

MINUTES

Tuesday, September 24, 2019

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

Regular Closed Session Meeting

President Marguerite Young called to order the Regular Closed Session Meeting of the Board of Directors at 11:03 a.m. in the Administration Building Board Room.

ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Attorney Derek T. McDonald (Item 1), Manager of Customer and Community Services Andrew L. Lee (Item 1), and Manager of Real Estate Services Matt Elawady (Item 1).

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Marguerite Young announced the closed session agenda. The Board convened to Conference Room 8 for discussion.

Regular Business Meeting

President Marguerite Young called to order the Regular Business Meeting of the Board of Directors at 1:15 p.m. in the Administration Building Board Room.

ROLL CALL

Directors John A. Coleman, Andy Katz, Doug Linney, Lesa R. McIntosh, Frank Mellon, William B. Patterson, and President Marguerite Young 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 Marguerite Young led the Pledge of Allegiance.

ANNOUNCEMENTS FROM CLOSED SESSION

President Young announced that in closed session this morning, the Board, by a unanimous vote of the directors attending, authorized the General Counsel to initiate litigation in one matter. The action, defendants, and other particulars will be disclosed, upon inquiry, once the action is formally commenced. She stated there were no other announcements from closed session.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

- Item 13 was pulled by Director Coleman for separate discussion.
 - Motion by Director McIntosh, seconded by Director Linney, 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, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 152-19** – Approved the Regular Meeting Minutes of September 10, 2019.
 2. The following correspondence was filed with the Board: 1) Presentation entitled “Proposed FY20 Financing Plan,” dated September 24, 2019; 2) Policy 3.03R, Community Fire Flow Improvement Program; and 3) Speakers’ Bureau and Outreach Record CY19, dated September 24, 2019.
 3. **Motion No. 153-19** – Awarded a contract to the lowest responsive/responsible bidder Matheson Tri-Gas, Inc., in an annual amount, after the addition of taxes, not to exceed \$99,357 for maintaining a liquid oxygenation system and corresponding supply for Camanche Reservoir for five years, beginning on or after September 25, 2019 for a total cost of \$496,785 under Request for Quotation No. 1920.
 4. **Motion No. 154-19** – Authorized a five-year agreement beginning on or after September 25, 2019 with San Francisco Elevator Services in an amount not to exceed \$369,000 for elevator maintenance and inspection at various District locations, under Request for Proposal No. FMC736-20-01.
 5. **Motion No. 155-19** – Awarded a contract to the lowest responsive/responsible bidder, Monterey Mechanical Co., in the amount of \$19,116,000 for construction of the Main Wastewater Treatment Plant Digester Upgrade Project – Phase 3 under specification SD-356.
 6. **Motion No. 156-19** – Authorized an agreement beginning on or after September 24, 2019 with Ethosoft, Inc., in an amount not to exceed \$1,499,537 for services related to replacing the District’s current Laboratory Information Management System.

7. **Motion No. 157-19** – Authorized an agreement beginning on or after September 24, 2019 with Information & Computing Services, Inc., in an amount not to exceed \$638,877 for implementation services for the RF-SMART mobile barcoding solution which includes mobile hand-held scanners and a five-year software subscription.
8. **Motion No. 158-19** – Authorized an agreement beginning on or after September 25, 2019 with Sure Secure Solutions in an amount not to exceed \$165,800 for an assessment of the District's information technologies vulnerabilities.
- 9a.-9b. **Motion No. 159-19** – Authorized an amendment to the agreements awarded under Board Motion No. 074-18 to increase the amount by \$650,000 to a total amount not to exceed \$3,750,000 for the rental of Fully Maintained and Operated flagging services through February 10, 2020 with the following vendors: Bay Area Traffic Solutions, Inc.; CMC Traffic Control Specialists; Cal Safety, Inc.; Traffic Control Pros; Traffic Management, Inc.; TPR Traffic Solutions; Western Traffic Supply, Inc.; and Yolanda's Construction Administration & Traffic Control; and authorized additional agreements for Fully Maintained and Operated flagging services with vendors that meet District standards and offer pricing at or below the range in the amended agreements above. These additional agreements may be issued, on an as-needed basis, to increase flexibility and ensure availability of fully maintained and operated flagging services to the District. The Board of Directors will be notified of additional qualified vendors by means of the General Manager's monthly report.
- 10a.-10b. **Motion No. 160-19** – Authorized an amendment to the agreements awarded under Board Motion No. 125-17 to increase the amount by \$165,000 to a total amount not to exceed \$1,165,000 for the rental of Fully Maintained and Operated welding services through April 30, 2020 with the following vendors: Eyeball Engineering; Ferguson Welding Service, Inc.; Larsson Welding; Woods Welding; Mid Mountain Mechanical; Nicole Welding, Inc.; and T.A.Z. Welding & Fabrication; and authorized additional agreements for Fully Maintained and Operated welding services with vendors that meet District standards and offer pricing at or below the range in the amended agreements above. These additional agreements may be issued, on an as-needed basis, to increase flexibility and ensure availability of Fully Maintained and Operated welding services to the District. The Board of Directors will be notified of additional qualified vendors by means of the General Manager's monthly report.
- 11.1. **Motion No. 161-19** – Approved the Updated Water Supply Assessment requested by the City of Oakland for the Oakland Ballpark Waterfront Project pursuant to California Water Code, Sections 10910-10915.
- 11.2. **Motion No. 162-19** – Approved the Water Supply Assessment requested by the City of Oakland for the Revised Brooklyn Basin Project pursuant to California Water Code, Sections 10910-10915.
12. **Motion No. 163-19** – Approved the July and August 2019 Monthly Investment Transactions Reports.

13. **Approve revisions to the following District policies: Policy 3.03 – Community Fire Flow Improvement Program; Policy 4.19 – Travel; Policy 7.01 – Aqueduct and Distribution Pipeline Rights-of-Way Maintenance; Policy 7.03 – Emergency Preparedness/Business Continuity; Policy 7.10 – Source Water Quality; and Policy 7.15 – Climate Action.**

Director Coleman pulled Item 13 to advise that during the Finance/Administration Committee meeting, the Committee recommended adding the following language to the EBMUD Assistance section of Policy 3.03: *“Coordinating and providing assistance to government agencies and communities in their efforts to obtain federal and state grants or loans.”*

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

Resolution No. 35156-19 – Adopting Revised Policy 3.03, Community Fire Flow Improvement Program; Revised Policy 4.19, Travel; Revised Policy 7.01, Aqueduct and Distribution Pipeline Rights-Of-Way Maintenance; Revised Policy 7.03, Emergency Preparedness/Business Continuity; Revised Policy 7.10, Source Water Quality; and Revised Policy 7.15, Climate Action.

DETERMINATION AND DISCUSSION

14. **Legislative Report.**

Manager of Legislative Affairs Marlaigne K. Dumaine provided an update on state legislative activities. She said out of 2,805 bills introduced during the state's legislative session 723 were enrolled, the governor signed 495, and he vetoed 6. She reviewed the status of SB 200, SB 1, and four bond measures and advised staff would keep the Board updated on the bonds and SB 1. Next, she provided an update on federal legislative activities and responded to Board questions regarding the status of the Clean Water Act.

15. **Approve the proposed financing plan for Fiscal Year 2020.**

Treasury Manager Robert L. Hannay presented an overview of the District's FY19 debt activity and proposed financing plan for FY20. He reviewed the District's current debt composition and credit strengths and challenges. He reported that in March 2019, Moody's upgraded the District's Wastewater Revenue bond rating to Aa1. In FY20, staff does not anticipate issuing new revenue bonds for the Water or Wastewater systems, but does plan to extend the \$57 million Wells Fargo liquidity facility supporting the Water Systems' Series 2008A-1 and A-4 Variable Rate Demand Bonds. Wells Fargo has proposed a three year extension at an annual cost of 30 basis points. He explained the proposed fee is higher than the original 27 basis point fee established in 2013; however the District's financial advisor considers the fee appropriate based on the current market environment and proposals the advisor has received for other clients in 2018 and 2019. Additionally, changing liquidity providers could incur transaction costs of approximately \$110,000. The existing liquidity facility expires on December 9, 2019. Staff will present this item for Board consideration at its October 22 meeting. Mr. Hannay discussed the status of the application for a \$27.3 million State Revolving Fund loan for the Wastewater System's South Interceptor/3rd Street Rehabilitation project; and staff's plans to continue pursuing other low-

interest loans and issuing refunding and de-risking financings based on market opportunities. Mr. Hannay responded to Board questions regarding the interest rates paid on bonds and the measureable benefits of issuing Green Bonds.

- Motion by Director Coleman, seconded by Director Patterson, to approve the recommended actions for Item 15, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 164-19 – Approved the proposed financing plan for Fiscal Year 2020.

16. General Manager’s Report.

General Manager Alexander R. Coate informed the Board staff would be checking their availability to participate in events listed on the current Speakers’ Bureau and Outreach Record following the Board meeting. General Counsel Craig S. Spencer reminded the Board of the retirement event for Assistant General Counsel Xanthe M. Berry immediately following the Board meeting. Directors Coleman, Mellon and McIntosh expressed their appreciation and thanked Ms. Berry for her years of service.

REPORTS AND DIRECTOR COMMENTS

17. Committee Reports.

- Filed with the Board were the Planning Committee Minutes of September 10, 2019.

Finance/Administration Committee Chair William B. Patterson reported the Committee met at 10:15 a.m. and received updates on the July and August Monthly Investment Transactions Reports; the Fiscal Year 2020 Insurance Summary; the Proposed Fiscal Year 2020 Financing Plan; and a Review of Revisions to District Policies.

18. Other Items for Future Consideration.

None.

19. Director Comments.

- Director Coleman reported attending the Jobs and Housing Coalition Legacy Event on September 19 in Oakland, and the Lafayette Art and Wine Festival on September 22 in Lafayette. He reported plans to attend/participate in the following: Bishop Ranch Executive Forum on September 26 in San Ramon; San Francisco Estuary Institute Microplastic Symposium on October 2 in Berkeley; and UMRWA Board of Directors meeting and upcountry barbeque on October 4 in Pardee.
- Director Katz reported attending the 9th Annual David Brower Dinner on September 21 in San Francisco and presenting the Ed Bennett Lifetime Achievement Award to former EBMUD Director Helen Burke.
- Director Mellon reported attending the Alameda County Special Districts Association meeting on September 11 in Oakland; Labor to Labor dinner on September 13 in San Pablo;


Castro Valley Sports Foundation fundraiser on September 14 in Castro Valley; Bay Planning Coalition briefing on September 17 in Oakland; EBMUD Retirement Board meeting and EBMUD Old Timers dinner on September 19 in Oakland; Tradeswomen, Inc., dinner on September 20 in Oakland; and the Coastal Clean-Up event on September 21 in Oakland.

- Director Patterson reported attending the EBMUD Old Timers Dinner on September 19 in Oakland.
- Director Young requested a verbal update on the September 21 Coastal Clean Up event and Director of Wastewater Eileen M. White provided an update.
- Directors Linney and McIntosh had no report.

ADJOURNMENT

President Young adjourned the meeting at 1:56 p.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: October 8, 2019



Marguerite Young, President of the Board