

MINUTES

Tuesday, May 23, 2017

**East Bay Municipal Utility District
Board of Directors
Orinda Community Center
28 Orinda Way
Orinda, 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 Room 9a/b at the Orinda Community Center in Orinda, CA. The Board met in Orinda as an exercise of the District's Emergency Preparedness Program and Business Continuity Program Plan.

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 at 12:11 p.m. (excused).

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Assistant General Counsel Xanthe M. Berry (Items 1a and 2), Workers' Compensation Manager and Risk Specialist Vladimir Bessarabov (Item 1a), Operations and Maintenance Department Manager Clifford C. Chan (Item 2), Manager of Customer and Community Services Sherri A. Hong (Item 2), Attorney Lourdes Matthew (Item 3), Manager of Human Resources Laura A. Brunson (Item 3), Manager of Employee Relations David Pak (Item 3), and Industrial Employers Distributors Association representatives Glenn Berkheimer and Bruce Heid (Item 3).

PUBLIC COMMENT

- Addressing the Board were the following: 1) Senior Water Treatment Operator Eric S. Gee, commented on the use and idling of EBMUD water treatment plants; 2) Senior Water Treatment Operator Paul R. Stelzmann, commented on the District's decision to place conventional water treatment plants in and out of service; 3) Senior Water Distribution Operator Joshua C. Bergstrom, commented on treatment plant operations; and 4) Business Agent Mike Hart, representing International Union of Operating Engineers, Local 39, commented on the District's practice of closing water treatment plants and potential impacts to Local 39 members.

The Board asked questions and requested that staff provide an information memo on the District's practice of placing water treatment plants in and out of service.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Lesa R. McIntosh announced the Closed Session agenda. The Board convened to Room 4 at the Orinda Community Center for discussion.

Regular Business Meeting

President Lesa R. McIntosh called to order the Regular Business Meeting of the Board of Directors at 1:15 p.m. in Room 9a/b at the Orinda Community Center.

ROLL CALL

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

There was no public comment.

CONSENT CALENDAR

- Motion by Director Mellon, seconded by Director Coleman, to approve the recommended actions for Items 1-12 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 075-17** – Approved the Regular Meeting Minutes of May 9, 2017.
 2. The following correspondence was filed with the Board: **1)** Presentation entitled, “EBMUD Board Member Succession Plan,” dated May 23, 2017; **2)** Presentation entitled, “Amendment to EBMUD Retirement System Ordinance (No. 40) – Section 21 Second Reading,” dated May 23, 2017; **3)** Presentation entitled, “Outreach Update: Telling Our Story, Managing Our Message,” dated May 23, 2017; and **4)** Speakers’ Bureau and Outreach Record CY17 as of May 22, 2017.
 3. **Motion No. 076-17** – Awarded a contract to the lowest responsive/responsible bidder, Grundfos Water Utility, Inc., in an amount, after the addition of taxes, of \$211,655 for supplying one 0.5 million gallon per day electric temporary pump package for University Pumping Plant Project, beginning on or after May 23, 2017, under Request for Quotation No.1706.

4. **Motion No. 077-17** – Awarded a contract to the lowest responsive/responsible bidder, Anvil Builders, Inc., in the amount of \$2,889,088.47 for construction of Grand Avenue Pipeline Replacement under Specification 2102.
5. **Motion No. 078-17** – Awarded a contract to the lowest responsive/responsible bidder, Myers and Sons Construction, LP, in the amount of \$5,362,000 for construction of Country Club, Schapiro, Berryman North Pumping Plants Rehabilitation and Road 24 No. 1 Pumping Plant Demolition under Specification 2112.
6. **Motion No. 079-17** – Awarded a contract to the lowest responsive/responsible bidder, Sierra Mountain Construction, Inc., in the amount of \$6,953,500 for construction of Bacon, Mendocino, and Pearl Reservoirs Rehabilitation under Specification 2121.
7. **Motion No. 080-17** – Authorized an agreement beginning on or after May 24, 2017, with California Generator Services in an amount not to exceed \$277,391 after the addition of taxes, to evaluate, repair, and commission the standby generator at Lafayette Water Treatment Plant.
8. **Motion No. 081-17** – Authorized an agreement beginning on or after May 23, 2017, with California Marine Diesel in an amount, after the addition of taxes, not to exceed \$1,771,942 for engine and turbocharger overhaul services for the Main Wastewater Treatment Plant Power Generation Station engines.
9. **Motion No. 082-17** – Authorized a temporary agreement with Chevron for recycled water service from the North Richmond Reclaimed Water Facility ending December 31, 2017.
10. **Motion No. 083-17** – Authorized a software maintenance contract beginning on or after June 1, 2017 with AssetWorks, LLC in an amount not to exceed \$135,000 for the FleetFocus software for a period of five years.
11. **Motion No. 084-17** – Authorized an amendment to the contract awarded to Golden Gate Freightliner, Inc., (dba Golden Gate Truck Center) under Board Motion No. 172-14 dated October 28, 2014 to increase the amount by \$8,400,000 for supplying medium and heavy duty trucks for the District's fleet for the remainder of the period ending October 28, 2019.
 - Director Coleman asked if the District had sought grant funding from the California Air Resources Board or the Bay Area Clean Water Agencies to offset purchasing costs for heavy and medium trucks. General Manager Coate advised staff would respond to the Board with an information memo.
12. **Motion No. 085-17** – Authorized the General Manager to execute Amendment No. 1 to the Agreement for the Sale of Recycled Water by the Dublin San Ramon Services District (DSRSD) - East Bay Municipal Utility District (EBMUD) Recycled Water Authority to DSRSD and EBMUD dated July 28, 2003.

DETERMINATION AND DISCUSSION

13a. **Approve revisions to District Policy 7.03 – Emergency Preparedness/Business Continuity.**

- Motion by Director Coleman, seconded by Director Young, to approve the recommended action for Item 13a, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Resolution No. 35037-17 – Adopting Revised Policy 7.03, Emergency Preparedness/Business Continuity

13b. **Approve an Emergency Succession Plan for the Board of Directors as part of the Office of the General Manager’s Business Continuity Plan.**

Attorney Derek T. McDonald reviewed the Emergency Succession Plan and the criteria and process for vetting and selecting successor officers. There was discussion and the Board asked questions about the criteria for successor officers. Staff requested that the Board submit all questions regarding the process to the Office of General Counsel. Staff will prepare materials for Board members to provide to potential successor officers, provide a schedule for plan implementation and poll other agencies to see if they have a similar plan in place.

- Motion by Director Coleman, seconded by Director Linney, to approve the recommended action for Item 13b, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Resolution No. 35038-17 – Adopting The Emergency Succession Plan For The Board Of Directors.

14. **Conduct a Second and Final Reading, and Vote on An Ordinance Amending Section 21 of the EBMUD Employees’ Retirement System Ordinance (Ordinance No. 40) to Update the Actuarially Assumed Rate of Return From 7.50 Percent to 7.25 Percent.**

Director of Finance Sophia D. Skoda provided an overview of the proposed amendments to Section 21 of the Retirement System Ordinance. The introduction and first reading of the Ordinance occurred during the May 9, 2017 Regular Meeting. If approved, the amendments will take effect 30 days after the revised Ordinance’s passage. The Municipal Utility District Act requires that the amendments be published once a week for two successive weeks in a newspaper of general circulation within the District’s service area.

There were questions regarding the Retirement System’s unfunded liability and funding ratio as compared to other agencies. Ms. Skoda advised staff would provide an information memo in response to the questions and an update to the Finance/Administration Committee on June 27, 2017.

Ordinance No. 367-17 – An Ordinance, Effective As Of July 1, 2017, Amending Section 21 Of Ordinance No. 40, Which Is The Employees’ Retirement System Ordinance.
(Second Reading and Vote)

15. General Manager’s Report.

Operations and Maintenance Department Manager Clifford C. Chan provided an update on District operations in the Mokelumne watershed. The season-to-date cumulative runoff in the watershed totaled 1,389 thousand acre-feet (TAF), the highest runoff on record through May 14. The District’s projected Water Year 2017 runoff totals 1,910 TAF, based on the Department of Water Resources May 1, 2017 snow survey, precipitation received to date, and anticipated precipitation. Staff continues to monitor runoff and snow conditions to manage flood control space in Pardee and Camanche Reservoirs in preparation for peak runoff from snow melt. The Camanche release is currently being maintained at 4,000 cubic feet per second and is assessed twice per week to ensure adequate flood control space to manage the peak runoff, and to bring the Pardee and Camanche system to full on July 1.

Special Assistant to the General Manager Alison A. Kastama presented an update on the District’s Fiscal Year 2017 outreach to customers. She noted that outreach goals include emphasizing the District’s core competency, increasing customer knowledge about financial stewardship, water quality, and emergency preparedness and the benefits of drinking tap water. She discussed the outreach methods used including posts to Twitter and Nextdoor, proactive press releases and media advisories, billboard and bus shelter ads, and the Customer Pipeline newsletter. She highlighted the “Take a Drink from the Sink” campaign and the weekly “EBMUD on the Job” postings to Twitter. The Board commended Ms. Kastama and staff on their work and asked staff to alert the Board when new “EBMUD on the Job” tweets are posted and to continue to advance disaster preparedness via the media.

In concluding, General Manager Coate said that staff had provided a copy of the latest Speakers’ Bureau and Outreach Record for CY17 at Board places. He also asked the Board to provide comments and feedback to staff regarding today’s meetings at the Orinda Community Center.

REPORTS AND DIRECTOR COMMENTS

16. Committee Reports.

- Filed with the Board were the Planning and Legislative/Human Resources Committee Minutes of May 9, 2017.

17. Other Items for Future Consideration.

None.

18. **Director Comments.**

- Director Coleman reported attending/participating in the following events: Interview with TV Reporter Phil Matier, KPIX Channel 5 News on May 10 in San Francisco; Annual City presentation at Town of Danville on May 16 in Danville; Contra Costa Realtors Association on May 18 in Danville; East Bay Leadership Council meeting on May 19 in Walnut Creek; EBMUD Ward 2 Briefing review on May 19 in Oakland; Kennedy-King Dinner on May 19 in Concord; Meeting at Lindsay Museum on May 22 in Walnut Creek; and Association of California Water Agencies (ACWA) teleconference meeting on May 22 in Oakland. He reported on plans to attend/participate in the following upcoming events: Ward 2 Briefing on May 25 in Lafayette; ACWA teleconference meeting on May 30 in Oakland; ACWA Executive Committee and Board meetings on June 2 in Sacramento; ACWA Executive Committee teleconference meeting on June 5 in Oakland; EBMUD Raining Pride Event on June 6 in Oakland; ACWA Nominating Committee meeting on June 6 in Oakland; and ACWA teleconference meeting on June 12 in Oakland.
- Director Katz reported attending an El Cerrito City Council meeting on May 2 in El Cerrito.
- Director Linney had no comment.
- Director Mellon reported attending/participating in the following events: Bay Planning Coalition reception on May 10 in Oakland; Alameda County Special Districts Association meeting on May 10 in Oakland; Bay Planning Coalition Conference on May 11 in Oakland; Ward 7 Briefing on May 16 in Castro Valley; and the EBMUD Retirement Board meeting on May 18 in Oakland.
- Director Patterson reported attending the ACWA Spring Conference May 9-12 in Monterey.
- Director Young had no comment.
- President McIntosh reported attending the ACWA Spring Conference on May 10 in Monterey and a Pinole City Council meeting May 16 in Pinole.

ADJOURNMENT

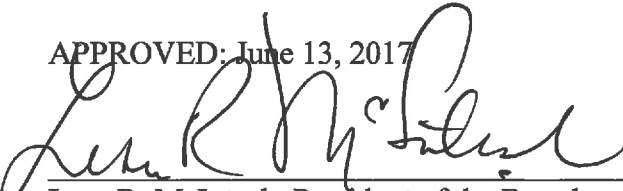
President McIntosh adjourned the meeting at 2:27 p.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: June 13, 2017



Lesla R. McIntosh, President of the Board