

MINUTES

Tuesday, November 27, 2018

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

Regular Closed Session Meeting

President Lesa R. McIntosh called to order the Regular Closed Session Meeting of the Board of Directors at 11:00 a.m. in the Administration Center Boardroom.

ROLL CALL

Directors John A. Coleman, Doug Linney, Frank Mellon, William B. Patterson, Marguerite Young and President Lesa R. McIntosh were present at roll call. Director Andy Katz arrived in Conference Room 8 at 11:15 a.m. (late arrival). Director Coleman was excused to leave the meeting at 11:15 a.m. to attend the Association of California Water Agencies' conference in San Diego.

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Assistant General Counsel Xanthe M. Berry (Item 1a, 1b, 2a and 2b), Risk Manager Karen K. Curry (Item 1a), Engineering Manager Elizabeth Z. Bialek (Item 1b, 2a and 2b), Attorney Derek McDonald (Item 1b, 2a and 2b), Manager of Customer and Community Services Andrew L. Lee (Item 3) and Manager of Real Estate Services Matt Elawady (Item 3).

PUBLIC COMMENT

- There was no public comment.

COMPETITIVE BIDDING BRIEFING

Assistant General Counsel Xanthe M. Berry presented an overview of competitive bidding requirements for the District as defined in the Public Contract Code and the Municipal Utility District (MUD) Act. She reviewed the District's process for publicly bidding contracts, the bid submission and review processes, and the definition of the "lowest, responsible bidder" as defined in the MUD Act. Ms. Berry explained the three types of bid errors that can cause a bid to be deemed "non-responsive" and the potential risks if the District does not adhere to competitive bidding requirements. The Board thanked Ms. Berry for the briefing.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President McIntosh announced the closed session agenda. The Board convened to Conference Room 8 for discussion.

Regular Business Meeting

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

ROLL CALL

Directors Andy Katz, Doug Linney, Frank Mellon, William B. Patterson, Marguerite Young and President Lesa R. McIntosh were present at roll call. Director John A. Coleman was excused to attend the Association of California Water Agencies' conference in San Diego.

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer and Secretary of the District Rischa S. Cole.

BOARD OF DIRECTORS

President McIntosh led the Pledge of Allegiance.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

- Addressing the Board was Cherrie Hollie-Williams, who commented on a main break on 39th Ave. and MacArthur Blvd., in Oakland and its impact to the street and the neighbors and asked if the main was scheduled for replacement. Ms. Hollie-Williams was referred to staff for follow up.

CONSENT CALENDAR

- Items 6 and 7 were pulled from the Consent Calendar for comment.
 - Motion by Director Mellon, seconded by Director Patterson, to approve the recommended actions for Items 1-5 on the Consent Calendar, carried (6-0) by the following voice vote: AYES (Katz, Linney, Mellon, Patterson, Young and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Coleman).
1. **Motion No. 167-18** - Approved the Special and Regular Meeting Minutes of November 13, 2018.
 2. The following correspondence was filed with the Board: **1)** Revised Policy 3.07R, Responsibility to Serve Water to Customers; **2)** Presentation entitled "Overview of Competitive Bidding Requirements," dated November 27, 2018; and **3)** Speakers' Bureau and Outreach Record CY18, dated November 27, 2018.
 3. **Motion No. 168-18** - Authorized an agreement beginning on or after January 1, 2019 with Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. for three years in an amount not to exceed \$330,982 with two options to renew for a two year period in an amount not to exceed \$473,035 to provide insurance brokerage and risk management services to the District. The total cost of the agreement over seven years shall not exceed \$804,017.

4. **Motion No. 169-18** - Authorized an agreement beginning on or after December 1, 2018 with Solar Turbines Incorporated starting at \$725,000 in the first year and escalating annually at the beginning of each calendar year at 2.5 percent for turbine service and repairs at the District's Main Wastewater Treatment Plant, with a total amount not to exceed \$3,820,000 over the five-year term of the agreement.
5. **Motion No. 170-18** - Approved the October 2018 Monthly Investment Transactions Report.
6. **Approve revisions to the following District policies: Policy 3.07 – Responsibility to Serve Water Customers; Policy 4.17 – Risk Management; Policy 4.23 – Interest Rate Swap Policy; Policy 4.26 – Municipal Securities Disclosure; Policy 8.02 – Biosolids Management; Policy 9.03 – Water Supply Availability and Deficiency; Policy 9.04 – Watershed Management and Use; and Policy 9.07 – Dam Safety Program.**
 - General Manager Alexander R. Coate reported that during the Finance/Administration Committee meeting earlier today, the committee requested additional edits to Policy 3.07 to clarify that the introduction paragraph language pertained to customers in the District's service area. A revised copy of the policy was provided at Board places.
 - Motion by Director Mellon, seconded by Director Patterson, to approve the recommended action for Item 6, carried (6-0) by the following voice vote: AYES (Katz, Linney, Mellon, Patterson, Young and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Coleman).
- Resolution No. 35120-18** – Adopting Revised Policy 3.07, Responsibility To Serve Water Customers; Revised Policy 4.17, Risk Management; Revised Policy 4.23, Interest Rate Swap Policy; Revised Policy 4.26, Municipal Securities Disclosure; Revised Policy 8.02, Biosolids Management; Revised Policy 9.03, Water Supply Availability And Deficiency; Revised Policy 9.04, Watershed Management And Use; And Revised Policy 9.07, Dam Safety Program.
7. **Resolution No. 35121-18** – Appointing Kelley K. Smith As Manager Of Purchasing (*effective December 10, 2018*).
 - Director Mellon pulled Item 7 to congratulate Mr. Smith on his appointment. Mr. Smith thanked the Board for the opportunity and Manager of Purchasing Andy Akelman, Director of Finance Sophia D. Skoda and the Purchasing Division team for their support.
 - Motion by Director Mellon, seconded by Director Linney, to approve the recommended action for Item 7, carried (6-0) by the following voice vote: AYES (Katz, Linney, Mellon, Patterson, Young and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Coleman).
8. **General Manager's Report.**

General Manager Alexander R. Coate announced the latest version of the Speakers' Bureau and Outreach Record CY18 was at Board places and requested updates be provided to staff.

REPORTS AND DIRECTOR COMMENTS

9. **Committee Reports.**

- Filed with the Board were the Planning Committee Minutes of November 13, 2018.

10. **Other Items for Future Consideration.**

- None.

11. **Director Comments.**

- Director Coleman reported attending/participating in the following events: EBMUD Pump Station R3000 public meeting on November 13 in San Ramon; IL-U.S. Water Initiative meeting on November 14 in Walnut Creek; DERWA Board meeting on November 26 in Dublin; and ACWA Conference November 27-29 in San Diego. He reported on plans to attend the Contra Costa Mayors' Conference on December 6 in Walnut Creek.
- Director Mellon reported attending/participating in the following events: San Ramon City Council meeting on November 13 in San Ramon; Alameda County Special Districts Association monthly meeting on November 14 in Alameda; Alameda County Mayors' Conference on November 14 in Albany; and EBMUD Retirement Board meeting on November 15 in Oakland.
- Director Patterson reported attending/participating in the following events: Funeral services for President McIntosh's brother on November 20 in Richmond and West Oakland Teens of the 40s, 50s and 60s on November 23 in Oakland.
- Directors Katz, Linney, Young, and President McIntosh had no comment.

ADJOURNMENT

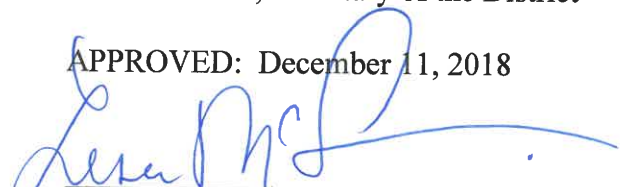
President McIntosh adjourned the meeting at 1:34 p.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: December 11, 2018



Lesla McIntosh, President of the Board