

MINUTES

Tuesday, February 9, 2016

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

Regular Closed Session Meeting

President Frank Mellon called to order the Regular Closed Session Meeting of the Board of Directors at 11:10 a.m. in the Administration Center Board Room.

ROLL CALL

Directors Andy Katz, Doug Linney, Lesa R. McIntosh, William B. Patterson, Marguerite Young, and President Frank Mellon were present at roll call. Director John A. Coleman was absent due to illness, but excused by President Mellon.

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Assistant General Counsel Frederick S. Etheridge (Item 1a), Director of Water and Natural Resources Richard G. Sykes (Item 1a), Director of Operations and Maintenance Michael J. Wallis (Item 2), Manager of Regulatory Compliance Michael R. Ambrose (Item 2), and Manager of Human Resources Laura A. Brunson (Item 2).

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Frank Mellon announced the closed session agenda. The Board convened to Conference Room 8a/b for discussion.

Regular Business Meeting

President Mellon called to order the Regular Business Meeting of the Board of Directors at 1:18 p.m. in the Administration Center Board Room.

ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, and Secretary of the District Lynelle M. Lewis.

BOARD OF DIRECTORS

President Mellon led the Pledge of Allegiance.

ANNOUNCEMENTS FROM CLOSED SESSION

President Mellon announced that the Board met with Ad Hoc Advisory Committee members Directors Patterson, Katz and Coleman regarding the employment contracts of the General Manager and the General Counsel pursuant to Government Code section 54957.7 and would be reconvening following the Regular Meeting for further discussion. There were no other announcements required from closed session.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

- Motion by Director McIntosh, seconded by Director Patterson, to approve the recommended actions for Items 1-12 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 023-16** – Approved the Regular Meeting Minutes of January 26, 2016.
 2. The following correspondence was filed with the Board: 1) Presentation entitled “Water Supply Board Briefing” dated February 9, 2016; 2) Presentation entitled “State Water Resources Control Board Emergency Regulations Update” dated February 9, 2016; and 3) Presentation entitled “Excessive Water Use Reporting Update” dated February 9, 2016.
 3. **Motion No. 024-16** – Authorized agreement with United Site Services of California, Inc., beginning on or after March 1, 2016 in an amount not to exceed \$58,240.50 annually for supplying and servicing rental portable chemical toilets and maintaining portable toilets at various District locations for two years with three options to renew for additional 1-year periods for a total cost of \$291,205.00 under Request for Quotation No. 1611.
 4. **Motion No. 025-16** – Awarded a contract to the lowest responsive/responsible bidder, Integrated Archive Systems Inc. in an amount, after the addition of taxes, not to exceed \$873,194 for providing NetApp hardware, software and support to the District for three years, beginning on or after February 11, 2016 under Request for Quotation No. 1614.
 - 5.1. **Motion No. 026-16** – Awarded a contract to the lowest responsive/responsible bidder, C. Overaa & Co., in the amount of \$12,399,000 for construction of the Orinda Water Treatment Plant Reliability and Maintenance – Shutdowns, Hypochlorite, and Electrical Improvements under Specification 2089.

- 5.2. **Motion No. 027-16** – Awarded a sole source equipment supply contract to Anthratech U.S. Inc. in the total amount, after the addition of taxes, not to exceed \$3,700,000 for supplying filter underdrain equipment for the Orinda Water Treatment Plant.
6. **Motion No. 028-16** – Authorized an agreement beginning on or after February 9, 2016 with Alameda County Flood Control and Water Conservation District (ACFC) through December 31, 2035, setting forth the terms under which the District may install, operate, and maintain a pump at the ACFC Ettie Street Stormwater Pump Station to divert dry weather runoff flows to the District's Main Wastewater Treatment Plant and providing for District reimbursement of specified costs to be incurred by ACFC.
7. **Motion No. 029-16** – Authorized an agreement with Brown and Caldwell for \$600,000 to prepare the Bay Area Regional Reliability (BARR) Drought Contingency Plan and a companion BARR study.
8. **Motion No. 030-16** – Authorized an agreement with SANDIS beginning on or after February 9, 2016 in an amount not to exceed \$138,750 for traffic engineering services for the MacArthur Davenport and International Boulevard Pipeline Replacements in the City of Oakland.
9. **Motion No. 031-16** – Authorized an agreement with TERRA Engineers, Inc., in an amount not to exceed \$1,329,651 for the design of retrofits to the Briones Reservoir Inlet/Outlet Tower.
10. **Motion No. 032-16** – Authorized a lease agreement with Eleventh and L Properties for 1,971 square feet of office space located at 1127 Eleventh Street, Suite 414 in Sacramento for three years, with two 1-year options to extend commencing on April 1, 2016 and expiring on March 31, 2021. The base rent is \$54,396 per year for the first three years, with a total scheduled base rent including the escalation over the five-year term of \$276,718.
11. **Motion No. 033-16** – Considered the June 2015 and November 2015 Addenda to the Main Wastewater Treatment Plant (MWWTP) Land Use Master Plan Environmental Impact Report, determined that no further environmental review is required under the California Environmental Quality Act, and authorized a second amendment to the existing preliminary engineering services agreement with Harvest Power Tulare, LLC to increase the agreement value by \$365,200 to \$1,223,079 for the provision of preliminary engineering design services for food waste processing facilities at the MWWTP and procurement of critical path renewable natural gas facility equipment.
12. **Resolution No. 34065-16** – Authorize East Bay Municipal Utility District To Access State, Local And Federal Summary Criminal History Information For Employment Purposes.

DETERMINATION AND DISCUSSION

13. Legislative Update.

Manager of Legislative Affairs Marlaine K. Dumaine provided highlights from her trip to Washington, D.C. She reported that she and General Manager Coate met with members of EBMUD's congressional delegation, staff, and key water committee staff to advance EBMUD's federal interests. Each of the meetings allowed EBMUD to discuss water supply reliability needs related to federal drought relief legislation, federal funding for projects with existing funding authorizations, and forestry/fire management issues. In addition, there were discussions with Congresswoman Barbara Lee's staff regarding EBMUD's leadership with the state and federal "Get the Lead Out" legislation as well as EBMUD's aggressive lead pipe replacement program in its service area. After the meeting, EBMUD staff provided supplemental information for Congresswoman Lee's speaking points relative to the Flint, Michigan water crises.

Next, Ms. Dumaine reported on Senate Bill 163 (Hertzberg) which would require a wastewater treatment facility to recycle 100 percent of its wastewater for reuse, on or after January 1, 2036. Board members questioned the costs of implementation, required policy changes, and infrastructure needed to adhere to this type of mandate. Ms. Dumaine also reported that the water bond measure is on hold. Director Young reported that the Planning Committee discussed how EBMUD could play a leadership role in advancing federal lead and copper regulations based on its experience in this area. The Committee urged staff to be proactive in the federal effort.

14. Authorize A Purchase Agreement with Yuba County Water Agency.

General Manager Coate reported that EBMUD and Yuba County Water Agency (YCWA) have negotiated a one-year water transfer agreement (2016 Transfer Agreement) with an option for EBMUD to purchase up to 10,000 acre feet of water. In the event drought conditions continue, water stored in YCWA's New Bullards Bar Reservoir would be released to the lower Yuba River for redirection at the Freeport Water Project intake on the Sacramento River under terms of the Yuba Accord. In response to questions by the Board, General Manager Coate said that EBMUD would have until April 22, 2016 to notify YCWA if EBMUD intends to purchase water under the 2016 Transfer Agreement.

- Motion by Director Coleman, seconded by Director Katz, to approve recommended actions for Item 14, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).

Resolution No. 34066-16 – Adopting Findings As A Responsible Agency Under CEQA And Approving A One-Year Transfer Of Up To 10,000 Acre-Feet Of Water From Yuba County Water Agency To East Bay Municipal Utility District.

15. General Manager's Report.

Operations and Maintenance Department Manager Eileen M. White presented the state and local water supply update. She reported that overall snow measurements and precipitation are up significantly compared to 2015. Total system storage is currently 382,590 acre-feet and end of water year storage is projected at 495,000-630,000 acre-feet. Ms. White reviewed water supply projections and the upcoming water year 2016 water supply schedule. Following discussion, the Board requested that staff include a 95 percent or 100 percent exceedance in the upcoming water supply presentation. The Board complimented staff on its efforts to ensure adequate water supply for customers.

Manager of Water Conservation Richard W. Harris reported that despite recent rains, the State Water Resources Control Board recently adopted an extended and revised Emergency Regulation to ensure that water conservation continues in 2016. The regulation extended restrictions on urban water use through October 2016 while providing water suppliers more flexibility in meeting their conservation requirements. It also directs staff to report back on additional flexibility once more complete water supply information is known in April.

Manager of Customer and Community Services Sherri A. Hong presented an update on excessive water use reporting. She highlighted the accounts on the excessive water use list(s) that span longer than one billing period. Ms. Hong noted that all accounts listed violated the Excessive Water Use Penalty Ordinance and were charged the penalty correctly. However, when a customer's water consumption was calculated by the media, their ranking on the media's top user list was higher because their water bill covered a longer time period. Next, Customer Services Manager William A. Sharp presented an explanation for longer billing periods and the process for investigating accounts. He said a bill statement may reflect a longer billing period because of quality control reviews, billing adjustments, or the inability to read a meter because of access and/or a meter issue. Once an accurate read is obtained and verified, the account is scheduled for billing as a part of the next billing cycle. Mr. Sharp said staff is modifying the current excessive use report to include the billing period and the number of days for each bill statement. The additional information will be retroactively added to the previous excessive use lists and provided to the media. Staff also will send a letter to those excessive use customers whose names were released to the media with bill statements that spanned more than one billing period explaining the situation.

There was considerable discussion and the Board provided direction to staff to ensure excessive use customer information provided to the media is correct; to use common language (e.g., gallons per day versus units); notify excessive use customers proactively and clearly explain charges and actions on their account; and provide the Board with water savings analysis of the excessive use program.

In concluding, General Manager Coate reported that staff had provided the Board with the Preliminary Water Supply Availability and Deficiency Report, 2016 Critical Drought Action Plan Update – February, and the Monthly Report – January 2016. He announced that Senior Public Information Representative Abby J. Figueroa would be leaving the District and the Board thanked Ms. Figueroa for her service to the District.

REPORTS AND DIRECTOR COMMENTS

16. Committee Reports.

- Filed with the Board were the Sustainability/Energy and Finance/Administration Committee Minutes of January 26, 2016.

17. Other Items for Future Consideration.

None.

18. Director Comments.

- Director Coleman reported attending/participating in the following events: Association of California Water Agencies (ACWA) Board workshop on January 28 in Sacramento; ACWA Executive Committee meeting on January 29 in Sacramento; ACWA Board of Directors meeting on January 29 in Sacramento; and the ACWA Executive Committee teleconference meeting on February 1 in Oakland. He reported on plans to attend/participate in the following upcoming events: Meeting to discuss the Water Forum on February 11 in Oakland; ACWA Executive Committee teleconference meeting on February 16 in Oakland; speech on water issues to Delta Kappa Gama group on February 17 in San Ramon; speech on water issues to Contra Costa Realtors on February 18 in Danville; speech on water issues to Lafayette Rotary Club on February 18 in Lafayette; moderate Water Forum at BCDC on February 18 in San Francisco; and California Association of Sanitation Agencies and ACWA conferences from February 21-26 in Washington, D.C.
- Director Katz had no comment.
- Director Linney had no comment.
- Director McIntosh had no comment.
- Director Patterson had no comment.
- Director Young had no comment.
- President Mellon announced that he had written a letter to the editor of the Contra Costa Times regarding excessive use reporting.

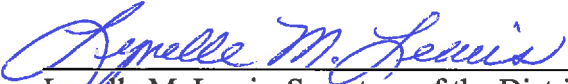
ADJOURNMENT

The Board adjourned the Regular Business Meeting at 3:48 p.m. President Mellon announced that the Board designated representatives Directors Patterson, Katz and Coleman were reconvening its conference regarding the employment contracts of the General Manager and the General Counsel pursuant to Government Code section 54957.7.

At 4:14 p.m. all Board members reconvened in the Board Room. President Mellon announced that the designated representatives have been given authority to authorize amendments to the agreements for employment with the General Manager and General Counsel. This action will be agendized at the February 23, 2016 Regular Meeting of the Board.

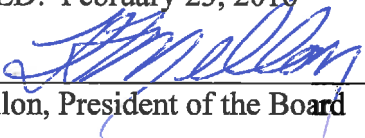
President Mellon adjourned the meeting at 4:15 p.m.

SUBMITTED BY:



Lynelle M. Lewis, Secretary of the District

APPROVED: February 23, 2016



Frank Mellon, President of the Board

