

MINUTES

Wednesday, February 13, 2013

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

Regular Closed Session Meeting

President Andy Katz called to order the Regular Closed Session Meeting of the Board of Directors at 11:22 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 Engineering and Construction Xavier J. Irias (Item 1a) Attorney Xanthe M. Berry (Item 1a), Director of Water and Natural Resources Richard G. Sykes (Item 2), Attorney Frederick S. Etheridge (Item 2), Director of Finance Eric L. Sandler (Item 3), Director of Administration Carol Y. Nishita (Item 3), Manager of Human Resources Delores A. Turner (Item 3), Manager of Employee Relations Michael K. Rich (Item 3), Attorney Lourdes Matthew (Item 3), and I.D.E.A. Representative Glen Berkheimer (Item 3).

ANNOUNCEMENT OF CLOSED SESSION AGENDA

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

PUBLIC COMMENT

Addressing the Board were the following persons: 1) Antonio Martinez, President, IFPTE Local 21, 2) Ruben Rodriguez, President, AFSCME Local 444, 3) John M. Briceno, 1st Vice-President, AFSCME Local 444, and 4) Mark Foley, President, AFSCME Local 2019 who each commented on the current work environment at the District and the unions' expectations for an expedient contract negotiation process. Mr. Foley also commented on the status of the Mokelumne Watershed headquarters' heating and air conditioning system.

Regular Business Meeting

President Andy Katz 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 Katy Foulkes, Doug Linney, Lesa R. McIntosh, Frank Mellon, William B. Patterson, and President Andy Katz were present at roll call. Director John A. Coleman was excused to attend the Bay Planning Coalition Board of Directors meeting which meets quarterly on the second Wednesday. President Katz noted that the EBMUD Regular Business Meeting was rescheduled from Tuesday to Wednesday as a result of the February 12 holiday.

BOARD OF DIRECTORS

President Katz 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) Lisa Rossi, representing E-D Coat, Inc., who urged the Board to assist in resolving their permit application so that E-D Coat can resume business; 2) Rande Kanouse and Mark Berenberg (EBMUD Retirees) gave a performance; and 3) David Nesmith, who congratulated President Katz on his election, thanked the Board for their well wishes during his recovery, and invited them to the annual Mokelumne River rafting trip in June.

CONSENT CALENDAR

- Motion by Director McIntosh, seconded by Director Foulkes, to approve Items 1-6 on the Consent Calendar, carried (6-0) by voice vote. Director John Coleman was absent (excused).
1. **Motion No. 017-13** -- Approved the Special and Regular Meeting Minutes of January 22, 2013.
 2. The following correspondence was filed with the Board: 1) Letter (undated) to Board of Directors, from Lisa Rossi, E-D Coat, Inc., regarding resolution of their zero discharge permit application and its impacts on reopening their business; 2) Memorandum dated February 13, 2013, to Board of Directors from Marlaigne Dumaine, Manager of Legislative Affairs, regarding "Meet and Greets" with Legislators in Sacramento; 3) Memorandum dated February 13, 2013, to Board of Directors from Cheryl A. Farr, Special Assistant to the General Manager, regarding Speaking Points on FY14-15 Rate Pressures; 4) Presentation from West Contra Costa Unified School District, dated February 13, 2013; 5) Document entitled "Director Coleman's Statement regarding agenda Item #8 (WCCUSD Resolution); 6) Presentation entitled "Dingee Pipeline Break," dated February 13, 2013; and 7) Presentation entitled "Water Supply Board Briefing," dated February 13, 2013.

3. **Motion No. 018-13** -- Awarded a contract to the lowest responsive/responsible bidder, Mountain Cascade, Inc., in the amount of \$3,490,000 for construction of Danville No. 1 Pumping Plant Improvements under Specification 2054.
4. **Motion No. 019-13** -- Authorized an amendment to the agreement with Official Payments Corporation for credit card, debit card, and e-check services to extend the expiration date of the agreement from April 22, 2013 to April 22, 2015.
5. **Motion No. 020-13** -- Authorized a fourth amendment to an agreement with ICF Jones and Stokes an ICF International Company, in an amount not to exceed \$443,000, increasing the agreement value from \$980,000 to \$1,423,000 for specialized services in support of legal preparation for a water rights hearing before the State Water Resources Control Board.
6. **Motion No. 021-13** -- Authorized the Office of General Counsel to continue the employment of the law firm Ellison, Schneider & Harris L.L.P. for services of special counsel related to electrical energy and water law, in an additional amount not to exceed \$150,000.

DETERMINATION AND DISCUSSION

7. Legislative Update.

Special Assistant to the General Manager Marlaigne K. Dumaine reported that the Office of Intergovernmental Affairs intends to arrange meetings between Board members and members of the legislature in Sacramento to discuss EBMUD's 2013 legislative program. She pointed out that a memorandum had been provided for Board members to indicate their availability and interest in meeting with particular legislators.

Next, Ms. Dumaine reported that the EBMUD bill regarding District elections for uncontested seats would be in print soon and that staff would be coming to the full Board for consideration of a position. Ms. Dumaine also provided updates on additional state legislative issues including disadvantaged community's water quality, the budget, CEQA reform, health care reform, and Delta issues. In concluding, she reported on federal initiatives related to infrastructure, the budget, and cabinet changes in the Department of the Interior. The Board asked about funding for job training and infrastructure projects. Ms. Dumaine said staff would keep the Board apprised of funding opportunities that may arise from earmarks/bills.

8. Ratify The General Manager's January 31, 2013 Declaration Of A District Emergency In Accordance With Policy 7.03 As A Result Of A Leak On The 36-Inch Steel Main Serving The Dingee Pressure Zone.

Director of Operations and Maintenance Michael J. Wallis reported that on Tuesday, January 29, 2013 the 36-inch steel main serving the Dingee Pressure Zone experienced a leak. He said this transmission pipeline is the primary source of water to approximately 13,500 services which includes parts of the cities of Piedmont and Oakland. On January 31, in order to repair the leak as quickly as possible and to ensure that customers in the affected area were not impacted, the General Manager, in consultation with the Board President, declared a "District Emergency."

Mr. Wallis provided an overview of the project work. The repair costs are estimated at \$350,000 to \$500,000 and can be funded in the FY13 budget. Updates on additional contracts awarded and progress on the repair will be made at subsequent Board meetings.

- Motion by Director Mellon, seconded by Director Patterson, to approve the recommended action for Item 8, carried (6-0) by voice vote. Director Coleman was absent (excused).

Resolution No. 33915-13 -- Resolution Ratifying General Manager's Declaration Of The Existence Of A District Emergency.

9. **Consider A Resolution Expressing Support For A West Contra Costa Unified School District General Waiver Of The State Of California Statutory Bonding Capacity.**

President Katz called for public comment from the following speakers: 1) Charles Ramsey, West Contra Costa Unified School District (WCCUSD), urged the Board to support the resolution supporting the school district's request to the California Board of Education to allow WCCUSD to exceed California's statutory bonding capacity for school districts; 2) Dave Olson, representing KNN Public Finance, gave a presentation on the history of the District's school modernization projects but noted that state law limits a school district's bonding capacity to a certain percentage of its tax base; and 3) Scott Henry, EJ Dela Rosa, an underwriter for the project, said that a supporting resolution by EBMUD would provide evidence of public support.

President Katz read a statement by Director Coleman outlining his objection to adopting the resolution and questioning the nexus to EBMUD's mission of providing water and wastewater services. However, his statement suggested that individual Board members send letters expressing support for the waiver versus adopting a formal board resolution. There was considerable Board discussion on the pros and cons of the recommended action.

- Motion by Director McIntosh, seconded by Director Foulkes, to approve the recommended action for Item 9, carried (6-0) by voice vote. Director Coleman was absent (excused).

Resolution No. 33916-13 -- Expressing Support Of The West Contra Costa Unified School District General Waiver Request Of The Statutory Bonding Capacity.

10. **General Manager's Report.**

Operations and Maintenance Department Manager Eileen M. White presented an update on local and statewide water supplies, the water supply forecasts, precipitation and snow reports, and reservoir storage. She indicated that with no rainfall for the past month, statewide snow water content was 88 % of average and Mokelumne watershed is 87% of average. She noted that cumulative precipitation is 89% of average and reservoir storage is 81% of capacity. Ms White said that water supply runoff is forecasted to be approximately 420,000 acre feet which would leave EBMUD's water supply in good condition.

General Manager Coate noted that the January 2013 Monthly Report had been provided in the Board packets. The Board raised no questions.

REPORTS AND DIRECTOR COMMENTS

11. Committee Reports.

- Filed with the Board were the Minutes of the January 22, 2013 Finance/Administrative Committee.

12. Director Comments.

- Director Coleman reported attending/participating in the following events: ACWA Executive Committee teleconference meeting on January 22; ACWA California H2O Task Force meeting on January 23 in Sacramento; ACWA workshop on January 25 in Sacramento; Upper Mokelumne River Watershed Authority Board meeting on January 25 at Pardee; ACWA/JPIA Executive Committee teleconference on January 29; ACWA Executive Committee teleconference call on February 5; presentation to Walnut Creek City Council on February 5; Oakland Chamber of Commerce Vision 2020 Conference on February 6 in Oakland; and ACWA Executive Committee teleconference call on February 11. He reported on plans to attend/participate in the following upcoming events: ACWA Region 5 meeting on February 14 in San Francisco; Contra Costa Council Board meeting on February 15 in Walnut Creek; San Joaquin Board of Supervisor meeting on February 15 in Sacramento; ACWA Executive Committee teleconference meeting on February 19; ACWA California H2O Task Force meeting on February 21 in Sacramento; and CASA and ACWA conference February 25-28 in Washington, DC.
- Director Foulkes reported meeting with the Upper Mokelumne River Watershed Authority Board meeting on January 25 at Pardee; attending the Pardee Home Museum board meeting on January 28; and meeting with Bette Boatmun of Contra Costa Water District on February 5.
- Director Linney had no comment.
- Director McIntosh reported that she would be absent from the Board meeting on April 23.
- Director Mellon had no comment.
- Director Patterson had no comment.
- President Katz had no comment.

ADJOURNMENT

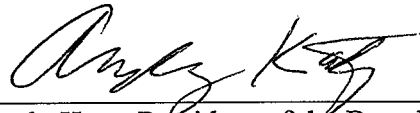
President Katz announced that the meeting would be adjourned in memory of retired EBMUD employee William F. Tinsley who retired after 35 years of service and passed away on January 30, 2013.

The meeting was adjourned at 2:33 p.m.

SUBMITTED BY:


Lynelle M. Lewis, Secretary of the District

APPROVED: February 26, 2013


Andy Katz, President of the Board