

MINUTES

Tuesday, February 25, 2020

**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 11:11 a.m. in the Administration Building Board Room.

ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Attorney Derek T. McDonald (Items 1a, 2a, and 2b), Assistant General Counsel Fred S. Etheridge (Item 2c (first and second matters)), Attorney Jonathan D. Salmon (Item 2c (first and second matters)), Attorney Rachel Jones (Item 2c (first and second matters)), Director of Engineering and Construction Jimi Yoloye (Items 1a, 2a, and 2b), Engineering Manager Elizabeth Z. Bialek (Items 1a, 2a, and 2b), Director of Water and Natural Resources Michael T. Tognolini (Item 2c (first and second matters)), Engineering Manager Lena L. Tam (Item 2c (first and second matters)), and Environmental Affairs Officer Jose D. Setka (Item 2c (first and second matters)).

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

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

Regular Business Meeting

President Young called to order the Regular Business Meeting of the Board of Directors at 1:17 p.m. in the Administration Building Board Room.

ROLL CALL

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

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 Young led the Pledge of Allegiance.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

- Item 7 was removed from the Consent Calendar for discussion.
 - Motion by Director Linney, seconded by Director Mellon, to approve the recommended actions for Items 1-6 and 8-11 on the Consent Calendar, carried (6-0) by the following voice vote: AYES Katz, Linney, McIntosh, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (Coleman).
1. **Motion No. 033-20** – Approved the Regular Meeting Minutes of February 11, 2020.
 2. The following correspondence was filed with the Board: **1)** Presentation entitled, “Water Supply Update,” dated February 25, 2020; **2)** Presentation entitled, “FY20 Budget Amendment for Commercial Paper Pay Down,” dated February 25, 2020; and **3)** Speakers’ Bureau and Outreach Record CY20, dated February 25, 2020.
 3. **Motion No. 034-20** – Awarded a contract to NuSpective, Inc., in an amount, after the addition of taxes, not to exceed \$460,000 for supplying next generation firewall hardware, software, support, and implementation services for three years, beginning on or after February 25, 2020.
 4. **Motion No. 035-20** – Authorized an agreement beginning on or after February 25, 2020 with Kleen Solution Environmental in an amount not to exceed \$33,000 annually for two years with two options to renew for additional one-year periods for a total cost of \$132,000 for hauling and disposal of wastewater digester spoils from the Main Wastewater Treatment Plant.
 5. **Motion No. 036-20** – Authorized an agreement beginning on or after February 25, 2020 with Mott MacDonald Group, Inc., in an amount not to exceed \$1,290,000 for the design and construction inspection services of the Oakland Inner Harbor pipeline crossing.
 6. **Motion No. 037-20** – Authorized an agreement beginning on or after February 25, 2020 with South Bayside Waste Management Authority to waive the tip fee for loads of processed liquid food waste in support of a pilot project to assess the effectiveness of new equipment in extracting organics from municipal solid waste.

7. **Motion No. 041-20** – Authorized an agreement beginning on or after February 25, 2020 with West County Wastewater District for providing treated secondary effluent to the District’s North Richmond Water Recycling Plant and Richmond Advanced Recycled Water Expansion facility for 10 years in an amount not to exceed \$4,000,000.
 - Addressing the Board was Andrew Clough, Deputy General Manager, West Count Wastewater District (WCWD), who thanked the Board for considering the action requested for Item 7. EBMUD Director of Wastewater Eileen M. White reported that on February 19, District staff spoke before the WCWD Board and they approved the agreement. She reported the WCWD Board was interested in potentially touring the Richmond Advanced Recycled Expansion facility with EBMUD Board members.
 - Motion by Director Mellon, seconded by Director Patterson, to approve the recommended action for Item 7, carried (6-0) by the following voice vote: AYES (Katz, Linney, McIntosh, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (Coleman).
8. **Motion No. 038-20** – Authorized an agreement beginning on or after February 25, 2020 with WSP USA, Inc., in an amount not to exceed \$3,424,300 for planning and engineering services for the Mokelumne Aqueducts Delta Tunnel.
9. **Motion No. 039-20** – Authorized a third amendment to the agreement awarded under Board Motion No. 133-15 with Western Area Power Administration to extend the termination date from September 30, 2020 to December 31, 2024 for electricity purchases at District facilities under the Custom Product Contract for Scheduling Coordinator Services Agreement.
10. **Motion No. 040-20** – Approved the January 2020 Monthly Investment Transactions Report.
- 11.1 **Resolution No. 35165-20** – Approving The Conversion Of The Existing Long Term
- 11.3 **Renewal Contract Between The United States Bureau Of Reclamation And The East Bay Municipal Utility District For Water Service From The Central Valley Project To A Repayment Contract Pursuant To The Water Infrastructure Improvements For The Nation Act of 2016, And Making Determinations And Authorizing Certain Actions And Expenditures Related Thereto.**

DETERMINATION AND DISCUSSION

12. **Amend the Fiscal Year 2020 (FY20) Water System budget in the amount of \$24,000,000 and the Wastewater System budget in the amount of \$5,000,000 to pay down a portion of each system’s outstanding commercial paper.**

Treasury Manager Robert L. Hannay presented the proposal to amend the FY20 Water and Wastewater Systems’ budgets. In FY19, higher-than-budgeted revenues and lower-than-budgeted expenses led to available funds for both systems at year-end. At the October 22, 2019 Finance/Administration Committee meeting, staff proposed using some of the available funds to pay down a portion of the District’s outstanding commercial paper. He noted this action is in support of long-term financial stability and that paying down commercial paper would reduce debt outstanding, reduce annual interest cost risk associated with potential interest rate changes, and increase capacity for future borrowing if needed. He pointed out the adopted FY20 and

FY21 debt service budgets for both systems do not include these payments and in future years, the Finance Director will review the feasibility of additional commercial paper principal payments based on financial performance and the financial outlook at that time. Mr. Hannay responded to Board questions regarding current interest rates on the District's commercial paper; the liquidity support provided by banks; commercial paper buyers; and whether this is an opportune time to pay down commercial paper debt.

- Motion by Director Patterson, seconded by Director McIntosh, to approve the recommended actions for Item 12, carried (6-0) by the following voice vote: AYES (Katz, Linney, McIntosh, Mellon, Patterson, and Young); NOES (None); ABSTAIN (None); ABSENT (Coleman).

Resolution No. 35166-20 – Amend Resolution No. 35144-19 To Amend Fiscal Year 2020 Water And Wastewater Systems' Budget For Commercial Paper Pay Down.

13. **General Manager's Report.**

Manager of Maintenance and Construction/Water Operations David A. Briggs presented the Water Supply Update which included information on the District's and California's current water supply. He reported on gross water production, the snow depth and snow water content at Caples Lake, and reviewed the District's projected total system storage for Water Year 2020. He noted that through February 23, 2020, precipitation in the East Bay is 43% of average and 57% of average in the Mokelumne. As of February 23, the District's total system storage was 601,290 acre feet, which is 103% of average and 78% of capacity.

General Manager Alexander R. Coate announced staff is working on scheduling ward events for Board members and asked the Board to contact staff if they have questions regarding the latest Speakers Bureau and Outreach Record.

REPORTS AND DIRECTOR COMMENTS

14. **Committee Reports.**

- Filed with the Board were the February 11, 2020 Planning Committee and Legislative/Human Resources Committee Meeting Minutes.
- Finance/Administration Committee Chair William B. Patterson reported the Committee met earlier in the day and received updates on the following: Fiscal Year 2020 Semi-Annual Budget Performance Report; Fiscal Year 2020 Water and Wastewater Systems' Budget Amendment for Commercial Paper Pay Down; Interest Rate Swap Portfolio Summary Report; 2020 Strategic Plan Update; Monthly Investment Transactions Report for January 2020; and Quarterly Payroll, Disbursement and Real Estate Summary Reports for the Water and Wastewater Systems for Quarter Ended December 31, 2019.
- President Marguerite Young reported the Board met in workshop session earlier in the day to receive an update on the District's long-term water supply.

15. **Other Items for Future Consideration.**

- None.


16. **Director Comments.**

- Director Coleman reported attending/participating in CASA and ACWA meetings February 22 – February 24 in Washington D.C. and plans to attend/participate in the Contra Costa Mayors' Conference on March 5 in Danville and a meeting with Chris Wright from Sierra CPR on March 6 at Murphy's in Walnut Creek.
- Director Mellon commented on Administrative Clerk Susan Bell's upcoming retirement. He wished her well and expressed his appreciation for her support of the Board during her tenure in the Office of the Secretary.
- Director Patterson acknowledged Senior Community Affairs Representative Mona Favorite-Hill for representing the District and accepting an award on his behalf at the Beloved Oakland event on February 19.
- Directors Katz, Linney, and McIntosh, and President Young had no report.

ADJOURNMENT

President Young adjourned the meeting at 1:47 p.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: March 10, 2020



Marguerite Young, President of the Board

