



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

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

Notice of Time Change

**LEGISLATIVE/HUMAN RESOURCES
COMMITTEE MEETING**

9:45 a.m.

Tuesday, January 10, 2017

Notice is hereby given that on Tuesday, January 10, 2017 the Legislative/Human Resources Committee Meeting of the Board of Directors has been rescheduled from 10:15 a.m. to 9:45 a.m. The meeting will be held in the Training Resource Center of the Administration Building, 375 - 11th Street, Oakland, California.

Dated: January 5, 2017

A handwritten signature in blue ink that reads "Lynelle M. Lewis".

Lynelle M. Lewis
Secretary of the District



**BOARD OF DIRECTORS
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AGENDA

**Legislative/Human Resources Committee
Tuesday, January 10, 2017
9:45 a.m.
Training Resource Center**

(Committee Members: Directors Patterson {Chair}, Coleman 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. Federal Legislative Initiatives for 2017 (Dumaine)
2. EBMUD and Peralta College Partnership for Workforce Development (Brunson)

ADJOURNMENT:

Disability Notice

If you require a disability-related modification or accommodation to participate in an EBMUD public meeting please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.

Document Availability

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



EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: January 5, 2017

MEMO TO: Board of Directors

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

FROM: Marlaigne Dumaine, Manager of Legislative Affairs *MD*

SUBJECT: Federal Legislative Initiatives for 2017

RECOMMENDED ACTION

Approve the proposed federal legislative initiatives for 2017 which focus on: 1) advancing EBMUD's interests in the context of protecting EBMUD's Mokelumne water rights, EBMUD's water supply reliability, and the Mokelumne fishery; 2) seeking federal funding opportunities for EBMUD projects via any new and existing federal programs; and 3) continuing to investigate federal efforts to promote healthy forests and watersheds, and identifying opportunities for EBMUD to engage.

DISCUSSION

The 115th Congress convened this month amidst a new dynamic of a Republican-controlled Congress with a Republican Administration set to take office later this month, the first time Republicans have controlled the White House and Congress since 2005-2006. Congress's policy agenda is likely to be focused on issues the new Administration identifies as priorities for its first 100 days, which is expected to include issues of interest to EBMUD, such as water supply reliability, species protection, and infrastructure. At the same time, Congress must also resolve fiscal year (FY) 2017 and FY 2018 spending. What remains uncertain at this time is how the Administration will approach regulatory issues that could impact EBMUD in areas such as enforcement of the Safe Drinking Water Act, the Clean Water Act, and the Clean Air Act, and whether any congressional action in these areas is planned. Accordingly, these areas are not included in the legislative initiatives. Staff will monitor activities in these areas and provide updates to the Board, as appropriate.

On the policy front, successful enactment of the California drought language, included in the Water Infrastructure Improvements for the Nation (WIIN) Act, will spur congressional efforts to re-examine federal natural resources policies and programs, including changing or overturning various statutes such as the Endangered Species Act (ESA) and the Central Valley Project Improvement Act (CVPIA). These discussions could pose significant risks to, and have important consequences for, EBMUD's water rights, water supply, the Mokelumne fishery and EBMUD's commitment to natural resources as an integral part of EBMUD's primary role to provide water supply and wastewater treatment services.

With regard to forest health, the issue of ensuring adequate funding for both forest management and wildfire suppression in the long-term has not been resolved. It is expected that Congress will continue to consider this issue in 2017.

On fiscal issues, Congress passed a Continuing Resolution in late 2016 to fund the federal government at existing 2016 levels through late April 2017. The need to address funding for the rest of FY 2017 could provide the new Administration and Congress an opportunity to reshape spending priorities before finalizing the FY 2017 budget. However, it is possible that Congress could instead opt to extend the current spending levels for FY 2017 in order to focus on enacting a FY 2018 budget by October. Regardless of the approach taken, it is expected that funding for infrastructure, including water resources, and drought relief will remain priorities.

In 2017, Congress may consider how to fund programs authorized in the recently passed WIIN Act. The WIIN Act includes a \$100 million increase to the United States Bureau of Reclamation's WaterSmart program, \$50 million for new recycling projects, \$30 million for desalination projects, \$20 million for the Water Infrastructure Finance and Innovation Act (WIFIA) program, and \$300 million for a nationwide grant program for projects to reduce lead in drinking water supplies, including replacement of lead service lines. In addition, Congress is also likely to continue to explore ways to develop new federal infrastructure funding assistance programs with discussions likely to include alternative financing proposals, such as ways to facilitate private financing. The issue of whether to eliminate local and state tax-exempt financing is likely to resurface whether in the context of larger infrastructure discussions or as part of any tax reform efforts.

Given the current lack of a clear pathway for securing federal funding, it will continue to be important to advance EBMUD's project funding needs, irrespective of whether the projects have existing Water Resources Development Act (WRDA) authorizations, with the Administration and EBMUD's congressional delegation.

EBMUD's 2017 federal legislative initiatives have been developed based on known congressional priorities at this time and are consistent with EBMUD's core mission. Once the new Administration is in place and has begun work on its priorities with Congress, staff will evaluate whether it is appropriate to bring new or additional initiatives to the Board for consideration.

EBMUD's 2017 federal legislative initiatives are focused on three items to address the areas of highest risk need, and opportunity for EBMUD in the context of the current congressional climate:

- 1) advancing EBMUD's interests in the context of protecting EBMUD's Mokelumne River water rights, EBMUD's water supply reliability, and the Mokelumne fishery;

- 2) funding; and
- 3) continuing to investigate federal efforts to promote healthy forests and watersheds, and identifying opportunities for EBMUD to engage.

FEDERAL INITIATIVE	ACTION
<p>1. Advance EBMUD’s interests in the context of Mokelumne River water rights, water supply reliability, and the Mokelumne fishery.</p>	<ul style="list-style-type: none"> • Staff will focus on EBMUD’s priority issues: <ul style="list-style-type: none"> ○ Protect EBMUD’s Mokelumne water rights. ○ Preserve EBMUD’s access to water transfers. ○ Protect regional water supply programs and projects, including the Freeport Regional Water Project. ○ Ensure that EBMUD’s ratepayers are not be held responsible for the flow obligations, project mitigations, or expected habitat restoration success of others, including the state and federal projects. ○ Protect the Mokelumne fishery by working to ensure that any policy or program revision, or project or project-related activity that would impact the Mokelumne salmonid fishery includes mitigation by the responsible parties for the impacts. ○ Support appropriate stewardship responsibilities for the CVP. ○ Support the preservation of the ESA and the CVPIA.
<p>2. Seek federal funding opportunities for EBMUD projects via any new and existing federal programs.</p>	<ul style="list-style-type: none"> • Pursue FY18 federal funding for WRDA authorized projects: the San Ramon Valley Recycled Water Project, the Integrated Regional Recycled Water Program, and seek to leverage the Bay Area Regional Desalination Project authorization as a component of the Bay Area Regional Reliability Project. • Advance EBMUD’s infrastructure funding needs, including but not limited to, the Capital Improvement Program, the Regional EBMUD Seismic Component Upgrade (RESCU) program, recycled water projects, projects to facilitate regional and/or local water supply reliability, projects or programs to facilitate climate change mitigation and resiliency, including water and energy conservation, and projects to facilitate renewable energy. Seek project assistance opportunities within the context of any discussions regarding drought or emergency relief.
<p>3. Continue to investigate federal efforts to promote healthy forests and watersheds, and identify opportunities for EBMUD to engage.</p>	<ul style="list-style-type: none"> • Support the State Administration in its advocacy that federal forest management funding is spent on forest management and not redirected to suppression or other efforts. • Monitor federal legislation on forest and watershed health, and identify potential opportunities for EBMUD to engage, particularly through its role in the Upper Mokelumne River Watershed Authority. • Continue to gather information at the federal level on efforts to fund both forest management and wildfire suppression, as well as efforts to promote forest and watershed health, and provide updates to the Board as appropriate.

FEDERAL INITIATIVES - 2017

INITIATIVE #1 – ADVANCE EBMUD’S INTERESTS IN THE CONTEXT OF EBMUD’S MOKELUMNE WATER RIGHTS, WATER SUPPLY RELIABILITY, AND THE MOKELUMNE FISHERY

Congress and the incoming Administration have indicated a clear interest in pursuing significant changes, including potentially overturning, critical federal natural resources statutes, policies and programs. This is expected to include the Endangered Species Act (ESA), which provides for the protection of endangered and/or threatened species and habitat, and the Central Valley Project Improvement Act (CVPIA), which governs management of the Central Valley Project (CVP) and provides important provisions for the protection, restoration, and enhancement of fish and wildlife, such as dedication of CVP water for environmental purposes and goals for the natural production of salmon.

Attempts to change federal natural resources statutes such as the ESA and CVPIA as well as possible efforts to further address drought and water resources issues would pose significant risk to EBMUD’s Mokelumne water rights, as well as water supply reliability in the context of access to transfers and the Freeport Regional Water Project, and the Mokelumne fishery.

For example, if the CVPIA is re-written to no longer require a portion of CVP water to be set aside for the environment this could harm water quality and species in the Delta, and lead to the State requiring others, such as EBMUD, to make up for the CVP water that would otherwise be going to the environment. This potential shift of responsibility would threaten EBMUD’s Mokelumne water rights by requiring EBMUD to release additional Mokelumne River water to offset impacts. This shift of responsibility could also pose a risk to EBMUD’s access to some water transfers if other entities no longer have excess water to sell as a result of having to make up for the CVP water that would have otherwise gone to the environment.

With regard to the Mokelumne fishery, changes to the ESA and CVPIA could allow various activities to benefit Delta exporters, such as allowing higher withdrawal rates from the Delta, repealing seasonal limitations on pumping, and increasing the time period when the Delta Cross Channel gates remain open, that would have the practical effect of harming the Mokelumne fishery. Potential harm includes increasing entrainment of juvenile salmon in the export pumps, increased exposure to predators, and straying of adult Mokelumne-origin fish to other rivers. CVPIA program funding for habitat restoration on the Mokelumne River, typically about \$100,000 per year, would also be at risk, further jeopardizing EBMUD’s efforts to restore and enhance the Mokelumne River ecosystem and fishery.

Given the clear expressed intent of congressional leadership to pursue significant changes to critical federal natural resources statute under the new Administration, it is vital that EBMUD continue to work to protect the security of its water rights, primary and dry-year water supply, and the Mokelumne fishery. Staff will continue to engage with EBMUD’s delegation and others to closely monitor the development of natural resources and water-related legislation or Administration policies, protect EBMUD’s interests, and communicate EBMUD’s needs.

Recommended Actions

Work with EBMUD's congressional delegation, the Administration, and relevant congressional committees, as appropriate, to advance EBMUD's interests and protect EBMUD's Mokelumne water rights, water supply reliability, and the Mokelumne fishery. Staff will focus on EBMUD's priority issues:

1. Protect EBMUD's Mokelumne water rights.
2. Preserve EBMUD's access to water transfers.
3. Protect regional water supply programs and projects, including the Freeport Regional Water Project.
4. Ensure that EBMUD's ratepayers are not be held responsible for the flow obligations, project mitigations, or expected habitat restoration success of others, including the state and federal projects.
5. Protect the Mokelumne fishery by working to ensure that any policy or program revision, or project or project-related activity that would impact the Mokelumne salmonid fishery includes mitigation by the responsible parties for the impacts.
6. Support appropriate stewardship responsibilities for the CVP.
7. Support the preservation of the ESA and the CVPIA.

INITIATIVE #2 – SEEK FEDERAL FUNDING OPPORTUNITIES FOR EBMUD PROJECTS VIA ANY NEW AND EXISTING FEDERAL PROGRAMS

Background

The 115th Congress is expected to continue to discuss water and wastewater infrastructure, and how to address providing federal assistance. It is anticipated that these discussions will occur largely in the context of implementing the Water Infrastructure Improvements for the Nation (WIIN) Act, the ongoing drought and providing assistance programmatically through federal agencies. Discussions will also likely include what role conventional funding via the State Revolving Fund Loan Program, Water Infrastructure Finance and Innovation Act assistance, tax-exempt financing tools, or other innovative financing approaches, such as private sector financing and infrastructure banks, may play in providing assistance.

In 2016, EBMUD pursued federal funding opportunities administratively and legislatively for EBMUD projects, including projects with existing Water Resources Development Act (WRDA) authorizations, such as the San Ramon Valley Recycled Water Project and the Integrated Regional Recycled Water Program. Though congressional efforts to provide direct water resources project assistance

legislatively were unsuccessful, EBMUD successfully secured a \$1,000,000 grant from the United States Bureau of Reclamation (USBR) to study the feasibility of using Advanced Metering Infrastructure.

A new Administration and the funding approach included in WIIN will require continuing to work directly with federal agencies to pursue funding through the federal budget process and/or through any discretionary funding opportunities. It will also be necessary to communicate to EBMUD's congressional delegation the importance of EBMUD projects and how those projects would benefit from funding. Congress will likely continue to consider ways to provide specific assistance for water supply reliability and emergency drought relief, though it is unclear whether Congress intends to provide any direct project assistance (e.g. earmarks). Staff will work with federal agencies and EBMUD's delegation to pursue any funding that may become available for EBMUD's infrastructure funding needs, including the projects described below.

San Ramon Valley Recycled Water Project

The San Ramon Valley Recycled Water Project is estimated to provide approximately 2.4 million gallons per day of recycled water for irrigation uses within the San Ramon Valley. Total joint project costs for the participating agencies (EBMUD and Dublin San Ramon Services District) are estimated to be more than \$150 million. Staff will continue to pursue the remaining \$450,000 (out of \$15 million) in the existing WRDA authorization for this project, as well as any level of additional funding that may become available, via federal agencies and EBMUD's delegation.

Integrated Regional Recycled Water Program

The 2008 enactment of WRDA provided a \$25 million funding authorization for the Integrated Regional Recycled Water Program project, though an appropriation for this project has not yet been secured. EBMUD staff will continue to pursue initial funding which would be used for the design and construction of the East Bayshore Recycled Water Project, which could ultimately supply up to approximately 2.5 million gallons per day of recycled water, and would include replacing the use of some potable water in portions of Alameda, Oakland, Emeryville, Berkeley and Albany.

Bay Area Regional Reliability Project (BARR)

BARR is a comprehensive regional reliability effort of eight water agencies, including Alameda County Water District, Bay Area Water Supply and Conservation Agency, Contra Costa Water District, EBMUD, Marin Municipal Water District, San Francisco Public Utilities Commission, Santa Clara Valley Water District and Alameda County Flood Control and Water Conservation District – Zone 7, to identify projects that provide water supply benefits and drought resiliency to the region. This effort will include evaluation of the Bay Area Regional Desalination Project which has an existing authorization of \$4 million that the project partners may seek to leverage as a potential avenue to secure funding for BARR.

While an appropriation from the authorization has not yet been secured, in 2015, EBMUD secured a \$200,000 grant from USBR for the development of the BARR Drought Contingency Plan. The BARR Drought Contingency Plan, currently underway, will evaluate how regionally focused water supply, water exchange, water treatment, and intertie projects can build drought resiliency for the Bay Area and is expected to be completed in fall 2017, at which time additional work will be needed to develop a

feasibility study. EBMUD staff will continue to pursue funding on behalf of the project partners and seek to leverage the existing authorization to secure additional future funding for BARR.

Regional EBMUD Seismic Component Upgrade (RESCU) Program

EBMUD's RESCU program recognizes the presence of several active earthquake faults that run through its service area in the East Bay and on-going seismic risks in the Delta. This program is intended to increase the seismic stability of the water system, including water storage reservoirs, pipelines, and facilities to treat and pump water. This would help protect the proximate densely populated urban communities from flooding during a major earthquake, and enhance EBMUD's water supply reliability. Components of the RESCU program include:

- Briones, Chabot, Upper San Leandro, and Lafayette Tower Seismic Upgrades;
- Dam Seismic, Operational, Surveillance, and Instrumentation Upgrades;
- Walnut Creek Treatment Plant Upgrades;
- West of Hills Master Plan Upgrades; and
- Mokelumne Aqueduct Protection, including ongoing levee upgrades.

The cost of the RESCU program is estimated to be \$250 million or more. Staff will continue to seek any level of funding that may become available via federal agencies and EBMUD's delegation.

Recommended Actions

Work with EBMUD's delegation, appropriate committee staff and the Administration to:

1. Pursue FY18 federal funding for WRDA authorized projects: the San Ramon Valley Recycled Water Project, the Integrated Regional Recycled Water Program, and seek to leverage the Bay Area Regional Desalination Project authorization as a component of the Bay Area Regional Reliability Project.
2. Advance EBMUD's infrastructure funding needs, including but not limited to, the Capital Improvement Program, the RESCU program, recycled water projects, projects to facilitate regional and/or local water supply reliability, projects or programs to facilitate climate change mitigation and resiliency, including water and energy conservation, and projects to facilitate renewable energy. Seek project assistance opportunities within the context of any discussions regarding drought or emergency relief.

INITIATIVE #3 – CONTINUE TO INVESTIGATE FEDERAL EFFORTS TO PROMOTE HEALTHY FORESTS AND WATERSHEDS, AND IDENTIFY OPPORTUNITIES FOR EBMUD TO ENGAGE

In the past few years, federal efforts with regard to forest and watershed health have primarily focused on congressional attempts to fund both forest management and wildfire suppression. Historically, when wildfire suppression funding levels have not been adequate, funds have been borrowed from wildfire preparedness, forest management, and other accounts in order to make up for shortfalls. In 2016,

Congress included a one-time increase in funding for fire suppression and borrowing from other wildfire or forest management accounts was not necessary. However, Congress is expected to continue to debate a more permanent solution in 2017. Past legislative approaches have sought to address the funding issue but have also contained various provisions that seek to bypass environmental protections or set a higher threshold to challenge a project.

With regard to federal efforts in the Mokelumne River watershed, in 2016, the United States Bureau of Land Management (BLM) implemented restoration efforts on BLM-managed areas in a portion of the Butte Fire zone. Though these efforts focused in large part on BLM lands in the Calaveras River watershed, EBMUD partnered with BLM on restoration projects on a modest portion of BLM property within the Mokelumne River watershed. In addition, in 2016, the Upper Mokelumne River Watershed Authority (UWMRA), a multi-agency entity of which EBMUD is a participant, signed a new stewardship agreement with the United States Forest Service (USFS) to enhance restoration and conservation in the watershed.

Staff will continue to investigate federal efforts in the Mokelumne River watershed. Of note, at this time, efforts are underway to implement a Community Forest Program on BLM land in the Mokelumne River watershed which has the potential to contribute to the long-term management and sustainability of the Mokelumne River watershed. Additionally, as a result of the agreement between UMRWA and USFS, UMRWA will procure and administer contracts for forest health work on USFS lands in 2017.

Recommended Actions

Work with EBMUD's congressional delegation, the Administration, relevant congressional committees, and others, as appropriate, to:

1. Support the State Administration in its advocacy that federal forest management funding is spent on forest management and not redirected to suppression or other efforts.
2. Monitor federal legislation on forest and watershed health, and identify potential opportunities for EBMUD to engage, particularly through its role in UMRWA.
3. Continue to gather information at the federal level on efforts to fund both forest management and wildfire suppression, as well as efforts to promote forest and watershed health, and provide updates to the Board as appropriate.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: January 5, 2017

MEMO TO: Board of Directors

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

FROM: Laura Brunson, Manager of Human Resources *Laura*

SUBJECT: EBMUD and Peralta College Partnership for Workforce Development

INTRODUCTION

The Peralta Community College District (Peralta) serves the educational and workforce readiness needs of the greater East Bay area through four community colleges (Berkeley City College, College of Alameda, Laney College, and Merritt College). The District is pursuing a partnership with Peralta to advance the District's workforce development goals. This item will be discussed at the January 10, 2017 Legislative/Human Resources Committee meeting.

SUMMARY

Beginning in July 2016, District staff and representatives from Peralta began discussions on collaboration and a partnership in workforce development. To provide Peralta administrators with an understanding of the District's needs, staff conducted tours of the Adeline Maintenance Center, Central Maintenance Service Yard, Fleet Facility and Main Wastewater Treatment Plant in August. Continued discussions between the District and Peralta have identified four opportunities outlined below. In addition, to reduce barriers to staff participation, the District will modify the existing tuition reimbursement program by advancing tuition costs, and developing a cohort program at the District with instruction through Peralta.

DISCUSSION

The District's 2016 Strategic Plan Workforce Planning goal of "creating an environment that attracts, retains, and engages a high performing diverse workforce" includes the strategy to develop employees to meet future workforce demands. The District and Peralta have partnered and identified four opportunities to advance this goal. These are:

1. Expand District employees' engagement in continuing their education in preparation for promotional opportunities;
2. Leverage District instruction with onsite learning programs;
3. Certify existing District programs to provide employees with college credit (e.g., Pipeline Training Academy); and
4. Diversify applicant pools.

District staff has begun to pursue the first two opportunities, and over the next six months, will engage on executing the remaining two.

In August 2016, the District and Peralta made a series of presentations to staff on the topic of “Options for returning to school.” Presentations were made to over 800 District employees, and introduced staff to Peralta, the benefits of the community college system, and the District’s tuition reimbursement program. Feedback from staff was positive with over 100 staff indicating a strong interest in attending college. The feedback revealed two significant roadblocks for employees to continue their education. The first is the economic challenge of paying upfront tuition costs until the District reimburses after successful course completion. The second is the inability of staff to attend classes at the college campus since many employees commute out of the area.

To address these roadblocks, staff is evaluating two potential solutions. The first is a no interest tuition loan program similar to the computer purchase and emergency preparedness loan programs. The no interest loans would be administered as part of the tuition reimbursement program. Participating employees would agree to pay back all funds loaned in the event the employee does not satisfactorily complete their educational program with a grade “C” or better. If the employee satisfactorily completes their educational program, then they would not need to repay the loan.

The second solution is an onsite cohort learning program at the District, facilitated by Laney College. The program is proposed to commence in fall 2017 and consists of a variety of classes that would enable staff to earn between 18-30 college-level units. The program would include a combination of general education, business management, and technical courses, with the intent of preparing participants for promotional opportunities. The ability for staff to participate at a District facility creates a strong opportunity for many employees to participate.

NEXT STEPS

A formal Memorandum of Understanding with Peralta will be brought to the Board for consideration in June 2017.

ARC:LB:DM:rdw