

MINUTES

Tuesday, October 24, 2017

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

Regular Closed Session Meeting

President Lesa R. McIntosh called to order the Regular Closed Session Meeting of the Board of Directors at 11:12 a.m. in the Administration Center Board Room.

ROLL CALL

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

Staff presented included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Assistant General Counsel Xanthe M. Berry (Items 1a and 2a), Risk Manager Karen K. Curry (Items 1a and 2a), Engineering Manager Elizabeth Z. Bialek (Items 1a and 2a), Attorney Lourdes Matthew (Item 3), Director of Finance Sophia D. Skoda (Item 3), Manager of Human Resources Laura A. Brunson (Item 3), Manager of Employee Relations David Pak (Item 3), and Industrial Employers Distributors Association representatives Glenn Berkheimer and Gregory Ramirez (Item 3).

PUBLIC COMMENT

- Addressing the Board were the following: 1) Jamie McDonald, 2nd Vice President, AFSCME Local 2019, commented on labor negotiations; 2) Ruben Rodriguez, 1st Vice President, AFSCME Local 444, commented on labor negotiations and staffing levels for District Gardener positions; 3) Randy Hernandez, Wastewater Plant Maintenance Mechanic, commented on equity adjustment requests, recruitments and staffing levels for the Plant Maintenance Mechanic classification; and 4) John Briceno, President, AFSCME Local 444, commented on labor negotiations, salaries, equity adjustment requests and the status of current District recruitments.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

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

Regular Business Meeting

President McIntosh called to order the Regular Business Meeting of the Board of Directors at 1:22 p.m. in the Administration Center Board Room.

ROLL CALL

Directors Andy Katz, Doug Linney, Frank Mellon, William B. Patterson, Marguerite Young, and President Lesa R. McIntosh were present at roll call. Director John A. Coleman was absent. Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer and Secretary of the District Risha S. Cole.

BOARD OF DIRECTORS

President McIntosh led the Pledge of Allegiance.

PRESENTATIONS

General Manager Alexander R. Coate announced that Contract Equity Administrator Beverly D. Johnson recently received two awards - The 2017 Bay Area Unity Festival by R. Warren Media "Shades of Hue Award of Honor" and the "Supplier Diversity Champion of the Year in the Public Sector" award from Asian, Inc. and the Minority Business Development Agency Business Center. Both awards recognize her work to embrace diversity in contracting, to promote development of and contracting to local, small, women, veteran and minority-owned businesses in the community and for creating a program that advances the objectives of supplier diversity. Director Mellon presented the awards to Ms. Johnson and commented how gratifying it was to witness her being honored by her peers during the 46th Annual Anniversary Gala and Minority Enterprise Development Week 2017 "Equity for All" Celebration on October 6. Ms. Johnson thanked the Board and asked that they continue supporting efforts to achieve diversity in contracting at the District.

Next, General Manager Coate announced that for the eleventh consecutive year, the District has been awarded the Government Finance Officers Association of the United States and Canada's Certificate of Achievement for Excellence in Financial Reporting Award for its FY 2016 Comprehensive Annual Financial Report. Under the leadership of Controller D. Scott Klein, the following staff prepared this winning report: Accounting Systems Supervisor Lawrence Fan, Accounting and Financial Systems Analyst David P. Siu, Accountant IIIs Crystal Zhang, Melody Wang, and Yenny S. Coburn, and Accounting Systems Supervisors Lisa Chan and Sandy F. Lindley. Director William B. Patterson, Chair of the Finance/Administration Committee presented the award to staff on behalf of the Board. Mr. Klein thanked his team for their work, and the Board and District leadership for their support.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

- Addressing the Board was Teresa Hardy, Sierra Club Water Committee, who commented on recent activities across the state regarding the Delta tunnels and California's WaterFix.

CONSENT CALENDAR

- Motion by Director Mellon, seconded by Director Linney, to approve the recommended actions for Items 1-10 on the Consent Calendar, carried (6-0) by the following voice vote: AYES (Katz, Linney, Mellon, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Coleman).
1. **Motion 175-17** – Approved the Regular Meeting Minutes of October 10, 2017.
 2. The following correspondence was filed with the Board: **1)** Five documents submitted by Randy Hernandez, EBMUD Plant Maintenance Mechanic – EBMUD Plant Maintenance Mechanic 2017 Equity Adjustment Request; EBMUD Plant Maintenance Mechanic Class Specification; Central Contra Costa Sanitary District Job Classification Description for Maintenance Technician Trainee I/II; 2017 Salary Survey by Randy Hernandez, EBMUD Plant Maintenance Mechanic, SD-1; and East Bay Municipal Utility District Total Compensation Survey for Plant Maintenance Mechanic dated April 2017; **2)** Presentation entitled “Delta Update,” dated October 24, 2017; **3)** Presentation entitled “Proposed FY2018 Financing Plan,” dated October 24, 2017; and **4)** Speakers’ Bureau and Outreach Record CY17 dated October 23, 2017.
 3. **Motion No. 176-17** – Awarded a contract to the lowest responsive/responsible bidder, San Rafael Rock Quarry, Inc., in the estimated annual amount of \$600,766, after the addition of taxes, for supplying rip-rap for three years, beginning on or after October 31, 2017, with two options to renew for an additional one-year period for a total cost of \$3,003,830 under Request for Quotation No. 1804.
 4. **Motion No. 177-17** – Authorized an agreement beginning on or after October 25, 2017 with Brown and Caldwell in an amount not to exceed \$2,800,000 for design services for the Main Wastewater Treatment Plant Digester Upgrade Project Phase 3.
 5. **Motion No. 178-17** – Authorized an agreement beginning on or after November 1, 2017 with Pennsylvania Perlite Corporation in an amount not to exceed \$116,749 for removal, storage, and installation of insulation material for the Oxygen Production Plant No. 1 at the Main Wastewater Treatment Plant.
 6. **Motion No. 179-17** – Authorized an agreement beginning on or after October 24, 2017, with WSP USA, Inc., in an amount not to exceed \$320,000 to complete inspection of the Pardee Tunnel.
 7. **Motion No. 180-17** – Authorized an amendment to the existing agreement with Synagro-WWT, Inc., awarded under Board Motion No. 142-17 to increase the agreement value by \$92,200 to \$538,500 for cleaning Digester No. 2 at the Main Wastewater Treatment Plant.
 8. **Motion No. 181-17** – Approved the September 2017 Monthly Investment Transactions Report.
 9. **Resolution No. 35066-17** – Adopt the Water Management Plan 2016.

- 10.1. **Resolution No. 35067-17** – Adopt a resolution authorizing District staff to submit an application to the Governor’s Office of Emergency Services Hazard Mitigation Grant Program for funding of the Briones Tower Upgrades project in an amount up to \$3 million, and authorize execution of the grant agreement if the District is selected to receive the grant.
- 10.2. **Resolution No. 35068-17** – Adopt a resolution authorizing District staff to submit an application to the Governor’s Office of Emergency Services Hazard Mitigation Grant Program for funding of the Moraga Creek Flood and Erosion Control Project in an amount up to \$3 million, and authorize execution of the grant agreement if the District is selected to receive the grant.

DETERMINATION AND DISCUSSION

11. **Approve the proposed financing plan for Fiscal Year 2018 (FY18).**

General Manager Coate announced that the Finance/Administration Committee met this morning and recommended approving the proposed financing plan.

Principal Management Analyst Travis George J. George reviewed the District’s financing activities from FY17 and highlighted the planned financial transactions for FY18. Staff anticipates bringing transaction documentation to the Board for consideration in April 2018 to extend or replace the liquidity facility for Water Revenue Bonds Series 2008A-2 and A-3 (approximately \$48.6 million). In FY18, the District does not expect to issue “new money” bonds as the 2017 bond sales were sized to provide sufficient liquidity for FY17 and FY18 capital projects. Staff will continue to monitor the market for opportunities to restructure debt for de-risking and refund debt for savings and if warranted, bring appropriate documentation to the Board for consideration. He reviewed the status of the District’s State Revolving Fund loan applications and said the low rates will allow the District to save on interest costs.

- Motion by Director Patterson, seconded by Director Mellon, to approve the recommended actions for Item 11, carried (6-0) by the following voice vote: AYES (Katz, Linney, Mellon, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (Coleman).

Motion No. 182-17 – Approved the proposed financing plan for Fiscal Year 2018.

12. **Legislative Update.**

Manager of Legislative Affairs Marlaigne K. Dumaine provided an update on EBMUD position bills for the 2017 legislative year which concluded on September 15. She reported that Governor Brown signed approximately 859 bills and vetoed 118. She also provided an update on Assembly Bill 1725 which revised how local agency formation commissions process annexations, wild and scenic river designation and water conservation two-year bills and federal legislative activities. She pointed out that in October, the District sent letters to the United States Bureau of Reclamation and the District’s congressional delegation opposing any attempt to allocate WaterFix costs to non-beneficiaries and Board members had also received talking points on this topic.

There was discussion regarding the process for the Board to reassess a previous “Support unless Amended” or “Oppose unless Amended” position taken on a two-year bill. Ms. Dumaine advised that although the normal practice is to follow the Board’s original direction if EBMUD’s requested amendments are accepted by the bill’s author and not to bring those bills back, staff would bring a bill back for Board review if the bill was deemed controversial.

13. General Manager’s Report.

Associate Civil Engineer Paul Gilbert-Snyder provided an update on recent and ongoing activities with the Governor’s WaterFix project, State Water Resources Control Board (SWRCB) proceedings, recent activities of the Delta Stewardship Council, fisheries and ecosystem restoration, and Delta levee studies. He stated that the Department of Water Resources recently certified the Final Environmental Impact Report (EIR) and biological opinions have been issued by both the National Marine Fisheries Service and the United States Fish and Wildlife Service; however the United States Bureau of Reclamation has not yet approved the Final Environmental Impact Statement nor issued a Record of Decision on the WaterFix project. He discussed the proposed financing plan for the project and said the District filed one of the eighteen actions that challenged the EIR. He also discussed the District’s participation in Water Quality Control Plan (WQCP) proceedings and said staff will continue participating in SWRCB hearings and legal actions challenging WaterFix, WQCP proceedings, and Delta Stewardship Council and Delta Protection Commission levee investment discussions. The Board asked questions’ about WaterFix project financing and the State’s proposed funding plan for the project.

General Manager Coate pointed out that based on progress made by Board members to date to identify Successor Officers, staff proposed revising the plan criteria to reduce the number of Successor Officers from three (two inside each respective Ward and one outside each Ward) to two (one inside each respective Ward and one outside). The Board agreed to keep the original plan and requested a new deadline to provide prospective officer information to the Secretary.

Next, Mr. Coate said the District will be issuing a Request for Proposals for the Financial Information System/Materials and Management Information System Replacement Project and asked that Board members route all calls regarding the project to the Secretary’s Office. He also noted that the District has provided some mutual aid related to the fires in Sonoma and Napa. There was discussion regarding the fires in the District’s watershed last year and the Board requested an update on U.S. Forest Service budgeting efforts to address fighting versus preventing forest fires.

REPORTS AND DIRECTOR COMMENTS

14. Committee Reports.

- Filed with the Board were the Planning Committee and Legislative/Human Resources Committee Minutes of October 10, 2017.

15. Other Items for Future Consideration.

None.

16. **Director Comments.**

- Director Coleman reported participating in the ACWA Executive Committee teleconference on October 10 in Oakland. He reported on plans to attend/participate in the following upcoming events: ACWA Executive Director Evaluation Committee on October 26 in Oakland; ACWA Executive Committee teleconference on October 30 in Oakland; Contra Costa Mayors' Conference on November 2 in Moraga; California Emerging Technology Fund Pilot Program meeting on November 8 in Oakland; Bay Area Council Annual Dinner on November 9 in San Francisco; and ACWA Executive Committee teleconference on November 13 in Oakland.
- Director Katz reported attending the Friends of the River Annual Event on October 13 in San Francisco.
- Director Linney had no report.
- Director Mellon had no report.
- Director Patterson had no report.
- Director Young had no report.
- President McIntosh had no report but requested that the Secretary's Office provide Board members with an electronic version of the Director Comments form for future use.

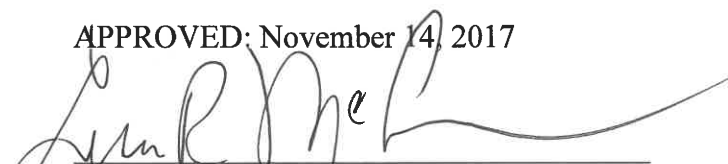
ADJOURNMENT

President McIntosh adjourned the meeting at 2:29 p.m.

SUBMITTED BY:


Rischa S. Cole, Secretary of the District

APPROVED: November 14, 2017


Lesla R. McIntosh, President of the Board