

MINUTES

Tuesday, June 12, 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 11:00 a.m. in the Administration Center Board Room.

ROLL CALL

Directors John A. Coleman, Doug Linney, Frank Mellon, Marguerite Young, William B. Patterson, and President Lesa R. McIntosh were present at roll call. Director Andy Katz arrived in Conference Room 8 at 11:25 a.m. (excused).

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Assistant General Counsel Xanthe M. Berry (Items 1 and 2), Attorney Jonathan D. Salmon (Items 1 and 2), and Director of Wastewater Eileen M. White (Items 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, Doug Linney, Frank Mellon, Marguerite Young, William B. Patterson, and President Lesa R. McIntosh were present at roll call. Director Andy Katz arrived at 1:16 p.m.

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.

Director Frank Mellon 25 Years of Service

On behalf of the Board, President McIntosh recognized Director Mellon for twenty-five years of service to the District. She reviewed his contributions to the District including his work with EBMUD staff, public officials and local residents and businesses to develop District projects that minimize environmental and community impacts while responsibly using ratepayer funds to meet seismic safety and water supply needs. She highlighted his service on various boards and Joint Powers Authorities on behalf of the District and his recent role as an ACWA Region 5 Board member. President McIntosh presented Director Mellon with his twenty-five year pin after which he thanked the Board and staff for their support during his years of service.

PRESENTATION

General Manager Alexander R. Coate announced that the District received two awards for its Fiscal Years 2018 and 2019 budget documents – the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers' (CSMFO) Excellence in Budgeting Award. He reported that for the past 15 consecutive budget cycles, the District has received the GFOA award and for the fourth time, the District has received the CSMFO award.

On behalf of the Board, Finance/Administration Committee Chair William B. Patterson presented the GFOA award and Finance/Administration Committee member John A. Coleman presented the CSMFO award to the following staff: Manager of Budget Jeanne M. Chase, Management Analyst Catherine Humphrey, Principal Management Analyst Richard C. Lou, Management Analyst Joan C. Louie, Management Analyst David A. Mercado and Management Analyst Jenny Tam. The Board thanked staff and congratulated them on their achievements.

ANNOUNCEMENTS FROM CLOSED SESSION

President McIntosh announced that the Board, in closed session this morning, 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. There were no other announcements required from closed session.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

- Items 13 and 14 were pulled from the Consent Calendar for comment.
 - Motion by Director Coleman, seconded by Director Young, 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, Mellon, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 079-18** – Approved the Special and Regular Meeting Minutes of May 22, 2018.
 2. The following correspondence was filed with the Board: 1) Presentation entitled, “Public Hearing FY19 Proposed Non-Prop 218 Rates, Charges & Fees,” dated June 12, 2018; 2) Amador Ledger Dispatch Proof of Publication of Notice of the Time and Place of Public Hearing on the East Bay Municipal Utility District Report and Recommendation of the General Manager for Revisions to Water and Wastewater System Schedules of Rates and Charges, and Other Fees Not Subject to Proposition 218, and Regulations for Fiscal Year 2019 (Notice No. T792 published May 18 and May 25, 2018); 3) Calaveras Enterprise Proof of Publication of Notice of the Time and Place of Public Hearing on the East Bay Municipal Utility District Report and Recommendation of the General Manager for Revisions to Water and Wastewater System Schedules of Rates and Charges, and Other Fees Not Subject to Proposition 218, and Regulations for Fiscal Year 2019 (published May 17 and May 24, 2018); 4) Contra Costa Times Proof of Publication of Notice of the Time and Place of Public Hearing on the East Bay Municipal Utility District Report and Recommendation of the General Manager for Revisions to Water and Wastewater System Schedules of Rates and Charges, and Other Fees Not Subject to Proposition 218, and Regulations for Fiscal Year 2019 (Legal No. 0006156706 published May 18 and May 25, 2018); 5) Lodi News Sentinel Proof of Publication of Notice of the Time and Place of Public Hearing on the East Bay Municipal Utility District Report and Recommendation of the General Manager for Revisions to Water and Wastewater System Schedules of Rates and Charges, and Other Fees Not Subject to Proposition 218, and Regulations for Fiscal Year 2019 (Notice No. 179607 published on May 17 and May 24, 2018); 6) Lodi News Sentinel Proof of Publication of Notice of the Time and Place of Public Hearing on the East Bay Municipal Utility District Report and Recommendation of the General Manager for Revisions to Water and Wastewater System Schedules of Rates and Charges, and Other Fees Not Subject to Proposition 218, and Regulations for Fiscal Year 2019 (Notice No. 179618 published May 18 and 25, 2018); 7) Oakland Tribune Proof of Publication of Notice of the Time and Place of Public Hearing on the East Bay Municipal Utility District Report and Recommendation of the General Manager for Revisions to Water and Wastewater System Schedules of Rates and Charges, and Other Fees Not Subject to Proposition 218, and Regulations for Fiscal Year 2019 (Legal No. 0006156706 published May 18 and May 25, 2018); and 8) Speakers’ Bureau and Outreach Record CY18, dated June 12, 2018.
 3. **Motion No. 080-18** – Awarded a contract to the lowest responsive/responsible bidder, Garton Tractor, Inc., in the annual amount of \$216,315, after the addition of taxes, for supplying multi terrain loaders for the District Fleet for three years, beginning on or after June 19, 2018 with two options to renew for an additional one-year period in an amount not to exceed \$1,081,575 under Request for Quotation No. 1815.

4. **Motion No. 081-18** – Authorized an agreement beginning on or after July 1, 2018 with Hi-Tech Optical, Inc., in an amount not to exceed \$26,000 annually for prescription safety glasses for three years with two options to renew for an additional one-year period for a total cost of \$130,000 under Request for Proposal No. PUR 101.

- 5a-b. **Motion No. 082-18** – Authorized agreements beginning on or after July 1, 2018 in an amount not to exceed \$335,000 annually for environmental, health and safety training for three years, with two options to renew for an additional one-year period for a total cost of \$1,675,000, with the following vendors: Allan Nett; Doc Bailey Construction Equipment, Inc.; Garig Equipment & Maintenance; Hazard Management Services, Inc.; ICE Safety Solutions; National Association of Training and Environmental Consulting International, Inc.; Northern California Rescue Training; Occupational Services, Inc.; Safety Center; Safety Compliance Management, Inc.; TNT Safety Enterprises; and Utility Training Academy; and authorized additional agreements for environmental, health and safety training, on an as-needed basis, with vendors that meet District standards and offer pricing at or below the range in the proposed agreements above to increase flexibility and ensure vendor availability to the District. The Board of Directors will be notified of additional qualified vendors by means of the General Manager’s monthly report.

- 6a-b. **Motion No. 083-18** – Authorized agreements beginning on or after June 12, 2018 with GRG General Engineering; MJH Excavating, Inc.; and North Bay Logistics Group, LLC, in an amount not to exceed \$300,000 for Fully Maintained and Operated (FM&O) backhoe services for one year; and authorized additional agreements for FM&O backhoe services, on an as-needed basis, with vendors that meet District standards and offer pricing at or below the range in the proposed agreements above to increase flexibility and ensure vendor availability to the District. The Board of Directors will be notified of additional qualified vendors by means of the General Manager’s monthly report.

- 7a-b. **Motion No. 084-18** – Authorized agreements beginning on or after June 12, 2018 with GRG General Engineering; MJH Excavating, Inc.; and North Bay Logistics Group, LLC, in an amount not to exceed \$700,000 for five years for Fully Maintained and Operated (FM&O) earthmoving services during the period of June 12, 2018 through April 23, 2023; and authorized additional agreements for FM&O earthmoving services, on an as-needed basis, with vendors that meet District standards and offer pricing at or below the range in the proposed agreements above to increase flexibility and ensure vendor availability to the District. The Board of Directors will be notified of additional qualified vendors by means of the General Manager’s monthly report.

8. **Motion No. 085-18** – Authorized an agreement beginning on or after July 1, 2018 with Civicorps in an amount not to exceed \$497,600 to provide vegetation control and related duties at various District properties.

9. **Motion No. 086-18** – Authorized an agreement beginning on or after July 1, 2018, with Patriot Environmental Services, Inc., in an estimated amount of \$700,000 annually for hazardous and non-hazardous waste management services for two years with four options to renew for an additional one-year period for a total cost not to exceed \$4,200,000.

10. **Motion No. 087-18** – Authorized an agreement with Schneider Electric Systems USA, Inc., formerly known as Telvent USA, LLC, in an amount not to exceed \$758,316 for software support services for the District’s Supervisory Control and Data Acquisition system during the period June 12, 2018 to October 31, 2022.
11. **Motion No. 088-18** – Authorized a 10-year agreement with Chevron for recycled water service from the North Richmond Recycled Water Plant for the Chevron Refinery’s cooling towers.
- 12.1. **Resolution No. 35090-18** – Ordering, Calling, Providing For And Directing That Notice Be Given Of An Election To Be Held In Wards Of The East Bay Municipal Utility District, State Of California, On Tuesday, November 6, 2018, For The Purpose Of Electing Four Directors, And Consolidating Said Election With The General State Election To Be Held On The Same Date.
- 12.2. **Resolution No. 35091-18** – Requesting The Boards Of Supervisors Of Alameda And Contra Costa Counties To Consolidate With The General Election To Be Held On November 6, 2018, The District Election To Be Held In Four Wards On The Same Date For The Election Of Directors.
- 12.3. **Resolution No. 35092-18** – Determining Criteria For Candidates’ Statements To Be Filed By Candidates For Board Of Directors And Authorizing Secretary To Bill Candidates For Certain Costs.
13. **Resolution No. 35093-18** – Appointing Andrew L. Lee As Manager Of Customer And Community Services (*effective June 25, 2018*).

Director Mellon pulled Item 13 to acknowledge the appointment of Mr. Lee as Manager of Customer and Community Services. Mr. Lee was not in attendance.

- Motion by Director Mellon, seconded by Director Linney, 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).

14. **Resolution No. 35094-18** – Appointing Roberto C. Cortez As Manager Of Water Supply/Treatment and Distribution (*effective June 25, 2018*).

Director Mellon pulled Item 14 to congratulate Mr. Cortez on his appointment. Mr. Cortez thanked the Board and expressed gratitude for the opportunity to serve in his new role.

- Motion by Director Mellon, seconded by Director Patterson, to approve the recommended actions for Item 14 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).

15. Conduct a Public Hearing to Consider the Proposed Revisions to the Fiscal Year 2019 Rates, Charges, and Fees not Subject to Proposition 218.

President McIntosh opened the Public Hearing at 1:31 p.m. Acting Director of Finance D. Scott Klein reviewed proposed updates to the rates, fees, and charges not subject to the requirements of Proposition 218 and water service regulations. These include: Account Establishment Charge, Special Services Charges, Installation Charges: Meter, Fire Service, and Hydrant (Schedules D, E, F), Water Main Extension Charges, Real Property Use Application Fees, Water and Wastewater Capacity Related Fee Calculations, and Wastewater Resource Recovery rates. Additionally, staff is proposing updates to Water Service Regulations Sections 1, 2, 3, 29 and 31. Every two years as part of the biennial budget process, the Board considers and adopts both the budget and rates and charges for two consecutive fiscal years. On July 11, 2017, the Board adopted the FY18 and FY19 rates and charges in full compliance with Proposition 218 and other applicable laws. On May 22, 2018, the Board held a workshop to review the proposed updates for FY19. The FY19 rate increase for the Water System (9%), the Wastewater System (5%), and most fees, charges and regulations will be effective July 1, 2018. The increases for Water and Wastewater capacity related fees will be effective August 13, 2018. In conclusion, Mr. Klein summarized the proposed actions for Board consideration under Agenda Items 16-19 and responded to Board questions regarding the drivers for increasing the charges in Schedules D, E, and F and the Water System capacity charges.

There was no public comment. President McIntosh closed the Public Hearing at 1:40 p.m.

DETERMINATION AND DISCUSSION

16. Adopt the Water and Wastewater Systems Rates and Charges, Real Property Use Application Fees and Regulations Recommended in the Report and Recommendation of the General Manager for Revisions to the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges, and Other Fees Not Subject to Proposition 218, and Regulations for Fiscal Year 2019, Submitted to the Board on May 8, 2018.

- Motion by Director Patterson, seconded by Director Mellon, to approve the recommended actions for Item 16, carried (6-1) by the following voice vote: AYES (Katz, Linney, Mellon, Young, Patterson, and McIntosh); NOES (Coleman); ABSTAIN (None); ABSENT (None).

Resolution No. 35095-18 – Adopting Revised Regulations And Revised Water And Wastewater System Schedules Of Rates And Charges And Other Fees Not Subject To Proposition 218 For Fiscal Year 2019, Approving An Exemption Under The California Environmental Quality Act, And Directing Staff To File A Notice Of Exemption.

17. Affirm, in Accordance With the Provisions of the Municipal Utility District Act, the Fiscal Year 2019 (FY19) Operating and Capital Budgets for the Water and Wastewater Systems as Recommended in the Fiscal Year 2018 and 2019 Mid-Cycle Budget Update Submitted to the Board of Directors on May 22, 2018. The FY19 Operating and Capital Budgets Are Unchanged From the Amounts Adopted by the Board on June 27, 2017.

- Motion by Director Patterson, seconded by Director Linney, to approve the recommended actions for Item 17, 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. 35096-18 – Affirming The Budget Of The East Bay Municipal Utility District Water And Wastewater Systems For Fiscal Year 2019 And Establishing The Terms And Conditions For The Payment Of Demands Against The District.

18. **Approve the Mid-Cycle Position Resolution for Fiscal Year 2019 (FY19) to Implement Necessary Classification Changes As Recommended in the Fiscal Year 2018 and 2019 Mid-Cycle Budget Update Submitted to the Board of Directors on May 22, 2018. The Mid-Cycle Position Resolution for FY19 is Unchanged from the Budget Adopted by the Board on June 27, 2017.**

- Motion by Director Patterson, seconded by Director Linney, to approve the recommended actions for Item 18, 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. 35097-18 – Mid-Cycle Resolution For Fiscal Year 2019 Authorizing The Number And Character Of Positions And Authorizing The General Manager To Take Action In Connection Therewith.

19. **Adopt the 2018 update of the District's Strategic Plan.**

- Motion by Director Patterson, seconded by Director Linney, to approve the recommended action for Item 19, 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. 089-18 – Adopted the 2018 update of the District's Strategic Plan.

20. **Legislative Update.**

Legislative/Human Resources Committee Chair John A. Coleman reported that the Committee met this morning and unanimously approved the staff recommended positions in Legislative Report No. 06-18. Manager of Legislative Affairs Marlaigne K. Dumaine highlighted the bills in the report and provided an update on federal legislative activities and the status of the Mokelumne Wild and Scenic bill which is now a part of the Omnibus Resources Trailer Bill for 2018-19. She reported that the trailer bill could be voted on within the next week or as late as August 31. She will provide an update to the Board once a vote has occurred. The Board acknowledged Ms. Dumaine and Water and Natural Resource Department staff for their work on this effort.

- Motion by Director Coleman, seconded by Director Young, to approve the recommended actions for Item 20, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, Mellon, Patterson, Young, and McIntosh); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 090-18 – Received Legislative Report No. 06-18 and approved positions on the following bills: SUPPORT The Water Affordability Act (Harris); SUPPORT AB 2787 (Quirk) Lead Fishing Tackle; and SUPPORT AND AMEND AB 2849 (Stone) Sierra Nevada Conservancy: Watershed Improvement: Tribal Organization; and received information on long-term water use efficiency and drought planning legislation – INFORMATION AB 1668 (Friedman/Hertzberg) and INFORMATION SB 606 (Hertzberg/Friedman).

21. **Adopt a Resolution Expressing Commitment by the District and its Board of Directors To Support the Rights Of All Public Sector Employees and Public Sector Unions.**

Legislative/Human Resources Committee Chair John A. Coleman reported that the Committee met this morning and received a staff report on this item which relates to the *Janus v. American Federation of State, County and Municipal Employees (AFSCME)* case pending before the United States Supreme Court. The Committee received comments from IFPTE representatives regarding a request that the District consider including language in the draft resolution prepared by staff that states the District “...will engage in good faith discussions around implementing a membership card providing ongoing financial commitments of unit members...”. Mr. Coleman said the Committee concurs with the intent of staff’s draft resolution, but recommends the full Board defer taking action until after the Supreme Court decision to allow staff and the unions to work together to revise the resolution. The revised resolution will be presented for discussion by the Committee and consideration by the full Board on July 10. There was no action taken and the item was postponed to July 10.

22. **General Manager’s Report.**

General Manager Alexander R. Coate announced he was available to answer questions from the Board regarding the May 2018 Monthly Report in the agenda packet and the Speaker’s Bureau and Outreach Record for CY18 at Board places. The Board had no questions.

REPORTS AND DIRECTOR COMMENTS

23. **Committee Reports.**

- None.

24. **Other Items for Future Consideration.**

- None.

25. **Director Comments.**

- Director Coleman reported attending/participating in the following events: 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. He reported on plans to attend/participate in the San Ramon City Council meeting on June 12 in San Ramon and the East Bay Leadership Council Water Task Force meeting on June 19 in Dublin.

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- Director Katz had no comment.
- Director Linney had no comment.
- Director Mellon reported attending the following events: Veterans of Foreign Wars Memorial Day ceremonies in Castro Valley and the American Legion Memorial Day ceremonies in Hayward on May 28; and the Contra Costa County Mayors' Conference on June 7 in Brentwood.
- Director Patterson had no comment.
- Director Young had no comment.
- President McIntosh had no comment.

ADJOURNMENT


President McIntosh adjourned the meeting at 2:00 p.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: June 26, 2018



Lesla R. McIntosh, President of the Board

