AGENDA
Tuesday, October 23, 2018

REGULAR CLOSED SESSION
11:00 a.m., Boardroom

ROLL CALL:

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

ANNOUNCEMENT OF CLOSED SESSION AGENDA:

1. Existing litigation pursuant to Government Code section 54956.9(a):
   a. Ivette Rivera v. East Bay Municipal Utility District
      United States Court of Appeals, Ninth Circuit, Case No. 17-16891

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

REGULAR BUSINESS MEETING
1:15 p.m., Boardroom

ROLL CALL:

BOARD OF DIRECTORS:

• Pledge of Allegiance

PRESENTATIONS:

• Government Finance Officers Association’s Fiscal Year 2017 Achievement for Excellence in Finance Reporting Award
• Association of Metropolitan Water Agencies’ 2018 Sustainable Water Utility Management Award

ANNOUNCEMENTS FROM CLOSED SESSION:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.
CONSENT CALENDAR:  (Single motion and vote approving 7 recommendations, including 1 resolution.)

1. Approve the Regular Meeting Minutes of October 9, 2018.

2. File correspondence with the Board.

3. Award a contract to the lowest responsive/responsible bidder, Myers Power Products, Inc., in an amount, after the addition of taxes, not to exceed $7,001,345 for supplying two prefabricated power buildings and associated electrical equipment for Maloney Pumping Plant and Sobrante Water Treatment Plant beginning on or after October 24, 2018, under Request for Quotation No. 1818.

4. Authorize an amendment to agreements awarded under Board Motion No. 168-16 dated September 27, 2016 to increase the amount by $850,000 to an amount not to exceed $3,350,000 for tree trimming and related services.


6. Approve agreements related to the East Bay Regional Wet Weather Consent Decree (Consent Decree).
   
   6.1 Authorize a Joint Exercise of Powers Agreement among the District, the Cities of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont, and the Stege Sanitary District forming a Collection System Technical Advisory Committee and establishing cooperative contracting, funding, and governance processes to address stormwater inflow and infiltration and other issues of shared concern with respect to the East Bay regional wastewater collection and treatment system.

   6.2 Authorize a Side Agreement for Consent Decree Compliance among the District, the Cities of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont, and the Stege Sanitary District allocating costs of Consent Decree performance evaluation, establishing a dispute resolution process, and apportioning responsibilities for Regional Private Sewer Lateral Program administration.

7. Appoint Director of Water and Natural Resources.           (Resolution)

DETERMINATION AND DISCUSSION:

8. Approve the proposed financing plan for Fiscal Year 2019.

9. Authorize execution of legal documents associated with extending Bank of America, N.A. Revolving Credit Agreement and Related Fee Agreement for Commercial Paper Notes (Water Series) Tax-Exempt Subseries A-2 until November 2021 at a fee of 0.30 percent per annum.          (Resolution)

REPORTS AND DIRECTOR COMMENTS:

11. Committee Reports:
   - Planning
   - Legislative/Human Resources
   - Sustainability/Energy
   - Finance/Administration

12. Other Items for Future Consideration.

13. Director Comments.

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, November 13, 2018 in the Administration Center Boardroom, 375 Eleventh Street, Oakland, California.

Disability Notice

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

Document Availability

Materials related to an item on this agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD’s Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.
<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting</th>
<th>Time/Location</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, October 23</td>
<td>Sustainability/Energy Committee</td>
<td>8:30 a.m. Training Resource Center</td>
<td>• Resource Recovery Program Update</td>
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<td></td>
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<td>• 2017 Greenhouse Gas Inventory</td>
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<td></td>
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<td>• Employee Commuting</td>
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<td>• Renewable Energy Update</td>
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<td>• Climate Action Policy</td>
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<td>Finance/Administration Committee</td>
<td>9:45 a.m. Training Resource Center</td>
<td>• Financial Review for FY18</td>
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<td>• FY18 Key Performance Indicators Report</td>
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<td>• Proposed FY19 Financing Plan</td>
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<td></td>
<td>• Extend Revolving Credit Agreement for Commercial Paper Notes (Water Series) Subseries A-1</td>
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<td>• Monthly Investment Transactions Report</td>
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<td>• Quarterly Financial Reports</td>
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<td></td>
<td>Board of Directors</td>
<td>11:00 a.m. 1:15 p.m.</td>
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<tr>
<td>Monday, November 12</td>
<td>Veterans’ Day</td>
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<td>District Offices Closed</td>
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<tr>
<td>Tuesday, November 13</td>
<td>Planning Committee</td>
<td>TBD Training Resource Center</td>
<td>Cancelled</td>
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<td>Legislative/Human Resources Committee</td>
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<td>Infrastructure Workshop</td>
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<td></td>
<td>Board of Directors</td>
<td>11:00 a.m. 1:15 p.m.</td>
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<tr>
<td>Wednesday-Thursday,</td>
<td>Thanksgiving Holiday</td>
<td></td>
<td>District Offices Closed</td>
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<tr>
<td>November 22-23</td>
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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, Marguerite Young and President Lesa R. McIntosh were present at roll call. Director Andy Katz arrived in Conference Room 8 at 11:20 a.m. (late arrival) and Director William B. Patterson was absent (excused).

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Assistant General Counsel Xanthe M. Berry (Items 1a and 2 (both matters)), Attorney Derek McDonald (Items 1a, 2 (both matters), and 3), Attorney Anna Parlato Gunderson (Items 1a, 2 (both matters), and 3), Attorney Jonathan D. Salmon (Item 2 (first matter)), Workers Compensation Manager and Risk Specialist Vladimir Bessarabov (Item 1a), Manager of Water Operations David A. Briggs (Item 2 (first matter)), Director of Wastewater Eileen M. White (Item 2 (second matter)), 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.

EMERGENCY NOTIFICATION SYSTEM BRIEFING

Manager of Business Continuity Julia R. Halsne provided an overview of how to use the District’s Marconi system. The system is a part of the District’s overall emergency notification system used to track vital information and the status of each user in an emergency. Ms. Halsne explained how the system is used during annual District emergency response exercises and advised Board members to contact the Business Continuity office if they required additional assistance using the system.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President McIntosh announced the closed session agenda. The Board convened to Conference Room 8 for discussion.
Regular Meeting Minutes of
October 9, 2018
Page 2 of 5

**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 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**

- Addressing the Board were the following: 1) Ivette Rivera, District Gardener Foreman, commented on three documents she filed with the District Secretary regarding her pending case in the U.S. Court of Appeals for the Ninth Circuit, the District’s Pathways Academy in 2008, and the District’s Fiscal Year 2016 Diversity and Inclusion Program Report; 2) Merhart Rassu, United Here, Local 2850, commented on the current employee strike regarding wages and benefits at the Oakland Marriott hotel; and 3) Eric Larsen, 1st Vice President, AFSCME Local 444, commented on the current employee strike at the Marriott hotels and asked the Board and staff to consider not patronizing the Marriott hotels or its affiliate properties until the labor dispute is resolved.

The Board requested information on the District’s upcoming, planned use of Marriott hotels and its affiliate properties for staff travel and events at the next Legislative/Human Resources Committee and Board meetings and that a letter be sent to Marriott International Inc. management regarding the labor negotiations.

**CONSENT CALENDAR**

- Motion by Director Coleman, seconded by Director Patterson, to approve the recommended actions for Items 1-11 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. 142-18** - Approved the Regular Meeting Minutes of September 25, 2018.

3. **Motion No. 143-18** - Awarded a two-year contract to the lowest responsive/responsible bidder, CEC Print Solutions, Inc., in an annual amount, after the addition of taxes, not to exceed $40,117 for supplying water bill forms, beginning on or after October 10, 2018 with three options to renew for an additional one-year period for a total cost of $200,585 under Request for Quotation No. 1816.

4. **Motion No. 144-18** - Awarded a contract to the lowest responsive/responsible bidder, Disney Construction, Inc., in the amount of $4,340,000 for construction of Fire Trail and Jensen No. 1 Pumping Plants Rehabilitation under Specification 2126.

5. **Motion No. 145-18** - Awarded a contract to the lowest responsive/responsible bidder, Con-Quest Contractors, Inc., in the amount of $3,046,150 for construction of the North Interceptor Relief Sewer (Virginia Street) Project under Specification SD-401.

6. **Motion No. 146-18** - Awarded a contract to the lowest responsive/responsible bidder, Granite Finance Solutions, dba Granite Data Solutions, in an amount after the addition of taxes not to exceed $2,145,957 for supplying Dell desktop and laptop computers.

7. **Motion No. 147-18** - Authorized a third amendment to the agreement awarded under Board Motion No. 066-15 with Carollo Engineers, Inc., for an additional amount of $550,985, increasing the agreement ceiling to an amount not to exceed $5,660,144 for additional engineering support services during construction and to develop as-built drawings for the Sobrante and Upper San Leandro Water Treatment Plants Ozone System Improvements Project.

8. **Motion No. 148-18** - Authorized the expenditure of funds beginning on or after October 10, 2018 in an amount not to exceed $100,000 annually for the placement of advertisements in newspaper publications for employment opportunities, legal notices, bidding opportunities and general public notices for five years at a total cost not to exceed $500,000.

9. **Motion No. 149-18** - Authorized the execution of a Subordination, Nondisturbance, and Attornment Agreement between the East Bay Municipal Utility District, Viridis Fuels, LLC and UMB Bank, N.A.

10. **Motion No. 150-18** - Approved the Water Supply Assessment requested by the City of Walnut Creek for the Walnut Creek North Downtown Specific Plan pursuant to California Water Code, Sections 10910-10915.

DETERMINATION AND DISCUSSION

12. Legislative Update.

Manager of Legislative Affairs Marlaigne K. Dumaine provided an overview of the bills contained in the Final Status of EBMUD Position Bills for the 2017-18 State Legislative Session report and an update on federal legislative activities. The report summarized the status of each bill that EBMUD adopted a formal position on as well as additional bills of interest that EBMUD considered but did not adopt a formal position on during the legislative session. Ms. Dumaine also provided the Board with a table grouping the list of bills in the report by topic based on a request from the Legislative/Human Resources Committee.


General Manager Alexander R. Coate noted the latest version of the Speakers’ Bureau and Outreach Record was at Board places and that he could answer questions regarding information contained in the General Manager’s Monthly Report for September. He also reminded the Board about the October 16, 2018 Special Board meeting and tour at the District’s Central Area Service Center.

REPORTS AND DIRECTOR COMMENTS

14. Committee Reports.

- Filed with the Board were the Finance/Administration Committee Minutes of September 25, 2018.

15. Other Items for Future Consideration.

- None.

16. Director Comments.

- Director Coleman reported attending/participating in the following events: Meeting with developer regarding potential EBMUD issues on October 1 in Oakland; Central Contra Costa Sanitary District and Dublin San Ramon Services District meeting on October 2 in Dublin; and Pardee BBQ and UMRWA Board meeting on October 5 at McLean Hall. He reported on plans to attend/participate in the following events: Dougherty Valley/San Ramon Rotary Club meeting on October 10 in San Ramon; EBMUD Board meeting and tour on October 16 in Oakland; EBMUD public meeting on the Recycled Water Pump Station R3000 Project on October 17 in San Ramon; and an East Bay Leadership Board meeting on October 19 in Pleasant Hill. Director Coleman also expressed appreciation to staff for organizing the Pardee BBQ.

- Director Mellon reported attending/participating in the following events: East Bay Economic Development Alliance meeting on September 27 in Pleasanton; California Shakespeare Festival production with staff on September 27 in Orinda; Democratic Unity Dinner on September 29 in Oakland; Pardee BBQ on October 5 at McLean Hall; and the Sausage and Suds Festival on October 7 in San Leandro. Director Mellon also reported on the success of the District’s Water on Wheels trailer at various events he has attended.
Director Patterson reported attending the Pardee BBQ and UMRWA Board meeting on October 5 at McLean Hall and requested that a final copy of the UMRWA Board resolution honoring UMRWA Executive Director Rob Alcott be filed with the October 9, 2018 EBMUD Board meeting minutes.

Directors Katz, Linney, Young, and President McIntosh had no comment.

**ADJOURNMENT**

President McIntosh adjourned the meeting at 1:52 p.m.

SUBMITTED BY:

______________________________
Rischa S. Cole, Secretary of the District

APPROVED: October 23, 2018

______________________________
Lesa R. McIntosh, President of the Board
AGENDA NO. 3.
MEETING DATE October 23, 2018

TITLE TWO PREFABRICATED POWER BUILDINGS FOR MALONEY PUMPING PLANT AND SOBRANTE WATER TREATMENT PLANT

☑ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Award a contract to the lowest responsive/responsible bidder, Myers Power Products, Inc., in an amount, after the addition of taxes, not to exceed $7,001,345 for supplying two prefabricated power buildings and associated electrical equipment for Maloney Pumping Plant (PP) and Sobrante Water Treatment Plant (WTP) beginning on or after October 24, 2018, under Request for Quotation (RFQ) No. 1818.

SUMMARY

This award is for the pre-purchase of two prefabricated power buildings and associated electrical equipment as part of the Maloney PP and Sobrante WTP Electrical Improvements Project.

DISCUSSION

Under Specification 2135, the District will rehabilitate the Maloney PP and the Sobrante WTP during the winter of 2019/2020. This rehabilitation project is necessary for critical safety and reliability improvements at both facilities. The pre-purchase of the buildings and equipment is necessary due to the one-year lead time for submittals, fabrication, testing, and delivery of the equipment. It is anticipated that the construction contract for Specification 2135 will be awarded in May or June 2019, and the power buildings will be assigned to the contractor for installation upon delivery. The power buildings and associated electrical equipment are critical path items for meeting outage windows at Maloney PP and Sobrante WTP during the winter of 2019/2020. The procurement of these items support the District’s Long-Term Infrastructure Investment Strategic Plan goal.

The power buildings contain medium and low voltage electrical power distribution equipment and auxiliaries including switchgear, circuit breakers, transformers, protection, automation, controls, battery systems, heating, ventilation, air conditioning, lighting, spare parts, and maintenance accessories, and will be the primary source of power for each facility. The electrical equipment will be manufactured to provide

Funds Available: FY19
Budget Code: WSG/551/7999/2011368

<table>
<thead>
<tr>
<th>DEPARTMENT SUBMITTING</th>
<th>DEPARTMENT MANAGER or DIRECTOR</th>
<th>APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>[Signature] Sophia D. Skoda</td>
<td>[Signature] General Manager</td>
</tr>
</tbody>
</table>

Contact the Office of the District Secretary with questions about completing or submitting this form.
Two Prefabricated Power Buildings for Maloney Pumping Plant and Sobrante Water Treatment Plant
October 23, 2018
Page 2

high service reliability, redundancy, and the ability to perform maintenance while each plant is operational.

VENDOR SELECTION

RFQs were sent to two resource organizations and to four potential proposers, advertised in the Oakland Tribune, and posted to the District’s website. Two bids were received.

SUSTAINABILITY

Economic

This item is included in the FY19 budget for the Treatment Plant Upgrades Program and is necessary to ensure long-term reliability of the District’s raw water supply and water treatment systems.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

ALTERNATIVES

Postpone purchase of power buildings. This alternative is not recommended because of the long lead times needed for the custom manufacturing and delivery of the equipment. Postponing the recommended action will most likely delay the delivery date and the project into late winter/early spring 2020.

Rebid the RFQ. This alternative is not recommended as the District engaged in a fair and competitive bid process.

Attachments

P-035 – Contract Equity Program Summary
P-061 – Affirmative Action Summary
**CONTRACT EQUITY PROGRAM SUMMARY (P-035)**

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

**QUOTE NO.:** 1818
Two Prefabricated Power Buildings for Maloney Pumping Plant and Sobrante Water Treatment Plant

**DATE:** October 9, 2018

**CONTRACTOR:** Myers Power Products, Inc.
Ontario, CA 91761

<table>
<thead>
<tr>
<th>BID/PROPOSER’S PRICE:</th>
<th>FIRM’S OWNERSHIP</th>
<th>PERCENTAGE OF CONTRACT DOLLARS</th>
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<tbody>
<tr>
<td>$7,001,345</td>
<td>Ethnicity &amp; Gender</td>
<td>Availability Group Contracting Objectives Participation</td>
</tr>
<tr>
<td></td>
<td>White Men</td>
<td>25% 100.0%</td>
</tr>
<tr>
<td></td>
<td>White Women</td>
<td>2% 0.0%</td>
</tr>
<tr>
<td></td>
<td>Ethnic Minorities</td>
<td>25% 0.0%</td>
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</table>

**CONTRACT EQUITY PARTICIPATION**

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>ESTIMATED AMOUNT</th>
<th>ETHNICITY</th>
<th>GENDER</th>
<th>CONTRACTING PARTICIPATION</th>
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</thead>
<tbody>
<tr>
<td>Prime</td>
<td>$7,001,345</td>
<td>White</td>
<td>X</td>
<td>100.0%</td>
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<tr>
<td>Subs</td>
<td>None</td>
<td></td>
<td></td>
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</tbody>
</table>

**TOTAL**

|                         | $7,001,345 | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |

**CONTRACTOR’S WORKFORCE PROFILE (From P-025 Form)**

- **White Men:** 24
- **White Women:** 9
- **Ethnic Minorities:** 117

**Total Employees:** 150

**Percent of Total Employees:**
- White Men: 16.0%
- White Women: 6.0%
- Ethnic Minorities: 78.0%

**MSA Labor Market %:**
- 39.0%
- 33.7%
- 27.3%

**MSA Labor Market Location:** Total USA

**COMMENTS**

*Contract Equity Participation - 100% White Men participation.*

**Workforce Profile & Statement of Nondiscrimination Submitted**

- NA

**Good Faith Outreach Efforts Requirement Satisfied**

- Yes

**Award Approval Recommended**

(Signature)
# AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

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<thead>
<tr>
<th>Quote No.: 1818</th>
<th>DATE:</th>
<th>10/9/2018</th>
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<tr>
<th>Company Name, Owner/Contact Person, Address, and Phone Number</th>
<th>RP Recomend</th>
<th>PnPrime</th>
<th>#Sub</th>
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<tr>
<td>Myers Power Products, Inc.</td>
<td>WM</td>
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<tr>
<td>Diana Grotonk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2960 E. Philadelphia Street</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario, CA 91761</td>
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<tr>
<th>Composition of Ownership</th>
<th>Number of Ethnic Minority Employees</th>
<th>B</th>
<th>H</th>
<th>A/PI</th>
<th>AI/AN</th>
<th>TOTAL</th>
<th>PERCENT</th>
<th>MSA %</th>
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<td>0</td>
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<td>39.9%</td>
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AA Plan on File: NA | Date of last contract with District: 10/27/2015

Co. Wide MSA: | Total USA | # Employees-Co. Wide: 150 | Bay Area: 0

| WM=White Male, WM=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native) |
AGENDA NO. 4
MEETING DATE
October 23, 2018

TITLE
TREE TRIMMING AND RELATED SERVICES

☑ MOTION ———— □ RESOLUTION ———— □ ORDINANCE

RECOMMENDED ACTION

Authorize an amendment to agreements awarded under Board Motion No. 168-16 dated September 27, 2016 to increase the amount by $850,000 to an amount not to exceed $3,350,000 for tree trimming and related services.

SUMMARY

This funding increase is needed to support a planned multi-year contract for tree trimming, removal and related activities to control vegetation density in the Oakland/Berkeley urban-wildland interface.

DISCUSSION

Urban forests are facing catastrophic wildfires and Californians have experienced unprecedented losses in recent fire seasons. Reducing the amount and density of vegetation in the interface areas is an important technique in the effort to reduce the fire hazard to the community and watershed. The services provided by the recommended action will be used to address the wildfire threat on EBMUD watershed lands using Capital Improvement Program funds earmarked for this work.

District staff has a long-standing program to control vegetation density in the urban-wildland interface. During the recent update of the East Bay Watershed Master Plan, staff worked with Cal Fire, local fire districts and multiple stakeholders to validate and fine tune the existing program. The multi-year contract is the outcome of those meetings and site visits. The proposed action is consistent with the updated Master Plan and supports the District’s Water Quality and Environmental Protection Strategic Plan goal.

SERVICE PROVIDER SELECTION

The District originally requested RFQs from 28 vendors, 17 of which responded, and 9 of which completed the Contract Equity Program forms. The vendors awarded contracts under Board Motion No. 168-16 were Arbor Products dba Expert Tree Service; East Bay Tree Service; Hamilton Tree Service, Inc.; and Tree Services Unlimited, Inc.; and the Board authorized agreements with additional, qualified vendors. This amendment includes these original vendors, and the Board will be notified of additional qualified vendors by means of the General Manager’s monthly report.

Funds Available: FY
DEPARTMENT SUBMITTING
Water and Natural Resources

Budget Code: WSC/Ref. 000198/Seg.2000120
DEPARTMENT MANAGER or DIRECTOR
Richard G. Sykes

APPROVED
General Manager

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

Economic

Funding for this work is available in the FY19 Capital Improvement Program.

Social

The P-035 and P-061 forms for the Contract Equity Program are attached. Local 444 was notified of the recommended action on October 17, 2018 and did not raise specific issues. Extensive public outreach was conducted to explain and build community support for the proposed action.

This work will help to minimize fire hazards in the service area thus protecting communities at risk.

Environmental

The District is required to comply with fire prevention requirements, which includes tree and vegetation removal to reduce fire hazards and create natural fuel breaks. Reducing fire hazards will protect plant and wildlife communities in the urban-wildland interface and preserve the aesthetic values of this area.

ALTERNATIVE

Solicit new bids for services. This alternative is not recommended as it would add significant administrative costs with no expectation of lower agreement costs.
CONTRACT EQUITY PROGRAM SUMMARY (P-035)
This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

**Title:** General Services Agreement - Amendment  
Tree Trimming and Related Services  

**Date:** October 12, 2018

**Contractor:** Various Firms (See Below)

<table>
<thead>
<tr>
<th>BID/PROPOSER'S PRICE:</th>
<th>FIRM'S OWNERSHIP</th>
<th>PERCENTAGE OF CONTRACT DOLLARS</th>
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<tbody>
<tr>
<td>$850,000 *</td>
<td></td>
<td>Availability Group</td>
</tr>
<tr>
<td></td>
<td>Ethnicity Gender</td>
<td>White Men</td>
</tr>
<tr>
<td></td>
<td></td>
<td>White Women</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ethnic Minorities</td>
</tr>
</tbody>
</table>

**Contract Equity Participation**

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>ESTIMATED AMOUNT</th>
<th>ETHNICITY</th>
<th>GENDER</th>
<th>CONTRACTING PARTICIPATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIMES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tree Services Unlimited, Inc. (TSU)</td>
<td>$212,500</td>
<td>White</td>
<td>X</td>
<td>25.0%</td>
</tr>
<tr>
<td>East Bay Tree Service</td>
<td>$212,500</td>
<td>White</td>
<td>X</td>
<td>25.0%</td>
</tr>
<tr>
<td>Arbor Products dba: Expert Tree Service</td>
<td>$212,500</td>
<td>White</td>
<td>X</td>
<td>25.0%</td>
</tr>
<tr>
<td>Hamilton Tree Service, Inc.</td>
<td>$212,500</td>
<td>White</td>
<td>X</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

**Total**

|                     | $850,000         | 100.0%    | 0.0%   | 0.0% | 0.0% | 0.0% | 0.0% |

**Contractor's Workforce Profile (From P-025 Form)**

<table>
<thead>
<tr>
<th></th>
<th>White Men</th>
<th>White Women</th>
<th>Ethnic Minorities</th>
<th>Total Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Employees:</td>
<td>92</td>
<td>145</td>
<td>7,889</td>
<td>8,126</td>
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<tr>
<td>Percent of Total</td>
<td>1.1%</td>
<td>1.8%</td>
<td>97.1%</td>
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</tr>
<tr>
<td>MSA Labor Market %:</td>
<td>32.3%</td>
<td>27.8%</td>
<td>39.9%</td>
<td></td>
</tr>
</tbody>
</table>

**MSA Labor Market Location:**

**Comments:**

*Contract Equity Participation* - 100% White Men participation.

*Total contract amount: $3,350,000 = $2,500,000 (Original Contract) + $850,000 (Amendment)*

<table>
<thead>
<tr>
<th>Workforce Profile &amp; Statement of Nondiscrimination Submitted</th>
<th>Good Faith Outreach Efforts Requirement Satisfied</th>
<th>Award Approval Recommended</th>
</tr>
</thead>
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<tr>
<td>NA</td>
<td>NA</td>
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</tbody>
</table>
## AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

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

### General Services Agreement - Amendment

<table>
<thead>
<tr>
<th>R=Recomd</th>
<th>P=Prime S=Sub</th>
<th>Composition of Ownership</th>
<th>Date: 10/12/2018</th>
</tr>
</thead>
</table>

### Composition of Ownership

<table>
<thead>
<tr>
<th>Company Name, Owner/Contact Person, Address, and Phone Number</th>
<th>B</th>
<th>H</th>
<th>A/PI</th>
<th>AI/AN</th>
<th>TOTAL</th>
<th>PERCENT</th>
<th>MSA %</th>
</tr>
</thead>
</table>

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

(P-061 - 7/11)
MONTHLY INVESTMENT TRANSACTIONS REPORT

RECOMMENDED ACTION


SUMMARY

In accordance with Board Resolution No. 30127 and Policy 4.07 – Investment Policy, staff presents a monthly transactions report for the Finance/Administration Committee to review and for the Board to consider each month. The September 2018 report is being submitted for Board consideration. This item was reviewed with the Finance/Administration Committee on October 23, 2018.

DISCUSSION

Pursuant to Policy 4.07 – Investment Policy, staff produces a monthly report of investment transactions generated by Treasury staff (buys, sales, deposits, withdrawals) as well as transactions that occur as a feature of the securities held (interest, calls, maturities). Information on portfolio performance, balances, and other factors are presented in the quarterly investment report.

In September 2018, the portfolio increased from $657.9 million to $669.9 million. Net transactions increased the total by $11.7 million and interest received added $0.3 million. Deposits into short-term liquidity funds totaled $57.7 million and $29.4 million was withdrawn. The District purchased $0.3 million in securities and $8.9 million in securities matured. No securities were sold or called. Net transactions at the District’s commercial bank resulted in a decrease of $8.0 million.

This item supports the District’s Long-Term Financial Stability Strategic Plan goal to ensure integrity, accountability and transparency in financial management.

Attachment

I:\Sec\2018 Board Related Items\102318 Board Agenda Items\FIN – BD1 Monthly Investment Transactions Reports 102318.doc
Monthly Investment Transactions Report
September 2018

This report is presented to the Board pursuant to Government Code Section 53607 and in accordance with the District’s Investment Policy 4.07.

The attached report details transactions in the District’s portfolio as follows:

- Monthly Investment Transactions Summary
  - Monthly Investment Activity
    - Buys
    - Deposits
    - Matured
    - Calls
    - Sales
    - Withdrawals
  - Page 2
  - Page 3
  - Page 4
  - Page 5
  - Page 6
  - Page 7
  - Page 8

- Monthly Interest Activity
  - Interest Received (Transferred to Wells Fargo)
  - Interest Received (Reinvested)
  - Page 9
  - Page 10
  - Page 11

Approved: Sophia D. Skoda, Finance Director
Date 10/10/18

SDS:DSK:MH
# EAST BAY MUNICIPAL UTILITY DISTRICT
## Monthly Investment Transactions Summary
### September 2018

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Beginning Balance*</th>
<th>Monthly Net Transaction Activity</th>
<th>Monthly Interest Activity</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>001 - Water System Consolidated</td>
<td>500,657,579.08</td>
<td>19,336,000.00</td>
<td>91,765.52</td>
<td>520,085,344.60</td>
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<tr>
<td>007 - Wastewater Consolidated</td>
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<td>2,075,000.00</td>
<td>39,196.69</td>
<td>109,727,366.95</td>
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<tr>
<td>049 - Ferc Partnership</td>
<td>2,000,000.00</td>
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<td>-</td>
<td>2,000,000.00</td>
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<tr>
<td>009 - BACWA</td>
<td>3,027,600.00</td>
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<td>3,027,600.00</td>
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<tr>
<td>015 - DERWA</td>
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<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>002 - FRWA</td>
<td>2,150,000.00</td>
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<td>2,150,000.00</td>
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<tr>
<td>014 - IICP</td>
<td>150,500.00</td>
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<td>150,500.00</td>
</tr>
<tr>
<td>010 - UMRWA</td>
<td>64,000.00</td>
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<td>-</td>
<td>64,000.00</td>
</tr>
<tr>
<td>003 - Employees Retirement</td>
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<td>(1,671,000.00)</td>
<td>-</td>
<td>3,427,846.55</td>
</tr>
<tr>
<td>065 - Water S2008A DSRF</td>
<td>3,318,104.74</td>
<td>-</td>
<td>4,233.33</td>
<td>3,322,338.07</td>
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<tr>
<td>068 - Water 2010A DSRF</td>
<td>344,309.82</td>
<td>-</td>
<td>439.28</td>
<td>344,749.10</td>
</tr>
<tr>
<td>099 - Wells Fargo**</td>
<td>33,496,952.73</td>
<td>(8,048,462.15)</td>
<td>114,721.30</td>
<td>25,563,211.88</td>
</tr>
<tr>
<td>**Total</td>
<td>657,921,063.18</td>
<td>11,691,537.85</td>
<td>250,356.12</td>
<td>669,862,957.15</td>
</tr>
</tbody>
</table>

* Portfolio balance presented at face value.

**Wells Fargo's month-end available balance per bank statement. Gross amount; not allocated by fund and not included in balances above.

Prepared by: Matt Houck, Accounting Technician  
Reviewed by: Sandy Lindley, Accounting Supervisor  
Approved by: D. Scott Klein, Controller

Date: 10-9-2018  
Date: 10/9/18  
Date: 10-9-18
<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Buys</th>
<th>Deposits</th>
<th>Matured</th>
<th>Calls</th>
<th>Sales</th>
<th>Withdrawals</th>
<th>Non-Investment Transactions*</th>
<th>Net Transaction Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>001 - Water System Consolidated</td>
<td>-</td>
<td>45,000,000.00</td>
<td>(5,664,000.00)</td>
<td>-</td>
<td>-</td>
<td>(20,000,000.00)</td>
<td>-</td>
<td>19,336,000.00</td>
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<tr>
<td>007 - Wastewater Consolidated</td>
<td>275,000.00</td>
<td>5,000,000.00</td>
<td>(3,200,000.00)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,075,000.00</td>
</tr>
<tr>
<td>049 - Ferc Partnership</td>
<td>-</td>
<td>-</td>
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<td>009 - BACWA</td>
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<td>021 - DERWA</td>
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<tr>
<td>002 - FRWA</td>
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<td>014 - HCP</td>
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<tr>
<td>010 - UMRWA</td>
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<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>003 - Employees Retirement</td>
<td>-</td>
<td>7,709,000.00</td>
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<td>-</td>
<td>-</td>
<td>(3,380,000.00)</td>
<td>-</td>
<td>(1,671,000.00)</td>
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<tr>
<td>065 - Water S2008A DSRF</td>
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<td>-</td>
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<tr>
<td>068 - Water 2010A DSRF</td>
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<tr>
<td>Investment Activity Total</td>
<td>275,000.00</td>
<td>57,709,000.00</td>
<td>(8,864,000.00)</td>
<td>-</td>
<td>-</td>
<td>(29,380,000.00)</td>
<td>-</td>
<td>19,740,000.00</td>
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<tr>
<td>099 - Wells Fargo</td>
<td>(275,000.00)</td>
<td>(57,709,000.00)</td>
<td>8,864,000.00</td>
<td>-</td>
<td>-</td>
<td>29,380,000.00</td>
<td>11,691,537.85</td>
<td>(8,048,462.15)</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,691,537.85</td>
</tr>
</tbody>
</table>

*Non-investment transactions are net receipts and expenditures in Wells Fargo resulting from activities other than investment and interest transactions detailed in this report.*

Reviewed by: Damien Chabot, Principal Mgmt Analyst
Date: 10/10/18

Approved by: Robert L. Harnay, Treasury Manager
Date: 10/10/18
# EAST BAY MUNICIPAL UTILITY DISTRICT

## Monthly Investment Activity

**September 2018**

<table>
<thead>
<tr>
<th>Portfolio Name</th>
<th>Asset Class</th>
<th>Description</th>
<th>CUSIP/Ticker</th>
<th>Trade Date</th>
<th>Settlement Date</th>
<th>Maturity Date</th>
<th>Face Amount/Shares</th>
<th>Principal</th>
<th>Interest/Dividends</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>007 - Wastewater Consolidated</td>
<td>Municipal Bonds</td>
<td>California St 6.2 10/1/2019-09</td>
<td>13063A7G3</td>
<td>09/24/2018</td>
<td>09/26/2018</td>
<td>10/01/2019</td>
<td>275,000.00</td>
<td>284,075.00</td>
<td>8,288.19</td>
<td>292,363.19</td>
</tr>
</tbody>
</table>

---

**Net:**

- **215,000.00**
- **284,075.00**
- **8,288.19**
- **292,363.19**
<table>
<thead>
<tr>
<th>Portfolio Name</th>
<th>Description</th>
<th>CUSIP/Ticker</th>
<th>Trade Date</th>
<th>Settlement Date</th>
<th>Amount/Shares</th>
<th>Face</th>
<th>Principal</th>
<th>Interest/Dividends</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPM CA Asset Mgmt Program</td>
<td>CAPM CA Asset Mgmt Program</td>
<td>CAFA000000</td>
<td>09/12/2018</td>
<td>09/12/2018</td>
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<td>0917 - Water System Consolidated</td>
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<tr>
<td>0997 - Wastewater Consolidated</td>
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<tr>
<td>0933 - Employee Retirement</td>
<td>UAF Local Government Investment Pool</td>
<td>UAF LGP000000</td>
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<td>09/12/2018</td>
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<td>UAF LGP000000</td>
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<td>CAPM CA Asset Mgmt Program</td>
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<td>0979 - Wastewater Consolidated</td>
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Total: 57,719,000.00
<table>
<thead>
<tr>
<th>Portfolio Name</th>
<th>Asset Class</th>
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<th>CUSIP/Ticker</th>
<th>Trade Date</th>
<th>Settlement Date</th>
<th>Maturity Date</th>
<th>Face Amount/Shares</th>
<th>Principal</th>
<th>Interest/Dividends</th>
<th>Total</th>
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<tbody>
<tr>
<td>Matured</td>
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</tr>
<tr>
<td>001 - Water System Consolidated</td>
<td>Municipal Bonds</td>
<td>Los Angeles County Redevelopment 1 9/1/2018</td>
<td>54465AGJ5</td>
<td>09/01/2018</td>
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<td>09/01/2018</td>
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<td>Municipal Bonds</td>
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<td>09/04/2018</td>
<td>09/04/2018</td>
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<tr>
<td>007 - Wastewater Consolidated</td>
<td>Municipal Bonds</td>
<td>Los Angeles County Redevelopment 1 9/1/2018</td>
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<td>09/01/2018</td>
<td>09/01/2018</td>
<td>09/01/2018</td>
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<td>09/06/2018</td>
<td>09/06/2018</td>
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<td>Federal Agency Issues Coupon</td>
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<tr>
<td><strong>Sub Total</strong></td>
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<td></td>
<td></td>
<td></td>
<td>8,864,000.00</td>
</tr>
<tr>
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## East Bay Municipal Utility District
### Monthly Interest Activity
#### September 2018

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**099 - Wells Fargo**

|                        | -                       | 114,721.30                         | 114,721.30                           |

**Total**

|                        | **250,356.12**          | -                                   | **250,356.12**                        |

---

* Coupon and other interest received; reinvestment unavailable.

** Coupon and other interest payments reinvested in specific portfolio.

Prepared by: Matt Houck, Accounting Technician

Reviewed by: Sandy Lindley, Accounting Supervisor

Approved by: D. Scott Klein, Controller

Date: 10-9-18
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|                                         |                              |               |              |            |                 |               | 0.00              | 0.00      | 135,634.82        | 135,634.82|

Page 11
AGENDA NO. 6.1
MEETING DATE October 23, 2018

TITLE COLLECTION SYSTEM TECHNICAL ADVISORY COMMITTEE

□ MOTION □ RESOLUTION □ ORDINANCE

RECOMMENDED ACTION

Authorize a Joint Exercise of Powers Agreement (Agreement) among the District, the Cities of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont, and the Stege Sanitary District forming a Collection System Technical Advisory Committee and establishing cooperative contracting, funding, and governance processes to address stormwater inflow and infiltration and other issues of shared concern with respect to the East Bay regional wastewater collection and treatment system.

SUMMARY

The District and the seven satellite agencies which contribute wastewater flows to the District’s interceptor and treatment system are members of a Technical Advisory Board, formed in 1979 to coordinate and fund efforts to address wastewater issues of common concern. This Agreement, if authorized by the District and at least five satellite agencies, will replace the Technical Advisory Board with a new Collection System Technical Advisory Committee (Committee) with an updated governance structure. This Agreement and the Committee it establishes will provide the means for the member agencies (members) to:

- Coordinate engineering, consulting, and potentially legal services for the development, preparation and implementation of studies, reports, and projects to address the September 2014 Wet Weather Consent Decree (Consent Decree) requirements and National Pollution Discharge Elimination System permit conditions for the members;
- Jointly fund efforts related to the regional system for wastewater collection, transmission and treatment, including fats, oils, and greases (FOG) services and agreed-upon professional services; and
- Facilitate the efficient flow of information among the members and the filing of joint reports to appropriate recipients, including regulatory agencies.

Funds Available: FY19

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<th>DEPARTMENT MANAGER or DIRECTOR</th>
<th>APPROVED</th>
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| Wastewater             | Eileen M. White                | [Signature]  
Eileen M. White

General Manager

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

BDI_PS_0718
DISCUSSION

The District and the seven other intended signatories of this Agreement are Defendants in the Consent Decree entered into with the United States Environmental Protection Agency, the State of California, and two nongovernmental organizations. The Consent Decree requires significant work by all Defendants over a 22-year period to eliminate discharges from the District’s Wet Weather Facilities except during storms exceeding a severe, prescribed storm event. It includes penalties for failure to complete work and meet flow reductions and processes for potential revisions to future work if flow reductions are not achieved as planned. The Defendants are linked through their shared use of the Wet Weather Facilities during high flow periods and through their joint use of the District’s Main Wastewater Treatment Plant. Each Defendant is dependent on the efforts of the others for meeting the overall reduction in flows mandated by the Consent Decree; therefore, there is a need for good communication and joint efforts within the Defendant group.

The District already has a formal relationship with the other seven members via an existing agreement that was adopted in 1979 and amended in 1986. This existing agreement was developed in response to the need for the District and the satellite agencies to combine resources to address inflow/infiltration regulatory concerns in the 1970s and 1980s. The existing agreement has enabled the agencies to contract for and administer common collection system services, realizing cost savings over contracting as individual agencies because of the economies of scale due to the magnitude of the contracts. The District currently serves as the administrative agency with the responsibility for entering into contracts on behalf of the members and for providing financial and administrative services to the group. The District is reimbursed for a share of the expenses it incurs according to a process established in the existing agreement.

However, the existing agreement is outdated in that: the specific stated purposes for it are either outlived or superseded; it is not applicable to current issues and requirements the agencies face; and a new agreement is needed to address requirements in the Consent Decree to which all members are subject. For example, the Consent Decree requires the agencies to collaborate to reduce discharges from the Wet Weather Facilities, which is a shared interest that did not exist when the existing partnership was established in the 1970s and 1980s. The new Agreement was developed with the input and review of the District and all seven satellite agencies.

The Agreement includes the following provisions:

- It does not form any new public entity; rather, it replaces the existing Technical Advisory Board with a new Collection System Technical Advisory Committee. Each agency which signs this Agreement will be entitled to one vote on the Committee. Each signatory agency will designate a staff-level representative to serve on the Committee.
- One or more member agencies may be designated as the Administrative Agency and/or as the Financial Agent. The Administrative Agency may enter into contracts on behalf of interested
signatory agencies, with a right to reimbursement, which is a continuation of the existing practice
of the Technical Advisory Board. The Administrative Agency also administers the services
provided under such contracts, remits payments to contractors, and performs routine administrative
and legal functions incidental to the contracts. The Financial Agent is the custodian of funds and
accountant.

- The Agreement provides that the District will continue to serve as the Administrative Agency and
  Financial Agent, but the Agreement allows those roles to be given to another signatory agency in
  the future. While the District remains in those roles, all contracts entered into by the District on the
  larger group’s behalf will be procured in accordance with the District’s existing contracting
  procedures and practices. Any contracts with value exceeding staff’s approval authority will be
  brought to the Board of Directors for consideration.
- The Agreement requires each agency to indemnify the Administrative Agency and the Financial
  Agent for claims and losses arising out of any contract entered into or administered by the
  Administrative Agency or Financial Agent, except to the extent the claims or losses arise from
  negligence or breach of contract by the Administrative Agency or Financial Agent.
- The Agreement provides for financial contributions to jointly fund shared projects of common
  benefit to the agencies. The Agreement continues an existing process by which the agencies decide
  the respective financial responsibility of each agency for administrative overhead costs and for
  each contract which benefits multiple agencies. In general, each agency’s financial contribution
  will be determined during the Committee’s annual budgeting process.
- Each agency will have the right to opt out of any project or contract. No member is obligated to
  participate in or fund any contract unless it so chooses.
- Each agency will have the right to unilaterally withdraw from the Agreement.

The Agreement supports the District’s Water Quality and Environmental Protection Strategic Plan goal by
ensuring protection and stewardship of San Francisco Bay through the collaborative implementation of an
Inflow and Infiltration Control Program that will reduce or eliminate the need for the Wet Weather
Facilities.

**SUSTAINABILITY**

**Economic**

The Agreement and the Committee it will establish will provide cost savings and administrative efficiency
for contracted common services for the signatory agencies by facilitating joint funding of mutually
beneficial projects that would otherwise be contracted for directly by the individual members. Funding for
existing work efforts is available in the FY19 budget; funding for the District’s anticipated share of future
work efforts to be undertaken by the Committee will be included in the appropriate future fiscal year
budget.
Social

The Agreement allows for collaborative work to be performed resulting in a reduction of sanitary sewer overflows within the regional wastewater collection system and reduced discharges from the Wet Weather Facilities, thereby reducing environmental and safety hazards to the community and facilitating Consent Decree compliance.

Environmental

The Agreement continues the implementation of the existing region-wide FOG program, and allows for other regional collaboration, thereby improving the water quality of the San Francisco Bay through the reduction of sanitary sewer overflows within the regional wastewater collection system, along with the reduction of discharges from the Wet Weather Facilities as required by the Consent Decree.

ALTERNATIVE

Do not authorize the Agreement. This alternative is not recommended as it would limit the ability of the District to work collaboratively with the satellite agencies which contribute flows to the regional wastewater collection system, increase the difficulty of cooperative work to meet Consent Decree goals, adversely impact pollution prevention efforts such as the FOG program, and inhibit data sharing and filing of joint reports.
SIDEBAR AGREEMENT FOR CONSENT DECREE COMPLIANCE

RECOMMENDED ACTION

Authorize a Side Agreement for Consent Decree Compliance (Side Agreement) among the District, the Cities of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont, and the Stege Sanitary District allocating costs of Consent Decree performance evaluation, establishing a dispute resolution process, and apportioning responsibilities for Regional Private Sewer Lateral (PSL) Program administration.

SUMMARY

The District and the seven satellite agencies which contribute wastewater flows to the District’s interceptor and treatment system are Defendants to the September 2014 Wet Weather Consent Decree (Consent Decree). The Consent Decree requires each agency, including the District, to perform specified work to reduce inflow and infiltration and discharges from the District’s Wet Weather Facilities over time. For example, the District implements a Regional PSL Program within the boundaries of six satellite agencies. If inflow and infiltration reductions fall short of the Consent Decree’s required benchmark, the Defendants must implement a large-scale data-gathering operation known as a “Performance Evaluation Plan” (PEP), and develop a “Revised Work Plan” (RWP) which may increase some or all Defendants’ work requirements under the Consent Decree.

The Side Agreement establishes processes to facilitate cooperation among the Defendants. It includes the following:

- A binding arbitration process to settle any disagreements among the Defendants of the Consent Decree regarding the contents of an RWP, if one must be prepared;
- Statements of the respective roles and responsibilities of the District and each satellite agency that participates in the Regional PSL Program; and
- An agreed cost allocation among Defendants for the implementation of the PEP in the event one is required under the terms of the Consent Decree.

Funds Available: FY

Budget Code:

<table>
<thead>
<tr>
<th>DEPARTMENT SUBMITTED</th>
<th>DEPARTMENT MANAGER or DIRECTOR</th>
<th>APPROVED</th>
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<tbody>
<tr>
<td>Wastewater</td>
<td>Glen M. White</td>
<td>General Manager</td>
</tr>
</tbody>
</table>

Eileen M. White

Contact the Office of the District Secretary with questions about completing or submitting this form.
Side Agreement for Consent Decree Compliance  
October 23, 2018  
Page 2

This Side Agreement was developed with the intent that it be approved by all Defendants well before the need to develop an RWP and a PEP is triggered. Under the Consent Decree, a PEP must be implemented, and an RWP developed in 2022 if the Consent Decree's interim benchmark for inflow and infiltration reductions is not met. The Consent Decree does not allocate the potentially significant costs of PEP development among Defendants. It also requires Defendants to submit a single RWP to state and federal regulators, but provides no process for the Defendants to resolve internal disputes arising from the RWP development. An RWP will be expected to describe specific additional work requirements for each agency. Because opinions are likely to differ among the Defendants, the Side Agreement attempts to establish a process now to address those disputes if and when they arise.

DISCUSSION

The District and the seven satellite agencies are Defendants in the Consent Decree entered into in 2014 with the United States Environmental Protection Agency (EPA), the State of California, and two nongovernmental organizations. The Consent Decree requires significant work by all Defendants over a 22-year period to eliminate discharges from the District’s Wet Weather Facilities except during storms exceeding a severe, prescribed storm event. It includes penalties for failure to complete work and meet flow reductions and processes for potential revisions to future work if flow reductions are not achieved as planned. The Defendants are linked through their shared use of Wet Weather Facilities during high flow periods and through their joint use of the District’s Main Wastewater Treatment Plant. Each Defendant is dependent on the efforts of the others for meeting the overall reduction in flows mandated by the Consent Decree.

The Consent Decree requires Defendants to develop and implement a PEP and RWP if progress towards reducing inflow and infiltration does not meet Consent Decree benchmarks. The first benchmark is in 2022. During the Consent Decree negotiations, the Defendants’ staff recognized that, if the benchmark is missed and a PEP and RWP must be prepared, disputes may arise among defendants. For example, the PEP involves extensive data-collection and analytical activities within the satellite agencies’ sewer collection systems, but the Consent Decree does not allocate PEP costs among the Defendants. As another example, if the benchmark is missed, Defendants will be required to jointly submit a single RWP for EPA’s consideration. Because an RWP must propose additional specific work requirements, it may be difficult for Defendants to reach consensus as to the quantity and nature of work the RWP should allocate to each Defendant. The Consent Decree does not include a process to resolve such disputes among Defendants. The Defendants recognize that an agreement to resolve these issues, or establish a process to resolve them later, is needed well before a PEP or RWP would need to be developed or implemented; therefore, the eight Defendant agencies initiated a project to develop this Defendants-only "Side Agreement" to the Consent Decree in order to define how any future imposed work plans would be devised and implemented. The Side Agreement was developed with the input and review of all eight Defendants.

The Side Agreement also includes six separate “Roles and Responsibilities” agreements which establish the respective rights and duties of the District and the satellite agencies with respect to the ongoing implementation of the Regional PSL Program. They describe each agency’s role in public outreach, sewer
Side Agreement for Consent Decree Compliance
October 23, 2018
Page 3

lateral testing and permitting processes, tracking and issuance of compliance certificates and exemptions, data sharing, reporting, and enforcement. The agreements preserve the existing basic division of responsibility, under which the District implements and enforces the Regional PSL Ordinance, while the satellite agencies are responsible for enforcing their local sewer ordinances. The agreements describe a process under which the satellite agencies will have an opportunity to verify compliance with their local ordinances before the District issues a compliance certificate.

The District will have a separate Roles and Responsibilities agreement with each satellite agency except the City of Berkeley, which does not currently participate in the Regional PSL Program. These agreements continue the District and the satellite agencies’ existing PSL collaboration and replace existing outdated agreements developed when the PSL Program began in 2011. The PSL agreements were negotiated jointly with the satellites and differ from one another only in minor respects. The PSL agreements generally codify the existing cooperative District-satellite process which has evolved over time; therefore, the PSL agreements are not expected to result in substantial new responsibilities or cost obligations for the District.

Additionally, the Side Agreement supports the District’s Water Quality and Environmental Protection Strategic Plan goal by ensuring protection and stewardship of San Francisco Bay through the implementation of a collaborative Inflow and Infiltration Control Program that will reduce or eliminate the need for the Wet Weather Facilities.

SUSTAINABILITY

Economic

There is no immediate financial impact caused by approval of the Side Agreement. Any necessary implementation of this agreement in the future should save the District some of the expenses related to RWPs or PEPs since the cost allocations and processes are specified in the Side Agreement.

Environmental

The work to be performed under this Side Agreement will support District efforts to protect the water quality of the San Francisco Bay for the future and to meet future regulatory requirements of the Consent Decree in the event that reductions in inflow and infiltration are not meeting expectations.

ALTERNATIVE

Do not authorize the Side Agreement. This alternative is not recommended as it would leave the District without the benefit of the processes the Defendants developed during the negotiation of the Side Agreement to resolve disputes that may arise among Defendants regarding the PEP implementation costs and RWP selection, thereby potentially increasing the difficulty and cost for future work and jeopardizing the ability of the District and the other Defendants to timely meet Consent Decree requirements.
AGENDA NO. 7.
MEETING DATE October 23, 2018

TITLE APPOINTMENT OF DIRECTOR OF WATER AND NATURAL RESOURCES

☐ MOTION  ☒ RESOLUTION  ☐ ORDINANCE

RECOMMENDED ACTION

Appoint Michael Tognolini as the Director of Water and Natural Resources, effective November 12, 2018.

SUMMARY

The District conducted a comprehensive recruitment process for a Director of Water and Natural Resources to replace Richard Sykes in anticipation of his retirement later this year. Michael Tognolini is recommended for appointment as the Director of Water and Natural Resources. The Director of Water and Natural Resources is exempt from the civil service provisions of the Municipal Utility District Act in accordance with Section 12055(b) which excludes officers, assistant officers, and other persons and employees appointed by the Board of Directors.

DISCUSSION

Mr. Tognolini has been with the District for more than 22 years, serving in multiple roles including Manager of the Water Supply Improvements Division since 2007. In that capacity, he has been responsible for the development of the District’s Water Supply Management Program 2040, the implementation of projects including conjunctive use opportunities in San Joaquin County, the Bayside Groundwater Project in the service area, the District’s recycling program, oversight of the construction of Freeport Regional Water Project facilities shared with Sacramento County Water Agency, and the District’s Water Transfer Program during the 2014-2015 drought. Mr. Tognolini has also managed the District’s interests in the Dublin San Ramon Services District EBMUD Recycled Water Authority (DERWA) and currently serves as the DERWA Authority Manager. Prior to employment with the District, Mr. Tognolini worked as a consultant on water resources modeling and infrastructure master plans. Mr. Tognolini has a Bachelor of Science and Master of Science in Civil Engineering from Stanford University.

Funds Available: FY19

Budget Code: Various/Various

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<td>Laura A. Acosta</td>
<td>General Manager</td>
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I:\SEC\2018 Board Related Items\Board Packets 2018\102318 Board Agenda Items\HRD\Appointment of Director of WNR.docx
RESOLUTION NO. __________

APPOINTING MICHAEL T. TOGNOLINI AS DIRECTOR OF WATER AND NATURAL RESOURCES

Introduced by Director ; Seconded by Director

WHEREAS, the Board of Directors has heretofore established the position of Director of Water and Natural Resources, and such position has been assigned a salary range under the Management Salary Plan heretofore established for District officers, assistant officers, civil service exempt and certain civil service classes; and

WHEREAS, the Director of Water and Natural Resources position is exempt from the District civil service pursuant to State of California Public Utilities Code section 12055; and

WHEREAS, the General Manager has recommended that Michael T. Tognolini be appointed to serve as Director of Water and Natural Resources;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that it hereby appoints Michael T. Tognolini to serve as Director of Water and Natural Resources effective November 12, 2018.

ADOPTED this 23rd day of October, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_________________________________________ President

ATTEST:

_________________________________________ Secretary

APPROVED AS TO FORM AND PROCEDURE

_________________________________________ General Counsel

{00031930}
AGENDA NO. 8.
MEETING DATE October 23, 2018

TITLE PROPOSED FISCAL YEAR 2019 FINANCING PLAN

MOTION ○ RESOLUTION ○ ORDINANCE ○

RECOMMENDED ACTION

Approve the proposed financing plan for Fiscal Year 2019 (FY19).

SUMMARY

During FY19, the District is proposing to undertake two debt-related transactions. The first proposed transaction will extend the liquidity facility for the Commercial Paper Notes (Water Series) Subseries A-2 (approximately $160 million). The existing liquidity facility expires on November 30, 2018. The second proposed transaction is the issuance of new money revenue bonds in late FY19 to support FY19 and FY20 Water System capital spending. Staff does not currently foresee the need to issue revenue bonds for the Wastewater System in FY19. Staff will continue to pursue low-interest state and federal loans when available. Staff will also continue to monitor the market for opportunities to restructure existing debt for de-risking and debt service savings. Any refunding or restructuring opportunity would be brought to the Board for consideration.

A presentation on this plan was given to the Finance/Administration Committee on October 23, 2018.

DISCUSSION

The District’s financing activities generally fall into three basic categories:

A. Administration of Existing Debt Portfolio — The District’s debt portfolio requires payment of debt service, payment of ongoing debt-related fees, periodic renewal or replacement of liquidity facilities, and ongoing continuing disclosure activities.

B. New Money Issuance — The District finances its capital plan through a combination of cash on hand and the issuance of debt. Periodically, the District enters the debt markets to raise funds for capital needs. This debt is secured by the revenue the District receives. The District also pursues other financing sources like State Revolving Fund loans or federal Water Infrastructure Finance and Innovation Act (WIFIA) loans.

<table>
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<td>Sophia D. Skoda</td>
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APPROVED

General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.
C. Market Opportunities — Changes in the financial markets may afford the District opportunities to achieve debt service savings and/or reduce certain risks of the debt portfolio.

The table below summarizes the planned financing transactions for FY19 in each of the three categories.

<table>
<thead>
<tr>
<th>Description</th>
<th>Issue/Approximate Size</th>
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<th>Pricing or Issuance Date</th>
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<tr>
<td>2. Issue additional new money Revenue Bonds</td>
<td>Water: Up to $200 million Wastewater: None</td>
<td>TBD</td>
<td>TBD</td>
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<tr>
<td>3. Pursue State Revolving Fund or WIFIA loans</td>
<td>As appropriate</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>4. Issue refunding and de-risking financings</td>
<td>Based on market opportunities</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

A. Administration of Existing Debt Portfolio

Transaction:


The District’s Water System commercial paper program consists of two subseries: A-1 and A-2. Each subseries is supported by a bank credit facility to cover any failure of a commercial paper dealer to remarket the notes. The liquidity facility for the Subseries A-2 Notes is a Revolving Credit Agreement provided by Bank of America, N.A. in an amount of $160 million. The original agreement was executed in December 2015 and expires on November 30, 2018. The liquidity facility must be extended or replaced prior to this date. The documents related to an extension of the agreement was the subject of a separate Finance/Administration Committee presentation on October 23, 2018 and will be presented to the Board for consideration at its regular meeting the same day.
B. New Money Issuance – Financing Capital Plan

Transactions:
2. Issue additional new money water revenue bonds
3. Pursue State Revolving Fund and WIFIA loans

2. Issue additional new money water revenue bonds

In the FY18 and FY19 budget the District forecasted approximately $1.5 billion of total capital expenditures in the Water System for the five-year period through FY22. Bond funded new money needs for the Water System over this period were expected to be approximately $783 million. The most recent Water Revenue Bond issue in June 2017 provided $275 million in capital funding for FY17 and FY18. No Water Revenue Bonds were issued in FY18. The current budget projects debt needs of $149 million for FY19. Staff currently foresees issuing up to $200 million near the end of FY19 to cover approximately $50 million in FY19 capital spending and $150 million in FY20. Fewer debt proceeds are needed to fund FY19 capital than budgeted due to strong FY18 financial performance.

For the Wastewater System in the FY18 and FY19 budget the District forecasted approximately $188 million of total capital expenditures for the five-year period through FY22. Bond funded new money needs for the Wastewater System over this five-year period were expected to be approximately $65 million. Near the end of FY17, the District issued Wastewater Revenue Bonds which provided $20.5 million in proceeds to cover a portion of FY18 capital expenses. Given the favorable financial results in FY18, staff currently projects no new money debt needs for the wastewater system in FY19.

3. Pursue State Revolving Fund and WIFIA loans

While revenue bonds remain the District’s primary source of debt, staff seeks out alternative sources of cost-effective debt funding. Currently the State Water Resources Control Board’s (SWRCB) State Revolving Fund (SRF) program offers loans at low interest rates. While the loan applications require a significant amount of staff time and the loans are not guaranteed to be approved by the SWRCB, if approved, they offer a way for the District to save on interest costs. The interest rate for SRF loans is set annually based on one half of the State’s general obligation bond rate.

Staff initially submitted applications for two SRF financings in Fiscal Year 2016, which were ready for Board approval in September 2017. At that time, loans of up to $22.2 million for the South Reservoir Replacement Project and $18.7 million for the MacArthur Davenport Pipeline Replacement Project were approved by the Board. These loans have now been executed and the District is applying for loan disbursements. In addition, the District has applied for a third SRF program loan for $27.3 million to fund a Wastewater project which is in the approval process. One additional loan for $27.8 million was submitted in FY18, but the District withdrew as the SWRCB had requirements not acceptable to the District.
Staff is also exploring the use of federal Water Infrastructure Finance and Innovation Act (WIFIA) loans for lower cost borrowing. The interest rate on a WIFIA loan is based on U.S. Treasury rates. While this rate would likely be above that of an SRF loan, it could be below the District’s long term revenue bond borrowing costs. WIFIA loans can also offer greater repayment flexibility and longer terms compared with typical revenue bonds. In FY19, staff will work to consider a programmatic approach to future state and federal loans.

C. **Market Opportunities - Achieving Debt Service Savings/De-risk Debt Portfolio**

   **Transaction:**
   4. *Issue refunding and de-risking financings*

   In recent years the Board has authorized bond financings resulting in a successful program of reducing both cost and risk while simplifying the debt portfolio. As a result, only 3.8 percent ($105.3 million) of the Water debt portfolio remains synthetically fixed, and the Wastewater debt portfolio contains no synthetically fixed debt. Staff will continue to monitor the market to identify opportunities for de-risking and/or refunding for savings. Should any such opportunities prove attractive, they will be brought to the Board for consideration.

**SUSTAINABILITY**

**Economic**

The proposed financings are consistent with the FY19 budget.

**Social**

The District’s financings are conservatively structured to minimize costs to ratepayers and achieve intergenerational equity.

**ALTERNATIVE**

**Do not approve the proposed financing plan for Fiscal Year 2019.** This alternative is not recommended. The planned transactions are designed to provide a cost-effective debt portfolio, minimizing cost and risk to the District and ratepayers.
AGENDA NO. 9.
MEETING DATE October 23, 2018

TITLE EXTEND REVOLVING CREDIT AGREEMENT FOR COMMERCIAL PAPER NOTES (WATER SERIES) TAX-EXEMPT SUBSERIES A-2

☐ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize execution of legal documents associated with extending Bank of America, N.A. Revolving Credit Agreement and Related Fee Agreement for Commercial Paper Notes (Water Series) Tax-Exempt Subseries A-2 until November 2021 at a fee of 0.30 percent per annum.

SUMMARY

Bank of America, N.A. (BANA) provides liquidity support for the District’s Commercial Paper Notes (Water Series) Tax-Exempt Subseries A-2 (Subseries A-2 Commercial Paper Notes) through a Revolving Credit Agreement which expires on November 30, 2018. The Subseries A-2 Commercial Paper Notes are outstanding in the amount of $160 million. In response to the District’s Request for Proposals (RFP) for liquidity facilities, BANA offered to extend the Revolving Credit Agreement for three years, to November 2021, and lower its annual fee from 0.325 percent (32.5 basis points) to 0.30 percent (30 basis points). The proposed amendment is cost-effective relative to other proposals received after incorporating transaction costs associated with changing liquidity providers. The purpose of the current action is to adopt a resolution authorizing execution of the legal documents related to the liquidity extension. This proposal was presented and discussed with the Finance/Administration Committee on October 23, 2018.

DISCUSSION

The Water System’s commercial paper notes are issued with maturities of up to 270 days. Issuers of commercial paper typically provide backup liquidity support in the case that notes coming due cannot be rolled over (i.e., paid from proceeds of the sale of new notes). The District has covenanted to procure and maintain one or more liquidity facilities enabling it to borrow an aggregate amount at least equal to the principal amount of commercial paper notes outstanding. The District’s Water System has two subseries of commercial paper notes under this program: Subseries A-1 ($199.8 million outstanding) and Subseries A-2 ($160 million outstanding). The Subseries A-1 Commercial Paper Notes are supported by a liquidity facility from Sumitomo Mitsui Banking Corporation, acting through its New York Branch, expiring on

Funds Available: FY19

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<tr>
<td>Finance</td>
<td>Sophia D. Skoda</td>
<td>General Manager</td>
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</tbody>
</table>

Contact the Office of the District Secretary with questions about completing or submitting this form.
December 1, 2020. The Subseries A-2 Commercial Paper Notes are supported by the Revolving Credit Agreement from BANA expiring on November 30, 2018.

In anticipation of the expiration of the existing BANA liquidity facility, the District and its financial advisor issued an RFP in July 2018 for a new liquidity facility. The District received nine responses to the RFP. Of the firms submitting proposals, six offered liquidity facilities for the notes. The other three firms offered alternative proposals (such as refunding commercial paper with other products). Working with the District’s financial advisor, staff narrowed the options to four proposals offering three-year liquidity facilities with the lowest annual costs. One of the four firms was BANA, which offered an extension of the existing liquidity facility. Through negotiations with the District and its financial advisor, BANA reduced its annual fee from 32.5 basis points to 30 basis points based on the District’s current credit rating.

The transaction costs associated with selection of a liquidity provider are substantially higher for a new liquidity facility with a new bank compared with extending the existing Revolving Credit Agreement. The additional costs include bond counsel and bank counsel fees to draft new legal documents, along with higher financial advisor and rating agency fees. The District’s financial advisor estimates transaction costs of between $133,000 and $146,000 for a new liquidity facility compared with $40,500 for an extension of the BANA agreement. In comparing the proposals, these transaction costs were spread across the three years the new agreement will likely be in place. Two banks provided proposals for three-year facilities covering the full $160 million at an annual commitment fee lower than that of BANA (28.5 basis points and 29 basis points). However, after incorporating the higher transaction costs, BANA’s all-in per annum cost is estimated to be the lowest of the three. A fourth bank provided a lower commitment fee but agreed to only cover half of the $160 million in liquidity support required.

The BANA extension provides a reduction in the annual cost of liquidity support for the Subseries A-2 Commercial Paper Notes over the current agreement. The extension also offers lower transaction costs compared with establishing a new liquidity facility. When incorporating these transaction costs, the extension of the BANA liquidity Revolving Credit Agreement represents the most cost-effective approach compared with other proposals to cover the full $160 million in the Subseries A-2 Commercial Paper Notes.

A summary of the key documents is as follows:

- **First Amendment to the Revolving Credit Agreement** amends the Revolving Credit Agreement entered into by the District and BANA for the Subseries A-2 Commercial Paper Notes in December 2015. The Revolving Credit Agreement provides the terms and conditions under which BANA provides liquidity support for the Subseries A-2 Commercial Paper Notes by agreeing to make available a $160 million revolving line of credit. The First Amendment to the Revolving Credit Agreement provides for the extension of the stated expiration date of the Revolving Credit Agreement for approximately three years (to November 2021).
Extending Revolving Credit Agreement for Commercial Paper Notes (Water Series) Subseries A-2
October 23, 2018
Page 3

- Fee Agreement replaces the original fee agreement previously entered into by the District with BANA. This document provides the various fees the District will pay the bank under the Revolving Credit Agreement. The Fee Agreement provides fees to be charged during the extended term of the Revolving Credit Agreement, including the annual commitment fee (subject to maintenance of the District’s current credit ratings) of 30 basis points or approximately $480,000 annually for the Subseries A-2 Commercial Paper Notes. In the original 2015 Fee Agreement related to the 2015 Revolving Credit Agreement, the annual commitment fee was 32.5 basis points or approximately $520,000 annually.

SUSTAINABILITY

Economic

Funding for this item is included in the FY19 budget.

ALTERNATIVE

Do not authorize execution of documents required to extend the BANA Revolving Credit Agreement. This alternative is not recommended. A liquidity facility like the Revolving Credit Agreement is required to support the Subseries A-2 Commercial Paper Notes. Choosing a new liquidity bank would result in higher transaction costs. Incorporating these transaction costs and BANA’s lower fee, extending the existing agreement is most cost-effective.

Attachments

I:\Sec\2018 Board Related Items\Board Packets 2018\102318 Regular Board Meeting\FIN - BD1 Extend Commercial Paper Liquidity Agreement 102318.doc
FIRST AMENDMENT TO
REVOLVING CREDIT AGREEMENT

BETWEEN

EAST BAY MUNICIPAL UTILITY DISTRICT

AND

BANK OF AMERICA, N. A

DATED: OCTOBER 31, 2018

relating to

EAST BAY MUNICIPAL UTILITY DISTRICT
COMMERCIAL PAPER NOTES (WATER SERIES) TAX-EXEMPT SUBSERIES A-2
FIRST AMENDMENT TO
REVOLVING CREDIT AGREEMENT

This FIRST AMENDMENT to REVOLVING CREDIT AGREEMENT, dated October 31, 2018 (this “Amendment”), is between the EAST BAY MUNICIPAL UTILITY DISTRICT (the “District”) and BANK OF AMERICA, N.A. (the “Bank”). Terms used herein with initial capital letters and not otherwise defined shall have the respective meanings attributed thereto in the Agreement (as defined below).

RECITALS

WHEREAS, the District and the Bank entered into the Revolving Credit Agreement, dated as of December 1, 2015 (the “Original Agreement”) and a Fee Agreement dated December 2, 2015 (the “2015 Fee Agreement”) pursuant to which the Bank agreed to provide liquidity support for the District’s Commercial Paper Notes (Water Series) Tax-Exempt Subseries A-2 (the “Commercial Paper Notes”), and such liquidity support under the Original Agreement is evidenced by the Revolving Loan Note and the Term Loan Note; and

WHEREAS, the Stated Expiration Date of the Original Agreement is currently November 30, 2018, and the District has requested that the Bank extend the term of the Original Agreement; and

WHEREAS, the Bank has agreed to extend the term of the Original Agreement on the terms and conditions set forth in this Amendment; and

WHEREAS, the District and the Bank now desire to, among other things, (i) extend the Stated Expiration Date of the Agreement from November 30, 2018 to November 30, 2021, (ii) make certain additional amendments to the Original Agreement, and (iii) execute a new fee agreement to document certain pricing changes (the “New Fee Agreement”); and

NOW, THEREFORE, in consideration of the respective agreements contained herein and in the Original Agreement, and intending to be legally bound, the District and the Bank hereby agree as follows.

ARTICLE I. INTENTION OF PARTIES, AGREEMENT PROVISIONS.

The District and the Bank have entered into this Amendment and the New Fee Agreement to, among other things, extend the Stated Expiration Date and change other terms set forth in the Original Agreement to, among other things, extend the Stated Expiration Date and amend other terms set forth in the Original Agreement and to reflect the delivery of the New Fee Agreement to replace the 2015 Fee Agreement. The terms of the Original Agreement, as amended by this Amendment (as so amended, the “Agreement”), shall govern the rights and obligations of the District, and the Bank in connection with the transactions contemplated by the Agreement. The Bank and the District hereby agree that no amendments are needed with respect to the Revolving Loan Note and the Term Loan Note.
ARTICLE II. AMENDMENTS. The Original Agreement is hereby amended as follows:

(a) The definition of “Fee Agreement” in Section 1.1 of the Original Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

“‘Fee Agreement’ means that certain Fee Agreement dated the First Amendment Effective Date, between the District and the Bank, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof.”

(b) The defined term “Stated Expiration Date” in Section 1.1 of the Original Agreement is hereby amended by deleting “November 30, 2018” therein and replacing it with “November 30, 2021”.

(c) There is hereby added to Section 1.1 of the Original Agreement each of the following definitions, each of which is to be situated alphabetically:

“‘First Amendment’ means that certain First Amendment to Revolving Credit Agreement, dated October 31, 2018, between the District and the Bank.”

“‘First Amendment Effective Date’ means October 31, 2018.”

(d) Section 3.2(c) of the Original Agreement is hereby amended as follows:

i. By deleting “thirty (30)” and replacing it with “sixty (60)”; and

ii. By adding the following sentence at the end thereof: “The Bank hereby agrees that it shall provide the District with such certificate within ninety (90) days of obtaining knowledge of the increased costs.”

(e) Section 9.3 is hereby amended by deleting the information regarding the Bank after “With a copy to:” and replacing it with the following:

“Bank of America, N.A
WA1-501-34-03
800 5th Ave
Seattle, WA 98104
Attention: Satinder Parwana
Telephone: 206-358-6055
Email: satinder.parwana@baml.com”
ARTICLE III. CONDITIONS TO DELIVERY OF THIS AMENDMENT.

The amendments to the Original Agreement provided for in Article II hereof shall become effective on the First Amendment Effective Date; provided that each of the following conditions shall be fulfilled to the satisfaction of the Bank:

(a) Documentation:

(i) An executed counterpart of this Amendment, each signed by the District and the Bank;

(ii) Opinion of Counsel to the District regarding due authorization and execution of this Amendment in form and substance acceptable to the Bank;

(iii) The District shall have paid or made arrangements for payment of all costs and expenses incurred by the Bank in connection with this transaction, including without limitation reasonable attorney’s fees; provided, that the District shall pay the Bank’s attorney’s fees (which shall not exceed $7,500) within 30 days following its receipt of an invoice from such counsel; and

(iv) All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Bank and the execution and delivery hereof by the Bank shall constitute conclusive evidence that all such legal matters have been completed to the satisfaction of the Bank.

(b) Representations and Warranties True.

(i) The representations and warranties of the District contained in Article V of the Original Agreement and in this Amendment shall be true and correct with the same effect as though made on and as of the First Amendment Effective Date, except to the extent a representation or warranty relates specifically to an earlier date (in which case, such representation and warranty shall be true and correct as of such date) and except that the representations in Section 5.8 of the Original Agreement refers to the District’s 2017 financial statements (instead of the 2015 financial statements) which has been previously provided to the Bank.

(ii) In addition to the foregoing representations, the District hereby represents and warrants as follows:

(A) The execution, delivery and performance by the District of this Amendment are within their powers, have been duly authorized by all necessary actions and do not contravene any law or any contractual restriction binding on or affecting the District;

(B) No further authorization, approval or other action by, and no notice to or filing, is required for the due execution, delivery and performance by the
District of this Amendment that has not been received as of the First Amendment Effective Date;

(C) The District will provide, or will cause to have provided, (i) written notice of this Amendment, together with an updated Exhibit F to the Issuing and Paying Agent Agreement reflecting the extension of the Stated Expiration Date of the Agreement, to the Issuing and Paying Agent and (ii) notice of the extension of the Stated Expiration Date of the Agreement, together with an executed copy of this Amendment, to the Rating Agencies; and

(D) The Agreement (as amended by this Amendment) constitute the legal, valid and binding obligation of the District enforceable against the District in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally, by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) and by limitations on legal remedies against public agencies in the State.

(c) Absence of Certain Events. (i) There shall not have occurred any material adverse change in the affairs, condition and/or operations, financial or otherwise, of the District since the date of the most recent financial information provided to the Bank pursuant to Section 6.1(a) of the Original Agreement that would impair the ability of the District to perform its obligations under the Agreement; on or prior to the First Amendment Effective Date, no change shall have occurred in any law, rule or regulation or in any interpretation thereof that, in the opinion of the Bank, would make it illegal for the Bank to execute and deliver this Amendment; and (ii) no event has occurred which constitutes an Event of Default under the Original Agreement.

ARTICLE IV. MISCELLANEOUS.

(a) The parties hereto acknowledge and confirm that, from and after the First Amendment Effective Date, any reference in the Original Agreement or in the other Related Documents to the “Agreement” shall mean and refer to the Original Agreement as amended hereby.

(b) Except as provided herein, the Original Agreement shall remain in full force and effect and unaffected hereby except, as set forth herein, from and after the First Amendment Effective Date.

(c) This Amendment and the Original Agreement, as amended hereby, shall be subject to Section 9.6 and Section 9.9 of the Agreement. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.
(d) This Amendment may be executed in one or more counterparts, each of which taken together shall constitute one original and all of which shall constitute one and the same instrument.

[Remainder of page intentionally left blank; signature pages to follow.]
IN WITNESS WHEREOF, the parties have duly executed this Amendment as of the
day and year first above written.

EAST BAY MUNICIPAL UTILITY DISTRICT

By: ________________________________
Name: Sophia D. Skoda
Title: Director of Finance

BANK OF AMERICA, N.A.

By: ________________________________
Name: Grace Barvin
Title: Senior Vice President
FEE AGREEMENT

October 31, 2018

Reference is hereby made to that certain Revolving Credit Agreement dated as of December 1, 2015, as amended by that certain First Amendment to Revolving Credit Agreement dated October 31, 2018 (as further amended, supplemented, restated or otherwise modified from time to time, the "Agreement"), between the East Bay Municipal Utility District (the "District") and Bank of America, N.A. (the "Bank"), relating to the District’s Commercial Paper Notes (Water Series) Tax-Exempt Subseries A-2. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement is to replace the Fee Agreement dated December 2, 2015 between the Bank and the District (the "2015 Fee Agreement") and to confirm the agreement between the Bank and the District with respect to the Commitment Fees (as defined below) and certain other fees payable by the District to the Bank. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement.

ARTICLE I.
FEES.

Section 1.1. Commitment Fee. The District hereby agrees to pay or cause to be paid to the Bank a non-refundable Commitment Fee (the "Commitment Fee") with respect to the Available Commitment of the Bank under the Agreement in an amount equal to the rate per annum (the "Commitment Fee Rate") specified below on the average daily Available Commitment from time to time in effect during each related period.

<table>
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<th>LEVEL</th>
<th>S&amp;P RATING</th>
<th>MOODY’S RATING</th>
<th>FITCH RATING</th>
<th>COMMITMENT FEE RATE</th>
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</tbody>
</table>

The term "Rating" as used above shall mean the lowest long-term unenhanced debt rating assigned by each Rating Agency to any outstanding Water Bond. In the event of a split rating (i.e., the Rating of one of the foregoing Rating Agencies is at a different Level than the Rating of any other Rating Agency), the Commitment Fee Rate shall be based upon the Level in which the lower of the two highest Ratings appears; provided, however, that if only two Rating Agencies
are then rating Water Bonds, the Commitment Fee Rate shall be based upon the Level in which the lower of the two Ratings appears; provided, further, that, for purposes of this sentence only, any Rating that appears in a higher numbered Level than the Level in which a Rating of another Rating Agency appears shall be deemed to be a “lower” Rating for purposes of determining the Commitment Fee Rate. Any change in the Commitment Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in a Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies, and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Ratings in connection with the adoption of a “global” rating scale, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The District and the Bank acknowledge that as of the First Amendment Effective Date the Commitment Fee Rate is that specified above for Level 1. In the event that either (i) a Rating is suspended, withdrawn or otherwise unavailable from any Rating Agency for credit related reasons or (ii) there shall have occurred and be continuing any Event of Default, in each such case the Commitment Fee Rate shall increase by 1.50% per annum from the Commitment Fee Rate in effect on the date of the occurrence of such suspension, withdrawal, unavailability or Event of Default, as applicable (the “Fee Increase”); provided, however, that the Fee Increase shall not occur pursuant to clause (i) of this sentence if any such rating shall have been suspended or withdrawn by or becomes otherwise unavailable from a Rating Agency due to (a) the District’s failure to apply for such rating or failure to provide information to such Rating Agency, in each case as a result of such Rating Agency’s imposition or proposed imposition of conditions to issuing such rating with which the District cannot legally comply or (b) a determination by the District to cease maintaining such rating and following such withdrawal or suspension the District is in compliance with Section 6.29(iii) of the Agreement. The Commitment Fees shall be payable quarterly in arrears, together with interest on the Commitment Fees from the date payment is due until payment in full at the Default Rate. Such fee shall be payable in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed.

In connection with the Commitment Fees payable pursuant to this Section 1.1 for any fee period, the Bank hereby agrees to use its best efforts to deliver an invoice to the District for such Commitment Fees at least thirty (30) days in advance of the payment due date; provided, however, that the failure to provide any such invoice shall not limit or otherwise affect the obligation of the District to pay such Commitment Fees when due.

The Commitment Fee shall be payable in immediately available funds quarterly in arrears commencing on the first Business Day of January 2019; provided, however, that in connection with the payment due on the first Business Day of January 2019, the Commitment Fee shall be computed as follows: (X) at a rate equal to 0.325% per annum for the period from and including October 1, 2018 to but not including the First Amendment Effective Date (subject to any adjustments as set forth in the 2015 Fee Agreement), and (Y) at a rate equal to 0.30% per annum for the period from and including the First Amendment Effective Date through and including December 31, 2018; and, thereafter, on the first Business Day of each subsequent January, April, July and October and thereafter to the Commitment Termination Date, and on the Commitment Termination Date, in all cases, covering the period from the date of the immediately preceding
payment to such Business Day. The Bank's determination of the Commitment Fee pursuant hereto shall be conclusive absent manifest error.

Section 1.2. Loan Fees. Upon the making of each Loan, the District agrees to pay to the Bank a non-refundable Loan fee equal to $250, payable without any requirement of notice or demand by the Bank on the day on which such Loan is made by the Bank.

Section 1.3. Transfer Fee. Upon each transfer of the Agreement by the District in accordance with its terms or appointment of a successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement, the District agrees to pay the Bank a non-refundable fee of $2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank), payable on the date of such transfer or appointment.

Section 1.4. Amendment Fee. The District agrees to pay to the Bank on the date of each amendment, supplement, or modification to the Agreement (or any Related Document, the amendment, supplement or modification of which requires the consent of the Bank), a non-refundable fee equal to $2,500, or such other fee as may be agreed to between the District and the Bank, plus, in each case, the reasonable fees and expenses of counsel to the Bank.

Section 1.5. Termination Fee. (a) Notwithstanding anything set forth herein or in the Agreement to the contrary, the District hereby agrees not to terminate the Agreement prior to the first anniversary of the First Amendment Effective Date, without the payment by the District to the Bank of a termination fee (the "Termination Fee") in an amount equal to the product of (i) the Commitment Fee Rate in effect pursuant to Section 1.1 hereof on the date of such termination, (ii) the Available Commitment in effect on the First Amendment Effective Date, and (iii) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the first anniversary of the First Amendment Effective Date, and the denominator of which is 360. Notwithstanding any provisions of this Section to the contrary, the District will not be required to pay the Termination Fee if (i) any two of Moody's, S&P or Fitch shall have withdrawn or suspended the short-term credit rating of the Bank for credit related reasons or lowered the short-term credit rating of the Bank below "P-1," "A-1" and "F1," respectively, and thereafter for so long as such withdrawal, suspension or reduction shall be continuing, (ii) the Bank submits to the District a request for payment of amounts payable pursuant to Section 3.2 of the Agreement or (iii) the District elects to refinance the Commercial Paper Notes in full from a source of funds which does not involve the issuance by a bank or other financial institution of a letter of credit, liquidity facility, or credit facility or a direct purchase of such debt by a bank or other financial institution.

(b) Notwithstanding the foregoing and anything set forth herein or in the Agreement to the contrary, the District agrees not to permanently reduce the Available Commitment under the Agreement prior to the first anniversary of the First Amendment Effective Date, without the payment by the District to the Bank of a reduction fee (the "Reduction Fee") in connection with each and every permanent reduction of the Available Commitment as set forth herein in an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of such reduction, (B) the difference between the Commitment prior to such reduction and the Commitment after such reduction, and (C) a fraction, the numerator of which is equal to the
number of days from and including the date of such reduction to and including the first anniversary of the First Amendment Effective Date, and the denominator of which is 360. Notwithstanding any provisions of this Section to the contrary, the District will not be required to pay the Reduction Fee if (i) any two of Moody’s, S&P or Fitch shall have withdrawn the short-term credit rating of the Bank or lowered the short-term credit rating of the Bank below “P-1,” “A-1” and “F1,” respectively, and thereafter for so long as such withdrawal or reduction shall be continuing, (ii) the Bank submits to the District a request for payment of amounts payable pursuant to Section 3.2 of the Agreement or (iii) the District elects to refinance Commercial Paper Notes in an amount equivalent to the amount of such reduction from a source of funds which does not involve the issuance by a bank or other financial institution of a letter of credit, liquidity facility, or credit facility or a direct purchase of such debt by a bank or other financial institution.

ARTICLE II.
MISCELLANEOUS.

Section 2.1. Out-of-Pocket Expenses. The District shall pay to the Bank promptly upon receipt of invoice any and all reasonable fees and expenses of the Bank (including the out-of-pocket expenses of the Bank and the reasonable fees and disbursements of counsel to the Bank) all payable in accordance with this Fee Agreement and Section 9.2(a) of the Agreement.

Section 2.2. Payment Account. As provided in the Agreement, all payments hereunder shall be made by means of wire transfer of funds to the Bank’s Payment Account.

Section 2.3. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the District and the Bank.

Section 2.4. Governing Law. THIS FEE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS 5-1401 AND 5-1402); PROVIDED THAT THE POWER AND AUTHORITY OF THE DISTRICT TO ENTER INTO AND ITS RIGHTS AND OBLIGATIONS UNDER THIS FEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF CALIFORNIA.

Section 2.5. Counterparts. This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. Delivery of a counterpart hereof by facsimile transmission or by e-mail transmission of an Adobe portable document file (also known as a “PDF” file) shall be effective as delivery of an original executed counterpart hereof.

Section 2.6. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.
Section 2.7. 2015 Fee Agreement Replacement. For the avoidance of doubt, this Fee Agreement replaces in its entirety that certain Fee Agreement dated December 2, 2015 between the Bank and the District, and the parties hereby agree and confirm that the such fee letter is no longer in force and effect.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized on the date first set forth above.

EAST BAY MUNICIPAL UTILITY DISTRICT

By: ________________________________
   Name: Sophia D. Skoda
   Title: Director of Finance

BANK OF AMERICA, N.A.

By: ________________________________
   Name: Grace Barvin
   Title: Senior Vice President

Signature Page to Fee Agreement
RESOLUTION NO. ______

AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT AND RELATED FEE AGREEMENT AND OTHER MATTERS IN CONNECTION THEREWITH

Introduced by Director ; Seconded by Director

WHEREAS, the Board of Directors (the “Board”) of the East Bay Municipal Utility District (the “District”) by Resolution No. 34062-15, adopted on November 24, 2015, authorized the issuance of commercial paper notes, including the District’s Commercial Paper Notes (Water Series), Tax-Exempt Subseries A-2 (the “Subseries A-2 Commercial Paper Notes”), under Article 1 of Chapter 7.5 of the Municipal Utility District Act (the “Act”) and declared the terms and conditions upon and subject to which commercial paper notes shall be issued; and

WHEREAS, in accordance with Resolution 34062-15, the District is authorized to issue commercial paper notes in an unlimited aggregate principal amount so long as the outstanding aggregate principal, together with all other evidences of indebtedness issued and outstanding pursuant to Article 1 of Chapter 7.5 of the Act, does not exceed the lesser of either (1) the annual average of the total revenue for the three preceding years or (2) 25 percent of the District’s total bonds outstanding issued pursuant to chapters 6, 7 and 8 of the Act; and

WHEREAS, the District has previously arranged for bank credit in connection with the Subseries A-2 Commercial Paper Notes by entering into a Revolving Credit Agreement, dated as of December 1, 2015 (the “Revolving Credit Agreement”), with Bank of America, N.A. (“BANA”), to provide an additional source of repayment for the Subseries A-2 Commercial Paper Notes, and also previously entered into a Fee Agreement, dated December 2, 2015 (the “2015 Fee Agreement”), with BANA, in connection with the Revolving Credit Agreement; and

WHEREAS, under the terms of the Revolving Credit Agreement, the Stated Expiration Date (as defined in the Revolving Credit Agreement) of the Revolving Credit Agreement is currently November 30, 2018; and

WHEREAS, the District has requested BANA to extend the Stated Expiration Date of the Revolving Credit Agreement, and BANA has agreed to such extension for a period of not less than three years from the date of such extension, as set forth in the First Amendment to Revolving Credit Agreement hereinafter referred to, and conditioned upon the District entering into a new fee agreement to replace the 2015 Fee Agreement, documenting certain pricing changes (the “2018 Fee Agreement” as hereinafter further defined) relating to the First Amendment to Revolving Credit Agreement, each in the form as presented to this meeting; and
WHEREAS, this Board does hereby find and determine that it would be in the best interest of the District to extend the Stated Expiration Date of the Revolving Credit Agreement and to approve the First Amendment to Revolving Credit Agreement and the 2018 Fee Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District, as follows:

Section 1. Recitals True and Correct. The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Approval of First Amendment to Revolving Credit Agreement and 2018 Fee Agreement. The General Manager, the Director of Finance or the Treasury Manager or any such officer serving in an acting or interim capacity as such or any duly authorized designee of any of the foregoing (each, a “Designated Officer”) is hereby authorized and directed to execute for and on behalf of the District the First Amendment to Revolving Credit Agreement and the related 2018 Fee Agreement, in substantially the form of the First Amendment to Revolving Credit Agreement and related 2018 Fee Agreement submitted to this meeting, with such changes, insertions and omissions as a Designated Officer shall approve after consultation with the District’s General Counsel and Norton Rose Fullbright US LLP and Curls Bartling P.C., the District’s Co-Bond Counsel, such approval to be evidenced by the execution and delivery thereof; provided that the annual Commitment Fee Rate (as defined in the 2018 Fee Agreement) to be paid to BANA following the extension of the Stated Expiration Date of the Revolving Credit Agreement (assuming the maintenance of the District’s current long-term unenhanced debt ratings) shall not exceed 30 basis points per annum (0.30%). The First Amendment to Revolving Credit Agreement and related 2018 Fee Agreement, as executed and delivered, are hereinafter referred to as the “First Amendment to Revolving Credit Agreement” and the “2018 Fee Agreement,” respectively, and such First Amendment to Revolving Credit Agreement and 2018 Fee Agreement are hereby approved.

Section 3. Additional Actions. Each of the Designated Officers and such other proper officers of the District be and they hereby are authorized, individually and collectively, to do any and all things and to execute and deliver such other agreements, documents and certificates (including, but not limited to providing for the giving of written directions and notices or the securing of any required third party approvals required by any documents related to the Subseries A-2 Commercial Paper Notes or otherwise in connection with the extension of the Stated Expiration Date of the Revolving Credit Agreement and the transactions contemplated by this Resolution and the delivery of any amendment to or update of the commercial paper offering memorandum related to the District’s commercial paper notes issued pursuant to Resolution 34032-15) as may be necessary, convenient, or advisable and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, Resolution 34032-15, the Issuing and Paying Agent Agreement relating to the District’s commercial paper notes, the Revolving Credit Agreement, as amended by the First Amendment to Revolving Credit Agreement, the 2018 Fee
Agreement and the transactions herein authorized. All actions heretofore taken by the officers (or their designees), employees and agents of the District in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

ADOPTED this 23rd day of October, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

__________________________________________
President

__________________________________________
Secretary

APPROVED AS TO FORM AND PROCEDURE:

__________________________________________
General Counsel

{00031868:1}
ITEM 10

GENERAL MANAGER’S REPORT

WILL BE PROVIDED AS AN ORAL REPORT
DATE: October 18, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager

FROM: Rischa S. Cole, Secretary of the District

SUBJECT: Planning Committee Minutes – October 9, 2018

Chair Frank Mellon called to order the Planning Committee at 9:00 a.m. in the Training Resource Center. Director Marguerite Young was present at roll call and Director Doug Linney arrived at 9:02 a.m. Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Operations and Maintenance Clifford C. Chan, Director of Water and Natural Resources Richard G. Sykes, Director of Wastewater Eileen M. White, Manager of Water Operations David A. Briggs, Technical Training and Writing Administrator Kevin R. Dickison, Manager of Wastewater Treatment Maura A. Bonnarens, Associate Civil Engineer Matthew R. Hoefl, Senior Civil Engineer Alice E. Towey, Special Assistant to the General Manager Douglas I. Wallace, and Secretary of the District Rischa S. Cole.

Public Comment. None.

Main Wastewater Treatment Plant (MWWTP) Odor Control Program Update. Technical Training and Writing Administrator Kevin R. Dickison presented a program overview and reported that in FY18, the MWWTP met its key performance indicator (KPI) for odor complaints with 17 odor complaints attributable to the plant. The KPI is less than or equal to 30 odor complaints per year. Over the last 16 years, the District has spent approximately $14 million in major capital improvements to reduce odors and has budgeted $23 million in its FY18-FY22 Capital Improvement Program for further improvements. Mr. Dickison reviewed upcoming projects and operational enhancements implemented by staff to further address odor control and highlighted the contributions of the Odor Management Program Team to improve processes and proactively reach out to MWWTP neighbors and stakeholders. Next steps for the program include continuing efforts to reduce odors, mitigating impacts from upcoming interceptor rehabilitation projects, and continued outreach to MWWTP neighbors and stakeholders. The Committee thanked staff for the report and their efforts to reduce odors at the MWWTP.

Wet Weather Program Management Update. Manager of Wastewater Treatment Maura A. Bonnarens provided an overview of program improvements made to manage wet weather flows to District facilities. She discussed how the wastewater system operates during wet weather events and summarized updates to key program elements which included improvements to the District’s training program, facility readiness approach, documentation, staffing approach, and other measures based on lessons learned during the 2016/2017 season. As a result of the program improvements, Ms. Bonnarens reported the District successfully managed and complied with all regulatory requirements at its wastewater facilities during the 2017/2018 wet weather season. In October 2017, the San Francisco Regional Water Quality Control Board issued a requirement for the District to provide an annual Wet Weather Program Readiness Report by September 30 of each year. This year’s report was submitted on September 26. Staff will maintain the current
approach and continue working to further refine program elements to ensure continued success managing and complying with regulatory requirements at District facilities.

**Wastewater Energy Generation Update.** Associate Civil Engineer Matthew R. Hoeft presented an update on energy generation at the District’s Main Wastewater Treatment Plant (MWWTP). The District’s Power Generation Station (PGS) and one gas turbine produce approximately 130 percent of the MWWTP’s electricity demand by generating renewable electricity using biogas as a fuel. Excess electricity is sold to the Port of Oakland under a Power Purchase Agreement. Mr. Hoeft explained that the gas turbine, which has been in service since 2011, produces an average of 60 percent of the total energy generation and its monitoring and maintenance services have been covered by the manufacturer’s extended service agreement (ESA) which is set to expire on November 30, 2018. He discussed the past challenges with turbine maintenance and explained why the District chose to purchase the manufacturer’s ESA. He reviewed the benefits of the ESA and noted there is no third party alternative to the ESA and that District staff is unable to perform equivalent service on the turbine. Staff is finalizing the proposed updated ESA with the manufacturer and will present it to the Board for consideration on November 13. Mr. Hoeft responded to Committee questions about planned maintenance during low production days and how biogas production is managed when the turbine is out of service.

**Los Vaqueros Reservoir Expansion Project Update.** Senior Civil Engineer Alice E. Towey provided an update on the District’s potential participation in the project. She reviewed the project background, project funding, project governance, the status of environmental documents, and options for EBMUD participation. The District could participate in the project one of two ways – store water from the Mokelumne River or other sources in the reservoir during wet years for use during droughts or other emergencies or use its Freeport Project and Mokelumne Aqueducts to convey water to Los Vaqueros for Project partners. In July 2018, Contra Costa Water District (CCWD) received $459 million in State funding from the California Water Commission; the estimated project cost is $918 million. Ms. Towey explained that the District’s project cost share is being evaluated by CCWD and will depend on EBMUD’s share of project benefits, the facilities EBMUD uses, and the number of project partners. The cost calculation will also include recognition of EBMUD’s contributed assets, including Freeport, the Mokelumne Aqueducts, and related facilities. There are currently fifteen agencies considering participation in the project. Ultimate project governance may take the form of a Joint Powers Authority (JPA) or similar structure which should be determined by spring 2019. CCWD is developing a Multi-party Agreement to cover expenses through the formation of a JPA, including initiation of permitting and preliminary design. This agreement will be presented to the EBMUD Board for consideration in the next few months. Staff is also working with the U.S. Bureau of Reclamation to develop a Memorandum of Understanding to clarify that participation in the project does not affect the determination of a dry year for purposes of activating EBMUD’s CVP Contract. Ms. Towey responded to Committee questions regarding how the District’s participation will be consistent with its “Principles of Agreement with Contra Costa Water District for Potential Use of Freeport and Los Vaqueros Facilities” and “Principles for Use of Unassigned Capacity in the Freeport Regional Water Project.” The Committee requested that copies of the two sets of District principles and a list of potential project partners be included in future reports and edits be made to slide 6 in the presentation to correct a dollar amount before posting to the website.
Photovoltaic (PV) Update. Manager of Water Operations David A. Briggs presented an update on efforts to develop large scale PV projects on District property. The District has developed nine PV projects in the past 15 years and a 380 kilowatt project near Camanche Dam began construction in September under a Power Purchase Agreement with SolarCity. This project is expected to be complete by early 2019. The District is still exploring three potential sites to develop one or more large scale PV projects under PG&E’s Renewable Energy Self-Generation Bill Credit Transfer tariff — the Shuteman site (unincorporated Contra Costa County), the Duffel site (Orinda), and the Navy Flat site (Castro Valley). Based on preliminary environmental reviews at each site, staff is considering eliminating Shuteman from further consideration due to potential difficulty mitigating visual impacts. Mr. Briggs explained that participation in PG&E’s tariff program is cost effective but availability is limited. The program is capped at 105 megawatts with 37 megawatts already assigned to completed projects. Nearly all of the remaining capacity, including the District’s three proposed projects, is in the application process with PG&E. Development costs to date for all sites are approximately $350,000, including preliminary environmental review and PG&E interconnection fees. The total estimated net present value of two projects is approximately $9 million to $17 million. The Duffel project will be presented to the Orinda City Council for review in November and the Navy Flat project will be presented to the Castro Valley Municipal Advisory Council (MAC) around March 2019. The MAC will then make a recommendation to the Alameda County Board of Zoning Adjustments. The Committee had no questions.

Adjournment. Chair Mellon adjourned the meeting at 10:17 a.m.
Chair John A. Coleman called to order the Legislative/Human Resources Committee at 10:21 a.m. in the Training Resource Center. Director Marguerite Young was present at roll call and Director William B. Patterson was absent (excused). Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Manager of Legislative Affairs Marlaigne K. Dumaine, Manager of Customer and Community Services Andrew L. Lee, Contract Equity Administrator Beverly D. Johnson, Director of Water and Natural Resources Richard G. Sykes, Special Assistant to the General Manager Douglas I. Wallace, and Secretary of the District Rischa S. Cole.

Public Comment. None.

Final Status of EBMUD Position Bills for the 2017-2018 State Legislative Session. Manager of Legislative Affairs Marlaigne K. Dumaine reviewed the status of approximately thirty-six bills for which the District adopted a formal position and bills the District considered, but did not adopt a formal position on, during the 2017-2018 legislative session. The Committee asked questions about potential, future legislation that would establish a funding source for the Safe Affordable Drinking Water Fund proposed under SB 623 (Monning) and whether information on SB 100 (DeLeon) - California Renewables Portfolio Standard Program: Emissions of Greenhouse Gases would be presented at a future Sustainability/Energy Committee meeting. The Committee also requested a table grouping the list of bills in Ms. Dumaine’s report by topic.

Fiscal Year 2018 (FY18) Contract Equity Program Annual Report. Contract Equity Administrator Beverly D. Johnson presented an overview of program activities and key accomplishments for FY18, ongoing contracting challenges for the District and key initiatives for FY19. In FY18, ethnic minorities and white women owned businesses contracts totaled $29 million; small business contracts totaled $32.1 million with $3 million to micro-small businesses; local business contracts totaled $81.1 million with $18 million to local small businesses; and 77 percent (192 firms) of the District’s major contracts were awarded to firms with minority workforces that reflect at least 50 percent or more of their applicable Metropolitan Statistical Area. Staff participated in multiple events to promote the program and received three industry awards during this time period. In FY19, staff will continue outreach and education efforts; increase the $70,000 threshold for Small Business Enterprise set-asides to $80,000; implement the state’s new size standard for public works contractors effective January 1, 2019; update the District’s Engineering Consultant Roster and Guidelines; investigate how the consolidation of engineering consultant firms impact District contracting; improve monitoring and reporting of change orders and on-call contracts; and piloting the local hire component on targeted construction projects. The Committee asked staff to
provide a memo categorizing the District’s local and small business contract awards by Contract Equity Program availability groups; provide local hiring data broken down by zip code in future reports; and to determine if the National Football League’s “Rooney Rule” could be used for elements of the program.

**Resolution in Support of Measure FF.** Director of Water and Natural Resources Richard G. Sykes reported that the East Bay Regional Park District (EBRPD) sponsored Measure FF, "Wildfire Protection, Safe Parks/Trails, Public Access, Natural Habitat," will appear on the November ballot for portions of Alameda and Contra Costa Counties and if approved, would continue an existing parcel tax used by EBRPD to fund current programs and projects. The Board will consider adopting a resolution in support of Measure FF at its meeting in the afternoon. It was moved by Director Young, seconded by Director Coleman, and carried (2-0) to forward the staff recommendation to the full Board. Director Patterson was absent (excused).

**Adjournment.** Chair Coleman adjourned the meeting at 10:56 a.m.