

MINUTES

Tuesday, May 27, 2014

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

Regular Closed Session Meeting

President Katz called to order the Regular Closed Session Meeting of the Board of Directors at 11:50 a.m. in the Administration Center Board Room.

ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Jylana Collins, Director of Wastewater Bennett K. Horenstein (Item 1a), and Attorney Jonathan D. Salmon (Item 1a).

PUBLIC COMMENT

Addressing the Board was Ruben Rodriguez, 1st Vice-President, AFSCME Local 444, who commented that the FY15 Mid-Cycle Budget does not adequately reflect the staffing level needed to replace vacant positions at the Wastewater Treatment Plant.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

President Katz announced the Closed Session agenda. The Board convened to Conference Room 8A/B for discussion.

Regular Business Meeting

President Andy Katz called to order the Regular Business Meeting of the Board of Directors at 1:20 p.m. in the Administration Center Board Room.

ROLL CALL

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

BOARD OF DIRECTORS

President Katz led the Pledge of Allegiance.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PRESENTATION

General Manager Alexander R. Coate announced that the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) selected the District to receive awards for its FY14-15 budget documents. For the past 13 consecutive budget cycles, the GFOA of the United States and Canada has presented a *Distinguished Budget Presentation Award* to the District for its published budget document. For the second time, the CSMFO has presented the *Excellence in Budgeting Award* to the District. The program is designed to recognize those agencies that have prepared a budget document that meets certain standards.

On behalf of the Board, President Katz presented these awards to the following staff: Director of Finance Eric L. Sandler, Manager of Budget Jeanne M. Chase, Principal Management Analysts Richard C. Lou and David A. Mercado, and Management Analysts Jonathan D. Bauer, Catherine Humphrey, and Julie A. Hampton. The Board congratulated and applauded staff.

Next, General Manager Alexander R. Coate announced the winners of the 2013 Employee Excellence Awards. He said that the employees were nominated and selected by their fellow employees for their outstanding performance and achievements. The awardees were:

Cost Savings Achievement – Assistant Engineer Dennis S. Lingad; **Creativity and Innovation** – Associate Electrical Engineer Darryl A. Yee; **Customer Service** – Network Analyst II Theresa Beavers; **Employee Leadership** – Associate Corrosion Control Specialist Mark Lewis; **Environmental Excellence** – Associate Civil Engineer Ken K. Minn; **Management Achievement** – Assistant Superintendent Aqueduct Stephen J. Rowan; **Management Excellence** – Ranger Supervisor Rodney E. Tripp; **Safety Excellence** – Associate Electrical Engineer Doug Handran; **Outstanding Performers** – Maintenance Machinist Neal A. Brown; Power and Treatment Plant Maintenance Supervisor Jesse T. Cearley; Executive Assistant II Linda Christo; Information Specialist III Jane C. Cox; Maintenance Specialist III Kurt P. Dunajski; Ranger/Naturalist II Gregory A. Francek; Associate Civil Engineer Pam S. Hopkins; Senior Ranger/Naturalist Gregory P. Persons; Senior Programmer Carl Remy; Associate Electrical Engineer Barmak Saemian; Administrative Clerk Lisa M. Stuart; Senior Civil Engineer Jonathan K. Tham; **Team Work – OCB-82 Bushings Replacement Team** – Power and Treatment Plant Maintenance Supervisor David C. Oldham (Team Leader); Electrical Technician Wade D. Hammonds; Electrical Technician Robert F. Musick; Electrical Technician Geoffrey S. Synder; and **Team Achievement – Pardee Unit #1 & 2 Stator Rewind and Unit #2 Turbine Overhaul Team** – Assistant Superintendent Aqueduct Stephen J. Rowan (Team Leader); Associate Electrical Engineer Doug Handran (Team Leader); Maintenance Machinist Neal A. Brown; Maintenance Specialist III Louis A. Buitrago; Maintenance Specialist III Kurt P. Dunajski; Maintenance Specialist III David R. Graesch; Maintenance Specialist III Michael A. Grassi; Electrical Technician Wade D. Hammonds; Instrument Technician Russell B. Hart; Maintenance Specialist III Frank Lucchesi; Electrical Technician Robert F. Musick; Power and Treatment Plant Maintenance Supervisor David C. Oldham; Electrical Technician Geoffrey S. Synder; Construction and Maintenance Scheduler Bruce G. Stewart; and Maintenance Specialist III Jason West.

President Katz presented the awards to staff on behalf of the Board. The Board thanked and applauded the winners for their dedication and accomplishments. General Manager Coate invited the Board and staff to a reception to honor the winners immediately following the Board meeting.

PUBLIC COMMENT

Addressing the Board was Mark Foley, President, AFSCME Local 2019, who reported that he had the opportunity to participate in the *Take Your Daughters to Work* event and said it was a great opportunity to show the next generation what we do for the District. He thanked the Board for giving leadership and direction to restart this event.

CONSENT CALENDAR

- Motion by Director Coleman, seconded by Director Foulkes, to approve Items 1-14 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Foulkes, Linney, McIntosh, Mellon, Patterson, and Katz); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 094-14** – Approved the Regular Meeting Minutes of May 13, 2014.
 2. The following correspondence was filed with the Board: 1) Memorandum dated May 27, 2014 to Board of Directors from Richard G. Sykes, Director of Water and Natural Resources, regarding State Water Resources Control Board Drought Curtailment Notices; 2) Memorandum dated May 27, 2014 to Board of Directors from Alexander R. Coate, General Manager, regarding Evening at the California Shakespeare Theater; 3) Presentation entitled “Regional Reliability” dated May 27, 2014; and 4) Presentation entitled “Water Supply Update and Drought Management Update” dated May 27, 2014.
 3. **Motion No. 095-14** – Awarded a contract to the lowest responsive/responsible bidders, State Pipe and Supply, Inc. (DBA West Coast Pipe) and Imperial Pipe Services, LLC., in an annual amount, after the addition of taxes, not to exceed \$2,149,272 for supplying mortar-lined/mortar-coated and mortar-lined/plastic-coated steel pipe for the District’s Oakport Distribution facility for one year, with an option to renew for an additional one-year period for a total cost of \$4,298,544 under Request for Quotation No. 1421.
 4. **Motion No. 096-14** – Authorized an agreement with Recology East Bay in an estimated amount of \$51,000 annually for recyclable and compostable waste services during the period July 1, 2014 to June 30, 2015, with four options to renew for an additional one-year period for a total cost of \$255,000 under Request for Proposal No. FAC 14-2.
 5. **Motion No. 097-14** – Authorized the purchase of wet concrete on the open market in an annual amount, after the addition of taxes, not to exceed \$300,000 for a five-year period, for a total cost of \$1,500,000.
 6. **Motion No. 098-14** – Authorized the purchase of asphalt on the open market in an annual amount, after the addition of taxes, not to exceed \$2,500,000 for a five-year period, for a total cost of \$12,500,000.
 7. **Motion No. 099-14** – Authorized an extension to the agreement with Oracle Corporation in an amount not to exceed \$260,000 for database software license and maintenance services for a one-year period beginning July 1, 2014.

8. **Motion No. 100-14** – Authorized an agreement for purchasing fish feed from Bio-Oregon, Inc. in the estimated annual amount of \$205,000 for the period beginning July 1, 2014 and ending June 30, 2019 for a total estimated amount of \$1,025,000.
9. **Motion No. 101-14** – Authorized an agreement with iWater, Incorporated in an amount not to exceed \$290,000 for the purchase of infraMAP, a valve testing and shutdown tracking software, for customization, configuration and installation of the software and on-site training during the period of July 1, 2014 through June 30, 2015, with two options to renew the maintenance agreements for an additional two years, at \$50,000 per year, for a total cost of \$390,000.
10. **Motion No. 102-14** – Authorized an agreement with JDH Corrosion Consultants, Inc., in an amount not to exceed \$372,720 for consulting services to prepare a conceptual design for the cathodic protection of select cast iron pipe segments by retrofitting existing pipes with magnesium anodes.
11. **Motion No. 103-14** – Authorized an amendment to an agreement with MWH Americas, Inc., in an amount not to exceed \$97,350 for a new not to exceed amount of \$412,350 for consultant services related to completing the Mokelumne Aqueducts Delta Tunnel Study.
12. **Motion No. 104-14** – Approved the assignment of employee and retiree benefits administration contract previously awarded to Benesyst, Inc. under Board Motion 028-12 to Total Administrative Services Corporation.
13. **Motion No. 105-14** – Approved the Water Supply Assessment requested by the City of Richmond for the Richmond South Shoreline Specific Plan pursuant to the California Water Code, Section 10910-10915.
14. **Resolution No. 33981-14** – Amending Rules And Regulations Relating To Public Use Of East Bay Municipal Utility District Watershed, Reservoirs And Recreation Areas.

DETERMINATION AND DISCUSSION

15. **Bay Area Water Supply Regional Reliability Principles.**

Manager of Water Supply Improvements Michael T. Tognolini gave a presentation on the effort by eight of the Bay Area's largest water suppliers to jointly develop water supply reliability principles as a framework for developing projects that provide a regional benefit. The governing boards of the eight agencies are considering the principles for adoption during the month of May. Future plans are to pursue funding for studies to identify regional projects. Board members commented and asked questions on the draft principles. Mr. Tognolini said the principles are a platform for further discussion and that any significant steps would be shared with the Board. General Manager Coate said that the principles will be used to advocate for funding for regional projects as appropriate.

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

Motion No. 106-14 – Adopted the Bay Area Regional Reliability Principles as a framework for cooperative efforts among eight participating agencies, and to develop water supply reliability projects that provide regional benefit.

16. **Legislative Update.**

Manager of Legislative Affairs Marlaine K. Dumaine reported that the Water Resources Reform and Development Act (WRRDA) was approved by the U.S. Congress and is awaiting President Obama's signature. Also at the federal level, Senator Diane Feinstein's drought bill has been revised. At the state level, Governor Brown has introduced his May revision to the budget and now the legislature has begun its budget hearings. The California Water Bond will be on the November 4, 2014 ballot which would authorize the issuance of approximately of \$11.1 million in bonds for financing a drinking water and water supply reliability program. There are also other water bonds under consideration by the Senate and the Assembly; however, there is uncertainty about the dollar amounts of the bonds. Ms. Dumaine said updates would be presented to the Board as they become available.

Next, Ms. Dumaine reported that agreement has been reached with Senator Hancock's staff on EBMUD's amendment language to SB 1199 that will address the Pardee Reservoir and the water operations concerns. An updated bill should be in print soon. She also reported that discussions are underway between Senator Hancock and the Amador Water Agency and Amador County representatives regarding their amendments. Director of Water and Natural Resources Richard G. Sykes reported that the Amador Water Agency is convening a group of the Upper Mokelumne River Watershed Authority (UMRWA) agencies on June 3 in Sacramento to draft legislative language to address their concerns. General Manager Coate noted that EBMUD will be attending the UMRWA meeting.

- Addressing the Board were the following persons: 1) Chris Shuttes, California Sport Fishing Protection Alliance, urged the Board to support SB 1199 and said that the bill should not be hinged on a stakeholder process; 2) Pete Bell, Foothill Conservancy, expressed concern that the legislature would not adopt a bill that depends on a stakeholder process that hasn't been completed, said that they would like to continue dialogue with upcountry stakeholders about amendments, and urged the Board to support SB 1199; and 3) Sonja Deirmeyer, Sierra Club, asked the Board to remove their opposition to SB 1199 and support the "wild & scenic" designation in concept to preserve the Mokelumne River.

Following considerable comments by Board members, there was consensus that the Board will discuss SB 1199 at the June 10 Regular Meeting.

17. General Manager's Report.

General Manager Alexander R. Coate announced that at the Board's places staff provided a copy of the Water Supply update along with two memos on the State Water Resources Control Board Drought Curtailment Notices and the Cal Shakes event.

REPORTS AND DIRECTOR COMMENTS

18. Committee Reports.

- Filed with the Board were the Minutes of the May 13, 2014 Planning and Legislative/Human Resources Committees.

19. Director Comments.

- Director Coleman reported attending/participating in the following events: ACWA Executive Committee teleconference meeting on May 14 in Oakland; Meeting with Ane Diester on May 15 in San Francisco; Pleasant Hill City Council meeting presentation regarding drought issues on May 19 in Pleasant Hill; ACWA Executive Committee teleconference meeting on May 20 in Oakland; Walnut Creek City Council meeting presentation regarding on drought issues on May 20 in Walnut Creek; Annual ward breakfast event on May 21 in Walnut Creek; and ACWA Executive Committee teleconference meeting on May 27 in Oakland. He reported on plans to attend/participate in the following upcoming events: ACWA meeting with CSAC officials on May 29 in Sacramento; ACWA meeting in the Governor's Office on May 29 in Sacramento; ACWA Executive Committee meeting on May 30 in Sacramento; ACWA Board of Directors meeting on May 30 in Sacramento; meeting with Cal grad student Julian Fulton on June 2 in Oakland; ACWA Executive Committee teleconference meeting on June 3 in Oakland; EBMUD Pride Celebration on June 4 in Oakland; ACWA North Bay Leadership Council on June 5 in Petaluma; and Contra Costa Mayors' Conference on June 5 in San Ramon.
- Director Foulkes reported attending the Pardee Home Museum Board meeting on May 19.
- Director Linney had no report.
- Director McIntosh reported attending the San Pablo City Council meeting for a water supply update on May 19.
- Director Mellon reported attending a Memorial Day event in Castro Valley where he saw Jake Dalton, an EBMUD retiree; the Alameda County Mayors' Conference on May 14 in Alameda; EBMUD Retirement Board meeting on May 15 in Oakland; Decision Maker's Conference regarding climate change on May 16; and the San Leandro Downtown Association meeting to report on water supply on May 23.
- Director Patterson reported attending EBMUD Retirement Board meeting on May 15 in Oakland. He requested a moment of silence for the students killed in the Santa Barbara shooting incident and for those who have served in the U. S. Armed forces.

- President Katz commented that he will be appearing before the Oakland City Council to advance EBMUD interests on food waste opportunities on May 29, and reported that he will host an annual ward event to update his community about EBMUD issues scheduled for May 30.

ADJOURNMENT


President Katz adjourned the meeting at 3:06 p.m.

SUBMITTED BY:



Lynette M. Lewis, Secretary of the District

APPROVED: June 10, 2014



Andy Katz, President of the Board