

MINUTES

Tuesday, November 8, 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 11:01 a.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Andy Katz (via teleconference from Morocco), 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, Manager of Human Resources Laura A. Brunson (Items 1a and 1c), Operations and Maintenance Department Manager Clifford C. Chan (Items 1a and 1c), Attorney Lourdes Matthew (Items 1a and 1c), Manager of Engineering Elizabeth Z. Bialek (Item 1b), Risk Manager Karen K. Curry (Items 1b, 2a and 2b), Attorney Derek T. McDonald (Item 1b), Assistant General Counsel Xanthe M. Berry (Items 2a and 2b), Director of Engineering and Construction Xavier J. Irias (Item 2c), Manager of Engineering David J. Rehnstrom (Item 2c), Attorney Rachel R. Jones (Item 2c), Director of Wastewater Bennett K. Horenstein (Item 2c), and Attorney Jonathan Salmon (Item 2c).

PUBLIC COMMENT

- Addressing the Board was Mark Foley, President, AFSCME, Local 2019, who expressed concerns that the District is not communicating with the union on issues (i.e., changes to the Employee Service Awards Program; policy updates, etc.) and said that the union would like to have input in the decision making process.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

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

Regular Business Meeting

President Mellon called to order the Regular Business Meeting of the Board of Directors at 1:23 p.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Andy Katz (via teleconference from Morocco), 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

There were no announcements required from closed session.

PUBLIC COMMENT

- Addressing the Board were the following persons: 1) George Cleveland, Chief Steward, AFSCME, Local 2019, commented that the Housekeepers in Pardee were denied overtime and shift differential pay and urged the District to get the problem resolved; and 2) Rosa Merced, Executive Board Member and Steward, AFSCME, Local 2019, spoke on behalf of Leslie Richardson, a ratepayer and an 18-year Administrative Clerk in Records Management, citing the unhealthy work environment which has caused Ms. Richardson respiratory problems. Ms. Merced commented on, and requested, that the in-house experts improve their skill/knowledge levels to better assist EBMUD employees. She proposed suggestions for resolving Ms. Richardson concerns and requested restoration of the sick leave used when the environment became unbearable and caused illness.

CONSENT CALENDAR

- Motion by Director Coleman, seconded by Director Linney, to approve the recommended actions for Items 1-9 on the Consent Calendar, carried (7-0) by the following roll call vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 184-16** – Approved the Regular Meeting Minutes of October 25, 2016.
 2. The following correspondence was filed with the Board: 1) Copy of a letter dated 11/04/2016 to Leslie Richardson, from Patti Carroll, Lead Sr. Claims Examiner, Athens Administrators regarding Dr. Levy's 10/23/15 CME report; 2) Presentation entitled "Water Supply Board Briefing," dated November 8, 2016; 3) Memorandum dated November 3, 2016 to Board of Directors, from Alexander R. Coate, General Manager, regarding Letter to Wells Fargo Board of Directors (with attachment).
 3. **Motion No. 185-16** – Awarded a contract to the lowest responsive/responsible bidder, CDW Government, LLC, in an amount, after the addition of taxes, not to exceed \$225,000 for the purchase of Microsoft desktop productivity software for one year beginning on or after December 1, 2016.

- \$225,000 for the purchase of Microsoft desktop productivity software for one year beginning on or after December 1, 2016.
4. **Motion No. 186-16** – Awarded a contract to the lowest responsive/responsible bidder, Monterey Mechanical Co., in the amount of \$7,097,000 for construction of the Main Wastewater Treatment Plant Influent Pump Station Odor Control System Upgrade Phase 1 and Aerated Grit Piping Replacement Project under Specification SD-361.
 5. **Motion No. 187-16** – Authorized an agreement beginning on or after November 8, 2016 with Honeywell International, LLC, in an amount not to exceed \$133,000 total for five years for the Building Management Control System upgrade and support services.
 6. **Motion No. 188-16** – Authorized the Office of General Counsel to continue the employment of the law firm of Downey Brand, LLP, for specialized legal services related to natural resources and environmental regulatory and litigation matters in an additional amount not to exceed \$50,000.
 7. **Resolution No. 35012-16** – Approving The City Of San Leandro's Provision Of Recycled Water Through It's Recycled Water Fill Station Project And Determining That The Project Is Exempt From The Requirements of CEQA.
 8. **Resolution No. 35013-16** – Authorizing The Sale Of The Laguna No. 2 Pumping Plant Property In Orinda, California, To The Shepard Stenzel Living Trust Dated January 28, 1999.
 9. **Resolution No. 35014-16** – Considering And Approving The Addendum To The Programmatic Environmental Impact Report For The East Bay Watershed Master Plan (Master Plan), Determining That No Further Environmental Review Is Required, Finding The Oursan Ridge Conservation Bank (ORCB) Within The Scope Of Master Plan, And Approving The ORCB.

DETERMINATION AND DISCUSSION

10. **Adopt the EBMUD Principles Regarding Major Delta Initiatives to Guide EBMUD Efforts in This Area and to Supplement Guidance Established in EBMUD Policy 9.06 – Bay-Delta Protection.**
 - Motion by Director McIntosh, seconded by Director Linney, to approve the recommended action for Item 10, carried (7-0) by the following roll call vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 189-16 – Adopted the EBMUD Principles Regarding Major Delta Initiatives to guide EBMUD efforts in this area and to supplement guidance established in EBMUD Policy 9.06 – Bay-Delta Protection.

11. General Manager's Report.

Director of Water and Natural Resources Richard G. Sykes presented an update on the Chevron recycled water contract negotiations. EBMUD's goal for the new agreement is to update the rate charged for recycled water to reflect the District's standard non-potable water rate of 78 percent of the potable water rate, as confirmed in the recent Cost of Service Study (COSS). Additionally EBMUD desires to update the indemnification language and revise water quality parameters to reflect Chevron's current needs. Chevron countered with an offer to pay a recycled water rate of 55 percent of the potable water rate for up to 4 million gallons per day (MGD) from North Richmond, and 78 percent of the potable water rate for water deliveries above 4 MGD, with backup potable water at the recycled water rate. The goal is to finalize the new agreement before January 2017. Chevron would like to make a brief presentation to the Board regarding the agreement renewal at the December 13 Board meeting. If a new agreement is not reached and the current agreement expires, EBMUD would continue providing recycled water absent an agreement and the rate for this water would be the standard non-potable water rate in the COSS. Following Board discussion, there was consensus to agendaize this discussion for December 13 and provide Chevron an opportunity to make a 10 minute presentation.

Next, Operations and Maintenance Department Manager Eileen M. White presented an update focusing on current water supply, water supply operations and water supply projections. She reported that October precipitation was 11.12 inches in the Mokelumne (231% of average) and 4.58 inches in the East Bay (188% of average). District reservoirs are full with total system storage at 612,870 acre feet (112% of average). Ms. White announced that the Orinda Water Treatment outage is underway and said EBMUD has received only a few calls regarding taste and odors.

General Manager Coate announced the Monthly Report for October 2016 had been provided to the Board. He reported that the customer opinion survey will be conducted between November 10 and December 6, 2016 and the results will be presented to the Board in January 2017. He pointed out that staff also had provided the Board with a copy of the draft letter being sent to the Wells Fargo Bank Board of Directors and asked for comments. There was discussion and the Board recommended sending a separate letter to the state and federal Attorney Generals requesting that their offices review whether criminal investigation of Wells Fargo's senior managers and officers is warranted. The Board asked for Wells Fargo to be copied on these letters.

REPORTS AND DIRECTOR COMMENTS

12. Committee Reports.

- Filed with the Board were the Sustainability/Energy and Finance/Administration Committee Minutes of October 25, 2016.

13. Other Items for Future Consideration.

None.

14. **Director Comments.**

- Director Coleman reported attending/participating in the following events: Bay Area Council Dinner on October 26 in San Francisco; John Nejedly memorial service on October 27 in Livermore; ACWA teleconference meeting on October 31 in Oakland; Recycled water meeting on November 2 in Orinda; ACWA teleconference meeting on November 7 in Oakland; and ACWA Executive Director evaluation teleconference meeting on November 7 in Oakland. He reported on plans to attend/participate in the following upcoming events: Association of Bay Area Government Confluence Conference on November 10 in Oakland; ACWA teleconference meeting on November 14 in Oakland; Contra Costa Leadership Council meeting on November 15 in Walnut Creek; ACWA special Executive Committee meeting on November 17 in Sacramento; and ACWA Executive Committee and Board of Directors meetings on November 18 in Oakland.
- Director Katz commented on food waste discussions during his conference in Morocco.
- Director Linney had no comment.
- Director McIntosh reported attending the Richmond Chamber West County Breakfast on October 26 in Richmond and the Richmond Main Street 15th Anniversary event on November 3 in Richmond.
- Director Patterson had no comment.
- Director Young had no comment.
- President Mellon reported presenting a brief water supply update to the San Ramon Mayor's Breakfast on October 28 in San Ramon.

ADJOURNMENT

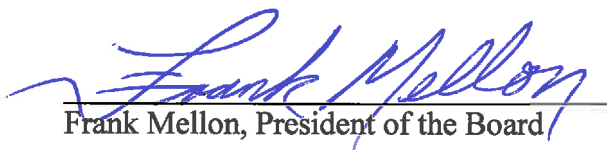
President Mellon adjourned the meeting at 1:53 p.m.

SUBMITTED BY:



Lynelle M. Lewis, Secretary of the District

APPROVED: November 22, 2016



Frank Mellon, President of the Board

