



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

375 – 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

AGENDA

**Planning Committee
Tuesday, July 12, 2016
9:15 a.m.
Training Resource Center**

(Committee Members: Directors Linney {Chair}, McIntosh and Young)

ROLL CALL:

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

DETERMINATION AND DISCUSSION:

1. Statewide Groundwater Management Act and Groundwater Sustainability Agency Formation (Sykes)
2. FY16 Emergency Preparedness and Business Continuity Readiness (Wallis)
3. Carisbrook Reservoir and Skyline Pumping Plant Replacements and Montclair Reservoir Rehabilitation – Project Update (X. Irias)
4. Tassajara Parks Project Update (X. Irias)

ADJOURNMENT:

Disability Notice

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Document Availability

Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 7, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *mlc*

FROM: Richard G. Sykes, Director of Natural and Water Resources *R. Sykes*

SUBJECT: Statewide Groundwater Management Act and Groundwater Sustainability Agency Formation

INTRODUCTION

On September 16, 2014, the CA Sustainable Groundwater Management Act (SGMA), which combined multiple bills, was signed into law by Governor Brown. SGMA applies to all groundwater basins in California and has extensive requirements for basins that the State of California Department of Water Resources (DWR) has designated as medium- or high-priority. EBMUD's service area overlies two medium-priority basins that will require compliance with SGMA. Consequently, EBMUD must identify if the District will become a Groundwater Sustainability Agency (GSA) with regulatory and management responsibilities for these basins. This memorandum presents information regarding GSA considerations and a suggested approach toward taking on GSA responsibilities for the two medium-priority basins within the District's service area. The District's approach to SGMA will be discussed at the July 12, 2016 Planning Committee meeting.

DISCUSSION

The western portion of EBMUD's service area has historically included numerous private (non-District) wells that provide groundwater for irrigation, commercial and other non-potable uses. Groundwater has never been a substantial local water supply and water quality has been variable with high salt levels in some locations. Nonetheless, groundwater is a valuable local resource which merits protection and management. EBMUD's interest in groundwater has focused on its potential as a supplemental supply in times of drought. The District built the Bayside Groundwater Project Phase 1 (Bayside) in the late 2000s, making use of a part of the local groundwater basin that lies in San Lorenzo. In 2012, the District completed a Groundwater Management Plan for the basin and subsequently accepted groundwater elevation monitoring responsibility under the California Statewide Groundwater Elevation Monitoring (CASGEM) program. The East Bay Plain Basin (East Bay Plain), which includes the Bayside Project, was designated in 2014 as a medium-priority basin by DWR.

In addition to the East Bay Plain, the District's service area overlies a portion of another medium-priority basin near San Ramon. That basin, which primarily underlies Zone 7 Water Agency's (Zone 7) service area, is named the Livermore Valley Groundwater Basin (Livermore Basin). The part of the Livermore Basin which lies under San Ramon has limited value as a

municipal supply due to low well yields and water quality concerns. Figures 1 and 2 illustrate the location of the East Bay Plain and the Livermore Basin as they relate to EBMUD's service area.

SGMA's passage fundamentally changes management of California's groundwater basins. The Act, which became effective on January 1, 2015, requires that groundwater basins designated as high- or medium-priority be managed sustainably. SGMA stipulates that GSAs be established for those priority basins and that a Groundwater Sustainability Plan be prepared by the GSA.

Under SGMA, GSAs are authorized (but not required) to:

- Adopt rules, regulations, ordinances and resolutions;
- Conduct investigations of water rights;
- Require well registration;
- Require well owners/operators to measure and report extractions;
- Require reporting of diversions of surface water to storage;
- Acquire property and water rights;
- Reclaim water;
- Impose well spacing requirements;
- Regulate groundwater extraction, including limiting or prohibiting groundwater production;
- Impose fees and assessments; and
- Undertake enforcement actions for noncompliance.

SGMA has set a deadline of June 30, 2017, to complete formation of GSAs for high- and medium-priority basins. Water agencies, cities, and counties are all eligible to become a GSA. Should EBMUD not assume GSA responsibilities, both Alameda and Contra Costa Counties could accept GSA authority. If no agency accepts GSA status, the responsibility passes on to the State. DWR would then manage the basin under a provisional status, but they would likely pass on the cost associated with providing that service to EBMUD and the counties, and perhaps take away eligibility for state grants. Hence there is considerable uncertainty if EBMUD does not become a GSA, in particular, the loss of control over basin management (present or future) as well as possible financial implications to the District. The District has held meetings with several stakeholders in groundwater management (counties, cities, DWR, water agencies) and the recommendations described below for the two basins are generally supported by those stakeholders.

Recommendation: East Bay Plain

EBMUD has hosted two GSA formation meetings with overlying cities, counties, and water agencies in the East Bay Plain, in addition to holding several one-on-one meetings with select stakeholders. The outcome of those meetings is as follows:

- EBMUD appears to be the logical choice to assume the GSA role for the portion of the East Bay Plain that it overlies.
- Neither Alameda nor Contra Costa County desire to be the GSA, yet they both have indicated a willingness to enter into a Memorandum of Agreement that stipulates their role as a key participant in GSA activities, their responsibilities such as well permitting

and inspection as it comes to Groundwater Sustainability Plan development and on-going basin management, and their commitment to support EBMUD in its role as the GSA.

- No cities that lie within EBMUD's service area have expressed an interest in SGMA or in being a GSA.
- The City of Hayward, which overlies the portion of the East Bay Plain outside of EBMUD's service area, is a likely GSA within its water service area.
- Alameda County Water District (ACWD) and the City of Hayward currently do not agree on the location of the southern boundary of the East Bay Plain (the portion of the basin that does not lie beneath EBMUD's service area). While that dispute does not impact the area of the East Bay Plain that EBMUD overlies, it could impact EBMUD should the two entities not reach an agreement in the years ahead. DWR would need to make some decision that addresses this dispute to enable a GSA to be in place for that southern portion of the East Bay Plain.

Staff recommends that the District apply to be the GSA for the portion of the East Bay Plain that the District overlies. Applying to be the GSA requires that the District hold a public hearing and prepare a simple submittal package that DWR will use to consider the merits of EBMUD taking on GSA duties. If EBMUD becomes the GSA, it will then have approximately five years to prepare a Groundwater Sustainability Plan. Costs for plan preparation have not yet been formally estimated but could range from \$500,000 to \$1 million. Implementation costs cannot be estimated at this time because they depend upon what actions are required to ensure long-term basin sustainability. There is not sufficient information to determine basin condition at this time.

Recommendation: Livermore Basin

Zone 7 has recommended an approach whereby they would serve as the GSA for the entire Livermore Basin and would enter into a Memorandum of Understanding (MOU) with key stakeholders, including EBMUD that stipulates the role that Zone 7 would play as the GSA. The MOU would include provisions that preserve the groundwater rights of stakeholders. A draft MOU has been reviewed by the District and Zone 7 has made the District's requested edits. District staff plans to sign the MOU after receiving feedback from the Board. Considering the fact that the Livermore Basin is not expected to be a water supply source for the District, staff recommends executing the MOU.

NEXT STEPS

The next stakeholder meeting will be held on July 19.

The formal hearing required to apply to be the GSA for the East Bay Plain is scheduled for the August 9 Board meeting. With Board input, the District plans to enter into the MOU with Zone 7 as it relates to the GSA responsibilities for the Livermore Basin.

RGS:MTT:TBF:acr

Attachments: Maps of the East Bay Plain & Livermore Basin

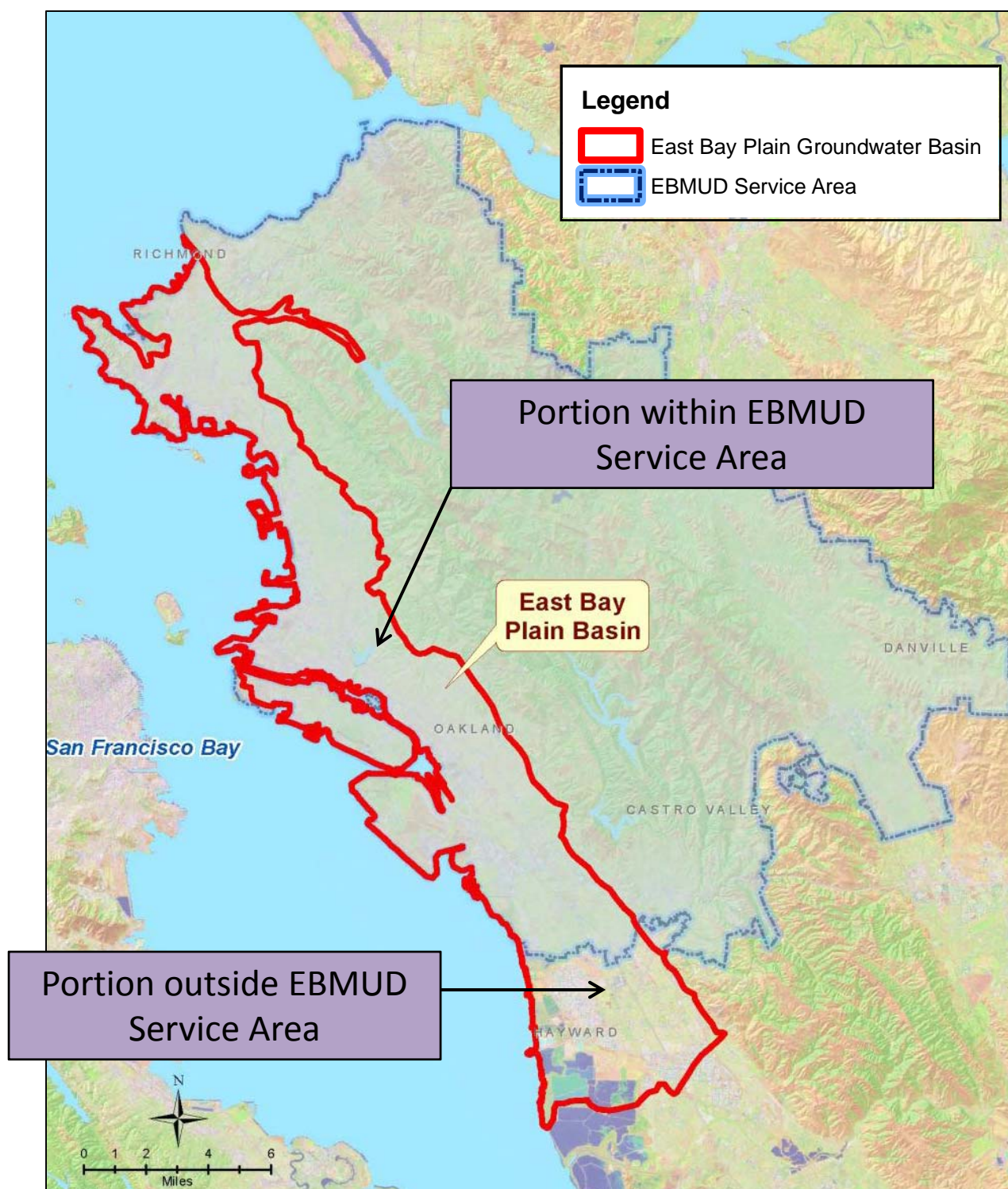
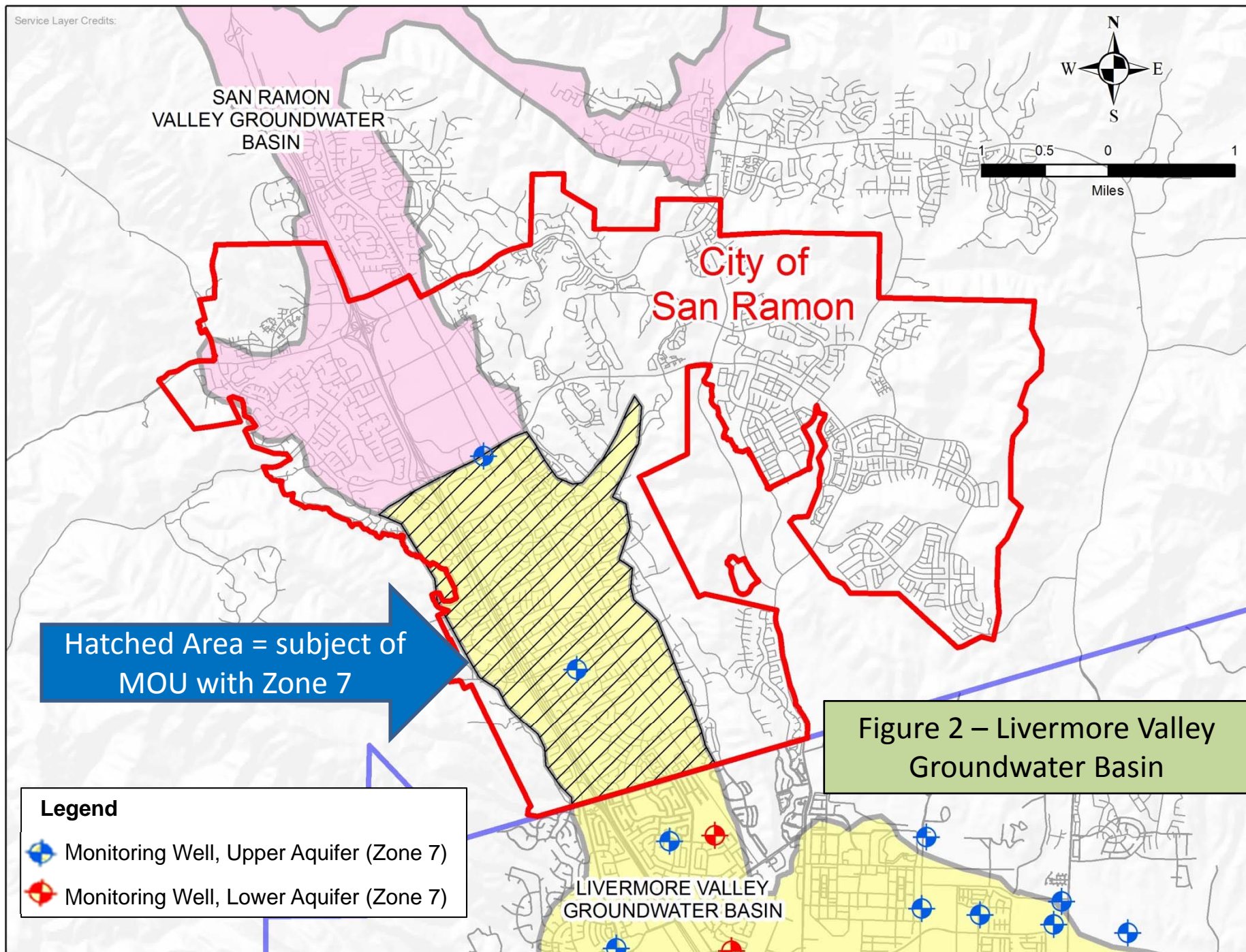


Figure 1 – East Bay Plain Groundwater Basin



EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 7, 2016

MEMO TO: Board of Directors

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

FROM: Michael J. Wallis, Director of Operations and Maintenance *MJW*

SUBJECT: FY16 Emergency Preparedness and Business Continuity Readiness

INTRODUCTION

Policy 7.03 requires the District to create and maintain an active Emergency Preparedness Program to manage its critical functions during an emergency, and to protect people, property, and the environment. The policy also requires the District to create and maintain a Business Continuity Program to minimize disruptions of critical business functions and to enhance its capability to recover operations following an emergency. The 2014 Strategic Plan provided three key performance indicators (KPIs) to measure performance in achieving the District's goals. This memo summarizes the District's readiness and the accomplishments in FY16 to support the policy and to guide next steps. The report will be discussed at the July 12, 2016 Planning Committee meeting.

SUMMARY

The District evaluates its Emergency Preparedness and Business Continuity Programs annually to determine readiness to respond to and recover from emergencies. In FY16, the District continued to make significant progress in mitigating risk, preparing for a disaster, and improving its readiness to respond to emergencies. To determine readiness, the District evaluates progress in five areas:

1. Planning: Updated five Business Continuity Plans (BCPs) and 22 other supporting facility or event-specific response plans. One emergency communication plan was drafted.
2. Training: Provided over 1,800 hours of employee training for emergency preparedness, response, and business continuity.
3. Tests and Exercises: Conducted or participated in 31 tests and exercises.
4. Mitigation: Completed physical security vulnerability assessment. Continued disaster recovery planning efforts for information systems and applications. Continued work regarding emergency supplies distribution.
5. Outreach and Coordination: Participated in three emergency preparedness fairs to educate customers and employees, and coordinated preparedness efforts with other utilities.

DISCUSSION

A number of hazards can impact the District's critical infrastructure and disrupt business functions. These hazards include earthquake, fire, infrastructure failures, pandemic, physical, and cyber-attacks. The Emergency Preparedness and Business Continuity Programs include preparing plans, conducting training and exercises, completing mitigation activities, and performing outreach efforts to diminish the impacts of these hazards. These activities prepare District staff for emergencies and business disruptions. These programs are part of a continuous improvement process requiring periodic review and revision. FY16 activities in the five focus areas are summarized below.

Planning

Staff created the District's Emergency Operations Plan Annex for Mutual Aid/Assistance and revised or developed 22 other supporting and event-specific response plans. These plans included updating nine existing Site Security Emergency Action Plans (SSEAPs), as well as creating eight new SSEAPs and nine new emergency response related plans. Together, these plans support emergency response activities for the District, and provide specific guidance and key contact information for employees at staffed facilities regarding various emergency and security incidents. BCPs were updated to incorporate the critical document plans, communication approach, and deployment instructions.

Training

Training provides employees with knowledge of District plans and skills to respond in an emergency. Emergency response, business continuity, and preparedness training was provided to over 986 employees totaling over 1,800 training hours. As Disaster Service Workers responsible for critical infrastructure and public health, District employees have critical roles in emergency response events. The District updated and created new training materials and outreach publications for employees to help clarify roles, responsibilities, and expectations in emergencies.

Exercises and Tests

Exercises and tests are designed to validate plans and to gain proficiency in response. The District conducted or participated in 31 exercises, including those with other agencies and mutual assistance partners. The exercises included a major functional exercise of the Emergency Operations Team (EOT), a workshop for the EOT Public Communications Section, functional exercises of alternative work locations, and a functional exercise of the District's emergency declaration process.

Information Technology Mitigation

District staff initiated numerous resiliency efforts in FY16 intended to mitigate risks to the District's information technology resources from potential interruptions. Examples include upgrades to data storage and database servers, deployment of additional network domain controller servers to remote sites, upgrades to the District's emergency notification service,

replacing network links with a more robust fiber network, and upgrades to District firewalls and web proxy equipment for internet security. In addition, the District renewed the agreement with Sacramento Municipal Utility District (SMUD) for sharing data center space. Some efforts in progress include the development of disaster recovery procedures for the finance and payroll systems, moving the call center to a cloud based solution, replacing the District's voicemail server, and upgrading storage at SMUD. Other efforts include ongoing implementation of mitigations recommended in the industrial control system vulnerability assessment.

Outreach and Coordination

District staff participated in several emergency fairs to educate customers and employees regarding the District's programs and how individuals should prepare themselves for emergencies. Staff also worked with other utilities – Las Vegas Valley Water District, Los Angeles Department of Water and Power, Pacific Gas and Electric, Contra Costa Water District, Santa Clara Valley Water District, San Jose Water Company, San Francisco Bay Area Federal Executive Board and the San Francisco Public Utilities Commission, to build relationships, enhance preparedness and coordination, and share ideas and lessons learned for a variety of security, emergency response, and business continuity challenges. The District remains active in the Business Recovery Managers Association, California Utilities Emergency Association, and Water Research Foundation to share information and best practices for emergency preparedness and business continuity. The District has begun reaching out to several cities within the service area to discuss expectations and coordination of post-disaster distribution of potable water.

FY16 Events

All the activities above support the District's efforts to respond to and recover from events. For any event that occurs, whether directly impacting the District or not, District staff look for opportunities to learn. Highlighted below are some key lessons learned and key outcomes from FY16 events.

1. During emergency events, accounting for staff and implementation of succession plans are key tasks. The District documented a record 98 percent response rate to the District-wide emergency communications system drill in March 2016.
2. In response to recent emergencies (e.g., the Valley Fire and the Augusta Street slide in Moraga) and exercises (EOT Functional Base Camp Exercise), the District reviewed key procedures and processes regarding mutual assistance and incident command. Documentation, communication, coordination, and reporting initiatives and improvements have been made to address areas for improvement.

By using the information and experience from different events, the District has improved the organization's capabilities and understanding. Lessons learned are captured in plans, training, mitigation plans, and procedures. As the programs evolve, the District improves its ability to respond and recover efficiently and effectively.

FY17 Initiatives

In FY17, in addition to routine program management activities, the District will review and update key plans and conduct tests, exercises, and training as outlined below:

1. Planning: Update BCPs and the Emergency Operations Plan and create two-three event-specific emergency communication plans for compliance with the Strategic Plan KPIs. Update the Business Continuity Program Plan and SSEAPs for remaining sites. Continue working with cities and other utilities on post-earthquake potable water distribution plans. Develop a Board of Directors BCP and succession plan.
2. Training: Continue to track compliance with District standards for minimum training in emergency response and business continuity for all levels of the organization.
3. Tests and Exercises: Continue conducting routine tests of communications systems and Marconi. Conduct BCP exercises for compliance with the Strategic Plan KPIs. Conduct EOT Functional Exercises on communications, protocol for damage assessment procedures, recovery of critical customers, and deployment of a fault crossing bypass hose system. Conduct an exercise of a critical information system recovery.
4. Mitigation: Continue to harden industrial control systems. Develop physical security mitigation strategies. Develop a disaster recovery plan for a critical information system. Update the District-wide Alternative Work Location Plan. Develop Earthquake Stores Plan to provide ready access to materials and supplies following an earthquake.

FISCAL IMPACT

The District continues to invest in cost-effective business continuity planning and emergency preparedness, and to look for ways to manage costs. Staff will continue to leverage opportunities and purchase orders for critical vendors. In addition, the District will build on existing relationships with other agencies and partners for mitigation strategies and logistics support.

NEXT STEPS

The FY16 program helped to promote awareness, identify areas for improvement, and implement mitigation plans that will reduce risk and minimize potential business interruptions. In FY17, staff will continue to report annually on the District's emergency preparedness and business continuity programs and these initiatives.

ARC:MJW:ss

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 7, 2016

MEMO TO: Board of Directors

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

FROM: Xavier J. Irias, Director of Engineering and Construction *XJI*

SUBJECT: Carisbrook Reservoir and Skyline Pumping Plant Replacements and Montclair Reservoir Rehabilitation – Project Update

INTRODUCTION

The Carisbrook Reservoir and Skyline Pumping Plant Replacements and Montclair Reservoir Rehabilitation Project will address necessary infrastructure improvements for these water distribution facilities. This memo summarizes the main elements and benefits of the project, as well as next steps. Staff will provide a presentation to the Planning Committee on July 12, 2016.

BACKGROUND

Built in 1940, Carisbrook Reservoir is a 3.4 million gallon (MG) partially buried concrete tank in the Montclair Hills in the City of Oakland. The existing reservoir has water quality, structural, leakage, and drainage issues. Skyline Pumping Plant is a 1.0 MG per day facility located on the Carisbrook Reservoir site and serves the Skyline Pressure Zone in the City of Oakland (see Figure 1). The plant, which was built in 1937, has obsolete mechanical and electrical components that pose electrical hazards to maintenance personnel. Skyline Pumping Plant cannot be operated without Carisbrook Reservoir in service and will be replaced concurrent with the reservoir replacement.

Built in 1937, Montclair Reservoir is a partially buried, 1.6 MG concrete tank in the City of Oakland (see Figure 2). Rehabilitation of this facility will address its aging and deficient condition, including corroded equipment and safety issues.

DISCUSSION

Project Scope

The project includes the partial demolition and replacement of Carisbrook Reservoir and the full demolition and replacement of Skyline Pumping Plant. The reservoir roof and parapet walls will be removed, the existing tank walls will be reinforced, and a new opening will be created in the west wall of the reservoir to allow access into the reservoir basin, where the new replacement

facilities will be constructed. The new Carisbrook Reservoir will be a 1 MG pre-stressed concrete tank. The new 1.1 MG per day Skyline Pumping Plant will be a concrete masonry building within the basin.

A new driveway will be constructed at the site of the existing driveway, maintaining current access to the site. Though construction of the new driveway will require removal of trees, existing trees and landscaping within the property perimeter will continue to provide screening for the site. Reusing the existing Carisbrook Reservoir walls will reduce the costs associated with excavation, shoring, and building a new retaining wall, while eliminating the need to construct screening for the new facilities.

Several off-site outage mitigation measures will be implemented during the upgrades to Carisbrook Reservoir and Skyline Pumping Plant to maintain a similar level of service. Figure 3 shows the location of these outage measures, which include:

- Installing a 0.2 MG temporary tank at the Round Top Pumping Plant site in Oakland.
- Placing a portable pumping plant at the Round Top Pumping Plant site, to be used in the event of a failure of the Round Top Pumping Plant.
- Installing a 12-inch temporary valve on East Bay Regional Park District land on Skyline Boulevard in Oakland, to maintain high water quality during the outage by isolating the Skyline Pressure Zone and allowing the Round Top Pumping Plant to fill Skyline Reservoir, without Berkeley Hills Reservoir remaining full.

Public Outreach and CEQA

Standard construction practices will be in use for all demolition and construction activities to ensure there are no significant environmental impacts, including measures to minimize noise, ground vibration, dust, and traffic generated by the project. Construction traffic is minimized by reuse of the existing Carisbrook Reservoir walls. Construction activities will generate vehicle trips during project construction, temporarily leading to increased traffic on local roadways. Construction truck traffic is expected to be minimal.

In February 2015, postcards were mailed to over 200 neighbors of Carisbrook Reservoir and Skyline Pumping Plant notifying them of the upcoming replacement work at the site. Subsequently, staff met with several neighbors to discuss their concerns, which were addressed as part of the design. A dedicated community affairs representative will address neighbor inquiries and concerns during construction. Signage will be posted at the construction site with community affairs representative contact information when construction begins. Notifications will be sent to neighbors as the construction start date approaches.

The replacement of Carisbrook Reservoir and Skyline Pumping Plant, and the rehabilitation of Montclair Reservoir, are exempt under the California Environmental Quality Act (CEQA). Staff filed a Notice of Exemption (NOE) for the Carisbrook Reservoir and Skyline Pumping Plant

replacement and all associated outage mitigations with the Alameda County clerk in July 2015. The project is exempt because it entails the replacement of existing facilities with no expansion of capacity. Staff filed an NOE for the Montclair Reservoir rehabilitation with the Alameda County clerk in August 2015. The project is exempt under CEQA guideline 15301, Rehabilitation of Deteriorated Facilities.

These projects will have no significant environmental effects relative to location, cumulative impact, scenic highways, and significant effect due to unusual circumstances, hazardous waste or historical resource. Replacement and rehabilitation of these facilities within the existing facility footprints ensures minimal impacts to the surrounding community and natural environment. Construction activity is expected to take place within the already developed footprint of each facility.

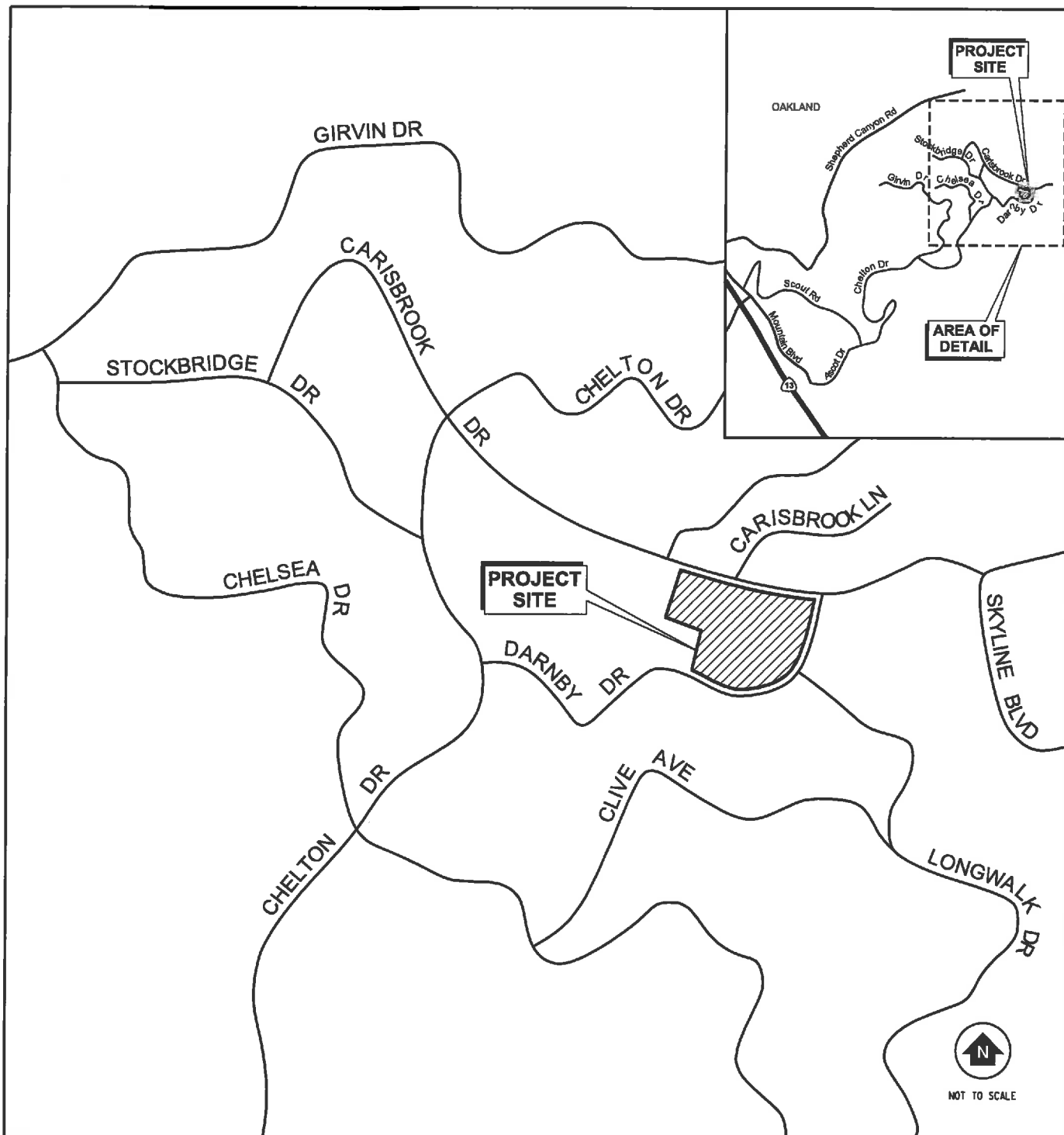
NEXT STEPS

The District opened construction bids on June 29, 2016. The construction contract will be presented for Board consideration at the July 26, 2016 meeting. If approved, construction will begin in fall 2016 and will take approximately two years to complete.

ARC:XJI:dvc

Attachments

I:\SEC\2016 Board Related Items\Committees 2016\071216 Planning Ctte\ENG – Carisbrook Reservoir and Skyline Pumping Plant Replacements and Montclair Reservoir Rehabilitation.docx



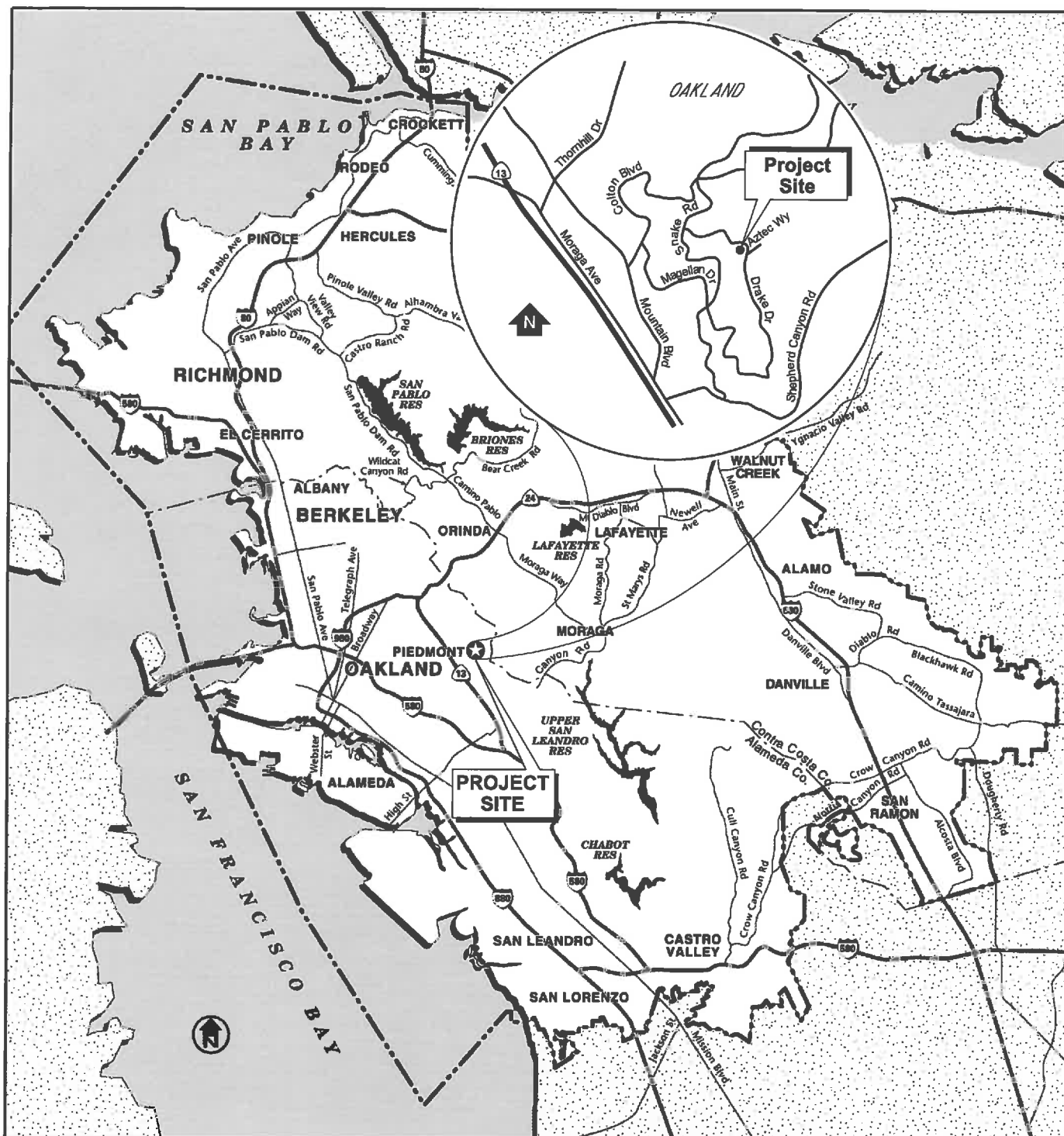
**PROJECT SITE
LOCATION MAP**

NOT TO SCALE

EAST BAY MUNICIPAL UTILITY DISTRICT

**CARISBROOK RESERVOIR
&
SKYLINE PUMPING PLANT**

FIGURE 1



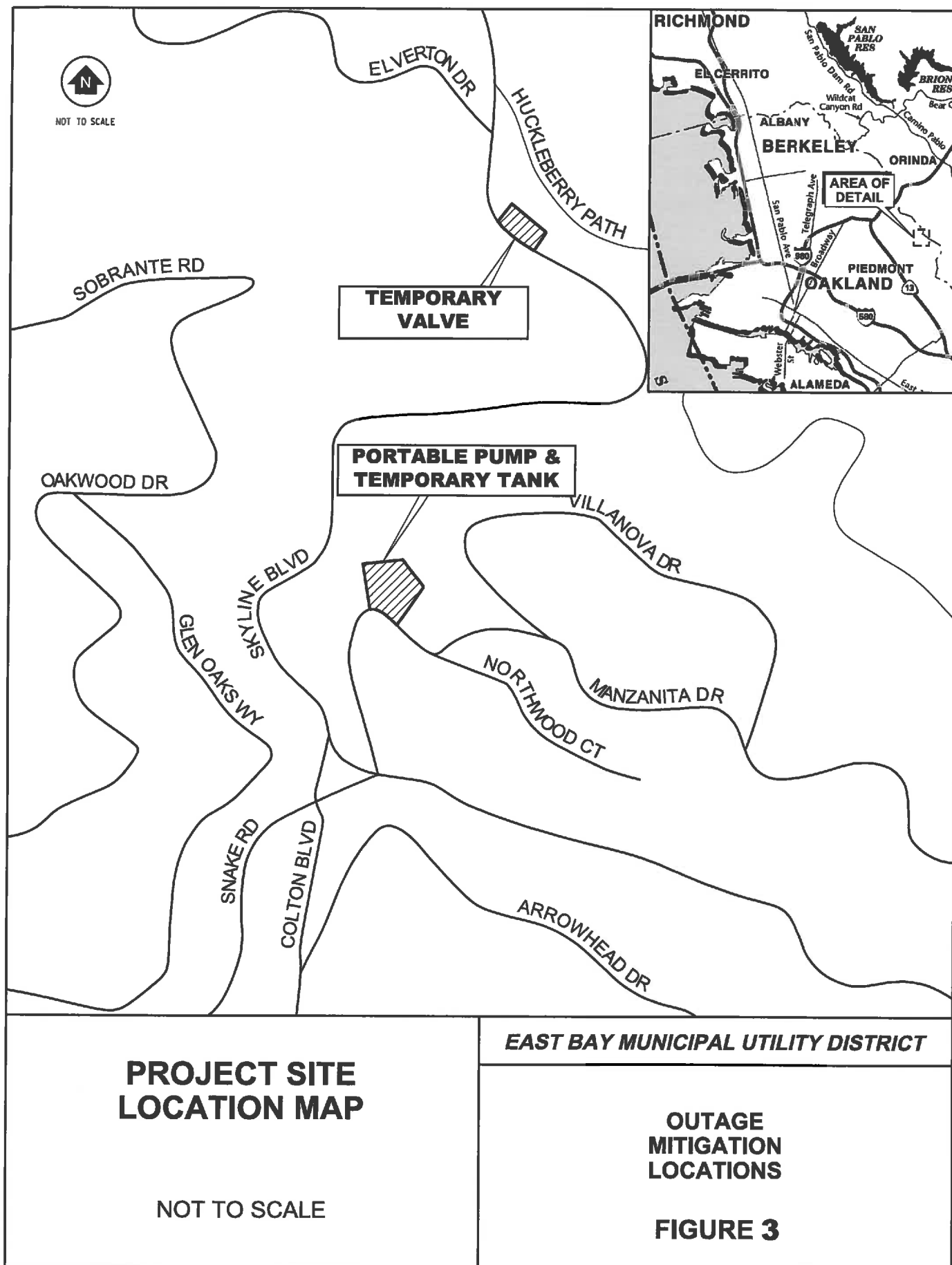
PROJECT SITE LOCATION MAP

NOT TO SCALE

EAST BAY MUNICIPAL UTILITY DISTRICT

**MONTCLAIR RESERVOIR
REHABILITATION**

FIGURE 2



EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 7, 2016

MEMO TO: Board of Directors

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

FROM: Xavier J. Irias, Director of Engineering and Construction *XJI*

SUBJECT: Tassajara Parks Project Update

INTRODUCTION

The District has received notification of the Draft Environmental Impact Report (EIR) for the Tassajara Parks Project (Project) from lead agency, Contra Costa County. The Project is located in an unincorporated area of Contra Costa County outside the District's Ultimate Service Boundary (USB) and outside Contra Costa County's Urban Limit Line (ULL). The Draft EIR identifies the District as the water service provider for the Project and requests the District to participate in implementing the Project's water supply strategy. In addition, Contra Costa County submitted an application to the Contra Costa Local Agency Formation Commission (LAFCO) for Sphere of Influence Amendments and Annexation to the District. Comments on the Draft EIR are due to Contra Costa County on July 18, 2016. This memo provides an update on the Project, including potential water supply strategies to serve the Project and District policies related to annexation of properties outside the USB and ULL. Staff will provide a presentation to the Planning Committee on July 12, 2016.

DISCUSSION

Background

The Tassajara Parks Project is comprised of two contiguous areas of land which are referred to as the Northern Site and Southern Site as shown on Attachment A. The Southern Site consists of approximately 616 acres and the Northern Site is approximately 155 acres. The Project proposes to develop the Northern Site with 125 single family homes on 30 acres with the remaining acreage being conveyed in simple fee to the East Bay Regional Park District (EBRPD) for parks, recreation, open space and agricultural use. A majority of the Southern Site (approximately 609 acres) would also be conveyed in simple fee to the EBRPD for parks, recreation, open space and agricultural use. The remaining seven acres would be dedicated to the San Ramon Valley Fire Protection District for use as a training facility.

The District previously provided written comments to Contra Costa County on earlier versions of the Project expressing opposition to annexation based on District Policies 3.01 Annexations, 3.05

Considerations for Extension of Water Beyond the Ultimate Service Boundary, and 3.08 Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line, which are provided as Attachments B through D, respectively, to this memorandum.

Annexation and District Policies

To provide water service to the Project, the Draft EIR proposes annexing the property into the District's USB. Any annexation is required to be consistent with District Policies 3.01, 3.05, and 3.08. As related to the Project, these policies provide important guidance.

- Policy 3.01 states that when the District considers annexing territory, the annexation shall either be within the USB or comply with Policy 3.08 (see below). Otherwise, the District will oppose any annexations located outside the USB, except in certain narrow circumstances inapplicable to the Project. Since the Project is entirely located outside of the USB, the District will, per the policy, oppose the annexation.
- Policy 3.05 states that the USB defines territory within which the District has planned to provide water service for both existing and future customers, and that the District will not extend water service outside the USB if it would adversely affect existing customers. The Project must demonstrate that the annexation would not adversely affect existing customers.
- Policy 3.08 sets forth events triggering an advisory election on proposed annexations outside the ULL. Since the Project is less than 200 units, Policy 3.08 states the District will oppose the annexation and the Board of Directors will determine whether to call an advisory election on the question of whether the Project should be annexed to the District.

Potential Water Supply Strategies

To meet the Project's water supply needs, the Draft EIR proposes two water supply alternatives: (1) water supplied through the transfer of water rights or "wheeling" of water from Calaveras Public Utility District (CPUD) or (2) potable water offset created by recycled water projects funded by the project sponsor. Staff reviewed the Draft EIR and found it provided insufficient water supply analyses to adequately demonstrate the feasibility of the two water supply options. The water demand estimate in the Draft EIR was also much lower than the flow estimated by staff based on standard water demand for single family residential homes in the surrounding areas, including the cities of San Ramon, Danville, and Alamo.

Staff identified the following issues with the CPUD water supply, Alternative 1:

- Based on a review of CPUD water rights, it is unclear whether a supply could legally be provided by CPUD to the Project, since the Project is located outside of Calaveras County and CPUD's place of use.

- The analysis provided in the Draft EIR was inadequate to demonstrate that “real” water not already available to the District exists for the Project; there was insufficient modeling and simulation of water supply and refill conditions.

Staff identified the following issues with the recycled water offset, Alternative 2:

- The feasibility was not fully demonstrated for a recycled water potable offset as the existing wastewater supply is insufficient and water treatment, pumping, and transmission systems have limited capacity and were not evaluated.

The Draft EIR did not analyze offsetting demands with a conservation offset as was done for the adjacent Camino Tassajara Integrated Project.

If all of the above water supply issues are resolved, such that real water is available for the Project, and if the Project is annexed into the USB per District policies, significant effort and lead time will then be required to increase water distribution system capacity, address potential impacts to the District’s water rights, and obtain approvals on the state and federal level. A cost reimbursement agreement to recover District staff costs associated with any work would be required in addition to project sponsor-funded improvements to the water distribution system.

Other Considerations

District staff is also requesting an analysis of growth-inducing effects the Project may have in the greater Camino Tassajara Valley, including for example existing residences on Finley Road which is adjacent to the Project. Per Policy 3.01, the territory proposed for annexation should include any parcels required to make a logical boundary. Residents of Finley Road have in the past requested the District extend service to them.

NEXT STEPS

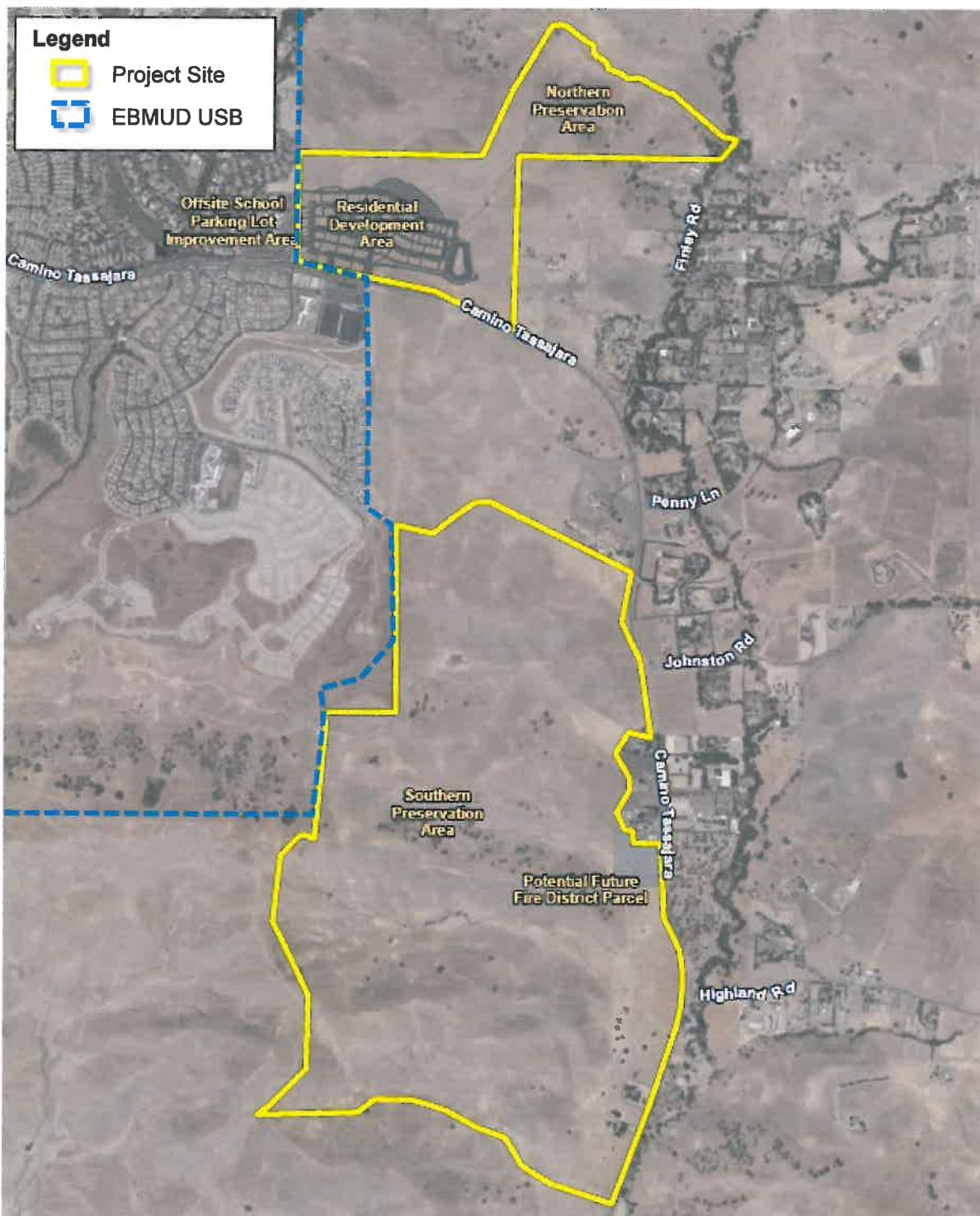
Staff will submit a written response to Contra Costa County on the Draft EIR prior to the end of the comment period maintaining the District’s opposition of annexation in accordance with Policies 3.01, 3.05, and 3.08, and comment on the deficiencies in the Draft EIR as discussed above. Staff will also be available to meet with Contra Costa County staff and the project sponsor to discuss water supply strategies. As the District was designated as the water provider for the Project, under Policy 3.08, staff will be coming to the Board of Directors at a future regularly scheduled public meeting to determine whether to call an advisory election on the question of whether such territory should be annexed to the District.

ARC:TRM:djr

Tassajara Parks Project Update
Planning Committee
July 7, 2016
Page 4

- Attachments:
- A. Project Site Plan
 - B. Policy 3.01 Annexations
 - C. Policy 3.05 Considerations for Extension of Water Beyond the Ultimate Service Boundary
 - D. Policy 3.08 Advisory Election for Annexations Outside the Contra Costa County Urban Limit Line

Tassajara Parks Project Site Plan (Exhibit 2-10 from the Draft EIR with EBMUD USB)





Policy 3.01

EFFECTIVE 24 NOV 15

SUPERSEDES 27 OCT 09

ANNEXATIONS

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

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

Conditions

Annexations are subject to the following conditions:

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

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

- If the proposed annexation extends beyond the Contractor Service Area of EBMUD's Central Valley Project (CVP) water supply contract, EBMUD shall request the United States Bureau of Reclamation (USBR) to include the proposed annexation in the Contractor Service Area in compliance with Article 35 of the CVP water supply contract. EBMUD shall also request the responsible Local Agency Formation Commission to condition water service to the annexed territory until receipt of USBR's formal approval of the inclusion.

**Territory Outside
of Ultimate
Service
Boundary**

EBMUD shall express opposition to all proposed annexations outside of the Ultimate Service Boundary unless:

- a) The requested annexation is a small boundary adjustment found by EBMUD to be in its best interests based on the following conditions:
 - (1) The property and dwelling units are the smaller part of a larger development project located primarily within the Ultimate Service Boundary;
 - (2) The development project is desired and approved by the city or county land use planning agency with jurisdiction, and the land use planning and environmental documentation recognizes EBMUD as the logical provider of water service;
 - (3) Annexation of the property to EBMUD represents the most practical and feasible method of obtaining water service;
 - (4) The cumulative number of dwelling units outside the Ultimate Service Boundary added as a result of such small boundary adjustments shall not exceed 100 in any two-year period;
 - (5) The project proponent has agreed to cooperate with EBMUD in adding the territory to EBMUD's permitted place of use and has agreed to compensate EBMUD for costs incurred; and
 - (6) EBMUD Policy 3.05 – Considerations for Extension of Water Beyond the Ultimate Service Boundary, and Policy 9.03 – Water Supply Availability and Deficiency, are satisfied with regard to the effects of extension of water beyond the Ultimate Service Boundary; or
 - b) The requested annexation is to mitigate health risks, as established by the appropriate agency, associated with existing water supplies; the project proponent has agreed to cooperate with EBMUD in adding the territory to EBMUD's permitted place of use; and has agreed to compensate EBMUD for costs incurred.
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Authority

Resolution No. 20996, June 8, 1962
Amended by Board Motion No. 91-012, February 14, 1991
Amended by Resolution No. 33116-98, August 11, 1998
Amended by Resolution No. 33365-03, July 8, 2003
Amended by Resolution No. 33634-07, October 9, 2007
Amended by Resolution No. 33732-09, October 27, 2009
Amended by Resolution No. 34059-15, November 24, 2015

References

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



Attachment C
Policy 3.05

EFFECTIVE 26 APR 16

SUPERSEDES 14 NOV 06

**CONSIDERATIONS FOR EXTENSION OF WATER
BEYOND THE ULTIMATE SERVICE BOUNDARY**

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

The District will not extend water to areas outside the present Ultimate Service Boundary (USB) of the District, if such extension could result in:

1. A reduction in the quantity of water available to District customers to satisfy existing or projected levels of demand; or
2. A reduction in the quality of water available to District customers from the District's present water sources; or
3. An increase in costs of service for District customers.

The USB defines the territory within which the District has planned to provide water service. The phrase "District customers" as used in this policy shall mean (i) existing water service customers of the District and (ii) future customers, located within the present USB, but not now receiving water service.

This policy shall not apply to proposed annexations of property to the District's service area within the USB. All extensions and annexations shall continue to be evaluated on a case-by-case basis.

Authority

Board Motion, adopted on March 8, 1983
Amended by Resolution No. 33236-01, February 13, 2001
Amended by Resolution No. 33564-06, November 14, 2006
Amended by Resolution No. 34080-16, April 26, 2016



Attachment D
Policy 3.08

EFFECTIVE 14 SEP 10

SUPERSEDES 14 OCT 08

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

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

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

Purpose	The purpose of the election shall be to submit to the voters within the EBMUD service area the question of whether territory outside said Urban Limit Line should be annexed to EBMUD.										
Events Triggering an Advisory Election	<ul style="list-style-type: none">EBMUD is identified by a local planning agency in its environmental documentation as the preferred provider to deliver potable water service to a residential development of 200 or more dwelling units located in territory beyond the Contra Costa County Urban Limit Line. In such cases, the matter shall be placed on the agenda for consideration by the Board of Directors at a regularly scheduled public meeting. If the Board of Directors determines not to oppose annexation of such territory to EBMUD, EBMUD shall call an advisory election on the question of whether such territory should be annexed to EBMUD. The advisory election shall occur prior to the time the Contra Costa County Local Agency Formation Commission is scheduled to consider annexation of the territory to EBMUD and, when possible, shall be consolidated with a general election.If a local agency designates EBMUD as the preferred provider for water service to a residential development in territory outside the Contra Costa County Urban Limit Line that is less than 200 dwelling units and is not covered by the provisions of Policy 3.01, then EBMUD shall oppose the annexation and the Board of Directors shall determine, at a regularly scheduled public meeting, whether to call an advisory election on the question of whether such territory should be annexed to EBMUD.This policy shall be applied consistent with and in furtherance of the provisions of Policy 3.01 – Annexations.										
Authority	Resolution No. 33347-03, January 28, 2003 Amended by Resolution No. 33564-06, November 14, 2006 Amended by Resolution No. 33687-08, October 14, 2008 Amended by Resolution No. 33780-10, September 14, 2010										
References	<table><tr><td>Policy 3.01</td><td>Annexations</td></tr><tr><td>Policy 3.05</td><td>Considerations for Extension of Water Beyond the Ultimate Service Boundary</td></tr><tr><td>Policy 3.07</td><td>Responsibility to Serve Water Customers</td></tr><tr><td>Policy 7.03</td><td>Emergency Preparedness/Business Continuity</td></tr><tr><td>Policy 7.09</td><td>Workplace Safety and Health</td></tr></table>	Policy 3.01	Annexations	Policy 3.05	Considerations for Extension of Water Beyond the Ultimate Service Boundary	Policy 3.07	Responsibility to Serve Water Customers	Policy 7.03	Emergency Preparedness/Business Continuity	Policy 7.09	Workplace Safety and Health
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