

## **MINUTES**

**Tuesday, February 23, 2021**

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

### **Special Meeting**

President Doug A. Linney called to order the Special Meeting of the Board of Directors at 9:02 a.m. He announced that due to COVID-19 and in accordance with the latest Alameda County Health Order, and with the Governor's Executive Order N-29-20 which suspends portions of the Brown Act, this meeting will be conducted remotely. In compliance with said orders, a physical location was not provided for this meeting. These measures will only apply during the period in which state or local public health officials have imposed or recommended social distancing.

### **ROLL CALL**

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

Staff participants included General Manager Clifford C. Chan, General Counsel Craig S. Spencer, Director of Water and Natural Resources Michael T. Tognolini, Manager of Water Supply Improvements Linda H. Hu Engineering, Manager Lena L. Tam, Manager of Water Conservation Alice E. Towey, Supervisor of Water Conservation Charles M. Bohlig, Senior Civil Engineer Florence T. Wedington, Senior Civil Engineer Hasan M. Abdullah, Senior Civil Engineer Bradley M. Ledesma, Special Assistant to the General Manager Kelly A. Zito, Assistant to the General Manager Janetta M. Johnson, and Secretary of the District Rischa S. Cole.

### **PUBLIC COMMENT**

There was no public comment.

### **DISCUSSION**

- Filed with the Board was a presentation entitled, "Long-Term Water Supply Workshop," dated February 23, 2021.

General Manager Clifford C. Chan introduced the workshop and announced the key topics to be discussed. Director of Water and Natural Resources Michael T. Tognolini reviewed the workshop agenda, highlighted the workshop goals and objectives, and introduced the presenters.

Manager of Water Supply Improvements Linda H. Hu discussed the key water supply challenges facing the District including drought, climate change, new laws and regulations, increased threats from wildfires, the global pandemic, and extreme rainfall. She reviewed data showing the variability in the District's Mokelumne River water supply and explained how higher temperatures

resulting from climate change will impact runoff and rain and snow levels in the Mokelumne River watershed. Data from the Palmer Drought Severity Index shows droughts are getting more severe and frequent and data from Cal Fire indicates that risk of fire in the Mokelumne River watershed is increasing. She highlighted some of the new state and federal laws and regulations that will impact District operations and said the District will need to continue to protect its long-term water supplies from these actions and from legal challenges.

Engineering Manager Lena L. Tam presented an overview of the District's Urban Water Management Plan (UWMP). She reviewed the plan's purpose, major plan elements, entities that use the plan, and proposed plan revisions. The District is required to update, adopt and submit a completed UWMP to the Department of Water Resources every five years. The UWMP was last updated in 2015; staff is currently preparing the 2020 update which will reflect refinements to water supply system modeling; integrate uncertainties and long-term planning; update need-for-water analysis; update recycled water and conservation goals through 2050; include information quantifying climate change impacts, as well as demand and supply assessments; and will comply with new state regulations on drought contingency planning. The UWMP incorporates the District's drought contingency plan and Drought Management Program (DMP) guidelines. Ms. Tam said based on lessons learned from the 2014-2016 drought, staff recommends modifying the thresholds in the DMP guidelines to provide flexibility in balancing customer rationing with delivery of the CVP water supplies. The revised guidelines would initiate delivery of CVP water supplies at slightly higher storage thresholds than the previous DMP and clarify the sequencing of customer demand reduction prior to implementing mandatory rationing, based on the severity of the water supply shortage. She reviewed the timeline for updating the UWMP noting it will be available for public review in spring 2021 and scheduled for Board consideration in June 2021. If approved, the UWMP 2020 will be submitted to the Department of Water Resources in July 2021.

Manager of Water Conservation Alice E. Towey presented an update on the Water Conservation Strategic Plan (WCSP) which is being updated for 2021. She highlighted the Plan program drivers including drought, climate change, demand hardening, emerging regulations, changing communication tools and customer expectations, and equity in providing tools to assist all customers with conserving water. The water conservation goal in the Water Supply Management Plan 2040 is 62 million gallons per day (MGD); the WCSP 2021 update establishes a new water conservation goal of 70 MGD by 2050. Ms. Towey provided an overview of the following WCSP key initiatives and future directions for: water management services; education and outreach; regulations and legislation that drive water conservation; conservation incentives including programs to better assist customers with installing landscape designs for long-term savings and collaboration with community partners on programs for low-income customers to conserve water; research and development with a current focus on Automated Metering Infrastructure and potential future focus on water use behavior and landscape water efficiency, metering and measurement inflection technology, and leak detection; and supply side conservation. She discussed implementation strategies comprised of marketing and outreach, partnerships, grant funding, and technology leveraging.

Supervisor of Water Conservation Charles M. Bohlig presented an update on the state's long-term framework to make conservation a California way of life which was introduced in 2017. This framework is defined by Senate Bill 606, Assembly Bill 1668 and Senate Bill 555. EBMUD staff has been participating in the working groups responsible for developing legislation for efficiency standards since the state began to develop standards in 2018. The standards are expected to be finalized and adopted in 2022 and in 2023, the suppliers will calculate the water user objectives.

Required reporting on efficiency objectives is expected to begin in 2025. When combined, the four water use objectives will identify annual objectives for residential and commercial users. He detailed each water use objective and the response/action timelines for the District and state agencies. He highlighted water loss reporting activities under Senate Bill 555 and said reported the State Water Resources Control Board (SWRCB) released new draft regulation in December 2020. Peer review is underway and he said the District is opposed to portions of the new draft regulation. The District's water loss performance standard is scheduled to be adopted by the SWRCB by July 2021.

Senior Civil Engineer Florence T. Wedington presented an overview on recycled water projects. She highlighted the results of the residential recycled water fill station pilot conducted at the Main Wastewater Treatment Plant which ran for three months and was for employees only. Based on the pilot results, staff is seeking approval from the SWRCB to operate the fill station during drought years and is working on a regional proposal for recycled water use to allow Bay Area participants to transport recycled water from one service area to another. The District conducted a water quality study for the East Bayshore Recycled Water program in 2019 which found high ammonia and high salt levels during drought impacts users and hinders the ability to increase the program's customer base. In 2020, the District started a water improvements pilot to address the study findings with final recommendations expected in spring 2022. By implementing recommendations from the pilot, the District will be able to improve the program's water quality, increase the customer base, and protect irrigation customers from high ammonia and salt levels during a drought. The District is currently working in San Ramon to complete recycled water retrofits at the Canyon Lakes and Crow Canyon Country Club golf courses. Staff is also working with DERWA to update its original supply and sales agreement to more accurately address current conditions and DERWA is exploring including Pleasanton as a partner in the DSRSD/EBMUD Joint Powers Agreement. There is a multi-phase capital improvements project underway at the North Richmond Water Reclamation Plant and Richmond Advanced Recycled Expansion (RARE) Water Project at Chevron's Refinery to replace aging infrastructure. These improvements will increase reliability at the North Richmond Water Reclamation Plant and improve regulatory compliance at RARE. Over the years, the District has been coordinating with Phillips 66 in Rodeo to provide recycled water for some of their operations. Phillips 66 recently announced they would be changing their business model and converting from processing crude oil to generating renewable energy using fats, oil, and grease. The new process will reduce potable water usage and the project is expected to be implemented by the end of 2023. Phillips 66 has expressed interest in using recycled water for the new process and the District will continue coordinating with them to accommodate their new business model. The District is currently working with Diablo Country Club, Rossmoor, and Sequoyah Country Club on installing customer-funded satellite recycled water projects at their sites. Ms. Wedington said staff will provide an update on these projects at the March 9, 2021 Planning Committee meeting.

Senior Civil Engineer Hasan Abdullah M. presented an update on the District's work with Placer County Water Agency, Sycamore Mutual Water Company, Yuba Water Agency and the U.S. Bureau of Reclamation (USBR) to develop the District's long-term water transfer program. Staff is working with the USBR to secure a long-term Warren Act contract for the use of the Folsom South Canal and expect to secure the contract in late 2022. He discussed the short-term interim agreements the District currently have in place; and work with Sycamore Mutual Water Company, Yuba County Water Agency, and The Nature Conservancy, which owns water rights in Mill Creek, on other water transfer projects. Next, Mr. Abdullah described the water futures market and water futures contracts trading. This information was previously discussed at the January 12, 2021 Planning Committee meeting. The NASDAQ Veles California Water Index (ticker symbol: NQH20) was launched on

October 31, 2018 and began trading through the CME Group (Chicago Mercantile Exchange, Chicago Board of Trade, New York Mercantile Exchange, The Commodity Exchange) on December 7, 2020. He pointed out that water futures trading is not seeking to privatize the water market, but is seeking to provide a vehicle for either hedging or financial speculation based on future water price swings, which is dependent on the weather. While it is too early to determine the full operational or financial impacts on the District or California's water market, staff will monitor the water futures market to better understand potential long-term impacts to the District.

Senior Civil Engineer Bradley M. Ledesma presented updates on the District's potential participation in the Contra Costa Water District's (CCWD) Los Vaqueros Reservoir Expansion (LVE) project; development of the Groundwater Sustainability Plan (GSP) for the East Bay Plains Subbasin as required by the Sustainable Groundwater Management Act; and key accomplishments and upcoming activities for the Demonstration Recharge, Extraction, and Aquifer Management (DREAM) project. The District is evaluating potential participation in the proposed LVE project which would expand Los Vaqueros Reservoir from 160 thousand acre-feet (TAF) to 275 TAF and provide supplemental water supply to the District during droughts and emergencies. Mr. Ledesma reviewed potential project partners, estimated costs, estimated District costs, and the near-term project schedule. Over the next two years, the District will be negotiating a complex set of agreements regarding project participation and is in discussions with CCWD on entering a memorandum of understanding (MOU) to undertake a study to analyze whether and under which conditions the District could provide temporary water conveyance services to CCWD during construction and subsequent refill of the expanded Los Vaqueros Reservoir. The MOU will be presented for Board consideration on March 9. The GSP for the East Bay Plains Subbasin is due to the State Department of Water Resources by the end of January 2022. The GSP will develop a new groundwater model to evaluate future groundwater scenarios and help establish management standards and guidelines. Once the GSP is completed, the District will begin implementation with annual reports and five-year plan updates, coordinate with other groundwater users, and provide oversight and enforcement of the groundwater standards. He reviewed outreach efforts and the makeup of the three stakeholder groups involved with reviewing the GSP development as well as the schedule for future Board updates and actions. The DREAM project is a pilot study in San Joaquin County that is testing groundwater banking. In 2020, the District completed designs for the extraction facilities for the project. The project consists of a one-time, demonstration conjunctive use groundwater replenishment project involving 1,000 acre-feet (AF) of surface water provided by EBMUD. The North San Joaquin Water Conservation District South System surface water distribution facility will be rehabilitated and used to convey the surface water to farmlands currently pumping groundwater. In exchange for providing surface water, EBMUD would receive up to 500 AF of groundwater extracted from an existing well for export to EBMUD customers. Construction on the extraction facilities started in October 2020 and startup testing is expected to begin in October 2021. Groundwater level and quality monitoring will continue and once construction is completed, depending on hydrology, staff plans to test the extraction site.

Manager of Water Supply Improvements Linda H. Hu ended the workshop with a summary of the District's key strategies for ensuring a reliable and high-quality water supply for the future.

The Board thanked staff for the presentation and Director Katz, Director Mellon, Director Young and President Linney expressed concerns with the information presented on the water futures market. Staff responded to Board questions regarding the available number of hard- and soft-cover copies of the District's *Plants and Landscapes for Summer-Dry Climates* book; staff conducting water conservation outreach at recreation areas after the pandemic; rebates for flow meters and

flume devices; partnering with non-governmental organizations that focus on promoting water smart landscaping; water savings data from the Automated Metering Infrastructure pilot study with University of California, Davis; the state's indoor water use targets; additional locations for residential fill stations in the west-of-hills portion of the service area; the regulating agencies for the water futures market; potential impacts to District finances from increased water conservation goals; methods for increasing customer participation in the services available on the District's website; and methods to collect customer email addresses.

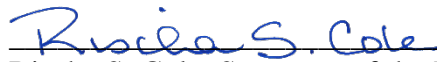
The Board requested the following:

- Advocate for stricter thresholds for the State's indoor water use targets in the Long-Term Framework
- Identify other west-of-hills locations for residential fill stations
- Track developments in the water futures market and provide an update to the Board at a future meeting
- Conduct outreach to stakeholders and other interested parties with information on the District's long-term water supply efforts
- Evaluate the potential impact to District finances and customer bills as a result of the District's water conservation and water supply goals
- Provide rationale for changes to the Drought Management Program guidelines
- Conduct outreach for customers to update their contact information including emails
- Review and consider updates to the navigation and search features on the District's website
- Consider requesting the assistance of retirees if the District updates its *Plants and Landscapes for Summer-Dry Climates* book
- Consider conducting water conservation outreach at recreation areas (post-COVID)
- Partner with outside groups and non-governmental organizations on water-wise landscaping (post-COVID)

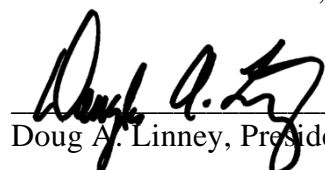
## **ADJOURNMENT**

President Linney adjourned the Special Meeting at 11:03 a.m.

SUBMITTED BY:

  
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Rischa S. Cole, Secretary of the District

APPROVED: March 9, 2021

  
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Doug A. Linney, President of the Board