

MINUTES

Tuesday, May 22, 2018

**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 11:59 a.m. in the Administration Center Board Room.

ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Assistant General Counsel Fred S. Etheridge (Item 1– matters 1 and 2), Attorney Rachel Jones (Item 1 – matter 2), and Director of Water and Natural Resources Richard G. Sykes (Item 1– matters 1 and 2).

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President 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 1:15 p.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Andy Katz, Doug Linney, Frank Mellon, Marguerite Young, William B. Patterson, 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.

EBMUD's 95th Anniversary

President McIntosh announced that 95 years ago today, the first meeting of the EBMUD Board of Directors was held on a Tuesday evening in Room 315 at Oakland City Hall. She highlighted the actions that took place at that first meeting and acknowledged the significance of today's Board meeting being held on the same date and day of the week as the first meeting of the District. She pointed out an on-screen portrait of the first EBMUD Directors and a poster of the May-June *Customer Pipeline* newsletter which recognizes the District's 95th year of service to the East Bay. In closing, she thanked the Board, staff and District constituents for 95 years of history and reliable service in the East Bay.

PRESENTATION

General Manager Alexander R. Coate announced the student winners of the 2018 "Excellence in Water and Wastewater Research Awards." The awards were developed by a coalition of water and wastewater agencies in 2013. EBMUD partnered with 10 water and wastewater agencies in Alameda County and 11 in Contra Costa County to recognize outstanding student projects in the world of water. Three of this year's winners are from schools within the District's service area. Director Doug Linney presented Claire Wong and teacher Beth Cutright from a school in Alameda with the Alameda County Science and Engineering Fair - Junior division first place award for the "Waste Water Not, Want Faster Hot Showers" project. Director Frank Mellon presented Michelle Angelica Magalong and teacher Jennifer Dutrow from a school in San Leandro with the Alameda County Science and Engineering Fair - Junior Division third place award for the "Effectiveness of Coagulation and Flocculation in Cleaning Dirty Water" project. Director John A. Coleman presented Melanie Quan and teacher Maria Laws from a school in Walnut Creek with the Contra Costa County Science and Engineering Fair - Senior Division first place award for the "Microplastics, Macro Problem: A Novel Technique to Remove Microplastics From Water Using a Modified Electrostatic Filter" project. General Manager Coate recognized and thanked the following District staff who were volunteer judges for the science fairs: Customer Services Supervisor Juanita D. Ison, Senior Chemist Jack C. Lim, Assistant Construction/Maintenance Superintendent Walter J. Nobrega, Water Conservation Technician Joey D. Smith, and Assistant Construction/Maintenance Superintendent Sean O. Barrow. The Board applauded and thanked the students and staff for their efforts and participation.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

- Items 3 and 6 were removed from the agenda. Item 7 was pulled for the Board to receive a staff update. Item 12 was pulled for comments.
 - Motion by Director Coleman, seconded by Director Linney, to approve the recommended actions for Items 1, 4, 5, 8, 9a-9b, 10 and 11 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Young, Patterson, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 070-18** – Approved the Regular Meeting Minutes of May 8, 2018.
 2. The following correspondence was filed with the Board: **1)** Picture of pine trees submitted by former EBMUD Board member Stuart Flashman; **2)** Revised BD-1 (Item 14) entitled, “Extend Standby Bond Purchase Agreement For Water Revenue Bond Series 2008 A-2 and A-3,” dated May 22, 2018; **3)** Presentation entitled “Board Appointment Authority Under Assembly Bill 408,” dated May 22, 2018; **4)** Presentation entitled “Extend Standby Bond Purchase Agreement For Water Revenue Bond Series 2008 A-2 and A-3,” dated May 22, 2018; **5)** Presentation entitled “Adoption of the East Bay Watershed Master Plan Update,” dated May 22, 2018; and **6)** Speakers’ Bureau and Outreach Record CY18, dated May 22, 2018.
 3. Authorize an agreement with Horizon Water and Environment, LLC, in an amount not to exceed \$411,720 to prepare required environmental documentation to support routine maintenance of the Mokelumne Aqueducts and watershed lands adjacent to Pardee and Camanche Reservoirs.
 - Item 3 was removed from the agenda and no action was taken.
 4. **Motion No. 071-18** – Authorized an agreement beginning on or after May 22, 2018 with Raftelis Financial Consultants, Inc., in an amount not to exceed \$191,000 to conduct a Wastewater Cost of Service Study under the Request for Proposal titled East Bay Municipal Utility District Wastewater Cost of Service Study.
 5. **Motion No. 072-18** – Authorized an agreement beginning on or after June 1, 2018 with Valley Temporary Services in an amount not to exceed \$35,000 annually for seasonal biological aide temporary employment services for three years, for a total cost of \$105,000.
 6. Authorize a five-year lease agreement with EZE Properties, LLC, at the District’s McMillan property located at 2540 Grant Avenue in San Lorenzo.
 - Item 6 was removed from the agenda and no action was taken.
 7. **Motion No. 077-18** – Authorized the execution of a Cooperating Agreement with the City of Hayward providing for the cooperative development and joint funding of a Groundwater Sustainability Plan for the East Bay Plain Subbasin.
 - Senior Civil Engineer Alice E. Towey reported that the Department of Water Resources (DWR) recently reassessed the priority of the state’s groundwater basins and changed the East Bay Plain Subbasin from a medium priority to a very low priority basin. The Sustainable Groundwater

Management Act does not require very low priority basins to have a Groundwater Sustainability Plan. Ms. Towey advised staff is analyzing information from DWR and noted the subbasin priority status could change again when DWR issues a final reprioritization list in the fall. Based on this information, staff recommends authorization of the Cooperating Agreement with the City of Hayward. Executing the agreement at this time does not require that expenditures be made and the District has the option to consider alternatives to preparing a full Groundwater Sustainability Plan once DWR finalizes its basin reassessment in the fall. Staff will keep the Board updated on this topic.

- Motion by Director Mellon, seconded by Director Linney, to approve the recommended actions for Item 7, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Young, Patterson, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).
8. **Motion No. 073-18** – Authorized the General Manager to execute Amendment No. 3 to the August 15, 2013 Memorandum of Understanding between Placer County Water Agency and East Bay Municipal Utility District (the District) to increase the District’s share of costs for development of a long-term water transfer by \$376,700, from \$943,000 to \$1,319,700.
 - 9a.-b. **Motion No. 074-18** – Authorized an amendment to Board Motion No. 174-17 dated October 10, 2017 to increase the estimated agreement amount by \$1,000,000 for the rental of Fully Maintained and Operated (FM&O) flagging services beginning on or after May 22, 2018 through the remainder of the agreement period ending February 10, 2020 from the following vendors: Bay Area Traffic Solutions, Inc.; Traffic Management, Inc.; CMC Traffic Control Specialists; TPR Traffic Solutions; Cal Safety, Inc.; Western Traffic Supply, Inc.; Traffic Control Pros; and Yolanda’s Construction Administration & Traffic Control; and authorized additional agreements for FM&O 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, in order to increase flexibility and ensure availability of FM&O 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.
 10. **Motion No. 075-18** – Authorized an amendment to the existing agreement with GEI Consultants, Inc., to increase the amount by \$531,000 to an amount not to exceed \$1,322,000 for geotechnical investigations for the Oakland Inner Harbor Pipeline Crossing project.
 11. **Motion No. 076-18** – Authorized an amendment to the agreement with Honeywell International, Inc., to increase the amount by \$232,000, to an amount not to exceed \$882,000, for additional engineering services for the Sobrante and Upper San Leandro Water Treatment Plants Control System Improvements Project.
 12. **Resolution No. 35087-18** – Appointing Jill S. Gaskins As Manager Of Employee Relations (*effective May 28, 2018*).

Director Mellon pulled Item 12 to congratulate Ms. Gaskins on her appointment. Addressing the Board was Mark Foley, President, AFSCME Local 2019, who commended the Board for selecting Ms. Gaskins and said he looked forward to working with her in her new capacity. Ms. Gaskin thanked the Board and said she was excited to continue working with staff in her new role.

- Motion by Director Mellon, seconded by Director Patterson, to approve the recommended action for Item 12, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Young, Patterson, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

DETERMINATION AND DISCUSSION

13. **Direct the Secretary of the District to Schedule August 2018 Meetings of the Board of Directors to Allow the Board to Exercise Its Assembly Bill 408 Authority Within the Narrow Timeframe Set Forth in Section 11852.5 of the Municipal Utility District Act for the 2018 General Election.**

Secretary of the District Rischa S. Cole reviewed the tenets of Assembly Bill 408, the timeframe in which the Board has to exercise its authority under the bill during the 2018 General Election, and the options for the Board to consider in determining a schedule for its August 2018 meetings to allow it to exercise its Assembly Bill 408 authority.

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

Motion No. 077-18 – Directed the Secretary of the District to schedule August 2018 meetings of the Board of Directors to allow the Board to exercise its Assembly Bill 408 authority within the narrow timeframe set forth in Section 11852.5 of the Municipal Utility District Act for the 2018 general election as follows: hold the first meeting on August 14, cancel the second meeting scheduled for August 28 and schedule a special meeting between August 16 and August 22.

14. **Authorize Execution of Legal Documents Associated with Extending U.S. Bank's Standby Bond Purchase Agreement for Water Revenue Bonds, Series 2008A-2 and 2008A-3 Until November 2021 at a Fee of 0.32 Percent Per Annum.**

Acting Director of Finance D. Scott Klein reviewed the recommended actions for Item 14. He noted the Board had at their places a revised BD-1 that reflects the correct agreement extension end date of November 2021. Mr. Klein stated all agreement documents contained this correct end date.

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

Resolution No. 35088-18 – Authorizing The Execution Of A Second Amendment To Standby Bond Purchase Agreement And Related Amended And Restated Fee Agreement And Other Matters In Connection Therewith.

15.1- **Approve Actions Related to the East Bay Watershed Master Plan Update.**
15.3.

Environmental Affairs Officer Douglas I. Wallace presented an overview of the updates to the East Bay Watershed Master Plan, project outreach efforts and public participation in the process. He reviewed the District's responses to the primary areas of public concern regarding the update including bicycle access on the watershed trail system, forestry practices on the watershed and pest management and pesticide use.

- Addressing the Board were the following: 1) Isis Feral thanked the Board for updating the plan regarding herbicide use for stump control and expressed concern about plan language discussing general pesticide use; 2) Helen Burke, Safe Trails Environmental Protection, commented on mountain bikes on EBMUD's watershed trail system and expressed support for implementation measures included in the updated plan; 3) Glen Schneider, California Native Plant Society, expressed support for Board approval of the plan update and acknowledged District staff for their work with his organization; 4) Stuart Flashman, Claremont Canyon Conservancy, Sierra Club, and Sustainable Parks Recycling and Wildlife Legal Defense Fund, commented on the fire risk from Monterey pines and blue gum eucalyptus trees on watershed lands; 5) Austin McNerny, Bay Area Ridge Trail Council and National Interscholastic Cycling Association, expressed support for including mountain bike access on the watershed trail system and said he is looking forward to working with the District to potentially close remaining gaps in the ridge trail; 6) John Roberts commented on the Bicycle Trails Council of the East Bay's willingness to provide resources to monitor and maintain the trails that will be opened to bicyclists and to participate in the stakeholder group that will provide oversight on trails use; and 7) Mary McAllister thanked the Board for including language in the plan update regarding herbicide use for stump control and shared photos showing the impacts of herbicide versus non-herbicide use on watershed lands.

Board members thanked the speakers and acknowledged staff for their work to develop the updated plan and to open additional trails for bicyclists. There was a Board request to receive information on the potential impact on biodiversity from goat grazing on watershed lands.

- Motion by Director Young, seconded by Director Coleman, to approve the recommended actions for Items 15.1-15.3, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Young, Patterson, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Resolution No. 35089-18 – Considering The East Bay Watershed Master Plan Update (Master Plan Update), Finding The Master Plan Update Consistent With the East Bay Watershed Master Plan, Adopting The Negative Declaration For The Master Plan Update, Determining That No Further Environmental Review Is Required, And Approving The Master Plan Update.

16. **General Manager's Report.**

General Manager Alexander R. Coate reminded the Board of the event immediately following today's meeting in honor of Customer and Community Services Manager Sherri A. Hong's upcoming retirement.

REPORTS AND DIRECTOR COMMENTS

17. Committee Reports.

- Filed with the Board were the EBMUD/EBRPD Liaison Committee Minutes of March 6, 2018, and the Planning and Legislative/Human Resources Committee Minutes of May 8, 2018.

18. Other Items for Future Consideration.

- None.

19. Director Comments.

- Director Coleman reported attending/participating in the following events: ACWA Spring Conference on May 8 in Sacramento; Meetings with EBMUD staff to prepare for meetings with the Alamo Homeowners Association and Ward 2 stakeholder briefing on May 14 in Oakland; East Bay Leadership Water Task Force meeting on May 15 in Walnut Creek; Crest Reservoir Homeowners Association meeting on May 15 in Alamo; meeting with Walnut Creek Council candidate on May 17 in Walnut Creek; meeting with Kathy Neal regarding a District wastewater project on May 17 in Oakland; and East Bay Leadership Board meeting on May 18 in Concord. He reported on plans to attend/participate in the following upcoming events: Lafayette Chamber Mixer on May 23 in Lafayette; Alamo Homeowners Association meeting regarding Automated Metering Infrastructure on May 23 in Alamo; Ward 2 stakeholder briefing on May 24 in Lafayette; and ACWA Executive Committee and Board meeting May 31 through June 1 in Sacramento.
- Director Katz had no comment.
- Director Linney had no comment.
- Director Mellon reported attending/participating in the following events: Rowell Rodeo Ranch Parade on May 2 in Castro Valley; ACWA Spring Conference and Region 5 meeting May 8-11 in Sacramento; Ward 7 stakeholder briefing on May 15 in Castro Valley; and Castro Valley/Eden Area Chamber of Commerce meeting on May 17 in Castro Valley.
- Director Patterson had no comment.
- Director Young reported participating in the EBMUD Retirement Board meeting on May 17 in Oakland.
- President McIntosh had no comment.

ADJOURNMENT

President McIntosh announced that each year the District honors its employees who have passed away in the last year. She adjourned the meeting in memory of District employees and retirees who passed away between June 1, 2017 and May 18, 2018. The names of these employees were displayed while the Board and staff observed a moment of silence.

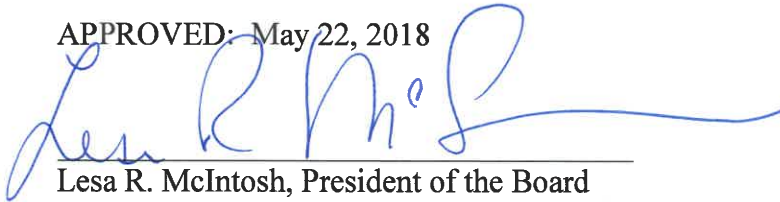
President McIntosh adjourned the meeting at 2:33 p.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: May 22, 2018



Lesla R. McIntosh, President of the Board