		Budget Code:
DEPARTMENT SUBMITTING Finance Department	DEPARTMENT MANAGER or DIRECTOR  Barry N. Gardin	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

UNION NOTIFICATION

Policies and procedures affecting wages, hours and working conditions have been reviewed with the unions. Employee Relations has reviewed all policies to determine the necessity for union review. The revised policy has no union impact.

FISCAL IMPACT

The policy change does not have a fiscal impact.

ALTERNATIVE

Do not update this policy. This alternative is not recommended because the recommended change was directed by the Board to provide for a second individual to have signature authority in the absence of Board officers, which will assist in the timely conduct of District business.

Attachment



Policy 4.14R

EFFECTIVE 26 MAR 13
09 APR 13

SUPERSEDES 23 FEB 10
26 MAR 13

REIMBURSEMENT OF DIRECTOR EXPENSES

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

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

Authorized Expenses

The President of the Board of Directors will approve expenses incurred by fellow members in connection with attendance as a representative of the District at meetings, associations and other groups and will approve travel and other related expenses incurred in the performance of official District business. 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 Board members. In the absence of the President and/or Vice President, the Immediate Past President may also approve expenses of fellow Board members including the President and Vice President. Under no circumstance may any Board member be authorized to approve his or her own expenses. Reimbursable Director expenses will be reasonable, and in accordance with the guidelines attached to this policy.

References

Policy 6.04 - Ethics Policy Of The EBMUD Board Of Directors

Authority

Resolution No. 32874-94, August 9, 1994
Amended by Resolution No. 33414-04, March 23, 2004
Amended by Resolution No. 33471-05, April 26, 2005
Amended by Resolution No. 33661-08, March 11, 2008
Amended by Resolution No. 33756-10, February 23, 2010
Amended by Resolution No. 33919-13, March 26, 2013
Amended by Resolution No. XXXXX-13, April 9, 2013

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 Section 11908.1 of the Municipal Utility District Act, pursuant to Policy 4.14.

**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, expense reimbursements must meet the following requirements;

1. Expenses must have been paid or incurred while performing services as a Director.
2. Expenses incurred and amounts paid must be substantiated within a reasonable period of time (within 60 days of expenses being incurred or expense payments being made. Any reimbursements not complying with the above deadlines must be paid under a non-Accountable Plan and treated as taxable wages.)
3. Excess advanced funds must be returned within a reasonable period of time (within 120 days of expense being incurred or expense payment being made.)

Authorization

Reimbursable Expenses That Require Prior Authorization of the Board President

- Conferences, seminars, or similar training courses requiring either 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 President of the Board approves all prior authorization requests from the Board of Directors. The Vice President of the Board approves all prior authorization requests from the President of the Board, and in the President's absence, may approve Board authorization requests. In the absence of the President and/or the Vice President, the Immediate Past President may also approve authorization requests.

Reimbursable Expenses That Do Not Require Prior Authorization of the Board President

- Conference, seminar or similar training registration fees costing less than \$100.
- One day travel less than 150 miles.
- Training with no registration fee or overnight stay.

- Business meetings or Director 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.
 - Tolls - No receipt required.
 - Parking - Receipt required.
 - Monthly internet charges – Reviewed and approved by Information System Division Manager.

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:

- The 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% for breakfast, 30% for lunch, and 50% for dinner. Current per diem rates can be reviewed at www.gsa.gov- click the link to "Per Diem Rates".

Meal expenses are reimbursable for board members under these specified conditions:

- For one-day training, conferences, seminars and trips, the cost of lunch is reimbursable if it is a business lunch (e.g. working lunch, meeting). Meals that are included as part of the fee for a conference, seminar or training course are allowed.
- Business meals incurred must be reasonable, necessary and at appropriate locations. Form X-003 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. These meals are not taxable.

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 expense 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 cab, 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 and will be reimbursed only when overnight absence from the Director's home is required. An itemized receipt must be attached to Form X-003. Overnight lodging is not authorized for conferences or seminars that are within the service area without specific advance 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 should be requested if these rates are less than otherwise posted rates.

When reserving a hotel reservation for a stay in California, tell the hotel you are a government employee and want the government rate if it is lower and you are exempt from any Transit Occupancy Tax (TOT) and will sign the TOT exemption form at check in. When you check in, show the hotel staff a District ID or a copy of your approved X-014 and sign their TOT exemption form. TOT on hotel bills will not be reimbursed by the District if the government employee exemption option was available.

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

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 print out 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 must accompany Form X-003 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% of the 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% 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 channels due to time or the value of the purchase.

**Not-Allowable
Expenses**

Meals

- For one-day training, conferences, seminars and trips, the cost of lunch is not reimbursable unless it is a business lunch (e.g. working lunch, meeting).
- 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 board members, and a board member and employees do not constitute a business meal eligible for reimbursement. Reimbursement will be for the actual cost of the expense with attached itemized receipt(s). These meals are not taxable.

Alcoholic beverages are not reimbursed except for specific events with the prior approval of the Board President.

Car Rentals

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

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 expense.

Form X-011 Board Travel and Expense Authorization

Form X-011 must be completed by the Office of the Secretary for each Director for reimbursement of expenses before the expense is incurred unless these guidelines specifically state otherwise and must be completed by each Director for all travel and approved by the President of the Board of Directors. Form X-011 becomes a public record upon submission for payment.

Processing X-011

Director:

- Requests Secretary of the District to complete Form X-011 before expenses are incurred.
- Attaches a copy of the conference, seminar or training course schedule/agenda to the Form X-011.
- Provides written justification stating business purpose for the expense with the Form X-011.
- Completes the local TOT exemption form for lodging in California at time of check in if available in that city.
- Travel advances must be submitted to the Office of the Secretary at least ten (10) working days prior to their scheduled departure date or event.

Note: The Director incurring the expense cannot approve his or her own Form X-011. The Form X-011 must be signed by a Director. In lieu of a signature, an email from the Director may be attached.

Office of the Secretary:

- Always checks the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- Prepares Form X-011, attaches the written request from the Director and obtains approval from the President of the Board.
- Reviews and approves use of District Purchase Card for travel and business related expense advances and direct travel-related expense payments for up to the total approval amounts shown on Form X-011 for transactions requiring payment via purchase/credit card.
- Determines the "reasonableness" of advances or expenses eligible for reimbursement based on time and location of travel, duration of trip and purpose of travel.
- Submits approved Form X-011 to the Accounting Division for processing.

President of the Board:

- Reviews and approves Form X-011 for reasonableness and forwards it to the Office of the Secretary.

Vice President of the Board:

- Reviews and approves, for the President of the Board and all other Board members in the President's absence, Form X-011 for reasonableness and forwards it to the Office of the Secretary

Immediate Past President

- In the absence of the President and/or the Vice President, reviews and approves for the President's, Vice President's or other Board member's Form X-011 for reasonableness and forwards it to the Office of the Secretary.

Accounting Division:

- Accounts Payable (AP) staff, under the direction of the Controller, audits requests sent to Accounting for compliance with procedures.
- Prepares expense advances and direct travel-related expense payments for up to the total approval amounts shown on Form X-011 for transactions requiring payment by check.

**Form X-003
Expense
Report**

Form X-003 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 Forms X-003 must include adequate documented explanations of the business purposes of the expenses. Form X-003 becomes a public record upon submission for payment.

**Processing
Form X-003**

Director:

- Completes Form X-003 and tapes supporting receipts on 8½ x 11 paper. For assistance with completing the Form X-003, contact 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.

Note:

- Note: Always check the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- The person incurring the expense cannot approve his or her own Form X-003.
- The Form X-003 must be signed by the Director. In lieu of a signature, an email from the Director may be attached.
- Send Form X-003 to the Office of the Secretary.

Office of the Secretary:

- Reviews Form X-003 and attachments.
- Sends Form X-003 to President of the Board for approval.
- Submits approved Form X-003 to the Accounting Division for processing.

President of the Board:

- Reviews and approves Form X-003 after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

Vice President of the Board:

- Reviews and approves Form X-003 for the Board President and all other Board members in the President's absence after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

Immediate Past President

- In the President and/or Vice President's absence, reviews and approves Form X-003 of the President, Vice President or other Board member after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

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.

**Travel
Advances and
Prepayment of
Expenses.**

Directors requesting travel advances or prepayment of expenses for a business trip are required to 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 expense or cash advance, a copy of Form X-011 must be attached. In order to account for advances or prepaid expenses, Form X-003 must be submitted within 15 working days of completion of the business trip. Outstanding advance payments/balances must be returned to the District within 120 days of the completion of the business trip per IRS Publication 535 - Business Expenses, otherwise, the outstanding balance must be deducted from the director's paycheck.

For periodic expenses when an X-011 or travel advance is not required (tolls, BART fares, personal car mileage, etc) Form X-003 should be submitted within 60 days, otherwise, the expense being incurred must be reimbursed under a non-accountable plan, per IRS Publication 535, and treated as taxable wages and added to the director's W-2 (Wage and Tax Statement), Box 1 (Wages, tips and other compensation).

The Director can request a travel advance to cover the cost of the ticket on Form X-011. If the Director chooses not to purchase the 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 travel advance to be cleared by a subsequent approved Form X-003.

Cancellations

When traveling on District business, the Director must be reasonably certain that he/she will be able to complete the trip. Canceling a trip for personal reasons must be approved by the President of the Board 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 President of the Board. If a substitution needs to be made, notify the Secretary's Office and copy the President of the Board.

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. Charges to accommodate personal preferences will not be reimbursed. Use of frequent flyer miles will not be reimbursed.

Report to Board	At the next Board Meeting, the Board member will make an oral or written presentation to the Board after business travel outside of the District service area or meetings attended at the District's expense is completed. If multiple Directors attended, a joint report may be made.
Substantiation of Travel Expenses	<p>Travel expenses shall be substantiated by any of the following sources:</p> <ul style="list-style-type: none">• Board meeting minutes• Certification of committee attendance signed by the committee chair• Verification of attendance at authorized meetings and functions signed by the President of the Board



Policy 4.14

EFFECTIVE 09 APR 13

SUPERSEDES 26 MAR 13

REIMBURSEMENT OF DIRECTOR EXPENSES

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

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

Authorized Expenses

The President of the Board of Directors will approve expenses incurred by fellow members in connection with attendance as a representative of the District at meetings, associations and other groups and will approve travel and other related expenses incurred in the performance of official District business. 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 Board members. In the absence of the President and/or Vice President, the Immediate Past President may also approve expenses of fellow Board members including the President and Vice President. Under no circumstance may any Board member be authorized to approve his or her own expenses. Reimbursable Director expenses will be reasonable, and in accordance with the guidelines attached to this policy.

References

Policy 6.04 - Ethics Policy Of The EBMUD Board Of Directors

Authority

Resolution No. 32874-94, August 9, 1994
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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 Section 11908.1 of the Municipal Utility District Act, pursuant to Policy 4.14.

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, expense reimbursements must meet the following requirements;

1. Expenses must have been paid or incurred while performing services as a Director.
2. Expenses incurred and amounts paid must be substantiated within a reasonable period of time (within 60 days of expenses being incurred or expense payments being made. Any reimbursements not complying with the above deadlines must be paid under a non-Accountable Plan and treated as taxable wages.)
3. Excess advanced funds must be returned within a reasonable period of time (within 120 days of expense being incurred or expense payment being made.)

Authorization Reimbursable Expenses That Require Prior Authorization

- Conferences, seminars, or similar training courses requiring either 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 President of the Board approves all prior authorization requests from the Board of Directors. The Vice President of the Board approves all prior authorization requests from the President of the Board, and in the President's absence, may approve Board authorization requests. In the absence of the President and/or the Vice President, the Immediate Past President may also approve authorization requests.

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.
- Training with no registration fee or overnight stay.

- Business meetings or Director 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.
 - Tolls - No receipt required.
 - Parking - Receipt required.
 - Monthly internet charges – Reviewed and approved by Information System Division Manager.

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:

- The 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% for breakfast, 30% for lunch, and 50% for dinner. Current per diem rates can be reviewed at www.gsa.gov- click the link to "Per Diem Rates".

Meal expenses are reimbursable for board members under these specified conditions:

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- Business meals incurred must be reasonable, necessary and at appropriate locations. Form X-003 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. These meals are not taxable.

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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 expense 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 cab, 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 and will be reimbursed only when overnight absence from the Director's home is required. An itemized receipt must be attached to Form X-003. Overnight lodging is not authorized for conferences or seminars that are within the service area without specific advance 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 should be requested if these rates are less than otherwise posted rates.

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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:

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- Travelocity.com
- Orbitz.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 print out 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 must accompany Form X-003 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% of the 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% 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 channels due to time or the value of the purchase.

Not-Allowable Expenses Meals

- For one-day training, conferences, seminars and trips, the cost of lunch is not reimbursable unless it is a business lunch (e.g. working lunch, meeting).
- 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 board members, and a board member and employees do not constitute a business meal eligible for reimbursement. Reimbursement will be for the actual cost of the expense with attached itemized receipt(s). These meals are not taxable.

Alcoholic beverages are not reimbursed except for specific events with the prior approval of the Board President.

Car Rentals

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

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 expense.

Form X-011 Board Travel and Expense Authorization

Form X-011 must be completed by the Office of the Secretary for each Director for reimbursement of expenses before the expense is incurred unless these guidelines specifically state otherwise and must be completed by each Director for all travel and approved by the President of the Board of Directors. Form X-011 becomes a public record upon submission for payment.

Processing X-011

Director:

- Requests Secretary of the District to complete Form X-011 before expenses are incurred.
- Attaches a copy of the conference, seminar or training course schedule/agenda to the Form X-011.
- Provides written justification stating business purpose for the expense with the Form X-011.
- Completes the local TOT exemption form for lodging in California at time of check in if available in that city.
- Travel advances must be submitted to the Office of the Secretary at least ten (10) working days prior to their scheduled departure date or event.

Note: The Director incurring the expense cannot approve his or her own Form X-011. The Form X-011 must be signed by a Director. In lieu of a signature, an email from the Director may be attached.

Office of the Secretary:

- Always checks the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- Prepares Form X-011, attaches the written request from the Director and obtains approval from the President of the Board.
- Reviews and approves use of District Purchase Card for travel and business related expense advances and direct travel-related expense payments for up to the total approval amounts shown on Form X-011 for transactions requiring payment via purchase/credit card.
- Determines the "reasonableness" of advances or expenses eligible for reimbursement based on time and location of travel, duration of trip and purpose of travel.
- Submits approved Form X-011 to the Accounting Division for processing.

President of the Board:

- Reviews and approves Form X-011 for reasonableness and forwards it to the Office of the Secretary.

Vice President of the Board:

- Reviews and approves, for the President of the Board and all other Board members in the President's absence, Form X-011 for reasonableness and forwards it to the Office of the Secretary

Immediate Past President

- In the absence of the President and/or the Vice President, reviews and approves for the President's, Vice President's or other Board member's Form X-011 for reasonableness and forwards it to the Office of the Secretary.

Accounting Division:

- Accounts Payable (AP) staff, under the direction of the Controller, audits requests sent to Accounting for compliance with procedures.
- Prepares expense advances and direct travel-related expense payments for up to the total approval amounts shown on Form X-011 for transactions requiring payment by check.

**Form X-003
Expense
Report**

Form X-003 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 Forms X-003 must include adequate documented explanations of the business purposes of the expenses. Form X-003 becomes a public record upon submission for payment.

**Processing
Form X-003**

Director:

- Completes Form X-003 and tapes supporting receipts on 8½ x 11 paper. For assistance with completing the Form X-003, contact 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.

Note:

- Note: Always check the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- The person incurring the expense cannot approve his or her own Form X-003.
- The Form X-003 must be signed by the Director. In lieu of a signature, an email from the Director may be attached.
- Send Form X-003 to the Office of the Secretary.

Office of the Secretary:

- Reviews Form X-003 and attachments.
- Sends Form X-003 to President of the Board for approval.
- Submits approved Form X-003 to the Accounting Division for processing.

President of the Board:

- Reviews and approves Form X-003 after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

Vice President of the Board:

- Reviews and approves Form X-003 for the Board President and all other Board members in the President's absence after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

Immediate Past President

- In the President and/or Vice President's absence, reviews and approves Form X-003 of the President, Vice President or other Board member after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

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.

**Travel
Advances and
Prepayment of
Expenses.**

Directors requesting travel advances or prepayment of expenses for a business trip are required to 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 expense or cash advance, a copy of Form X-011 must be attached. In order to account for advances or prepaid expenses, Form X-003 must be submitted within 15 working days of completion of the business trip. Outstanding advance payments/balances must be returned to the District within 120 days of the completion of the business trip per IRS Publication 535 - Business Expenses, otherwise, the outstanding balance must be deducted from the director's paycheck.

For periodic expenses when an X-011 or travel advance is not required (tolls, BART fares, personal car mileage, etc) Form X-003 should be submitted within 60 days, otherwise, the expense being incurred must be reimbursed under a non-accountable plan, per IRS Publication 535, and treated as taxable wages and added to the director's W-2 (Wage and Tax Statement), Box 1 (Wages, tips and other compensation).

The Director can request a travel advance to cover the cost of the ticket on Form X-011. If the Director chooses not to purchase the 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 travel advance to be cleared by a subsequent approved Form X-003.

Cancellations

When traveling on District business, the Director must be reasonably certain that he/she will be able to complete the trip. Canceling a trip for personal reasons must be approved by the President of the Board 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 President of the Board. If a substitution needs to be made, notify the Secretary's Office and copy the President of the Board.

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. Charges to accommodate personal preferences will not be reimbursed. Use of frequent flyer miles will not be reimbursed.

Report to Board At the next Board Meeting, the Board member will make an oral or written presentation to the Board after business travel outside of the District service area or meetings attended at the District's expense is 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 President of the Board


Office of General Counsel

RESOLUTION NO. _____

ADOPTING REVISED POLICY 4.14, REIMBURSEMENT OF DIRECTOR EXPENSES

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, it is the desire and intention of the Board of Directors to update and revise Policy 4.14 entitled "Reimbursement of Director Expenses;"

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that Revised Policy 4.14, attached hereto as Exhibit A, is hereby adopted.

ADOPTED this 9th day of April, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE

General Counsel

EXHIBIT A



Policy 4.14R

EFFECTIVE 23 FEB 10
09 APR 13

SUPERSEDES 11 MAR 08
23 FEB 10

REIMBURSEMENT OF DIRECTOR EXPENSES

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

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

Authorized Expenses

The President of the Board of Directors will approve expenses incurred by fellow members in connection with attendance as a representative of the District at meetings, associations and other groups and will approve travel and other related expenses incurred in the performance of official District business. The Vice President of the Board of Directors will approve expenses incurred by the Board President. In the Board President's absence, the Vice President may approve expenses incurred by fellow Board members. Also in the absence of the Board President (or Vice-President), the immediate past President may approve expenses of the President or Vice President. Under no circumstance may any Board member be authorized to approve his or her own expenses. Reimbursable Director expenses will be reasonable, and in accordance with the guidelines attached to this policy.

References

Policy 6.04 - Ethics Policy Of The EBMUD Board Of Directors

Authority

Resolution No. 32874-94, August 9, 1994
Amended by Resolution No. 33414-04, March 23, 2004
Amended by Resolution No. 33471-05, April 26, 2005
Amended by Resolution No. 33661-08, March 11, 2008
Amended by Resolution No. 33756-10, February 23, 2010
Amended by Resolution No. XXXXX-XX, April 9, 2013

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 Section 11908.1 of the Municipal Utility District Act, pursuant to Policy 4.14.

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, expense reimbursements must meet the following requirements:

1. Expenses must have been paid or incurred while performing services as a Director.
2. Expenses incurred and amounts paid must be substantiated within a reasonable period of time (within 60 days of expenses being incurred or expense payments being made. Any reimbursements not complying with the above deadlines must be paid under a non-Accountable Plan and treated as taxable wages.)
3. Excess advanced funds must be returned within a reasonable period of time (within 120 days of expense being incurred or expense payment being made.)

**Authorization
Form X-011
Board Travel
and Expense**

Reimbursable Expenses That Require Prior Authorization of the Board President

- ~~To attend~~ Conferences, seminars, or similar training courses requiring either registration fee or overnight lodging costing \$100 or more.
- ~~To 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 President of the Board approves all prior authorization requests from the Board of Directors. The Vice President of the Board approves all prior authorization requests from the President of the Board. In the absence of the President, the Vice President may approve Board authorization requests. Also in the absence of the President or the Vice President, the immediate past President is authorized to approve authorization requests of the President or the Vice President.

The table below outlines the authority for authorizing and approving Board expenses.

<u>Approval Authority</u>	<u>Member Incurring Expenses</u>		
	<u>President</u>	<u>Vice President</u>	<u>Member</u>
<u>President</u>		<u>X</u>	<u>X</u>
<u>Vice President</u>	<u>X</u>		<u>X⁽¹⁾</u>
<u>Immediate Past President</u>	<u>X⁽²⁾</u>	<u>X⁽¹⁾</u>	

(1) In circumstance when the President is unavailable

(2) In circumstance when the Vice President is unavailable

Reimbursable Expenses That Do Not Require Prior Authorization of the Board President

- Conference, seminar or similar training registration fees costing less than \$100.
- One day travel less than 150 miles.
- Training with no registration fee or overnight stay.
- Business meetings or Director 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.
 - Tolls - No receipt required.
 - Parking - Receipt required.
 - Monthly internet charges – Reviewed and approved by Information System Division Manager.

Qualifications

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

~~for travel advances and/or prepayment of business expenses~~

- The 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 per Diem diem~~ reimbursement for luggage handling and housekeeping tipping, or reimbursement of bridge tolls ~~does not require receipts.~~

**Allowable
Expenses**

Registration Fees

- ~~Other reimbursable Director expenses are described below.~~ Registration fees incurred to participate in conferences, training courses or other similar activities directly related to District business or interests are reimbursable.

Meals

~~Other reimbursable Director expenses are described below.~~

- ~~• Registration fees incurred to participate in conferences, training courses or other similar activities are reimbursable.~~

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% for breakfast, 30% for lunch, and 50% for dinner. Current per diem rates can be reviewed at www.gsa.gov- click the link to "Per Diem Rates".

Meal expenses are reimbursable for board members under these specified conditions:

- For one-day training, conferences, seminars and trips, the cost of lunch is ~~not~~ reimbursable ~~unless~~ if it is a business lunch (e.g. working lunch, meeting). Meals that are included as part of the fee for a conference, seminar or training course are allowed.
- Business meals incurred must be reasonable, necessary and at appropriate locations. Form X-003 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. These meals are not taxable.

Car Rentals

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.

~~Refer to the Travel and Expense intranet website for additional information (<http://ebmudnet/Travel-Expense/index.htm>).~~

Use of Privately Owned Vehicles

Reimbursement for mileage expense 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 cab, 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 and approved by with the Secretary of the District in advance of travel.

Lodging

Lodging expenses must be reasonable and will be reimbursed only when overnight absence from the Director's home is required. An itemized receipt must be attached to the ~~Expense Report Form X-003~~. Overnight lodging is not authorized for conferences or seminars that are within the service area without specific advance approval from the ~~Controller~~ 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 should be requested if these rates are less than otherwise posted rates.

When reserving a hotel reservation for a stay in California, tell the hotel you are a government employee and want the government rate if it is lower and you are exempt from any Transit Occupancy Tax (TOT) and will sign the TOT exemption form at check in. When you check in, show the hotel staff a District ID or a copy of your approved X-014 and sign their TOT exemption form. TOT on hotel bills will not be reimbursed by the District if the government employee exemption option was available.

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

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 print out 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 showing the lowest fare available for the business trip must be accompanied with the y Form X-003 for reimbursement or payment to the District.

~~• Reimbursement of business related expenses arising from travel must be supported by receipts.~~

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% of the 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% of the cost of taxi fares.
 - Luggage ~~H~~handling and housekeeping – limited to the IRS per diem rate for the area.
 - ~~○ 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 channels due to time or the value of the purchase. ~~A receipt must be attached to Form X-003~~

Prohibited Expenses

~~Meals, food or other expenses for functions lacking specific business purposes will not be reimbursed. 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 expense.~~

**Not-Allowable
Expenses**

Meals

- For one-day training, conferences, seminars and trips, the cost of lunch is not reimbursable unless it is a business lunch (e.g. working lunch, meeting).
- 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 board members, and a board member and employees do not constitute a business meal eligible for reimbursement. Reimbursement will be for the actual cost of the expense with attached itemized receipt(s). These meals are not taxable.

Alcoholic beverages are not reimbursed except for specific events with the prior approval of the Board President.

Car Rentals

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

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 expense.

**Form X-011
Board Travel
and Expense
Authorization**

Form X-011 must be completed by the Office of the Secretary for each Director for reimbursement of expenses before the expense is incurred unless these guidelines specifically state otherwise and must be completed by each Director for all travel and approved by the President of the Board of Directors as follows. Form X-011 becomes a public record upon submission for payment.

**Completion
of Processing
X-011 Board
Travel and
Expense
Authorization
(Form X-011)**

Director:

- Requests Secretary of the District to complete Board Travel and Expense Authorization (Form X-011) before expenses are incurred.
- Attaches a copy of the conference, seminar or training course schedule/agenda to the Form X-011.
- Provides written justification stating business purpose for the out of state travel the expense to support with the Form X-011.
- Completes the local Transit Occupancy Tax (TOT) exemption form for lodging in California at time of check in if available in that city.
- Travel Advances must be submitted at least three (3) working days prior to departure date or event except for travel advances and/or prepayment of business expenses that requires submission to the Office of the Secretary at least ten (10) working days prior to their scheduled departure date or event.

Note: The person Director incurring the expense cannot approve his or her own Form X-011. The Form X-011 must be signed by a Director. In lieu of a signature, an email from the Director may be attached.

Office of the Secretary of the District:

- Always checks the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- Prepares the Board Travel and Expense Authorization (Form X-011, attaches the written request from the Director) and obtains approval from the President of the Board.
- Reviews and approves use of District Purchase Card for travel and business related expense advances and direct travel-related expense payments for up to the total approval amounts shown on Form X-011 for transactions requiring payment via purchase/credit card.
- Determines the "reasonableness" of advances or expenses eligible for reimbursement based on time and location of travel, duration of trip and purpose of travel.
- Submits approved Form X-011 to the Accounting Division for processing.

President of the Board:

- Reviews and approves Form X-011 for reasonableness and forwards it to the Office of the Secretary of the District to process.

Vice President of the Board:

- The Vice President of the Board Reviews and approves, for the President of the Board and all other Board members in the President's absence, Form X-011 for reasonableness and forwards it to the Office of the Secretary. travel requests for the President of the Board.

Immediate Past President

- In the absence of the President or the Vice-President, reviews and approves for the President or Vice Presidents, Form X-011 for reasonableness and forwards it to the Office of the Secretary.

Accounting Division:

- Accounts Payable (AP) staff, under the direction of the Controller, audits requests sent to Accounting for compliance with procedures.
- Prepares expense advances and direct travel-related expense payments for up to the total approval amounts shown on Form X-011 for transactions requiring payment by check.

**Form X-003
Expense
Report**

Form X-003 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 Forms X-003 must include adequate documented explanations of the business purposes of the expenses. -Form X-003 becomes a public record upon submission for payment.

**Processing
Expense
Report (Form
X-003)**

Director:

- Completes Form X-003 (Expense Report) and includes ~~tapes~~ supporting receipts on 8½ x 11" paper. For assistance with completing the Form X-003, contact the Office of the Secretary. refer to the Travel & Expense webpage. Please ~~d~~Do not include any personal information such as personal credit card information, bank account information, home address or personal phone numbers.

Note:

- Note: Always check the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- The person incurring the expense cannot approve his or her own Form X-003.
- The Form X-003 must be signed by the Director. In lieu of a signature, an email from the Director may be attached.
- Send Form X-003 to the Office of the Secretary.

Office of the Secretary:

- Reviews Form X-003 and attachments.
- Sends Form X-003 to President of the Board for approval.
- Submits approved Expense Report (Form X-003) to the Accounting Division for processing.

President of the Board:

- Reviews and approves Expense Report (Form X-003) after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

Vice President of the Board:

- Reviews and approves Form X-003 for the Board President and all other Board members in the President's absence after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

Immediate Past President

- In the President or Vice-President's absence, reviews and approves Expense Report (Form X-003) of the President or Vice President after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

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.

**Travel
Advances and
Prepayment of
Expenses**

Directors requesting travel advances or prepayment of expenses for a business trip are required to submit their requests to the Secretary of the District at least ~~five (5)~~ ten (10) working days prior to their scheduled departure date or event. ~~Any advances or prepaid expenses should be cleared within 15 working days after completion of the business trip by a properly approved Form X-003~~

If the District issued a prepayment of expense or cash advance, a copy of Form X-011 (~~Board Travel and Expense Authorization~~) must be attached. In order to account for advances or prepaid expenses, Form X-003 must be submitted within 15 working days of completion of the business trip authorized by Form X-011. Outstanding advance payments/balances must be returned to the District within 120 days of the completion of the business trip per IRS Publication 535 - Business Expenses, otherwise, the outstanding balance must be deducted from the director's paycheck.

For periodic expenses when an X-011 or travel advance is not required (tolls, BART fares, personal car mileage, etc) Form X-003 should be submitted within ~~90~~ 60 days, otherwise, the expense being incurred ~~will~~ must be reimbursed under a non-accountable plan, per IRS Publication 535, and treated as taxable wages and added to the director's W-2 (Wage and Tax Statement), Box 1 (Wages, tips and other compensation).

The Director can request a travel advance to cover the cost of the ticket on the Form X-011. If the Director chooses not to purchase the 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 travel advance to be cleared by a subsequent approved Form X-003.

Cancellations

**Reimbursable
Travel
Expenses**

When traveling on District business, the Director must be reasonably certain that he/she will be able to complete the trip. Canceling a trip for personal reasons must be approved by the President of the Board 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 President of the Board. If a substitution needs to be made, notify the Secretary's Office and copy the President of the Board.

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. Charges to accommodate personal preferences will not be reimbursed. Use of frequent flyer miles will not be reimbursed.

**Report to
Board**

At the next Board Meeting, the Board member will make an oral or written presentation to the Board after business travel outside of the District service area or meetings attended at the District's expense is 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 President of the Board



Policy 4.14

EFFECTIVE 09 APR 13

REIMBURSEMENT OF DIRECTOR EXPENSES

SUPERSEDES 26 MAR 13

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

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

Authorized Expenses

The President of the Board of Directors will approve expenses incurred by fellow members in connection with attendance as a representative of the District at meetings, associations and other groups and will approve travel and other related expenses incurred in the performance of official District business. 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 Board members. In the absence of the President and/or Vice President, the Immediate Past President may also approve expenses of fellow Board members including the President and Vice President. Under no circumstance may any Board member be authorized to approve his or her own expenses. Reimbursable Director expenses will be reasonable, and in accordance with the guidelines attached to this policy.

References

Policy 6.04 - Ethics Policy Of The EBMUD Board Of Directors

Authority

Resolution No. 32874-94, August 9, 1994
Amended by Resolution No. 33414-04, March 23, 2004
Amended by Resolution No. 33471-05, April 26, 2005
Amended by Resolution No. 33661-08, March 11, 2008
Amended by Resolution No. 33756-10, February 23, 2010
Amended by Resolution No. 33919-13, March 26, 2013
Amended by Resolution No. XXXXX-13, April 9, 2013

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 Section 11908.1 of the Municipal Utility District Act, pursuant to Policy 4.14.

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, expense reimbursements must meet the following requirements;

1. Expenses must have been paid or incurred while performing services as a Director.
2. Expenses incurred and amounts paid must be substantiated within a reasonable period of time (within 60 days of expenses being incurred or expense payments being made. Any reimbursements not complying with the above deadlines must be paid under a non-Accountable Plan and treated as taxable wages.)
3. Excess advanced funds must be returned within a reasonable period of time (within 120 days of expense being incurred or expense payment being made.)

Authorization **Reimbursable Expenses That Require Prior Authorization**

- Conferences, seminars, or similar training courses requiring either 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 President of the Board approves all prior authorization requests from the Board of Directors. The Vice President of the Board approves all prior authorization requests from the President of the Board, and in the President's absence, may approve Board authorization requests. In the absence of the President and/or the Vice President, the Immediate Past President may also approve authorization requests.

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.
- Training with no registration fee or overnight stay.

- Business meetings or Director 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.
 - Tolls - No receipt required.
 - Parking - Receipt required.
 - Monthly internet charges – Reviewed and approved by Information System Division Manager.

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:

- The 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% for breakfast, 30% for lunch, and 50% for dinner. Current per diem rates can be reviewed at www.gsa.gov- click the link to "Per Diem Rates".

Meal expenses are reimbursable for board members under these specified conditions:

- For one-day training, conferences, seminars and trips, the cost of lunch is reimbursable if it is a business lunch (e.g. working lunch, meeting). Meals that are included as part of the fee for a conference, seminar or training course are allowed.
- Business meals incurred must be reasonable, necessary and at appropriate locations. Form X-003 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. These meals are not taxable.

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 expense 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 cab, 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 and will be reimbursed only when overnight absence from the Director's home is required. An itemized receipt must be attached to Form X-003. Overnight lodging is not authorized for conferences or seminars that are within the service area without specific advance 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 should be requested if these rates are less than otherwise posted rates.

When reserving a hotel reservation for a stay in California, tell the hotel you are a government employee and want the government rate if it is lower and you are exempt from any Transit Occupancy Tax (TOT) and will sign the TOT exemption form at check in. When you check in, show the hotel staff a District ID or a copy of your approved X-014 and sign their TOT exemption form. TOT on hotel bills will not be reimbursed by the District if the government employee exemption option was available.

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

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 print out 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 must accompany Form X-003 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% of the 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% 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 channels due to time or the value of the purchase.

**Not-Allowable
Expenses**

Meals

- For one-day training, conferences, seminars and trips, the cost of lunch is not reimbursable unless it is a business lunch (e.g. working lunch, meeting).
- 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 board members, and a board member and employees do not constitute a business meal eligible for reimbursement. Reimbursement will be for the actual cost of the expense with attached itemized receipt(s). These meals are not taxable.

Alcoholic beverages are not reimbursed except for specific events with the prior approval of the Board President.

Car Rentals

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

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 expense.

Form X-011 Board Travel and Expense Authorization

Form X-011 must be completed by the Office of the Secretary for each Director for reimbursement of expenses before the expense is incurred unless these guidelines specifically state otherwise and must be completed by each Director for all travel and approved by the President of the Board of Directors. Form X-011 becomes a public record upon submission for payment.

Processing X-011

Director:

- Requests Secretary of the District to complete Form X-011 before expenses are incurred.
- Attaches a copy of the conference, seminar or training course schedule/agenda to the Form X-011.
- Provides written justification stating business purpose for the expense with the Form X-011.
- Completes the local TOT exemption form for lodging in California at time of check in if available in that city.
- Travel advances must be submitted to the Office of the Secretary at least ten (10) working days prior to their scheduled departure date or event.

Note: The Director incurring the expense cannot approve his or her own Form X-011. The Form X-011 must be signed by a Director. In lieu of a signature, an email from the Director may be attached.

Office of the Secretary:

- Always checks the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- Prepares Form X-011, attaches the written request from the Director and obtains approval from the President of the Board.
- Reviews and approves use of District Purchase Card for travel and business related expense advances and direct travel-related expense payments for up to the total approval amounts shown on Form X-011 for transactions requiring payment via purchase/credit card.
- Determines the "reasonableness" of advances or expenses eligible for reimbursement based on time and location of travel, duration of trip and purpose of travel.
- Submits approved Form X-011 to the Accounting Division for processing.

President of the Board:

- Reviews and approves Form X-011 for reasonableness and forwards it to the Office of the Secretary.

Vice President of the Board:

- Reviews and approves, for the President of the Board and all other Board members in the President's absence, Form X-011 for reasonableness and forwards it to the Office of the Secretary

Immediate Past President

- In the absence of the President and/or the Vice President, reviews and approves for the President's, Vice President's or other Board member's Form X-011 for reasonableness and forwards it to the Office of the Secretary.

Accounting Division:

- Accounts Payable (AP) staff, under the direction of the Controller, audits requests sent to Accounting for compliance with procedures.
- Prepares expense advances and direct travel-related expense payments for up to the total approval amounts shown on Form X-011 for transactions requiring payment by check.

**Form X-003
Expense
Report**

Form X-003 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 Forms X-003 must include adequate documented explanations of the business purposes of the expenses. Form X-003 becomes a public record upon submission for payment.

**Processing
Form X-003**

Director:

- Completes Form X-003 and tapes supporting receipts on 8½ x 11 paper. For assistance with completing the Form X-003, contact 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.

Note:

- Note: Always check the Forms Shop for the current form. This form is updated to include current mileage reimbursement rates, regulatory and processing changes.
- The person incurring the expense cannot approve his or her own Form X-003.
- The Form X-003 must be signed by the Director. In lieu of a signature, an email from the Director may be attached.
- Send Form X-003 to the Office of the Secretary.

Office of the Secretary:

- Reviews Form X-003 and attachments.
- Sends Form X-003 to President of the Board for approval.
- Submits approved Form X-003 to the Accounting Division for processing.

President of the Board:

- Reviews and approves Form X-003 after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

Vice President of the Board:

- Reviews and approves Form X-003 for the Board President and all other Board members in the President's absence after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

Immediate Past President

- In the President and/or Vice President's absence, reviews and approves Form X-003 of the President, Vice President or other Board member after expenses are incurred to determine the need, appropriateness, and reasonableness of each item of expense.
- Sends approved Form X-003 to Office of the Secretary for final review before sending to Accounting.

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.

**Travel
Advances and
Prepayment of
Expenses.**

Directors requesting travel advances or prepayment of expenses for a business trip are required to 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 expense or cash advance, a copy of Form X-011 must be attached. In order to account for advances or prepaid expenses, Form X-003 must be submitted within 15 working days of completion of the business trip. Outstanding advance payments/balances must be returned to the District within 120 days of the completion of the business trip per IRS Publication 535 - Business Expenses, otherwise, the outstanding balance must be deducted from the director's paycheck.

For periodic expenses when an X-011 or travel advance is not required (tolls, BART fares, personal car mileage, etc) Form X-003 should be submitted within 60 days, otherwise, the expense being incurred must be reimbursed under a non-accountable plan, per IRS Publication 535, and treated as taxable wages and added to the director's W-2 (Wage and Tax Statement), Box 1 (Wages, tips and other compensation).

The Director can request a travel advance to cover the cost of the ticket on Form X-011. If the Director chooses not to purchase the 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 travel advance to be cleared by a subsequent approved Form X-003.

Cancellations

When traveling on District business, the Director must be reasonably certain that he/she will be able to complete the trip. Canceling a trip for personal reasons must be approved by the President of the Board 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 President of the Board. If a substitution needs to be made, notify the Secretary's Office and copy the President of the Board.

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. Charges to accommodate personal preferences will not be reimbursed. Use of frequent flyer miles will not be reimbursed.

Report to Board At the next Board Meeting, the Board member will make an oral or written presentation to the Board after business travel outside of the District service area or meetings attended at the District's expense is 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 President of the Board

AGENDA NO. 10.MEETING DATE April 9, 2013TITLE ADOPTING A PROCLAMATION IN RECOGNITION OF "SUNSHINE WEEK"☐ MOTION ☒ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Adopt the attached proclamation to commemorate the 262nd anniversary of James Madison's birth and national Sunshine Week and to affirm the District's ongoing commitment to openness, transparency and public accountability in the District's governance.

DISCUSSION

The annual "Sunshine Week" in March was initiated by the American Society of News Editors to coincide with the birthday of James Madison as a way to educate the public about the importance of open government. James Madison is hailed as the "Father of the Constitution" for being instrumental in the drafting of the United States Constitution and as the key champion and author of the United States Bill of Rights. The First Amendment to the U.S. Constitution is part of the Bill of Rights that prohibits the making of any law abridging the freedom of speech or infringing on the freedom of the press, among other protections. The Contra Costa Taxpayers Association invited EBMUD to participate in this year's "Sunshine Week" by adopting a proclamation commemorating the 262nd anniversary of James Madison's birth and reaffirming our ongoing commitment to openness, transparency and public accountability.

The attached resolution affirms the Board of Director's dedication to the concepts of effective and democratic government by promoting fair and open processes. As expressed in EBMUD Policy 6.04, the EBMUD 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 (AB 1234) training every two (2) years; and work in full cooperation with other public officials, unless they are legally prohibited from doing so. The resolution also affirms the District's diligence in supporting the public's right of access to public records maintained by the District and providing information to its ratepayers on a regular timely basis about the District's business, operations, plans and meetings both electronically and in paper, and the District's continuing commitment to set a high standard in maintaining openness, transparency and public accountability in the District's governance.

FISCAL IMPACT

Adoption of this resolution is not expected to have a significant fiscal impact on the District.

Funds Available: FY13		
DEPARTMENT SUBMITTING Office of the General Manager	DEPARTMENT MANAGER or DIRECTOR Cheryl A. Farr	APPROVED General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

RESOLUTION NO. _____

ADOPTING A PROCLAMATION IN RECOGNITION OF "SUNSHINE WEEK" IN
MARCH 2013

Introduced by Director

; Seconded by Director

WHEREAS, the East Bay Municipal Utility District ("EBMUD" or "District") is a municipal utility district responsible for supplying water and providing wastewater treatment service to customers in portions of Alameda and Contra Costa Counties and is a local agency as defined by the Ralph M. Brown Act and the California Public Records Act; and

WHEREAS, it is the policy of the State of California that local agencies exist to aid in the conduct of the people's business, that their actions be taken openly and their deliberations be conducted openly; and

WHEREAS, mindful of the right of individuals to privacy, the Legislature for the State of California has declared that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state; and

WHEREAS, EBMUD Board members are dedicated to the concepts of effective and democratic government by promoting fair and open processes as expressed in EBMUD Policy 6.04; and

WHEREAS, EBMUD 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 (AB 1234) training every two (2) years; and work in full cooperation with other public officials, unless they are legally prohibited from doing so; and

WHEREAS, the American Society of News Editors seeks to educate the public about the importance of open government by sponsoring "Sunshine Week" in March 2013 to coincide with the 262nd birthday of James Madison, the father of the United States Constitution, who wrote the First Amendment to the U.S. Constitution that guarantees freedom of speech and press and by extension, the right and need of the people and press to know what their government is doing; and

WHEREAS, the District works diligently in support of the public's right of access to public records maintained by the District and provides information to its ratepayers on a regular timely basis about the District's business, operations, projects and public meetings both electronically and in paper, and the District will continue to set a high standard in its commitment to timely notice, openness and transparency;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District does hereby adopt this proclamation to commemorate the 262nd anniversary of James Madison's birth by participating in national "Sunshine Week" and affirming the District's ongoing commitment to openness, transparency and public accountability in the District's governmental processes.

ADOPTED this 9th day of April, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 4, 2013

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager *ARC*

SUBJECT: Legislative Report No. 04-13

The following issues are being referred to the Board of Directors for action, as appropriate.

<u>STATE LEGISLATION</u>		<u>RECOMMENDED POSITION</u>
AB 416 (Gordon)	STATE AIR RESOURCES BOARD: LOCAL EMISSION REDUCTION PROGRAM	SUPPORT

Existing law designates the State Air Resources Board (CARB) as the state agency charged with monitoring and regulating sources of greenhouse gas emissions that cause global warming, in order to reduce greenhouse gas emissions.

AB 416 (Gordon), as amended on March 21, 2013, would create the Local Emission Reduction Program (program), and make moneys available from the state general fund to provide local assistance grants to local entities, including cities, counties, special districts, and metropolitan planning organizations, for purposes of developing and implementing greenhouse gas emissions reduction projects. According to the policy committee analysis, potential sources of funds may include auction revenues from the state's cap and trade program.

The program would be administered by CARB who would be responsible for developing standards for the distribution of funds for projects that reduce greenhouse gas emissions and maximize the ability to achieve one or more additional specified objectives. These objectives include decreasing air or water pollution, reducing the consumption of natural resources or energy, increasing the reliability of local water supplies, increasing solid waste diversion from landfills, or increasing electric vehicle infrastructure.

Funding priority would be given to projects that demonstrate one or more of the following characteristics: regional implementation, ability to leverage additional public and private funding, potential for co-benefit or multi-benefit attributes, potential for the program or project to be replicated, or consideration of geographic and socioeconomic issues. Funding would be available for both the development and implementation of innovative projects that create new systems or technologies, and the implementation of existing proven greenhouse gas emissions reducing projects.

According to the author's office, many local governments "have already taken action to reduce GHG emissions through a variety of different approaches...at the same time, the recent economic downturn has depleted many local governments' budgets and prevented projects from being funded or completed." AB 416 is intended to provide direct investments to local governments in order to assist them in implementing greenhouse gas emissions reducing projects.

With regard to EBMUD, AB 416 is consistent with EBMUD's sustainability program and its efforts to reduce greenhouse gas emissions. In addition, the measure would potentially provide future opportunities for grant funding of EBMUD projects such as the Resource Recovery Program, biodiesel project, and various water supply reliability projects.

EBMUD has previously supported legislation to encourage the use of renewable energy sources and reduction in greenhouse gas emissions. Earlier this year the board adopted a "support" position on AB 284 (Quirk), which would provide a basis for studying the feasibility of further reducing greenhouse gas emissions. AB 284 is pending in the legislature. In 2006, EBMUD supported the California Global Warming Solutions Act of 2006, AB 32 (Nunez), which established a statewide greenhouse gas emissions reduction target. AB 32 was signed into law (Chapter 488).

The current list of AB 416 support and opposition is shown below.

Support

Association of California Healthcare Districts
Audubon California
Bay Area Urban Forest Ecosystem Council
Bolsa Chica Land Trust
California Association of Sanitation Agencies
California Climate and Agriculture Network
California ReLeaf
California State Association of Counties
California Special Districts Association
California Urban Forests Council
Central Coast Urban Forests Council
City of Hayward
County of Santa Clara
Crestline Sanitation District
Environmental Defense Fund
Fulton-El Camino Recreation and Park District
Goleta Sanitary District
Green Cities California
Grizzly Flats Community Services District
Inland Urban Forest Council
Land Trust of Santa Cruz County

League of California Cities
Local Government Commission
Los Medanos Community Healthcare District
Marin Agricultural Land Trust
McCloud Community Services District
Menlo Park Fire Protection District
Monterey County Board of Supervisors
Peninsula Open Space Trust
Planning and Conservation League
Pleasant Hill Recreation and Park District
Rancho Simi Valley Recreation and Park District
Sacramento Urban Forests Council
Sonoma County Agricultural Preservation and Open Space District
Sonoma County Board of Supervisors
Sonoma County Regional Climate Protection Authority
Sonoma County Water Agency
South Tahoe Public Utility District
Street Tree Seminar/Los Angeles-Orange County Urban Forests Council
The Nature Conservancy
Three Valleys Municipal Water District
Urban Counties Caucus
Ventura County Resources Conservation District
Vista Irrigation District
Western Municipal Water District

Opposition

Central Coast Forest Association

AB 1365 STATE AND LOCAL AGENCY REPORTS: SUPPORT
(J. Perez) SUBMISSION TO LEGISLATIVE COUNSEL

Existing law requires or requests various state and local agencies to submit reports on specified topics to the legislature, the governor, or both, and requires those agencies when submitting a report to the legislature to file a printed copy of the report with the Legislative Counsel and the Secretary of the Senate, and to file an electronic copy with the Chief Clerk of the Assembly. Existing law also requires the Legislative Counsel to annually prepare, publish, and maintain an electronic list of all reports that state and local agencies are required or requested by law to prepare and file with the governor or the legislature.

AB 1365 (J. Perez), as introduced on February 22, 2013, would authorize state and local agencies who are required, or have been requested, to submit a report to the legislature, to submit either a printed or electronic copy of the report to the Legislative Counsel, instead of having to submit a printed copy, as is the case currently.

The legislature often requires or requests state and local agencies, via legislation or the state budget, to submit reports on a variety of topics to the legislature, the governor, or both. The submission of printed copies of reports can be time consuming and costly. By allowing state and local agencies, such as EBMUD, the option of submitting to the Legislative Counsel an electronic version of a report required by the legislature, AB 1365 would reduce the amount of paperwork, time, and cost to state and local agencies associated with preparing and submitting the report, and allow the Legislative Counsel to utilize a less burdensome and more cost effective manner to receive reports and maintain the list of required reports.

In 2010, EBMUD sponsored SB 1035 (Hancock), which was signed into law, and provided EBMUD lien authority for delinquent water and wastewater charges. Under the provisions of SB 1035 EBMUD is required to submit to the legislature, on or before January 1, 2015, a report regarding liens placed on property pursuant to the bill. In complying with reporting requirements to the legislature, AB 1365 would allow for the electronic submissions of any reports required to be sent to the Legislative Counsel.

EBMUD has previously supported measures to facilitate electronic reporting and reduce paper waste. In 2011, EBMUD supported AB 209 (Ammiano), which requires California Environmental Quality Act (CEQA) notices to include information on how draft CEQA documents can be obtained in an electronic format. AB 209 was signed into law (Chapter 171). In 2010, EBMUD sponsored a provision of the Senate Committee on Local Government Omnibus bill, SB 894, to clarify that the full text of revised watershed rules and regulations can be provided electronically. SB 894 was signed into law (Chapter 699).

There are currently no entities listed in support or opposition to AB 1365.

**SB 123
(Corbett)**

**ENVIRONMENTAL AND LAND-USE
COURT**

SUPPORT

Existing law establishes a statewide system of courts with a superior court of one or more judges in each county. Existing law requires the presiding judge of each superior court to distribute the business of the court among the judges, and to prescribe the order of business, subject to the rules of the Judicial Council. Existing law also requires that actions or proceedings brought pursuant to the California Environmental Quality Act (CEQA) to be given preference over all other civil actions by a trial court and requires that superior courts in all counties with a population of more than 200,000 designate one or more judges to develop expertise in CEQA and related land use and environmental laws.

SB 123 (Corbett), as introduced on January 18, 2013, would require the presiding judge of each superior court to establish an environmental and land-use division within the court to process civil proceedings brought pursuant to CEQA or in specified subject areas, including air quality, climate change, and water quality. SB 123 would also allow the Chief Justice of California to

consolidate the environmental and land-use divisions of two or more superior courts in contiguous counties into a single environmental and land-use division.

In addition, under SB 123, the Judicial Council would be tasked with identifying statutes within the specified subject areas that are within the jurisdiction of the environmental and land-use court division, and with establishing appropriate standards and protocols for these environmental and land-use court divisions to accomplish the objectives of consistency, expediency, and expertise.

According to SB 123, “environmental issues are often complex and fragmented, and conflicting aspects of environmental management and protections have made it difficult for governments, developers, communities, and advocacy groups to achieve consistent and long-range sustainable development.” SB 123’s requirement to establish an environmental and land-use division within each superior court is intended to maintain existing environmental protections while maximizing judicial competence, expediting CEQA proceedings, and providing more consistent rulings.

SB 123 could, by establishing a judge or panel of judges in each court with expertise in CEQA and other environmental and land-use subject areas, provide greater expertise and consistency in CEQA decisions, and expedite the decision making process in CEQA litigation and other environmental cases. This measure would not affect the integrity of the underlying CEQA statute.

There are currently no entities listed in support or opposition to SB 123.

ARC:MD:JF

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 4, 2013

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager *ARC*

SUBJECT: Monthly Report – March 2013

HIGHLIGHTS

The Walnut Creek Raw Water Pumping Plant No. 2 Electrical Safety Improvements project was completed March 7. After the substation fire and pump station flood in 2011, the project was amended to include complete reconstruction and enlargement of the electrical substation including a new transformer, bus duct, vertical break switches, power circuit breaker, and site work. The project also repaired all electrical and mechanical equipment damage from the flood including re-winding all raw water pump motors; refurbishing and balancing all raw water pumps; replacing the motor control centers; and providing a new building heating, ventilation and air conditioning system. The pumping plant is ready for use this summer if needed.

WATER SUPPLY AND WATER RIGHTS PROGRAMS AND ACTIVITIES

JSA Partnership adaptive management request approved by the State Water Resources Control Board (SWRCB). Due to dry conditions in January and February, an adaptive management request to save approximately 7,500 acre-feet of water from the March Joint Settlement Agreement flows was submitted to provide additional water for a fall pulse flow in October. The SWRCB approved the request on March 20. The pulse flow will help attract returning salmon to the Mokelumne River.

Staff continues to work with the SWRCB on water rights issues including the environmental impact analysis associated with the extension of Permit 10478 and additional change petitions. The Draft Environmental Impact Report (DEIR) is on target to be finalized in the spring of 2013. Staff shared drafts of pertinent sections of the environmental analysis with the fishery resource agencies at recent meetings and will incorporate suggestions into the DEIR.

Precipitation. The East Bay precipitation for March was 1.17 inches (30% of average, 13th driest March on record) and a season total of 16.64 inches (70% of average, 13th driest season to-date). The Mokelumne precipitation for March was 3.35 inches (47% of average, 18th driest March on record) and a season total of 29.38 inches (72% of average, 22nd driest season to-date).

Releases from Camanche Reservoir. Average rate of Camanche Reservoir release for March was 269 cfs (230 cfs generation, 0 cfs sluice, and 39 cfs through the hatchery), and the average flow below Woodbridge Dam was 130 cfs, both in accordance with the Joint Settlement Agreement "Below Normal" criteria for March 2013.

Mokelumne Reservoirs Storage. As of March 31, 2013, Pardee Reservoir level was at 557.0 feet or 96% of average, and the Camanche Reservoir level was at 225.2 feet or 114% of average. Combined Pardee and Camanche Reservoir storage was 519,000 acre-feet compared to 418,000 acre-feet last year.

Releases from East Bay Reservoirs. There are currently no East Bay reservoir releases.

East Bay Reservoirs Storage. As of March 31, 2013, USL Reservoir level was at 448.0 feet or 87% of average, San Pablo Reservoir was at 304.3 feet or 90% of average, and Briones Reservoir was at 561.5 feet or 86% of average. Total terminal reservoir storage was 124,000 acre-feet compared to 145,000 acre-feet last year.

Mokelumne Aqueducts and Raw Water Pumping Plants. Average rate of Mokelumne Aqueduct draft for March 2013 was 130 MGD. Mokelumne Aqueduct Nos. 1 and 2 were in service and Mokelumne Aqueduct No. 3 was out of service to support construction work. Walnut Creek Nos. 1 and 3 and Moraga Raw Water Pumping Plants (RWPP) remained out of service for the month. Walnut Creek No. 2 RWPP was operated for startup testing. Briones RWPP was restarted in late March to refill Briones Reservoir.

Water Production. Average rate of gross water production for March 2013.

	March 2013	March 2012	March 2011	Average of 2005-2007
East of Hills	43 MGD	30 MGD	25 MGD	33 MGD
West of Hills	118 MGD	112 MGD	109 MGD	130 MGD
Total	161 MGD	142 MGD	134 MGD	163 MGD
Max Day Production	176 MGD (3/13/2013)	164 MGD (3/11/2012)	143 MGD (3/31/2011)	

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

CUSTOMER EVENTS AND PUBLIC OUTREACH

The District chaired a seminar on wastewater pumps and valves for local collection systems staff, plant operators, maintenance personnel, and engineers, organized through the San Francisco Bay Section of the California Water Environment Association. The seminar was held at the City of San Leandro's Marina Community Center on March 12 and had over 125 attendees.

Staff-led environmental education program. On March 20, staff provided a program for a group of approximately 50 second, third and fourth grade students from Amador Unified School District. The students gathered near the Wildermuth House on the Pardee Reservoir watershed to learn a lesson in ornithology and participate in a service learning project to plant 24 elderberry bushes at Salt Gulch as part of the District's Safe Harbor Agreement.

National Engineers and Surveyors Week. Recent engineering and surveying technology achievements were highlighted and celebrated during the week of March 4-8. Activities included presentations by representatives from San Francisco Public Utilities Commission, CH2M Hill and CalTrans. Staff provided a surveying technology demonstration showing the latest instruments and technology being used at the District. In addition, various competitive challenges were held including the annual Egg Drop and Belt Sander Derby. Eleven project storyboards were posted in the Administration Building exhibiting the various planning, design, and construction work performed by the District staff.

Contract Equity outreach.

- **On March 26, the District partnered with Union Bank, Builders Exchange of Alameda County and Turner Construction to host the Fifth Annual Construction Management seven-week training program at the Administration Building.** The program provides practical tools to enhance small construction firms' business expertise and enable them to compete more effectively in a wider market. Topics will include "Project Delivery Systems & Contract Risk Management", "Construction Accounting Basics" and "Estimating, Bidding & Procurement". Over 40 people are registered.
- **On March 27, the Hispanic Chamber of Commerce of Contra Costa County hosted its Women of Success – Celebrating Women in Business conference connecting Hispanic women businesses with corporations and government agencies in Concord.** Staff disseminated District information on the Contract Equity Program, upcoming contract opportunities and the Small Business incentives. Approximately 150 participants attended.
- **On March 28, a public-private initiative hosted its Business Matchmaking 2013 in San Mateo.** Staff participated in the Matchmaking Session and disseminated District information on the Contract Equity Program, contracting procedures, and upcoming contracting opportunities. Over 400 business owners attended with District staff meeting one-on-one with 30 businesses.
- **On March 20, the San Joaquin County Hispanic Chamber of Commerce hosted its Latina Business Conference in Stockton promoting the utilization of women businesses.** Staff disseminated information on the Contract Equity Program, upcoming contract opportunities, and small business incentives. Approximately 100 Hispanic women business owners attended.

- **Staff participated in the following community events in March:**
 - March 12, City of Emeryville Chamber of Commerce – *Open House Business Mixer*
 - March 14, Hispanic Chamber of Commerce Alameda County – *Powerful Women of the East Bay 4th Annual Awards Luncheon* in Oakland.
 - March 20, National Association of Minority Contractors (Northern California Chapter) – *General Membership Meeting & Business Workshop* in Oakland.

Water Conservation outreach.

- **On March 13, staff gave a presentation to the Energy De Cal Class at UC Berkeley** on water supply, a water agency overview, and new technologies influencing the water conservation industry. Approximately 30 students attended.
- **On March 18, EBMUD and Contra Costa Water District co-hosted a water conservation workshop held at the Administration Building.** The workshop trained 50 private and public sector landscapers, and commercial and multi-family property managers to use a new landscape water conservation return-on-investment calculator tool.
- **On March 19, the District, PG&E, and the US Green Building Council co-sponsored the 10th Annual Water Conservation Showcase held at the PG&E Pacific Energy Center in San Francisco.** Over 600 participants attended presentations by 22 green building and water and energy leaders and viewed the 37 green product exhibits. Event presentations and photographs are available online at www.usgbc-ncc.org/water2013.
- **On March 20-21, staff participated in a two-day Water/Energy Nexus Workshop hosted by the California Public Utilities Commission in San Francisco.** Discussions included opportunities to advance joint water and energy utility efforts in pursuing energy and water efficiency strategies at the utility and consumer levels. Staff presented the District's energy management strategies, and water conservation programs and research. Approximately 90 people from around the state attended.

CAPITAL IMPROVEMENT AND FACILITIES MAINTENANCE

Administrative Change for Phase II Environmental Assessment for the U.S. Army Reserve Site Adjacent to the Main Wastewater Treatment Plant. On February 10, 2004, the Board of Directors awarded a contract to Geologica, Inc. for an Environmental Site Assessment (BOD Motion 022-04), which was subsequently amended to add funds in 2005 (Board Motion 060-05), 2006 (Board Motion 145-06), and 2007 (Board Motion 080-07). However, none of the Board motions included an end date. For administrative purposes, staff will establish an end date of March 1, 2018, because motions are not permitted to be passed in perpetuity. By making this change, prior Board motions will now have a defined end date and any change to that end date will require approval by the current or future Board of Directors.

Solar Turbines will install new fuel injectors to resolve issues with fuel injector damage.

Solar Turbines visited the Main Wastewater Treatment Plant on March 25 to install the new medium BTU injectors on the biogas turbine. It is anticipated that the medium BTU injectors will resolve the problems with fuel injector damage. Upon inspection of the existing fuel injectors, two injector tips were completely deteriorated. Solar Turbines is performing additional investigation to determine if the injector tips damaged any of the turbine blades. If no turbine blades have been damaged, the biogas turbine is anticipated to return to service during the first week of April.

Safe Harbor Agreement project at Murphy Creek on the Camanche Watershed begins. The four-acre site was cleared of non-native vegetation by CALFIRE crews and a mechanical masticator. When completed, the Murphy Creek restoration project will satisfy the District's commitment to restore 1,500 feet of streambed.

Pipeline. On March 4, 2013, District staff started Phase II of the Lincoln Avenue pipeline job by installing 3,814 feet of 16-inch steel water pipe in the City of Alameda. On March 15, 2013, District staff began installing 1,655 feet of eight-inch PVC water pipe in the City of Danville on Tunbridge Road.

The second of two aqueduct shutdowns for the Mokelumne Aqueducts Interconnection Project was completed March 22. The contractor removed sections of Aqueduct No. 3 and replaced them with new aqueduct pipe sections and 54" interconnection piping at Stockton and Bixler. At Walnut Creek, the new 84" isolation butterfly valve was installed on Lafayette Aqueduct No. 2. All outage work was completed three days ahead of schedule and Aqueduct No. 3 was returned to service.

The Berryman Reservoir Replacement was completed March 26. Floor leak repairs were successfully completed and the reservoir was placed in service. District staff also implemented a change to the Berryman Reservoir roof finish to reduce glare. Colored gravel was added to the roof to create a new two-tiered finish using red lava rock and black lava rock. This approach is functional, efficient and maintainable.

Security Upgrades.

- Adeline fleet facility upgrades were completed to prevent District materials and tools from being seen from the outside of the facility. These upgrades included designating parking stalls and signs for parking.
- A security window and barrier was installed in the Administration Building's 1st floor lobby at the Water Conservation service counter to address staff safety during public interactions. The window provides two-way communication and has a pass-through tray and door that allows the transfer of larger documents between staff and District customers.

WATER AND WASTEWATER SYSTEM OPERATION

There were three odor complaints at the Main Wastewater Treatment Plant (MWWTP) during February. Two of the odors could not be confirmed and the source was not determined. The third odor was determined to be the diversion of FOG and high strength wastes to the septage receiving station due to construction-related activities at the digesters. In response to these complaints, the dosing of the odor control chemicals was increased.

All discharges from the MWWTP complied with the permit limits in February. This is the 163rd consecutive month that the Main Wastewater Treatment Plant experienced no exceedances.

Staff is working with the City of Richmond on revising the scope of work for the Richmond Wastewater Services Joint Study. On February 20, 2013, the District sent a draft contract amendment to the City and since that time District and City staff have discussed changes to add more detail and include consultant funding for cost estimating support. The City also indicated they are moving forward with development of a parallel water quality study with the West County Wastewater District (WCWD).

The District submitted its Annual Pretreatment and Pollution Prevention report to the EPA and the RWQCB on February 28, 2013. The report highlights include compliance status of industrial accounts as well as participation in various outreach and education activities.

Waste Discharge Requirements (WDR). On December 11, 2012, the Central Valley Regional Water Quality Control Board (CVRWQCB) informed the District that it would dismiss 53 of 90 contested WDR violations at the District's upcountry facilities, and remove them from the California Integrated Water Quality System (CIWQS) database. The District met with the CVRWQCB on February 26 to discuss the remaining alleged violations. The CVRWQCB indicated that they do not plan to dismiss the remaining alleged violations because they were for issues (e.g., exceedances of numerical limits, exceedances of freeboard conditions, missing monitoring data, etc.) that did not comply with permit conditions. However, the CVRWQCB indicated that it would not be seeking enforcement action for many of these alleged violations.

Upcountry mine waste ponds. In a letter dated March 6, the CVRWQCB notified the District and the Bureau of Land Management (BLM) that it had reviewed and approved the *Engineering Evaluation/Cost Analysis (EE/CA)*, that the District and BLM jointly submitted on February 13, 2013. The recommended alternative consists of consolidation and capping of Upper Pond waste sediments and drainage improvements to the Middle and Lower Ponds at an estimated capital cost of \$2.0 million. Approximately 90 percent of the Upper Pond is located on BLM property. The next steps are to initiate the public comment process, finalize the EE/CA, and develop a cost sharing agreement.

March main breaks. The attached table lists the main breaks that were repaired by staff in March, sorted by city and street. The associated map shows the locations of the breaks geographically.

ORGANIZATION EFFECTIVENESS AND EFFICIENCY

Weekly salmonid redd surveys on the lower Mokelumne River were completed for the 2012/2013 spawning season. From October 23, 2012 – March 12, 2013 (21 survey weeks), 1,286 Chinook salmon redds and 63 steelhead/rainbow trout redds were identified.

Staff identifies endangered species in restored wetland at the Pavon mitigation site on March 6 and 7. One adult California red-legged frog was confirmed utilizing wetland 3. This is the first documented red-legged frog within the mitigation site.

The Mokelumne Watershed Headquarters Replacement Project received the American Society of Civil Engineers, Region 9, 2012 Outstanding Small Project Award. The District's first net-zero electrical energy building includes smart building concepts with proper site development and building orientation; low energy heating, cooling and lighting systems; solar power; and high performance building materials that limit heat transfer with the outdoor air and passively maintain optimal indoor air temperatures. The award was presented at the California Infrastructure Symposium and Awards Ceremony in Los Angeles on March 6.

District Employment.

Employment Information	March 2013	FY13 Totals
Retirements*	12	80
Other Separations	10	42
Hires	9	83

**Includes Vested Employees who left District employment and retired later.*

Tuition Reimbursement.

Tuition Reimbursement	March 2013	FY13 Totals
# of Employees	12	115
# of Classes	12	178
Total Reimbursed	\$4,231	\$81,302

FINANCIAL NEWS

The Net Mokelumne Power Revenue for March was \$227,212 vs. the \$557,584 planned. Inflows into Pardee for March were 41% lower than expected and generation was 36% of plan. The average electricity price was higher than plan at \$30/MWh. Renewable power and related Renewable Energy Credits (RECs) were sold to the Sacramento Municipal Utility District under the Power Purchase Agreement. REC revenue for March was \$37,885. Total net revenue through March is \$3,033,868 which is 53.2% of the annual budgeted revenue of \$5.7 million.

FY13	Net Revenue		Inflow (Acre Feet)	
	Plan	Actual	Plan	Actual
Jan-13	\$503,828	\$594,253	61,400	46,791
Feb-13	\$556,598	\$499,114	64,700	40,281
Mar-13	\$557,584	\$227,212	78,100	45,900
FY13 YTD Total	\$3,433,417	\$3,033,868	401,900	340,585

Bold items are estimated.

Monthly yield on all investments including reserve funds and proceeds for the Wastewater 2010B bond issue was 0.72%, a decrease of 0.01% from February 2013. New investments in March were at an average rate of 0.79%. The yield on 90-day Treasury bills on March 31, 2013 was 0.08%.

Average interest cost during March on outstanding commercial paper issued for the Water System was 0.18%, no change from February 2013. The average interest cost for outstanding Wastewater System commercial paper in March was 0.17%, no change from February 2013.

The District will see an FY13 impact to revenues from federal government “sequester” cuts. Each fiscal year the District receives a direct interest rate subsidy from the federal government related to its Build America Bonds in the amount of \$8.2 million (Water System), and \$2.7 million (Wastewater System) payable in two equal installments in November and May of each year. It is estimated that the May 2013 payments will be reduced by 8.7%, resulting in revenue losses of approximately \$360,000 and \$120,000 respectively for the Water and Wastewater Systems in FY13.

There were two contracts over \$70,000 and less than \$100,000 approved by the General Manager in March 2013.

VENDOR NAME	DATE AWARDED	CEP STATUS	ITEM(S) PURCHASED	PROJECT	CONTRACT TERM	VALUE
West, a Thomson Reuters Business	3/13/13	N/A Direct Award	On-line Legal Research	Sole Source	4/4/13-3/31/16	\$90,000
Fluid Imaging Technologies, Inc	3/13/13	White	FlowCAM VS-IVC Digital Imaging Flow Cytometer	Proposal 1313	Single Purchase	\$99,888

March 2013 Main Breaks (as of 4/2/13 10:25am)

	City	Bldg	Pr e	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On
1	BERKELEY	1911		8TH	ST	CAST IRON	6	1940	11,520	03/04/13	03/06/13
2	BERKELEY	1209		SANTA FE	AVE	CAST IRON	6	1922	34,560	03/06/13	03/07/13
3	EL CERRITO	914		SEAVIEW	DR	CAST IRON	6	1941	11,520	03/11/13	03/18/13
4	KENSINGTON	217		AMHERST	AVE	CAST IRON	6	1948	13,500	03/24/13	03/25/13
5	KENSINGTON	98		RINCON	RD	CAST IRON	6	1937	2,700	02/28/13	03/01/13
6	LAFAYETTE	959		JANET	LN	CAST IRON	6	1950	5,760	03/12/13	03/19/13
7	LAFAYETTE	1608		SPRINGBROOK	RD	CAST IRON	6	1946	5,760	03/01/13	03/04/13
8	LAFAYETTE	746		ST MARYS	RD	CAST IRON	6	1936	142,200	03/18/13	03/19/13
9	OAKLAND	1074		82ND	AVE	CAST IRON ASBESTOS	20	1916	5,760	03/05/13	03/11/13
10	OAKLAND	28		ARMANINO	CT	CEMENT	6	1978	2,700	03/27/13	03/27/13
11	OAKLAND	131		BAYO VISTA	AVE	CAST IRON	6	1923	1,800	03/20/13	03/20/13
12	OAKLAND	2860		CARMEL	ST	CAST IRON	12		450	03/14/13	03/19/13
13	OAKLAND	504		CATRON	DR	CAST IRON	6	1945	17,280	03/11/13	03/15/13
14	OAKLAND			GOLDEN GATE	AVE	STEEL	54		5,760	03/05/13	03/07/13
15	OAKLAND	156		HUNTER	AVE	CAST IRON	6	1943	5,400	03/11/13	03/11/13
16	OAKLAND	156		HUNTER	AVE	CAST IRON	6	1943	450	03/18/13	03/18/13
17	OAKLAND	2098		LEIMERT	BL	CAST IRON	6	1940	5,760	03/26/13	03/28/13
18	OAKLAND	2268		LEIMERT	BL	CAST IRON	6	1940	28,800	03/27/13	03/28/13
19	OAKLAND	544	W	MACARTHUR	BL	CAST IRON	4	1935	4,500	03/13/13	03/13/13
20	OAKLAND	544	W	MACARTHUR	BL	CAST IRON ASBESTOS	4	1935	1,350	03/14/13	03/14/13
21	OAKLAND	2115		MYRTLE	ST	CEMENT	8	1977	1,800	03/13/13	03/13/13

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22	OAKLAND	3002	WEST	ST	CAST IRON	6	1931	5,760	02/27/13	03/05/13
23	ORINDA	3	ALTARINDA	RD	CAST IRON	8	1955	11,520	03/04/13	03/11/13
24	ORINDA	10	IRVING	CT	CAST IRON	6	1946	11,520	02/26/13	03/01/13
25	RICHMOND	433	15TH	ST	CAST IRON	4	1937	900	03/11/13	03/11/13
26	RICHMOND	606	VENTURA	ST	CAST IRON	4	1932	11,520	02/28/13	03/05/13
27	SAN PABLO	2816	12TH	ST	CEMENT ASBESTOS	6	1960	1,800	03/24/13	03/24/13
28	SAN PABLO WALNUT	21	LAS MORADAS	CIR	CEMENT	6	1981	1,800	03/20/13	03/20/13
29	CREEK WALNUT	2425	TICE CREEK	DR	CAST IRON	12	1966	5,760	03/14/13	03/21/13
30	CREEK	2425	TICE CREEK	DR	STEEL	12	1966	11,520	02/28/13	03/07/13
TOTAL								371,430		

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 4, 2013
 MEMO TO: Board of Directors
 THROUGH: Alexander R. Coate, General Manager *ARC*
 FROM: Lynelle M. Lewis, Secretary of the District *Lynelle*
 SUBJECT: Planning Committee Minutes – March 26, 2013

Chair Katy Foulkes called to order the Planning Committee at 9:30 a.m. in the Training Resource Center. Directors Doug Linney and Lesa R. McIntosh were present at roll call. Staff present included: General Manager Alexander R. Coate, General Counsel Jylana Collins, Director of Water and Natural Resources Richard G. Sykes, Director of Engineering and Construction Xavier J. Irias, Associate Civil Engineer Hasan M. Abdullah, Engineering Manager William Kirkpatrick, Special Assistant to the General Manager Cheryl A. Farr, and Secretary of the District Lynelle M. Lewis.

Public Comment. None.

Bay Area Regional Desalination Project Update. Associate Civil Engineer Hasan M. Abdullah provided an update on EBMUD's partnership to study a Bay Area Regional Desalination Project with the Alameda County Flood Control and Water Conservation District – Zone 7, the Contra Costa Water District, the San Francisco Public Utilities Commission, and the Santa Clara Valley Water District. He reported that analyses, mostly conducted by agency staff, evaluated water wheeling and storage, considerations related to the Delta and fisheries, and impacts on greenhouse gases. He reported that District staff is working on cost estimates for wheeling water based on the results of the hydraulic analysis. Additionally, staff from other agencies are taking the lead on evaluating potential impacts of a project on the Delta water quality and supply conditions and sensitive fish species, and potential greenhouse gas emission issues. Mr. Abdullah pointed out that the analyses are near completion and two public workshops are scheduled in April to seek public and agency input on the work to date. Following the public outreach process, agency partners will make a determination of whether to proceed with environmental studies that would support detailed project planning. Staff projects that the fixed cost estimation will be completed by June 2013 and updates will be provided to the boards of partner agencies with recommended approach by fall 2013.

Happy Valley, Sunnyside and Donald Pumping Plants and Ardith Reservoir Project Update Update. Engineering Manager William Kirkpatrick presented a status update on four projects that had been reviewed some time ago in the District's Water Treatment and Transmission Improvements Program (WTTIP) Environmental Impact Report (EIR). Mr. Kirkpatrick reported that this set of projects is entering the design phase and staff has identified a need to hire specialized consultants to perform the architectural and landscape work and conduct acoustical engineering evaluations for the projects. He also reported that plans are

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April 4, 2013

underway, in compliance with a WTTIP EIR settlement agreement with the City of Orinda, to select and work with representative groups of local residents and city staff for input on the architectural and landscape plans and acoustical engineering evaluations for each project.

The next steps include Board consideration of contracts, initiation of the public involvement process and completion of the design for the facilities. A Local 2019 and a Local 21 representative each questioned the need for contracting for architectural, landscaping and design services for these projects and recommended that the work be performed by District forces. General Manager Coate said the District is aware of the union's concerns and that staff will be having discussions with the locals and will then return to the Planning Committee to present additional information on staffing for these FY14 projects.

Adjournment. Director Foulkes adjourned the meeting at 11:03 a.m.

ARC/LML/slb

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EAST BAY MUNICIPAL UTILITY DISTRICT

13.

DATE: April 4, 2013

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager

FROM: Lynelle M. Lewis, Secretary of the District

SUBJECT: Finance/Administration Committee Minutes – March 26, 2013

Director John A. Coleman called to order the Finance/Administration Committee in the Training Resource Center at 10:20 a.m. Directors Doug Linney and William B. Patterson were present at roll call. Staff present included: General Manager Alexander R. Coate, General Counsel Jylana Collins, Director of Finance Eric L. Sandler, Interim Director of Wastewater Kurt B. Haunschild, Internal Auditor Supervisor Barry N. Gardin, Inflow/Infiltration Program Manager Jacqueline T. Kepke, Special Assistant to the General Manager Cheryl A. Farr, and Secretary of the District Lynelle M. Lewis.

Public Comment. None.

Private Sewer Lateral (PSL) Program Fee Update. Inflow/Infiltration Program Manager Jacqueline T. Kepke presented an overview of the PSL program fees and the drivers behind fee changes that will be included in the FY14-15 proposed budget. She said that since the program began 19 months ago, experience has shown that program resource demands have been higher than projected. This is attributed to higher than expected levels of repeat inspections, more complex PSL configurations, higher than anticipated volumes of customer calls, and costs associated with processing \$4,500 deposits when PSL work will be completed after properties are sold. Staff will be proposing that the District increase the compliance certification fee for all properties and establish several new PSL-related fees that would only be charged to those property owners whose work requires additional work by the District (e.g., a repeat-inspection fee and fees for pursuing compliance by non-compliant properties). Ms. Kepke noted that all fees were calculated based on District costs and do not exceed the cost to provide the associated service.

Revisions to Wastewater Capacity Fees. Director of Finance Eric L. Sandler presented an overview of the proposed revisions to the wastewater capacity fee (WCF). Staff is proposing that the District revise the WCF as part of the District's FY14/15 rates and charges actions. Mr. Sandler said that the proposed WCF revision is the result of an independent third party review of the District's current WCF methodology. The recommendation includes an update to the design capacity value of the District's wastewater facilities which would reduce the design capacity from 120 MGD to 85 MGD as a result of changes in service area composition. It was noted that this 85 MGD projection is consistent with the assumptions in the District's Urban Water Management Plan and assumes the possible increase of the City of Richmond flows as well as a conservative safety factor to account for unanticipated growth or a growth in certain industrial sectors (e.g. breweries or wineries).

The District's WCF for a single-family residence would rise from \$1,235, to \$1,884. WCF fees for other types of customers, such as offices and restaurants, have a broad range depending on the estimated wastewater treatment loading for the facility. The proposed increase to the WCF would increase the fee for an average size restaurant from \$37,531 to \$56,694 as compared to others in the region whose fees currently range from \$19,709 to \$85,874. Staff plans to propose a phase-in of the wastewater capacity fee increase over a five-year period.

Investment Policy Annual Review. A report was provided in the Committee's packet regarding the annual review and update to the investment policy. There was no Committee discussion on this item.

Review of Revisions to District Policies. Internal Auditor Supervisor Barry N. Gardin briefly highlighted the changes to Policy 4.14 – Reimbursement of Director Expenses and Policy 9.05 – Non-Potable Water. General Manager Coate noted that there was a recommended clarification to the proposed language regarding the responsibility and authority of the Immediate Past President with regard to approval of director expenses. The recommended clarification was provided to the Committee for review. It was moved, seconded and carried to forward the proposed revisions to District policies to the full Board for consideration.

Adjournment. Director John A. Coleman adjourned the meeting at 10:57 a.m.

ARC/LML/lml