



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

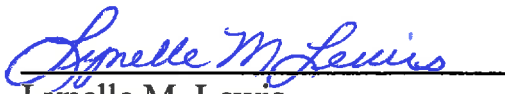
Notice of Time Change

**BOARD OF DIRECTORS
CLOSED SESSION MEETING**

**11:30 a.m.
Tuesday, October 11, 2016**

Notice is hereby given that on Tuesday, October 11, 2016, the Closed Session Meeting of the Board of Directors has been rescheduled from 11:00 a.m. to 11:30 a.m. The meeting will be held in the Board Room of the Administration Building, 375 - 11th Street, Oakland, California.

Dated: October 6, 2016


Lynelle M. Lewis
Secretary of the District



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA
Tuesday, October 11, 2016**

**REGULAR CLOSED SESSION
11:30 a.m., Board Room**

ROLL CALL:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

ANNOUNCEMENT OF CLOSED SESSION AGENDA:

1. Existing litigation pursuant to Government Code section 54956.9(d)(1):
 - a. *Stonewall Reservoir Community et al. v. East Bay Municipal Utility District*
Alameda County Superior Court, Case No. RG16833627
2. Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2):
two matters.

(The Board will hold Closed Session in Conference Room 8A/B)

**REGULAR BUSINESS MEETING
1:15 p.m., Board Room**

ROLL CALL:

BOARD OF DIRECTORS:

- Pledge of Allegiance

ANNOUNCEMENTS FROM CLOSED SESSION:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

CONSENT CALENDAR: (Single motion and vote approving 10 recommendations, including 2 resolutions.)

1. Approve the Regular Meeting Minutes of September 27, 2016.
2. File correspondence with the Board.
3. Authorize an agreement beginning on or after October 15, 2016 with Blaisdell & Songey, Inc., dba Blaisdell's Business Products in an amount not to exceed \$500,000 annually for District-wide miscellaneous office supplies for three years with two options to renew for an additional one-year period for a total cost of \$2,500,000 under Request for Proposal No. PUR 098.
4. Award a contract and authorize an amended agreement relating to the design and construction of the Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project.
 - 4.1. Award a contract to the lowest responsive/responsible bidder, Disney Construction, Inc., in the amount of \$5,604,916 for construction of the Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project under Specification SD-377.
 - 4.2. Authorize an amendment to the agreement with Schaaf & Wheeler Consulting Civil Engineers to increase the agreement value by \$249,411 to \$1,079,760 for design services during construction for the Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project.
5. Authorize an agreement beginning on or after October 12, 2016 with Altivon, LP, in an amount not to exceed \$511,000 for the first year and \$206,000 annually for years two through five to provide Contact Center telephony services for five years with two options to renew for an additional one-year period for a total cost of \$1,747,000.
6. Authorize an agreement beginning on or after October 11, 2016 with Carollo Engineers, Inc., in an amount not to exceed \$449,892 for predesign review of the Walnut Creek Water Treatment Plant (WTP) and for pretreatment process evaluations of the District's inline WTPs.
7. Authorize the first amendment to the original agreement with the City of Oakland (City) to increase the authorization by \$498,930.98 to an amount not to exceed \$736,730.98 to reimburse the City for relocating approximately 685 feet of 8-inch and 12-inch diameter pipeline as part of the City's Latham Square Streetscape Improvements Project.
8. Approve the Water Supply Assessment requested by the City of Richmond for the Richmond Bay Specific Plan pursuant to California Water Code, Sections 10910-10915.
9. Approve the sale of the surplus Crossroads Reservoir property in Orinda to Mr. James Vaughn for the purchase price of \$535,000, and authorize District staff to execute the Property Purchase Agreement and Joint Escrow Instructions for the sale of the property to Mr. James Vaughn. (Resolution)

CONSENT CALENDAR: (Continued)

10. Appoint Senior Public Information Representative. (Resolution)

DETERMINATION AND DISCUSSION:

11. Legislative Update:
- Final Status of EBMUD Position Bills for the 2015-16 State Legislative Session
 - Update on Legislative Issues of Interest to EBMUD
12. General Manager's Report:
- Follow-up to Fiscal Year 2017 Financing Plan
 - Outreach Addressing Operational Changes in Advance of Orinda Water Treatment Plant Improvements Project
 - Monthly Report – September 2016

REPORTS AND DIRECTOR COMMENTS:

13. Committee Reports:
- Finance/Administration
 - Planning
14. Other Items for Future Consideration.
15. Director Comments.

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, October 25, 2016 in the Administration Center Board Room, 375 Eleventh Street, Oakland, California.

Disability Notice

If you require a disability-related modification or accommodation to participate in an EBMUD public meeting please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.

Document Availability

Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.

BOARD CALENDAR

Date	Meeting	Time/Location	Topics
Tuesday, October 11	Planning Committee Linney {Chair}, McIntosh, Young	8:00 a.m. Training Resource Center	<ul style="list-style-type: none"> Wet Weather Consent Decree – Implementation Update Partnership with Contra Costa Water District Proposed Revisions to EBMUD Delta Principles Lead Water Services Laterals Local Hazard Mitigation Plan Annual Recreation Reports
	Legislative/Human Resources Committee Patterson {Chair}, Coleman, Young		<i>Cancelled</i>
	Water Budget Rate Structures Workshop	9:30 a.m. Training Resource Center	
	Board of Directors	11:30 a.m. 1:15 p.m.	<ul style="list-style-type: none"> Closed Session Regular Meeting
Tuesday, October 25	Sustainability/Energy Committee Young {Chair}, Katz, Linney	TBD Training Resource Center	
	Finance/Administration Committee Coleman {Chair}, Katz, Patterson	10:00 a.m. Training Resource Center	
	Board of Directors	11:00 a.m. 1:15 p.m.	<ul style="list-style-type: none"> Closed Session Regular Meeting
Tuesday, November 8	Planning Committee Linney {Chair}, McIntosh, Young	9:15 a.m. Training Resource Center	
	Legislative/Human Resources Committee Patterson {Chair}, Coleman, Young	10:15 a.m. Training Resource Center	
	Food Waste Workshop	TBD Training Resource Center	
	Board of Directors	11:00 a.m. 1:15 p.m.	<ul style="list-style-type: none"> Closed Session Regular Meeting
Friday, November 11	Veteran's Day Holiday		<i>District Offices Closed</i>



MINUTES

Tuesday, September 27, 2016

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

Regular Closed Session Meeting

President Frank Mellon called to order the Regular Closed Session Meeting of the Board of Directors at 11:07 a.m. in the Administration Center Board Room.

ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Attorney Lourdes Matthew (Items 1a and 2) and Manager of Human Resources Laura A. Brunson (Items 1a and 2).

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

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

Regular Business Meeting

President Mellon 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, Andy Katz, Doug Linney, Lesa R. McIntosh, William B. Patterson, Marguerite Young, and President Frank Mellon were present at roll call.

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, and Acting Secretary of the District Rischa S. Cole.

BOARD OF DIRECTORS

President Mellon 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 for the tenth consecutive year, the District has been awarded the Government Finance Officers Association of the United States and Canada's Certificate of Achievement for Excellence in Financial Reporting Award for its Comprehensive Annual Financial Report. To receive this award, the District's FY 2015 report had to meet all requirements for basic financial statement presentation including compliance with all Generally Accepted Accounting Principles and Pronouncements. Under the leadership of Controller D. Scott Klein, the FY 2015 Financial Reporting staff consisting of Accounting Systems Supervisor Lawrence Fan, Accounting and Financial Systems Analyst David P. Siu, Accountant III Crystal Zhang, and Accountant III Melody Wang put together this winning report with support from other Accounting sections represented today by Accountant III Leann Maloney and Accounting and Financial Systems Analyst Queenie Chen. Director John A. Coleman, Chair of the Finance/Administration Committee, presented the award to staff on behalf of the Board. Controller D. Scott Klein thanked staff for their work and the Board for its leadership.

PUBLIC COMMENT

Addressing the Board were the following persons: 1) Valerie Johnson, EBMUD customer, who expressed her concerns about a high water bill; and 2) Rachel Garza, EBMUD employee, who voiced her concerns about how staff is handling her workers compensation claim and also asked the Board to consider taking a stance against the North Dakota Access Pipeline project.

The Board referred Ms. Johnson to staff and asked for a memo regarding resolution of her bill.

CONSENT CALENDAR

- Item 6a and 6b were removed from the Consent Calendar for discussion.
 - Motion by Director McIntosh, seconded by Director Patterson, to approve the recommended actions for Items 1-5 and 7-9 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 161-16** – Approved the Regular Meeting Minutes of September 13, 2016.
 2. The following correspondence was filed with the Board: 1) Presentation entitled, "Operations During the Upcoming Orinda Water Treatment Plant Outage", dated September 27, 2016; 2) Presentation entitled "Social Media Update", dated September 27, 2016; and 3) Presentation entitled "Proposed FY2017 Financing Plan", dated September 27, 2016.

3. **Motion No. 162-16** – Authorized an agreement beginning on or after September 27, 2016 with Peterson Power Systems, Inc., in an amount not to exceed \$1,126,000 to supply five portable diesel generators under Request for Quotation No. 1702.
4. **Motion No. 163-16** – Authorized an agreement with Jacobs Project Management Co. in an amount not to exceed \$344,564 for construction support services for the Alameda-Contra Costa Transit Bus Rapid Transit Pipeline Relocation Project.
5. **Motion No. 164-16** – Authorized an agreement beginning on or after September 27, 2016 with Regatta Solutions, Inc., in an amount not to exceed \$120,000 annually for Administration Building microturbine maintenance services for five years for a total cost of \$600,000.
- 6a-b. **Motion No. 169-16** – Authorized agreements with the following vendors: A-Plus Tree, Inc.; Arborwell; Arborworks, Inc.; Bartlett Tree Experts; East Bay Tree Service; Expert Tree Service; Graham Tree Services, Inc.; Hamilton Tree Service; and Professional Tree Care Co. beginning on or after September 27, 2016 in an amount not to exceed \$500,000 annually for tree trimming and related services for three years with two options to renew for an additional one-year period for a total cost of \$2,500,000; and authorized additional agreements with qualified vendors that meet District standards and offer pricing at or below the range described in the current proposed agreements to increase flexibility and ensure vendor availability. The Board of Directors will be notified of additional qualified vendors by means of the General Manager's monthly report.

Director Coleman pulled Items 6a-b to ask why we are including a vendor that is located outside of the District's service area instead of vendors that are in the service area. Staff advised that the vendor is used for work at District facilities located upcountry.

- Motion by Director Coleman, seconded by Director McIntosh to approve the recommended action for Items 6a-b, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
7. **Motion No. 166-16** – Authorized direct award contracts to Fluid Conservation Systems, Echologics, and Syrinix in an aggregate amount not to exceed \$3,400,000 for proprietary leak detection data loggers and pressure monitoring devices beginning on or after September 27, 2016.
 8. **Motion No. 167-16** – Authorized execution of a license agreement with ComSites West, LLC (Licensor), pursuant to a Telecommunications Ground Lease between Licensor and the State of California, to allow the District to continue use of a portion of the Mt. Diablo telecommunication tower for installing, maintaining and operating radio/communication equipment for five years in an amount not to exceed \$190,683 with two five-year renewal options for a total cost of \$667,999.

9. **Motion No. 168-16** – Authorized the Office of General Counsel to continue the employment of the law firm of Hanson Bridgett, LLP, for specialized legal services related to construction, public contract and procurement, claims, trademark services, pension, employment, and litigation matters in an additional amount not to exceed \$125,000.

DETERMINATION AND DISCUSSION

10. **Legislative Update.**

Manager of Legislative Affairs Marlaigne K. Dumaine provided an update on state and federal legislative activities. She noted that Governor Brown has approximately 300 bills to review and sign before the September 30 signing deadline. Staff will provide an end of session report to the Board at its October 11 meeting. On the federal level, the Legislature will recess on September 30 but need to vote on a continuing resolution to continue spending through December. She provided an update on the Water Resources Development Act and noted that drought legislation, lead in water supplies and wildfire suppression would be discussed during the lame duck session.

Director Young asked staff to provide information on what actions other agencies and cities have taken in response to the North Dakota Pipeline Access issue. Director Katz asked staff to provide information on the impacts of train derailments affecting water quality and supplies.

11. **Approve the Proposed Financing Plan for Fiscal Year 2017.**

Director Coleman advised that due to time constraints, this item was held over from the Finance/Administration Committee meeting held earlier in the day.

Treasury Manager Dari Barzel reviewed the proposed financing plan for FY17. During FY17, the District is proposing to undertake several debt-related transactions which include extending or replacing the liquidity facility for Water Revenue Bonds Series 2008A-1 and A-4 (approximately \$56.7 million) and issuing “new money” revenue bonds to fund capital projects (estimated \$110 million for Water System, \$24 million for Wastewater). The District will also continue to monitor the market for opportunities to restructure debt for de-risking and refund debt for savings.

Ms. Barzel stated that staff is seeking Board approval of the proposed plan and before proceeding, staff will bring each proposed transaction for FY17 for Board consideration and approval.

There was discussion regarding the District’s banking relationship with Wells Fargo Bank in light of the recent news reports about the bank’s illegal practices. Director of Finance Sophia D. Skoda provided an overview of the District’s relationship with Wells Fargo and highlighted actions being taken by other entities. She noted that staff’s recommendation is for the District to send a strong letter to Wells Fargo Bank expressing concern about the bank’s practices and requesting that bank management

hold themselves accountable to the highest standards of ethical behavior and transparency.

The Board requested that staff consider including criteria in future financial Requests for Proposals that address corporate integrity and to provide a draft of the letter being sent to Wells Fargo for Board review. The Board also requested information showing the cost of doing business with Wells Fargo compared with the cost of doing the same business with another bank.

- Motion by Director Coleman, seconded by Director Patterson to approve the recommended actions for Item 11, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).

Motion No. 170-16 – Approved the Proposed Financing Plan for Fiscal Year 2017.

12. General Manager's Report.

Manager of Human Resource Laura A. Brunson provided an update on the State of the District Address. In response to a request at the September 13 Legislative/Human Resources Committee, Ms. Brunson showed two videos that highlight the District values and excerpts of the State of the District Address. The Board congratulated staff on the videos and expressed that they should be used as a recruiting tool on the District's website.

Special Assistant to the General Manager Alison A. Kastama gave an update on the District's use of social media. Ms. Kastama shared statistics from the District's Twitter account and staff's plans to establish "Nextdoor" accounts to post construction notices and other District messaging. The Board requested a list of the hashtags used and tracked on the District's Twitter account.

Manager of Water Operations Eileen M. White provided an update on the operational changes staff has made in anticipation of the required shutdown of the Orinda Water Treatment Plant (WTP). The Orinda WTP is the District's largest treatment plant and treats water for 800,000 people. Work is scheduled to begin in November on the \$22 million Orinda WTP Improvement Project. As part of the operational changes, the San Pablo WTP and the Upper San Leandro (USL) WTP were placed into service on September 1 and 15 respectively. She noted that these changes resulted in an increase in customer calls about the taste and smell of the water and that staff has fielded almost 200 customer calls since September 1. San Pablo and USL WTPs were brought online for testing and staff anticipates using the plants at full capacity when Orinda is taken out of service. Staff made adjustments to the treatment process at USL and customer calls regarding that plant decreased; however calls regarding San Pablo remained constant. She pointed out that since San Pablo WTP is a standby facility, it does not have

ozonation and, therefore, taste and smell compounds entering the plant pass through to the distribution system and to the District's customers. The taste and smell compounds do not pose a health threat and the water meets all state and federal regulations. Next, she reviewed the next steps in planned outage operations and additional, potential customer impacts.

There was discussion regarding the customer calls, water quality, health and safety, potential customer impacts, the information being provided to customers and possibly delaying the project start date. Staff will provide additional information regarding the project and speaking points to the Board and staff to communicate with constituents.

General Manager Coate reminded the Board of the upcoming Water Budget Rates Workshop on October 11.

REPORTS AND DIRECTOR COMMENTS

13. **Committee Reports.**

- Filed with the Board were the Planning Committee and Legislative/Human Resources Committee Minutes of September 13, 2016.

14. **Other Items for Future Consideration.** None.

15. **Director Comments.**

- Director Coleman reported attending/participating in the following events: Asian Pacific Employees' Association Lunch on September 14 in Oakland; ACWA teleconference meetings on September 14 and 26 in Oakland; water supply presentation on September 15 in Danville; Leland Reservoir public hearing on September 15 in Lafayette; Lafayette Art and Wine Festival booth participant on September 18 in Lafayette; East Bay Leadership Council Water Task Force meeting on September 20 in Walnut Creek; meeting with John Nejedly and EBMUD staff in Oakland on September 20; meeting with Lafayette Councilman Mark Mitchell in Lafayette on September 21; and East Bay Regional Park District lunch at Tidewater Park on September 22 in Oakland. He reported on plans to attend/participate in the following upcoming events: ACWA Board Budget Workshop on September 29 in Sacramento; ACWA Executive Committee and Board meetings on September 30 in Sacramento; ACWA teleconference meetings on October 3 and 10 in Oakland; the UMRWA Board meeting and Pardee BBQ on October 7 in Pardee; and a water and infrastructure presentation at Harvey Mudd College on October 8 in Claremont.
- Director Katz had no comment.
- Director Linney had no comment.
- Director McIntosh reported attending/participating in the following events: ACWA Region 5 Fall Conference on September 18 in Byron and the EBMUD/City of Richmond Graywater workshop on September 24 in Richmond.

- Director Patterson had no comment.
- Director Young reported attending/participating in the following events: the 2016 David Brower dinner on September 8 in San Francisco; paddled with the EBMUD Dragons at the Northern California International Dragon Boat Festival on September 17 at Lake Merritt in Oakland; meeting with General Manager Coate and staff regarding rates on September 23 in Oakland; the Tradeswomen Inc.'s annual dinner gala on September 23 in Oakland; and the EBMUD/City of Richmond Graywater workshop on September 24 in Richmond. Director Young thanked staff for their work on the workshop.
- President Mellon reported attending the Alameda Special Districts Association monthly meeting on September 14 in Fremont and plans to attend the Green Job Summit being held at EBMUD on October 5.

ADJOURNMENT

President Mellon adjourned the meeting at 3:30 p.m.

SUBMITTED BY:

Rischa S. Cole, Acting Secretary of the District

APPROVED: October 11, 2016

Frank Mellon, President of the Board



AGENDA NO.
MEETING DATE

3.

October 11, 2016

TITLE MISCELLANEOUS OFFICE SUPPLIES

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize an agreement beginning on or after October 15, 2016 with Blaisdell & Songey, Inc., dba Blaisdell's Business Products, in an amount not to exceed \$500,000 annually for District-wide miscellaneous office supplies for three years with two options to renew for an additional one-year period for a total cost of \$2,500,000 under Request for Proposal No. PUR 098.

SUMMARY

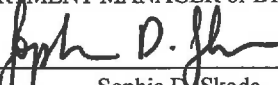

The District requires the provision and timely on-site delivery of a wide variety of office products ranging from writing implements and desk supplies, to toner and computer peripherals. This contract provides for delivery of office supplies to all District locations in Alameda and Contra Costa counties. The District is not committed to purchase any of the materials or quantities specified in bid documents and purchases will be made to meet specific District needs and requirements as they arise. The not to exceed amount of this contract reflects historical data on actual amounts spent by the District on office supply purchases during the past five years.

This item supports the District's Strategic Plan goal for Long-Term Financial Stability, specifically "implementation of technologies that improve the efficiency and effectiveness of business processes."

SERVICE PROVIDER SELECTION

Requests for proposals were sent to three resource organizations, 150 potential proposers and posted to the District's website. Six proposals were received.

A selection committee of subject matter experts reviewed and scored all six proposals in accordance with the guidelines set forth in the RFP procedures. Blaisdell's Business Products' proposal scored the highest overall.

Funds Available: FY 17		Budget Code: VAR/VAR
DEPARTMENT SUBMITTING Finance	DEPARTMENT MANAGER or DIRECTOR  Sophia D. Skoda	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

SUSTAINABILITY

Economic

Funding for the purchase of miscellaneous office supplies is available in the FY17 budget.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

The vendor's same-day/next-day delivery program via their local warehouse and service center, both of which are in Oakland, ensure that the District receives the required supplies in a timely manner, thereby increasing operational efficiency.

Environmental

Blaisdell's holds a Green Business Certification from the County of Alameda. In recent years, Blaisdell's has implemented various sustainability practices including, but not limited to, the following:

- Newly constructed eco-friendly headquarters in Oakland, CA;
- Re-organization of delivery processes and routes, and the purchase of smaller delivery vehicles, which has led to a decrease in their overall fuel consumption;
- Collection, re-use to end of life and then recycling of all packing boxes and supplies;
- Prioritization of green office products and supplies in their online catalog and marketing efforts;
- Clear identification of the sustainable attributes of all products which are shown as "green"; and
- Provision to customers of free takeaway and recycling on all toner cartridges, batteries, e-waste, furniture, pallets, cardboard and pens.

ALTERNATIVE

Purchase office supplies on the open market. This alternative is not recommended as it is more cost effective to purchase in volume and receive discounted pricing. Purchasing office supplies on a contract allows for more efficient contract administration and control of dollars spent.


Attachments

P-035 – Contract Equity Program Summary
P-061 – Affirmative Action Summary



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE PROPOSAL NO.: PUR 098 Miscellaneous Office Supplies - Three-Year Contract with 2 One-Year Renewal Options						DATE: October 5, 2016								
CONTRACTOR: Blaisdell & Songery, Inc. dba Blaisdell's Business Products Oakland, CA 94621					Local/Small Business					PERCENTAGE OF CONTRACT DOLLARS				
BID/PROPOSER'S PRICE: \$500,000 /yr		FIRM'S OWNERSHIP			White Men		25%		0.0%					
		Ethnicity		Gender		White Women		2%		100.0%				
		White		Women		Ethnic Minorities		25%		0.0%				
CONTRACT EQUITY PARTICIPATION														
COMPANY NAME		ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION								
				M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign		
PRIME: Blaisdell & Songery, Inc. dba Blaisdell's Business Products		\$500,000	White			---	100.0%	---	---	---	---			
SUBS: None						---	---	---	---	---	---			
						---	---	---	---	---	---			
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TOTAL						0.0%	100.0%	0.0%	0.0%	0.0%	0.0%			
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)														
		White Men		White Women		Ethnic Minorities		Total Employees						
No. of Employees:		8		6		15		29						
Percent of Total Employees:		27.6%		20.7%		51.7%								
MSA Labor Market %:		32.3%		27.8%		39.9%								
MSA Labor Market Location:		9 Bay Area Counties												
COMMENTS														
Contract Equity Participation - 100.0% White Women participation.														
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended						
NA				NA										



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s) P-025 Form regarding their workforce.

Title:		Ethnic Minority Percentages From U.S. Census Data							
Miscellaneous Office Supplies - Three-Year Contract with 2 One-Year Renewal Options			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
		9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9		
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2		
Proposal #:	DATE:	Number of Ethnic Minority Employees							
	10/5/2016								
R=Recmmd P=Prime S=Sub	Composition of Ownership								
Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
RP	WW: L/SBE	Company Wide	3	2	9	1	15	51.7%	39.9%
Blaisdell & Sonney, Inc. dba Blaisdell's Business Products Margee Witt 474 Roland Way Oakland, CA 94621 510-483-3600		Manager/Prof	0	1	2	0	3	27.3%	
		Technical/Sales	0	0	1	0	1	50.0%	
		Clerical/Skilled	0	1	3	0	4	50.0%	
		Semi/Unskilled	3	0	3	1	7	87.5%	
		Bay Area	3	2	9	1	15	51.7%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		6/16/2016		
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		29 Bay Area: 29		
P	PHC	Company Wide	INFORMATION NOT PROVIDED						
Office Deport, Inc. Prisa Makkar 6600 North Military Trail Boca Raton, FL 33496 561-438-4800		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:							
P	EMW: AI - L/SBE	Company Wide	-	1	3	0	4	80.0%	39.9%
Toner Imaging Prisa Makkar 4777 Bennett Drive, Unit D2 Livermore, CA 94551 925-394-0077		Manager/Prof	0	1	2	0	3	100.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	0	1	0	1	100.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	1	3	0	4	80.0%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		5 Bay Area: 5		
P	WM: L/SBE	Company Wide	15	10	13	0	38	60.3%	48.4%
Give Something Back Michael Hannigan 7730 Pardee Lane Oakland, CA 94621 510-635-5500		Manager/Prof	1	1	4	0	6	46.2%	
		Technical/Sales	2	2	5	0	9	69.2%	
		Clerical/Skilled	8	3	3	0	14	60.9%	
		Semi/Unskilled	4	4	1	0	9	64.3%	
		Bay Area	6	8	11	0	25	55.6%	39.9%
		Co. Wide MSA:	California		# Employees-Co. Wide:		33 Bay Area: 45		
P	WM: L/SBE	Company Wide	3	16	3	0	22	37.3%	48.4%
Vince's Office Supply, Inc. dba: The Office City Bill Jones 3167 Corporate Place Hayward, CA 94545 877-484-3633		Manager/Prof	1	0	0	0	1	10.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	4	1	0	5	31.3%	
		Semi/Unskilled	2	12	2	0	16	88.9%	
		Bay Area	-	-	-	-	-	Unk	39.9%
		Co. Wide MSA:	California		# Employees-Co. Wide:		59 Bay Area: 20		
P	PHC	Company Wide	7,312	6,998	2,464	249	17,023	35.7%	27.3%
Staples David Sandifer 500 Staples Drive Framingham, MA 01702 707-291-9902		Manager/Prof	358	394	693	18	1,463	20.9%	
		Technical/Sales	5,178	4,858	1,462	206	11,704	36.4%	
		Clerical/Skilled	431	239	56	10	736	31.3%	
		Semi/Unskilled	1,345	1,507	253	15	3,120	50.2%	
		Bay Area	-	-	-	-	-	Unk	39.9%
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		47,726 Bay Area: Unk		

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)



AGENDA NO.
MEETING DATE

4.1.

October 11, 2016

TITLE PUMP STATION Q FORCE MAIN/GRAVITY INTERCEPTOR REVERSE FLOW PROJECT

☒ **MOTION** _____ ☐ **RESOLUTION** _____ ☐ **ORDINANCE** _____

RECOMMENDED ACTION

Award a contract to the lowest responsive/responsible bidder, Disney Construction, Inc., in the amount of \$5,604,916 for construction of the Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project under Specification SD-377.

SUMMARY

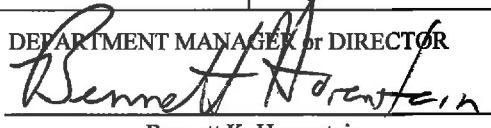
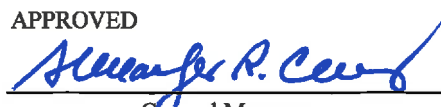
The East Bay Regional Wet Weather Consent Decree, effective September 22, 2014, requires the District to implement the Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project, which will support the District's efforts to eliminate discharges from its three wet weather facilities by 2036. This contract includes construction of flow diversion structures and approximately 1,950 feet of new interceptor piping along the District's North Interceptor in Berkeley and Albany. A presentation on the District's Wet Weather program including this contract was provided to the Planning Committee on October 11, 2016.

DISCUSSION

The goal of this project is to provide additional gravity flow capacity in the North Interceptor to reduce discharges from the Point Isabel Wet Weather Facility (WWF). The existing Pump Station Q force main to the Point Isabel WWF will be utilized as a gravity interceptor to convey additional flow to the Main Wastewater Treatment Plant during small-to-medium storm events. This project includes construction of a new interceptor segment, flow diversion structures, and 1,900 feet of recycled water piping to support meeting future demand (refer to figure in Attachment 1). This project supports the District's Strategic Plan goal for Water Quality and Environmental Protection, specifically "implementation of an Infiltration and Inflow Control Program".

BID RESULTS

Bid documents were issued to 22 resource organizations and 28 prospective bidders. Six bids were received, ranging from \$5,604,916 to \$8,879,871. The bid summary is attached. The engineer's estimate

Funds Available: FY17		Budget Code: 7999/2010925/5561	
DEPARTMENT SUBMITTING Wastewater	DEPARTMENT MANAGER or DIRECTOR  Bennett K. Horenstein		APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

for this work is \$7,025,000. The low bid was 20 percent below the engineer's estimate, which is attributed to a very competitive bid environment caused by the large number of bidders.

The lowest responsive/responsible bidder, Disney Construction, Inc., is licensed to perform work in California, and is not on the State Department of Industrial Relations (DIR) debarment list. Disney Construction, Inc. and its listed subcontractors are properly registered with the State DIR. In the past five years, Disney Construction, Inc. has not filed a Government Code Claim or initiated any litigation against the District.

SUSTAINABILITY

Economic

This item is included in the FY17 budget for the Pump Station Q Force Main Dual Mode Operation Project.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

Work under this contract is subject to payment of current prevailing wages according to determinations for each craft as established by the Director of Industrial Relations of the State of California.

Local 444 was notified of the contract on April 12, 2016. Local 444 did not raise any specific issues related to this contract.

Environmental

A Notice of Exemption was filed with the Alameda County Clerk on February 23, 2016. This project supports long-term efforts to reduce partially treated wet weather flow discharges to San Francisco Bay.

ALTERNATIVES

Reject all bids and immediately rebid the work. This alternative is not recommended because the bids are reasonable for the scope of work, and rebidding the work would result in a significant delay and increased project costs.

Perform the work with District forces. This alternative is not recommended because staff does not perform this type of major capital construction work.

Delay or do not proceed with the project. This alternative is not recommended because the District is required to implement this project under the Consent Decree.

Attachments

Bid Summary
Location Map
P-035 – CEP Summary
P-061 – Affirmative Action Summary

EAST BAY MUNICIPAL UTILITY DISTRICT

SPECIAL DISTRICT NO. 1

SPECIFICATION SD-377

PUMP STATION Q FORCE MAIN/GRAVITY INTERCEPTOR REVERSE FLOW

August 31, 2016

BID SUMMARY

BIDDER		TOTAL BID
1.	DISNEY CONSTRUCTION*	\$5,604,916
2.	MCGUIRE & HESTER	\$5,700,396
3.	STEVE P. RADOS	\$6,222,000
4.	CON QUEST	\$7,092,586
5.	LONEROCK, INC.	\$7,375,870
6.	RANGER PIPELINES	\$8,879,871
7.		
8.		
9.		
10.		
11.		

Number of Proposals sent to Contractors	28
Number of Proposals sent to Resource Organizations	22
Number of Proposals sent to MBE firms	4
Number of Proposals sent to WBE firms	1
Number of bids received	6

*** Apparent Low Bidder**

ENGINEER'S ESTIMATE: \$7,025,000

cc: Contract Equity, Legal, Risk Management, BKH, VPD, JAK, GW, KY, GDD,
 Construction Inspector, WED Clerks





CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE SPECIFICATION NO.: SD 377 Pump Station Q Force Main/Gravity Interceptor Reverse Flow						DATE: September 22, 2016							
CONTRACTOR: Disney Construction, Inc. Burlingame, CA 94010					PERCENTAGE OF CONTRACT DOLLARS								
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP		White Men		25%		89.1%					
		Ethnicity	Gender	White Women		9%		2.2%					
\$5,604,916		White	Men	Ethnic Minorities		25%		8.7%					
CONTRACT EQUITY PARTICIPATION													
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION								
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign		
PRIME: Disney Construction, Inc.													
	\$4,601,566	White	X		82.1%								
SUBS: Con J. Franke													
	\$260,000	White	X		4.6%								
Mason Painting													
	\$80,000	White	X		1.4%								
O.C. Jones & Sons													
	\$125,000	White		X		2.2%							
Bradley Tanks, Inc.													
	\$488,350	Asian/PI		X			8.7%						
Camlin Steel													
	\$50,000	White	X		0.9%								
TOTAL					\$5,604,916		89.1%	2.2%	8.7%	0.0%	0.0%	0.0%	0.0%
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)													
		White Men		White Women		Ethnic Minorities		Total Employees					
No. of Employees:		18		1		15		34					
Percent of Total Employees:		52.9%		2.9%		44.1%							
MSA Labor Market %:		28.0%		23.6%		48.4%							
MSA Labor Market Location:		California											
COMMENTS													
Contract Equity Participation - 89.1% White Men participation, 2.2% White Women participation and 8.7% Ethnic Minority participation.													
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended					
NA				YES									



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s) P-025 Form regarding their workforce.

Title: Pump Station Q Force Main/Gravity Interceptor Reverse Flow		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
Spec. No.:		DATE:							
		9/22/2016							
		9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9		
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2		
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WM	Company Wide	4	7	4	0	15	44.1%	48.4%
Disney Construction, Inc. Richard L. Disney 859 Cowman Road, Suite #3 Burlingame, CA 94010 650-259-9545		Manager/Prof	2	0	2	0	4	40.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	2	7	2	0	11	45.8%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	4	7	4	0	15	44.1%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		4/23/2012		
		Co. Wide MSA:	California		# Employees-Co. Wide:		34	Bay Area:	0
S	WM: LBE	Company Wide	0	5	3	1	9	16.4%	47.4%
Con J. Franke Electric, Inc. Barry A. Frain 317 N. Grant Street Stockton, CA 95202-2600 209-462-0717		Manager/Prof	0	0	0	1	1	16.7%	
		Technical/Sales	0	1	0	0	1	50.0%	
		Clerical/Skilled	0	3	3	0	6	13.6%	
		Semi/Unskilled	0	1	0	0	1	33.3%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	San Joaquin County		# Employees-Co. Wide:		55	Bay Area:	0
S	WM: SBE	Company Wide	0	4	0	0	4	23.5%	37.3%
Mason Painting, Inc. David Velasquez 3242 Luyung Drive Rancho Cordova, CA 95742 916-852-8060		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	4	0	0	4	28.6%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	Sacramento County		# Employees-Co. Wide:		17	Bay Area:	0
S	WW: LBE	Company Wide	19	106	12	3	140	61.1%	39.9%
O.C. Jones & Sons, Inc. Barbara Jones 1520 Fourth Street Berkeley, CA 94710 510-526-3424		Manager/Prof	1	8	6	0	15	37.5%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	13	29	4	2	48	49.5%	
		Semi/Unskilled	5	69	2	1	77	83.7%	
		Bay Area	19	106	12	3	140	61.1%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		229	Bay Area:	229
S	EMW: H - L/SBE	Company Wide	1	36	6	0	43	65.2%	39.9%
Bradley Tanks, Inc. Sharon Bonner 402 Hartz Avenue, Bldg. C Danville, CA 94526 925-229-2900		Manager/Prof	1	23	3	0	27	75.0%	
		Technical/Sales	0	5	0	0	5	55.6%	
		Clerical/Skilled	0	4	1	0	5	45.5%	
		Semi/Unskilled	0	4	2	0	6	60.0%	
		Bay Area	1	36	6	0	43	65.2%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		66	Bay Area:	66
S	WM	Company Wide	INFORMATION NOT PROVIDED						
Camblin Steel Service, Inc. Mark Camblin 4175 Cincinnati Avenue Rocklin, CA 95765 916-644-1300		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:							

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s) P-025 Form regarding their workforce.

Title: Pump Station Q Force Main/Gravity Interceptor Reverse Flow		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
Construction Agreement		DATE: 9/22/2016	9 Bay Area Counties		5.5	16.2	14.2	0.4	39.9
		Alameda/CC Counties		10.7	15.6	15.4	0.5	46.2	
R=Recmmd P=Prime S=Sub	Composition of Ownership		Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
P	WM: LBE	Company Wide	32	263	8	2	305	62.8%	39.9%
McGuire and Hester Mike Hester 9009 Railroad Avenue Oakland, CA 94603 510-632-7676		Manager/Prof	1	9	1	0	11	15.9%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	23	108	6	0	137	56.6%	
		Semi/Unskilled	8	146	1	2	157	89.7%	
		Bay Area	32	263	8	2	305	62.8%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		486	Bay Area:	486
P	WM	Company Wide	2	72	7	1	82	45.6%	43.6%
Steve P. Rados, Inc. Walter S. Rados 2002 E. McFadden Avenue, Suite 200 Santa Ana, CA 92705 714-835-4612		Manager/Prof	0	0	0	0	0	0.0%	
		Technical/Sales	0	7	4	0	11	34.4%	
		Clerical/Skilled	0	51	3	1	55	50.5%	
		Semi/Unskilled	2	14	0	0	16	53.3%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	Orange County		# Employees-Co. Wide:		180	Bay Area:	0
P	WM	Company Wide	0	24	4	0	28	65.1%	39.9%
Con-Quest Contractors, Inc. Paul N. Loukianoff 290 Toland Street San Francisco, CA 94124 415-206-0524		Manager/Prof	0	1	2	0	3	25.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	2	1	0	3	42.9%	
		Semi/Unskilled	0	21	1	0	22	91.7%	
		Bay Area	0	24	4	0	28	65.1%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		43	Bay Area:	43
P	WM	Company Wide	0	13	0	0	13	76.5%	43.6%
Lonerock, Inc. Dragan Marjanovic 70 Domani Irvine, CA 92618 949-310-0804		Manager/Prof	0	1	0	0	1	20.0%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	0	2	0	0	2	100.0%	
		Semi/Unskilled	0	10	0	0	10	100.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA:	Orange County		# Employees-Co. Wide:		17	Bay Area:	0
P	WM	Company Wide	6	65	2	0	73	57.0%	39.9%
Ranger Pipelines, Inc. Thomas Hunt 1790 Yosemite Avenue San Francisco, CA 94124 415-822-3700		Manager/Prof	0	0	1	0	1	5.9%	
		Technical/Sales	0	0	1	0	1	7.1%	
		Clerical/Skilled	2	15	0	0	17	50.0%	
		Semi/Unskilled	4	50	0	0	54	85.7%	
		Bay Area	6	65	2	0	73	57.0%	39.9%
		Co. Wide MSA:	9 Bay Area Counties		# Employees-Co. Wide:		128	Bay Area:	128



AGENDA NO.
MEETING DATE

4.2.

October 11, 2016

TITLE AMENDMENT TO CONSULTING AGREEMENT FOR PUMP STATION Q FORCE MAIN/GRAVITY INTERCEPTOR REVERSE FLOW PROJECT AND URBAN RUNOFF DIVERSION PROJECT

☒ **MOTION** ☐ **RESOLUTION** ☐ **ORDINANCE**

RECOMMENDED ACTION



Authorize an amendment to the agreement with Schaaf & Wheeler Consulting Civil Engineers (Schaaf & Wheeler) to increase the agreement value by \$249,411 to \$1,079,760 for design services during construction for the Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project.

SUMMARY

The District utilized Schaaf & Wheeler to complete design of the Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project. This agreement amendment requires Schaaf & Wheeler to provide design services during construction as the Engineer-of-Record. A separate construction contract for this project is included on the October 11, 2016 Board agenda. Design services during construction are required to maintain continuity with design requirements, respond to contractor submittals and requests for information, and resolve any project design issues that may arise during construction. A presentation on the District's Wet Weather program, including this amendment, was provided to the Planning Committee on October 11, 2016.

DISCUSSION

The Board authorized an agreement with Schaaf & Wheeler for design of the Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project and the Urban Runoff Diversion Project on January 27, 2015. The District is required to implement these projects under the East Bay Regional Wet Weather Consent Decree. Schaaf & Wheeler has completed both designs and the Urban Runoff Diversion Project is in construction following Board award of the construction contract on April 12, 2016. Schaaf & Wheeler is providing design services during construction for the Urban Runoff Diversion Project under the original agreement budget; however, based on project size, complexity, and duration, an agreement amendment is required to provide these services for the Pump Station Q Force Main/Gravity Interceptor

Funds Available: FY17		Budget Code: 7999/2010925/5231
DEPARTMENT SUBMITTING Wastewater	DEPARTMENT MANAGER or DIRECTOR  Bennett K. Horenstein	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

Reverse Flow Project. The services under this amendment support the District's Strategic Plan goal for Water Quality and Environmental Protection.

CONSULTANT SELECTION

A combined Request for Qualifications (RFQ) and Request for Proposals (RFP) for the original design was sent to 40 firms, including five minority-owned firms with expertise in wastewater engineering. In addition, the RFQ/RFP was posted on the District's website. Two proposals were received. Schaaf & Wheeler was selected based on its ability to provide the necessary specialized expertise.

Schaaf & Wheeler is the Design Engineer-of-Record for these projects, and as such, is thoroughly familiar with this project. It is District practice to retain the Engineer-of-Record during construction to ensure design continuity and minimize District liability.

SUSTAINABILITY

Economic

Funding for this item is included in the FY17 budget for the Pump Station Q Force Main Dual Mode Operation Project.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

A portion of the work under this contract is subject to the payment of current prevailing wages according to determinations for each craft as established by the Director of Industrial Relations of the State of California.

Locals 2019 and 21 were notified of this contract amendment on September 16, 2016. Locals 2019 and 21 did not raise any specific issues related to this contract.

Environmental

This project supports long-term efforts to reduce partially treated wet weather flow discharges to San Francisco Bay.

ALTERNATIVES

Select a different consultant to perform the work. This alternative is not recommended because Schaaf & Wheeler is the Design Engineer-of-Record and has the required technical expertise and project design experience.

Perform the work with District staff. This alternative is not recommended because it is District practice to retain the Engineer-of-Record to ensure design continuity. Completion of work with District forces may result in conflicting interpretations of design intent and reduce the Engineer-of-Record's liability for design errors and omissions.

Delay or do not proceed with the project. This alternative is not recommended because the District is required to implement this project under the Consent Decree. This agreement amendment supports the District's successful construction and operation of the required infrastructure improvements.

Attachments

P-035 – Contract Equity Program Summary
P-061 – Affirmative Action Summary



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE	Amendment to Professional Services Agreement Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project and Urban Runoff Diversion Project	DATE: September 22, 2016
--------------	--	------------------------------------

CONTRACTOR:			PERCENTAGE OF CONTRACT DOLLARS		
Schaaf & Wheeler Consulting Civil Engineers Santa Clara, CA			Availability Group	Contracting Objectives	Participation
BID/PROPOSER'S PRICE:	FIRM'S OWNERSHIP		White Men	25%	68.4%
	Ethnicity	Gender	White Women	6%	27.5%
	White	Men	Ethnic Minorities	25%	4.1%
\$1,079,760 *					


CONTRACT EQUITY PARTICIPATION											
COMPANY NAME	ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
			M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: Schaaf & Wheeler Consulting Civil Engineers	\$722,875	White	X		67.0%						
SUBS: TJC and Associates	\$297,385	White		X		27.5%					
Exaro Technologies Corporation	\$44,500	Hispanic	X				4.1%				
TBD	\$15,000	White	X		1.4%						
TOTAL		\$1,079,760			68.4%	27.5%	4.1%	0.0%	0.0%	0.0%	0.0%

CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)				
	White Men	White Women	Ethnic Minorities	Total Employees
No. of Employees:	15	7	4	26
Percent of Total Employees:	57.7%	26.9%	15.4%	
MSA Labor Market %:	32.3%	27.8%	39.9%	
MSA Labor Market Location:	9 Bay Area Counties			

830349

Contract Equity Participation - 68.4% White Men participation, 27.5% White Women participation and 4.1% Ethnic Minority participation

*Revised Not to Exceed Amount.

Workforce Profile & Statement of Nondiscrimination Submitted	Good Faith Outreach Efforts Requirement Satisfied	Award Approval Recommended
NA	NA	



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: Pump Station Q Force Main/Gravity Interceptor Reverse Flow Project and Urban Runoff Diversion Project		Ethnic Minority Percentages From U.S. Census Data						
			B	H	A/PI	AI/AN	TOTAL	
		National	10.5	10.7	3.7	0.7	27.3	
Professional Services Agreement		DATE: 9/22/2016	9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9
			Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees						
Company Name, Owner/Contact Person, Address, and Phone Number			B	H	A/PI	AI/AN	TOTAL	PERCENT
								MSA %
RP	WM - SBE	Company Wide	-	1	3	-	4	15.4%
Schaaf & Wheeler Consulting Civil Engineers Charles Anderson 1171 Homestead Rd. Suite 255 Santa Clara, CA 95050 408-246-4848		Manager/Prof	-	1	3	-	4	16.7%
		Technical/Sales	-	-	-	-	-	0.0%
		Clerical/Skilled	-	-	-	-	-	0.0%
		Semi/Unskilled	-	-	-	-	-	NA
		Bay Area	-	1	3	-	4	15.4%
		AA Plan on File: NA	Date of last contract with District: NA					
		Co. Wide MSA: 9 Bay Area Counties	# Employees-Co. Wide: 26				Bay Area: 26	
		Company Wide						
		Manager/Prof						
		Technical/Sales						
		Clerical/Skilled						
		Semi/Unskilled						
		Bay Area						
		Co. Wide MSA:	# Employees-Co. Wide:				Bay Area:	
S	WW - L/SBE	Company Wide	2	3	5	-	10	55.6%
TJC and Associates Gianna Zappettini 1615 Broadway, 4th Floor Oakland, CA 94612 510-251-8980		Manager/Prof	1	2	4	-	6	53.8%
		Technical/Sales	-	1	1	-	2	66.7%
		Clerical/Skilled	1	-	-	-	1	50.0%
		Semi/Unskilled	-	-	-	-	-	NA
		Bay Area	2	2	4	-	8	66.7%
		Co. Wide MSA: California	# Employees-Co. Wide: 18				Bay Area: 12	
S	EMM:H - SBE	Company Wide	-	12	3	-	15	100.0%
Exaro Technologies Corporation Jose Dominguez 1831 Bayshore Hwy Burlingame, CA 94010 650-777-4324		Manager/Prof	-	4	1	-	5	100.0%
		Technical/Sales	-	-	-	-	-	NA
		Clerical/Skilled	-	2	1	-	3	100.0%
		Semi/Unskilled	-	6	1	-	7	100.0%
		Bay Area	-	12	3	-	15	100.0%
		Co. Wide MSA: San Mateo	# Employees-Co. Wide: 15				Bay Area: 15	

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)



AGENDA NO.
MEETING DATE

5.

October 11, 2016

TITLE CONTACT CENTER TELEPHONY

☒ MOTION ☐ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Authorize an agreement beginning on or after October 12, 2016 with Altivon, LP, in an amount not to exceed \$511,000 for the first year and \$206,000 annually for years two through five to provide Contact Center telephony services for five years with two options to renew for an additional one-year period for a total cost of \$1,747,000.

SUMMARY

The District seeks to improve the customer service experience by providing enhanced live agent interactions and self-service functionality. The services provided under this agreement will help improve customer service by replacing the District's end of life Contact Center telephony system with a modern solution that is more responsive to the needs of customers and Contact Center agents. Under this agreement, the vendor will provide services for solution design, solution implementation, cloud-based hosting of hardware and software, telephony services, and support.

DISCUSSION

The Contact Center handles more than 1,000 calls per day and serves as a key point of contact for customer inquiries. In addition to live agent interactions, many customers use the Contact Center's self-service Interactive Voice Response (IVR) system to access account information. The existing Contact Center system has reached the end of its useful service life and has become increasingly difficult to support. Compared with currently available Contact Center solutions, the District's existing system lacks modern call management functionality and is difficult to configure to meet business requirements. The existing system is hosted on District premises and this limits disaster recovery options.

The recommended action includes services for the design, implementation, and testing of a replacement solution and includes ongoing support throughout the term of the agreement. The services also include the provision of a new IVR system to provide improved customer self-service functionality using industry best practices. The District seeks to achieve operational efficiencies by increasing customer use of the IVR

Funds Available: FY17 CIP and FY18-21 OP		Budget Code: WSC/252/2009237/5231 & WSO/252/8583/5312
DEPARTMENT SUBMITTING Information Systems	DEPARTMENT MANAGER or DIRECTOR Nicholas J. Irias	APPROVED General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

system for routine inquiries. This would increase the amount of time available to Contact Center agents for responding to more complex customer inquiries.

Hardware and software for the replacement solution will be hosted in the cloud to provide greater reliability and improved disaster recovery capabilities. The solution includes the provision of network and telephony circuits and services. The services provided under this agreement support the District's Strategic Plan goal for Customer and Community Services.

This agreement includes a provision requiring the District to indemnify the vendor for claims resulting from the negligent or intentional misuse of the cloud services by District employees or other parties related to the District.

VENDOR SELECTION

Requests for proposals were sent to twenty-six firms with expertise in Contact Center telephony services and posted on the District's website. Eight proposals were received and four firms were invited for on-site interviews and system demonstrations. Altivon, LP was selected based on their ability to best provide the required services.

SUSTAINABILITY

Economic

Funding for this item is included in the FY17 capital budget and FY18-21 operating budget.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

ALTERNATIVES

Continue to use the existing Contact Center telephony system. This alternative is not recommended because the existing system has reached the end of its useful life and has become increasingly difficult to support. The existing system lacks features that provide improved customer service, operational efficiencies, and disaster recovery capabilities.

Select a different vendor to provide the services. This alternative is not recommended because District staff thoroughly evaluated the qualifications of all vendor finalists and determined that Altivon, LP can best provide the required services.

Attachments

P-035 – Contract Equity Program Summary
P-061 – Affirmative Action Summary



CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Professional Services Agreement Contact Center Telephony - Five-Year Contract with 2 One-Year Renewal Options						DATE: September 27, 2016						
CONTRACTOR: Altivon, L.P. Lacey, WA 98503					PERCENTAGE OF CONTRACT DOLLARS							
BID/PROPOSER'S PRICE: \$1,747,000 *		FIRM'S OWNERSHIP			Availability Group		Contracting Objectives		Participation			
		Ethnicity		Gender		White Men		25%		100.0%		
		White		Men		White Women		6%		0.0%		
		Ethnic Minorities				25%		0.0%				
CONTRACT EQUITY PARTICIPATION												
COMPANY NAME		ESTIMATED AMOUNT	ETHNICITY	GENDER		CONTRACTING PARTICIPATION						
				M	W	White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: Altivon, L.P.		\$1,747,000	White	X		100.0%						
SUBS: None												
TOTAL		\$1,747,000				100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)												
		White Men		White Women		Ethnic Minorities		Total Employees				
No. of Employees:		25		15		2		42				
Percent of Total Employees:		59.5%		35.7%		4.8%						
MSA Labor Market %:		39.0%		33.7%		27.3%						
MSA Labor Market Location:		Total USA										
COMMENTS												
Contract Equity Participation - 100.0% White Men participation.												
*Total Not to Exceed (annual estimated cost \$511,000 for year one and \$206,000 for years two through five)												
Workforce Profile & Statement of Nondiscrimination Submitted				Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended				
ON FILE				NA								



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title:		Ethnic Minority Percentages From U.S. Census Data							
Contact Center Telephony			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
		9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9		
Professional Services Agreement		DATE: 9/27/2016	Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2	
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
RP	WM	Company Wide	1	1	0	0	2	4.8%	27.3%
Altivon, L.P. Rachel Doyle PMB 166, 4570 Avery Lane SE, Suite C Lacey, WA 98503 602-797-1000		Manager/Prof	1	0	0	0	1	3.8%	
		Technical/Sales	0	1	0	0	1	6.7%	
		Clerical/Skilled	0	0	0	0	0	0.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		AA Plan on File: Yes	Date of last contract with District: NA						
		Co. Wide MSA: Total USA	# Employees-Co. Wide: 42			Bay Area: 0			
P	WM	Company Wide	51	78	127	5	261	22.8%	27.3%
Aspect Software, Inc. Lisa McDonald 2325 East Camelback Road, Suite 700 Phoenix, AZ 85016 978-250-7900		Manager/Prof	44	62	120	5	231	23.0%	
		Technical/Sales	5	11	6	0	22	24.2%	
		Clerical/Skilled	2	5	1	0	8	17.4%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	4	4	25	0	33	70.2%	39.9%
		Co. Wide MSA: Total USA	1143			Bay Area: 47			
P	WM	Company Wide	11	23	25	1	60	41.4%	39.9%
Advan Tel Incorporated Roger McGibbon 2222 Trade Zone Blvd. San Jose, CA 95131 800-954-5100		Manager/Prof	3	7	12	0	22	31.9%	
		Technical/Sales	7	15	11	1	34	50.0%	
		Clerical/Skilled	1	1	2	0	4	50.0%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	11	23	25	1	60	41.4%	39.9%
		Co. Wide MSA: 9 Bay Area Counties	# Employees-Co. Wide: 145			Bay Area: 145			
P	WM	Company Wide	41	46	28	6	121	13.1%	27.3%
North American Communications Resources, Inc. Owner's Name 3344 Highway 149 Eagan, MN 55121 651-994-6800		Manager/Prof	25	23	18	4	70	12.2%	
		Technical/Sales	11	12	2	2	27	10.4%	
		Clerical/Skilled	3	4	0	0	7	10.3%	
		Semi/Unskilled	2	7	8	0	17	73.9%	
		Bay Area	0	0	0	0	0	0.0%	39.9%
		Co. Wide MSA: Total USA	# Employees-Co. Wide: 924			Bay Area: 0			

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)



AGENDA NO.
MEETING DATE

6.

October 11, 2016

**TITLE WALNUT CREEK WATER TREATMENT PLANT PRETREATMENT
EVALUATION AND PLANNING STUDY FOR INLINE WATER TREATMENT
PLANTS**

☒ MOTION _____ ☐ RESOLUTION _____ ☐ ORDINANCE _____

RECOMMENDED ACTION



Authorize an agreement beginning on or after October 11, 2016 with Carollo Engineers, Inc., in an amount not to exceed \$449,892 for predesign review of the Walnut Creek Water Treatment Plant (WTP) and for pretreatment process evaluations of the District's inline WTPs.

SUMMARY

This work will provide technical review for the District's Walnut Creek WTP Pretreatment Project and an alternatives analysis for the District's inline WTPs to meet long-term water quality goals and regulations. Inline WTPs include Orinda, Walnut Creek, and Lafayette WTP. While the Walnut Creek WTP has adequate room for pretreatment facilities, the Orinda and Lafayette WTPs have highly constrained sites and require an evaluation of less conventional treatment processes, including offsite facilities for pretreatment. An agreement was authorized at the July 26, 2016 Board meeting for pilot testing of a water treatment process called Actiflo for the Walnut Creek WTP.

DISCUSSION

The Walnut Creek WTP is an inline treatment plant that serves over 600,000 customers; the plant relies on high quality raw water from Pardee or Briones reservoirs. The District is currently predesigning and piloting a pretreatment process to improve reliability and long-term regulatory compliance during droughts, changes in water quality, and restrictions on Mokelumne supply due to natural disasters in the watershed (e.g., fires). A consultant was selected with technical expertise in water treatment process selection, design, and operations to provide a review of the District's work. Pilot testing of the Actiflo pretreatment process is scheduled to start in November 2016. Other pretreatment options will be also evaluated for the Walnut Creek WTP, as part of this consultant study.

Funds Available: FY16/17; CIP#000437; Page 49		Budget Code: WSC\557\7999\5521\2010619:04
DEPARTMENT SUBMITTING Engineering and Construction	DEPARTMENT MANAGER or DIRECTOR  Xavier J. Irias	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

In addition to evaluating pretreatment options and completing a predesign review of an Actiflo system for the Walnut Creek WTP, the consultant will also evaluate pretreatment alternatives for the Orinda and Lafayette WTPs. The consultant will identify alternative treatment technologies that can be located either onsite or at remote facilities; these processes will be evaluated by their effectiveness in meeting long-term water quality challenges and regulatory changes.

This item supports the District's Strategic Plan goal for Long-Term Infrastructure Investment.

CONSULTANT SELECTION

Requests for proposals were sent to 52 firms, including eight minority-owned firms, and posted on the District's website. Two firms submitted proposals. Carollo Engineers, Inc. was selected based on their expertise in pretreatment process upgrades for large WTPs, specifically the Actiflo and pre-ozonation processes being considered by the District for the Walnut Creek WTP.

SUSTAINABILITY

Economic

Funding for this item is included in the FY16-17 Capital Improvement Program under the Treatment Plant Upgrades Project.

Social

The completed P-035 and P-061 forms for the Contract Equity Program are attached.

Local 2019 was notified of the contract on March 11, 2016 and did not raise any specific issues related to this contract.

This project will review enhanced treatment processes at the inline WTPs to improve operational reliability and drinking water quality for the District's customers.

Environmental

This project will study process improvements to ensure long-term compliance with regulatory and District water quality goals. In addition, the process improvements will improve water conservation at inline WTPs.

ALTERNATIVES

Perform the work with District forces. This alternative is not recommended because District forces do not possess the expertise to perform these services.

Do not complete the work. This alternative is not recommended because this work is required for planning and design of Walnut Creek WTP pretreatment facilities and to address long-term treatment and regulatory issues at the District's inline WTPs.

Attachments

P-035 – Contract Equity Program Summary


P-061 – Affirmative Action Summary

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CONTRACT EQUITY PROGRAM SUMMARY (P-035)

This summary contains information on the contractor's workforce and contract equity participation. (Completed by District)

TITLE Professional Services Agreement - Engineering Consultant Roster Walnut Creek Water Treatment Plant Pretreatment Evaluation						DATE: October 3, 2016						
CONTRACTOR: Carollo Engineers, Inc. Walnut Creek, CA 94598					PERCENTAGE OF CONTRACT DOLLARS							
BID/PROPOSER'S PRICE: \$449,892 *					FIRM'S OWNERSHIP Local Business		Availability Group White Men		Contracting Objectives 25%		Participation 95.8%	
					Ethnicity White		Gender Men		White Women 6%		0.0%	
					Ethnic Minorities 25%				0.0%			
CONTRACT EQUITY PARTICIPATION												
COMPANY NAME		ESTIMATED AMOUNT	ETHNICITY	GENDER M W		CONTRACTING PARTICIPATION						
						White-Men	White-Women	Ethnic Minorities	Unclassified	Publicly Held Corp.	Gov't/Non Profit	Foreign
PRIME: Carollo Engineers, Inc.		\$381,892	White	X		84.9%						
SUBS: Ewing Construction Services		\$29,000	White	X		6.4%						
J. Calton Engineering		\$20,000	White	X		4.4%						
City of West Sacramento		\$19,000	Gov't								4.2%	
TOTAL		\$449,892				95.8%	0.0%	0.0%	0.0%	0.0%	4.2%	0.0%
CONTRACTOR'S WORKFORCE PROFILE (From P-025 Form)												
			White Men		White Women		Ethnic Minorities		Total Employees			
No. of Employees:			406		181		194		781			
Percent of Total Employees:			52.0%		23.2%		24.8%					
MSA Labor Market %:			39.0%		33.7%		27.2%					
MSA Labor Market Location:			Total USA									
COMMENTS												
Contract Equity Participation - 85.8% White Men participation and 4.2% Government Agency participation.												
*Total Not To Exceed.												
Workforce Profile & Statement of Nondiscrimination Submitted					Good Faith Outreach Efforts Requirement Satisfied				Award Approval Recommended			
NA					YES							



AFFIRMATIVE ACTION SUMMARY (P-061)

(Completed by District)

This summarizes information provided by the contractor(s)' P-025 Form regarding their workforce.

Title: Walnut Creek Water Treatment Plant Pretreatment Evaluation		Ethnic Minority Percentages From U.S. Census Data							
			B	H	A/PI	AI/AN	TOTAL		
		National	10.5	10.7	3.7	0.7	27.3		
Professional Services Agreement DATE: 10/3/2016		9 Bay Area Counties	5.5	16.2	14.2	0.4	39.9		
		Alameda/CC Counties	10.7	15.6	15.4	0.5	46.2		
R=Recmmd P=Prime S=Sub	Composition of Ownership	Number of Ethnic Minority Employees							
Company Name, Owner/Contact Person, Address, and Phone Number		B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %	
RP	WM: LBE	Company Wide	30	59	86	2	177	22.7%	27.3%
Carollo Engineers, Inc. Christopher T. Cleveland 2700 Ygnacio Valley Road, Suite 300 Walnut Creek, CA 94598 916-576-4724		Manager/Prof	26	37	75	1	139	21.6%	
		Technical/Sales	3	10	7	1	21	30.4%	
		Clerical/Skilled	1	12	4	0	17	24.6%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	4	4	19	0	27	24.3%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		4/19/2016		
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		781 Bay Area: 111		
S	WM	Company Wide	INFORMATION NOT APPLICABLE						
Ewing Construction Services Dave Ewing 417 Mace Blvd., Suite J-336 Davis, CA 95616 530-304-0972		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:							
S	WM	Company Wide	INFORMATION NOT APPLICABLE						
J. Calton Engineering John Calton 5723 Oak Creek Place Granite Bay, CA 95746 916-375-9797		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:							
S	Gov't	Company Wide	INFORMATION NOT APPLICABLE						
City of West Sacramento Dan Mount 1951 South River Road West Sacramento, CA 95691 916-617-4862		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:							
P	WM: LBE	Company Wide	45	204	46	5	300	34.3%	27.3%
MWH Americas, Inc. Stephen Robinson 2121 N. California Blvd., Ste. 600 Walnut Creek, CA 94596 925-627-4500		Manager/Prof	13	37	41	2	93	20.3%	
		Technical/Sales	0	0	0	0	0	0.0%	
		Clerical/Skilled	32	167	5	3	207	49.9%	
		Semi/Unskilled	0	0	0	0	0	0.0%	
		Bay Area	1	1	4	0	6	20.0%	39.9%
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		874 Bay Area: 30		

WM=White Male, WW=White Women, EM=Ethnic Minority (Ethnicities: B=Black, H=Hispanic, A/PI=Asian/Pacific Islander, and AI/AN=American Indian/Alaskan Native)



AGENDA NO.
MEETING DATE

7.
October 11, 2016

TITLE FIRST AMENDMENT TO AGREEMENT WITH THE CITY OF OAKLAND –
BROADWAY AND LATHAM SQUARE MAIN RELOCATIONS

☒ **MOTION** _____ ☐ **RESOLUTION** _____ ☐ **ORDINANCE** _____

RECOMMENDED ACTION

Authorize the first amendment to the original agreement with the City of Oakland (City) to increase the authorization by \$498,930.98 to an amount not to exceed \$736,730.98 to reimburse the City for relocating approximately 685 feet of 8-inch and 12-inch diameter pipeline as part of the City's Latham Square Streetscape Improvements Project.



SUMMARY

The City has completed the construction of street improvements at Latham Square and adjacent streets, including Broadway from 14th Street to 17th Street and Telegraph Avenue from Broadway to 17th Street (see attached location map). The Board of Directors authorized the original agreement for the relocation work by Motion No. 028-15 on February 24, 2015. The original agreement authorized reimbursement for the City to relocate approximately 475 feet of 8-inch and 12-inch pipelines. An additional 210 feet of water main required relocation to accommodate numerous unforeseen utility conflicts and to enhance pipeline maintainability. This additional work exceeded the amount authorized under the original agreement and is covered by this amendment.

DISCUSSION

The District reviewed the City's final construction cost and determined the costs were reasonable for the challenging pipeline relocations at Latham Square. The City competitively bid the project and awarded the contract to the lowest responsive/responsible bidder on March 17, 2015. The increase in reimbursement costs was due to the following reasons:

1. An additional 210 feet of pipeline was installed to accommodate multiple utility conflicts and improve pipeline maintainability.
2. Contractor downtime caused by AT&T utility vault conflict required additional relocations and utility congestion at Broadway and 15th Street.

Funds Available: FY16-17; CIP #000554; Page 29		Budget Code: WSC/747/7999/Various/5242
DEPARTMENT SUBMITTING Engineering and Construction	DEPARTMENT MANAGER or DIRECTOR  Xavier J. Irias	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

First Amendment to Agreement with the City of Oakland – Broadway and Latham Square Water Main Relocations

October 11, 2016

Page 2

3. Additional utility inspection potholes were made to determine the feasibility to extend the relocation project across Broadway to 15th Street.
4. The additional pipeline relocations proceeded on a time and materials change order basis which is a higher installation rate with more City administrative costs.

SUSTAINABILITY

Economic

This item was included in the planned FY16-17 Capital Improvement Program under Non-Reimbursable Pipeline Relocations.

Social

Local 444 was notified of this contract on November 24, 2014 and did not raise any specific issues related to this contract.

By partnering with the City on a third party construction contract, the overall streetscape improvements and pipeline relocations were completed with minimal impacts to the surrounding community.

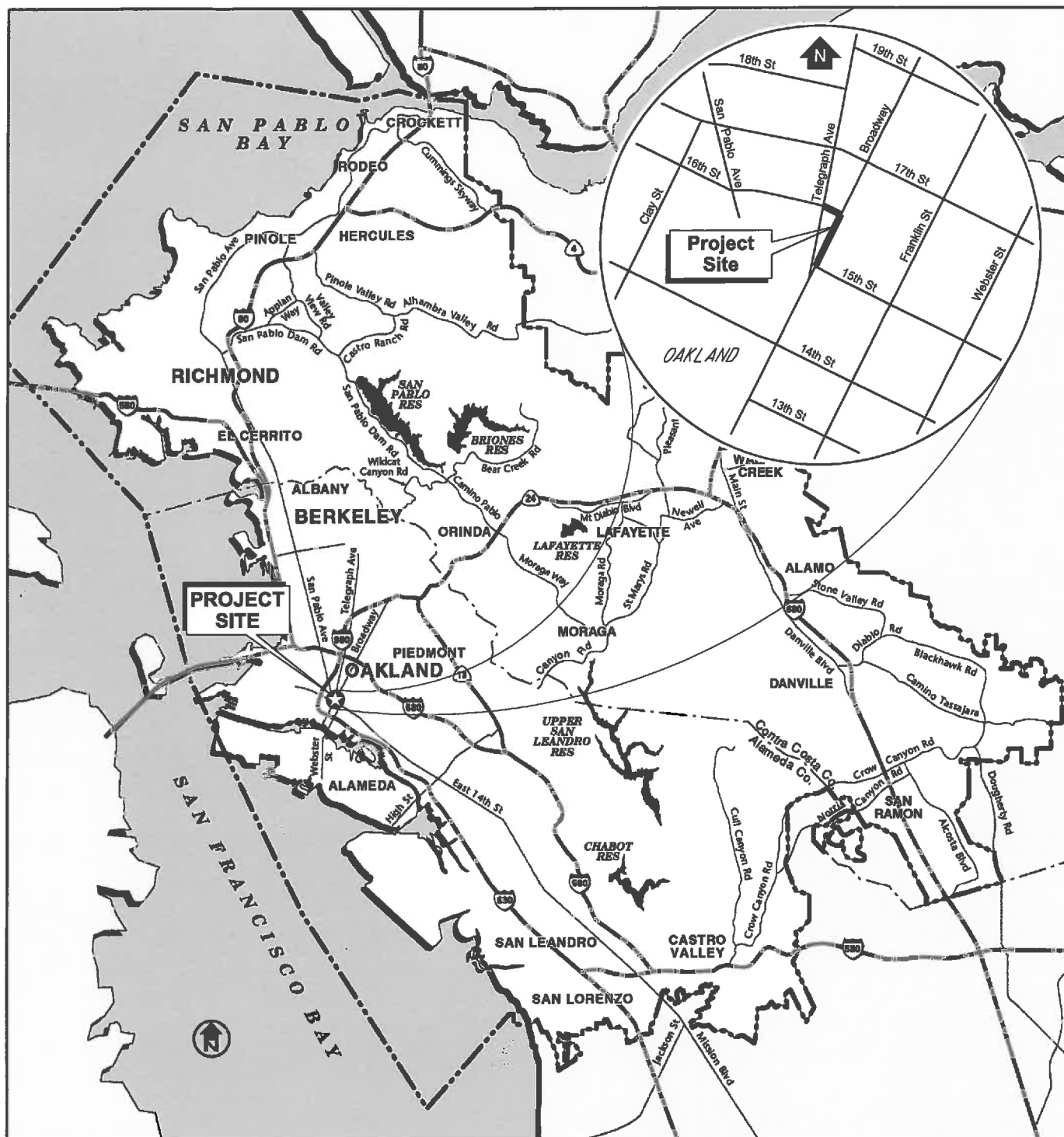
CEQA/Environmental Compliance

Per the Public Resources Code, Section 21080.21, this project is exempt from the California Environmental Quality Act since the work performed under this contract is the routine relocation of pipelines with a length less than one mile.

ALTERNATIVES

Do not amend the agreement. This alternative is not recommended because the City installed the pipeline and the District is required to reimburse the City for the work performed.

Attachments: Location Map



PROJECT SITE LOCATION MAP

NOT TO SCALE

EAST BAY MUNICIPAL UTILITY DISTRICT

BROADWAY AND LATHAM SQUARE WATER MAIN RELOCATIONS



AGENDA NO.
MEETING DATE

8.

October 11, 2016

TITLE WATER SUPPLY ASSESSMENT FOR THE RICHMOND BAY SPECIFIC PLAN

☒ **MOTION** _____ ☐ **RESOLUTION** _____ ☐ **ORDINANCE** _____

RECOMMENDED ACTION

Approve the Water Supply Assessment (WSA) requested by the City of Richmond (City) for the Richmond Bay Specific Plan (Project) pursuant to California Water Code, Sections 10910-10915.



SUMMARY

The Project area is bounded to the north and east by Interstate Highway 580 and to the south and west by the Richmond Inner Harbor, encompassing portions of the Marina Bay neighborhood (see Attachment A). The Project area consists of approximately 500 acres: 355 acres of residential, retail/commercial and manufacturing space, and 145 acres of open space. At total build-out, the Project area will consist of 5,700 dwelling units, 720,000 square feet of retail space, and 5,690,000 square feet of commercial space.

The existing land uses consist of mixed-use industrial, residential, commercial, public/institutional, parks and open space. Historical water use in the area is approximately 220,000 gallons per day (gpd). The projected water demand is estimated to be approximately 1,930,600 gpd at build-out. This demand is accounted for in the District's Urban Water Management Plan (UWMP) 2015. Approval of the Project WSA by the Board of Directors is required prior to its submittal to the City. The WSA is described in the attached letter (Attachment B) and, upon Board approval, will be sent to the City.

DISCUSSION

On March 17, 2014, the City requested a WSA for the Project (formerly known as the South Shoreline Specific Plan), with an estimated water demand of approximately 1,580,000 gpd, which was approved by the Board of Directors on May 27, 2014. Since then, the foreseeable development for the Project area changed with an increase on the projected demands requiring a new WSA. On August 5, 2016, the City submitted a formal request for consultation between the District and the City regarding reconfirmation of the WSA previously performed for the Project, pursuant to California Water Code, Sections 10910-10915. The Project, for which environmental documentation is being completed by the City, meets the threshold requirement for an assessment of water supply availability based on the amount of water this Project would require, i.e., an amount of water equivalent to, or greater than, the amount of water

Funds Available: FY		Budget Code:	
DEPARTMENT SUBMITTING Engineering and Construction	DEPARTMENT MANAGER or DIRECTOR  Xavier J. Irias		APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

required by a 500-dwelling-unit project. The City is required to consult with the public water supplier to determine whether the water demand associated with the proposed Project was included in its last UWMP and to assess whether its 20-year water supply (available during normal, single dry and multiple dry water years) will meet the water demand associated with the proposed Project.

The UWMP 2015 concludes that the District has, and will have, adequate water supplies to serve existing and projected demands within the Ultimate Service Boundary during normal and wet years, but that deficits are projected for drought years. During multi-year droughts, the District may require significant customer water use reductions and may also need to acquire supplemental supplies to meet customer demand. The UWMP 2015 includes Drought Management Program (DMP) Guidelines that establish the level of water use restrictions the District may implement under varying conditions. Under the DMP Guidelines, water use restrictions may be determined based upon either projected end-of-September Total System Storage (TSS) or water use restriction mandates from the State Water Resources Control Board. When state-mandated water use restrictions exceed the reductions that would otherwise be called for based upon the end-of-September TSS, the District's water use reduction requirements may be guided by the applicable state mandates. Under either scenario, while the District strives to keep water use reductions at or below 15 percent, if the drought is severe, mandatory water use reductions could exceed 15 percent.

The proposed Project will be subject to the same drought restrictions that apply to all District customers. In addition, the proposed Project will be subject to District regulations aimed at encouraging efficient water use, such as Sections 29 and 31 of the District's Regulations Governing Water Service. Section 29, "Prohibiting Wasteful Use of Water," promotes efficient water use by District customers and includes additional restrictions on wasteful uses of potable water. Section 31, "Water Efficiency Requirements," identifies the types of water efficiency requirements (i.e., maximum flow rates for flow control devices) for water service.

The District's WSA letter requests that the City comply with the California Code of Regulations concerning water-efficient landscapes and District water service regulations, including compliance with Sections 29 and 31, described above, in force at the time the application is made. The District also requests a meeting to discuss water conservation opportunities in the Project area. This meeting will identify timely opportunities to maximize water conservation and identify District programs, as well as state and federal best management practices applicable to the Project.

The Project is located approximately 1.5 miles from an existing recycled water transmission pipeline with some parcels being 3 to 5 miles away. The size and nature of the proposed development, along with the thousands of people that will be employed within the Project area, will present several opportunities for the use of recycled water for landscape irrigation, commercial and industrial processes, toilet and urinal flushing in non-residential buildings, and cooling towers. As part of long-term water supply planning, the District may investigate expanding existing recycled water infrastructure or construct a localized satellite facility that utilizes onsite waste and rainwater treatment to provide recycled water to the Project. The District recommends that the City and their developers maintain continued coordination and consultation with the District regarding the feasibility of providing recycled water for appropriate non-potable uses as they plan and implement the various projects.

ALTERNATIVE

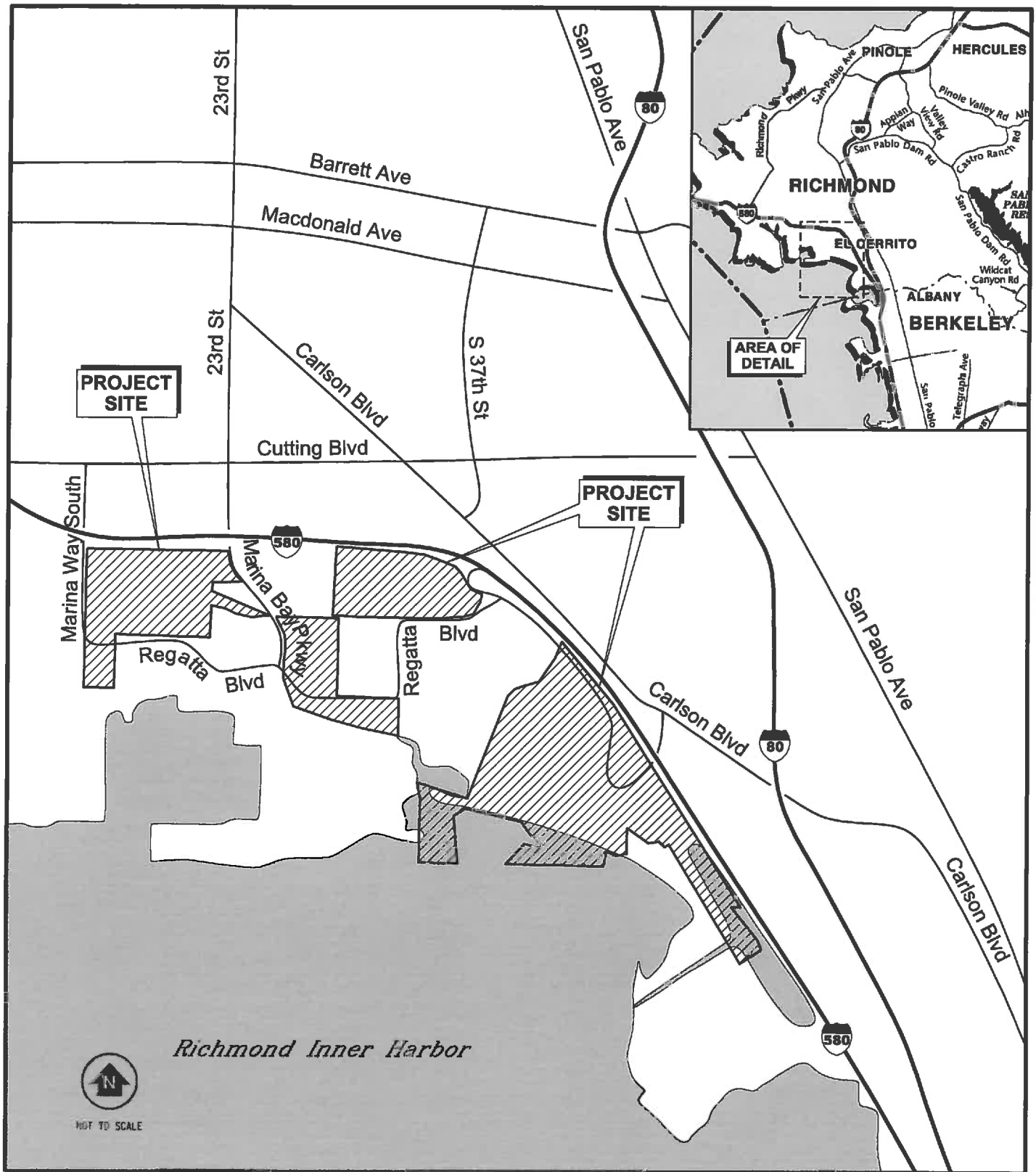
Do not submit a response. This alternative is not recommended. This WSA has been prepared pursuant to California Water Code, Sections 10910-10915. It is consistent with the law and the District's past WSAs.

Attachments: A. Map – Richmond Bay Specific Plan
B. District's Response to August 5, 2016 Water Supply Assessment Request

I:\SEC\2016 Board Related Items\Board Packets 2016\101116 Board Items\ENG-Water Supply Assessment for the Richmond Bay Specific Plan.docx

RICHMOND BAY SPECIFIC PLAN

Attachment A



Attachment B

DRAFT

October 11, 2016

Lina Velasco, Project Manager II
City of Richmond
Planning and Building Services Department
450 Civic Center Plaza
Richmond, CA 94804

Re: Water Supply Assessment – Richmond Bay Specific Plan (formerly known as the South Shoreline Specific Plan)

Dear Ms. Velasco:

This letter is in response to your request dated August 5, 2016, for water agency consultation (Enclosure 1) concerning the Water Supply Assessment (WSA) for the Richmond Bay Specific Plan (Project), formerly known as the South Shoreline Specific Plan, located in the City of Richmond (City), which is within East Bay Municipal Utility District's (EBMUD's) Ultimate Service Boundary. EBMUD appreciates the opportunity to provide this response.

On March 17, 2014, EBMUD received a request from the City for a WSA for the South Shoreline Specific Plan. Pursuant to Sections 10910-10915 of the California Water Code (SB610), EBMUD's Board of Directors approved the WSA and provided the City a written response on May 27, 2014 (see Enclosure 1). In the approved 2014 WSA, the estimated demand for the South Shoreline Specific Plan (consisting of 4,070 dwelling units, 720,000 square feet of retail space, and 5,690,000 square feet of commercial space) was approximately 1,580,000 gallons per day (gpd). Due to the flexibility in the land uses in the Project area, the City is currently evaluating a development program that adds 1,630 more residential units than was previously analyzed in the 2014 WSA. Pursuant to Sections 10910-10915 of the California Water Code, this number of additional proposed residential units itself meets the threshold requirement for an assessment of water supply availability based on the amount of water required, a mixed-use project that would demand an amount of water equivalent to or greater than the amount of water required by a 500-dwelling-unit project. Thus, a second WSA accounting for the increase in residential units is required for the Project.

Please note that this WSA addresses the issue of water supply only and is not a guarantee of service, and future water service is subject to the rates and regulations in effect at that time.

Project Demand

The water demand for the Project is accounted for in EBMUD's water demand projections as published in EBMUD's Urban Water Management Plan (UWMP) 2015 (Enclosure 2).

EBMUD's water demand projections account for anticipated future water demands within EBMUD's service boundaries and for variations in demand-attributed changes in development patterns. The historical water use in the Project area is approximately 220,000 gpd. The projected water demand is estimated to be approximately 1,930,600 gpd at build-out.

EBMUD's demand projections indicate both densification and land use changes in a few existing land use classifications, including commercial and residential land use areas. These changes increase EBMUD's overall demand. EBMUD's UWMP 2015 projects water demands over time, accounting for estimated variations in demand usage less conservation and recycled supply sources as noted in UWMP 2015 Table 4-1, Mid-Cycle Demand Projections (Table 1). Typically, EBMUD prepares a full demand study every ten years; the most recent version, the 2040 Demand Study, was completed in 2009. For planning purposes, water demands are estimated in five-year increments, but it is recognized that actual incremental amounts may occur stepwise in shorter time increments. An increase in usage by one customer in a particular customer class does not require a strict gallon-for-gallon increase in conservation by other customers in that class as, in actuality, the amount of potable demand, conservation and recycled water use EBMUD-wide will vary somewhat. In 2014, EBMUD prepared the Mid-Cycle Demand Assessment (MCDA) in order to assess any significant effects on metered water consumption caused by the 2008-2010 drought and the economic downturn that affected growth in the Bay Area. As part of the MCDA, recently updated city and county general plans were reviewed for significant changes since the 2040 Demand Study was completed, and meetings were also held with representatives from the cities of Alameda, Oakland, Richmond, and San Ramon. The MCDA concluded that, while the cities and counties might reach their build-out goals later than originally anticipated, they would still reach these goals by 2040. Accordingly, the MCDA validated the 2040 Demand Study, as the demands are expected to gradually increase back to 2040 projected demand levels as development and water use return to pre-drought and pre-recession conditions. EBMUD plans to complete another full demand study in 2019 looking out at a long-term horizon of 2050. As part of the demand study, EBMUD will be reaching out to each city and county in the service area to ask about projected development and future land use changes. The study results will be incorporated into the 2020 UWMP.

Table 1
Mid-Cycle Demand Projections (UWMP 2015, Table 4-1)

TABLE 4-1 AVERAGE ANNUAL DEMAND (MGD)	MID-CYCLE DEMAND PROJECTIONS					
	2015	2020	2025	2030	2035	2040
PROJECTED TOTAL DEMAND	232	267	276	290	304	312
CONSERVATION ¹	-33	-39	-44	-51	-57	-62
NON-POTABLE WATER ^{1,2}	-9	-11	-14	-17	-18	-20
PLANNING LEVEL OF DEMAND	190	217	218	222	229	230

¹ See Chapters 6 and 7 for more discussion of water recycling and conservation, respectively.
² Non-potable water includes recycled water and raw water projects.

Project Area

The Project area is bounded to the north and east by Interstate Highway 580 and to the south and west by the Richmond Inner Harbor, encompassing portions of the Marina Bay neighborhood.

The Project area consists of approximately 500 acres: 355 acres of residential, retail/commercial and manufacturing space and 145 acres of open space. At build-out, the Project area will consist of 5,700 dwelling units, 720,000 square feet of retail space, and 5,690,000 square feet of commercial space.

EBMUD Water Demand Projections

Since the 1970s, water demand within EBMUD's service area has ranged from 200 to 220 million gallons per day (mgd) in non-drought years. The 2040 water demand forecast of 312 mgd for EBMUD's service area can be reduced to 230 mgd with the successful implementation of water recycling and conservation programs, as outlined in the UWMP 2015. Current demand is lower than estimated in the MCDA as a result of the recent multi-year drought. This is because the planning level of demand may differ from the actual demand in any given year due to water use reductions that typically occur during droughts. After droughts, a rebound effect is expected wherein demand rises back to projected levels. Thus, the MCDA still reflects a reasonable expectation for growth over the long term for demand in year 2040, as the demands are expected to gradually increase back to 2040 projected demand levels as development and water use return to pre-drought and pre-recession conditions. The proposed Project's future development and operations will not change EBMUD's 2040 demand projection.

EBMUD Water Supply and Water Rights

EBMUD has water right permits and licenses that allow for delivery of up to a maximum of 325 mgd from the Mokelumne River, subject to the availability of Mokelumne River runoff and the senior water rights of other users. EBMUD's position in the hierarchy of Mokelumne River water users is determined by a variety of agreements between Mokelumne River water right holders and the terms of the appropriate water right permits and licenses.

Conditions that could, depending on hydrology, restrict EBMUD's ability to receive its full entitlement include:

- Upstream water use by senior water rights holders.
- Downstream water use by riparian and senior appropriators and other downstream obligations, including protection of public trust resources.
- Variability in precipitation and runoff.

During prolonged droughts, the Mokelumne River supply cannot meet EBMUD's projected customer demands. To address this, EBMUD has completed construction of the Freeport Regional Water Facility and the Bayside Groundwater Facility, which are discussed below in the Supplemental Water Supply and Demand Management section of this assessment. EBMUD has obtained and continues to seek supplemental supplies.

EBMUD's UWMP

The UWMP 2015, adopted on June 28, 2016 by EBMUD's Board of Directors under Resolution No. 34092-16, is a long-range planning document used to assess current and projected water

usage, water supply planning along with conservation and recycling efforts. A summary of EBMUD's demand and supply projections, in five-year increments, for a 25-year planning horizon is provided in UWMP 2015 Table 4-5, Preliminary EBMUD Baseline Supply and Demand Analysis (Table 2).

EBMUD's evaluation of water supply availability accounts for the diversions of both upstream and downstream water right holders and fishery releases on the Mokelumne River. Fishery releases are based on the requirements of a 1998 Joint Settlement Agreement (JSA) between EBMUD, United States (U.S.) Fish and Wildlife Service, and the California Department of Fish and Game. The JSA requires EBMUD to make minimum flow releases from its reservoirs to the lower Mokelumne River to protect and enhance the fishery resources and ecosystem of the river. As this water is released downriver, it is, therefore, not available for use by EBMUD's customers.

Table 2
Preliminary EBMUD Baseline Supply and Demand Analysis (UWMP 2015, Table 4-5)

TABLE 4-5		PRELIMINARY EBMUD BASELINE SUPPLY & DEMAND ANALYSIS					
SUPPLY AND DEMAND COMPARISON - NORMAL YEAR (MGD)		2015	2020	2025	2030	2035	2040
MOKELUMNE SYSTEM		>190	>217	>218	>222	>229	>230
DEMAND TOTALS		190	217	218	222	229	230
DIFFERENCE		0	0	0	0	0	0
DRY YEAR RESULTS FROM EBMUDSIM (MGD)		2015	2020	2025	2030	2035	2040
SINGLE DRY YEAR OR FIRST YEAR OF MULTI-YEAR DROUGHT	MOKELUMNE SYSTEM	145	169	170	173	179	179
	CVP SUPPLIES²	36	35	35	35	35	35
	BAYSIDE³	0	0	0	0	0	0
	SUPPLY TOTALS	181	204	205	209	214	215
	PLANNING LEVEL DEMAND¹	190	217	218	222	229	230
	RATIONING⁴	5%	6%	6%	6%	7%	7%
	DEMAND TOTALS	180	203	204	208	213	214
	NEED FOR WATER (TAF)⁵	0	0	0	0	0	0
SECOND YEAR	MOKELUMNE SYSTEM	81	103	103	107	112	113
	CVP SUPPLIES²	71	71	71	71	71	71
	BAYSIDE³	0	0	0	0	0	0
	SUPPLY TOTALS	152	174	174	178	183	184
	PLANNING LEVEL DEMAND¹	190	217	218	222	229	230
	RATIONING⁴	20%	20%	20%	20%	20%	20%
	DEMAND TOTALS	152	174	175	178	184	185
	NEED FOR WATER (TAF)⁵	0	0	0	0	0	0
THIRD YEAR	MOKELUMNE SYSTEM	111	132	132	125	120	104
	CVP SUPPLIES²	40	40	40	40	40	40
	BAYSIDE³	1	1	1	1	1	1
	SUPPLY TOTALS	152	174	173	166	162	145
	PLANNING LEVEL DEMAND¹	190	217	218	222	229	230
	RATIONING⁴	20%	20%	20%	20%	20%	20%
	DEMAND TOTALS	152	174	174	178	183	184
	NEED FOR WATER (TAF)⁵	0	0	2	13	24	48

1. Planning Level of Demand accounts for projected savings from water recycling and conservation programs as discussed in Chapters 6 and 7 respectively. Customer demand values are based on the Mid Cycle Demand Assessment, October 2014.
2. Projected available CVP supplies are taken according to the Drought Management Program Guidelines discussed in Chapter 3.
3. For the purposes of this modeling effort, it is assumed that the Bayside Groundwater Project would be brought online in the third year of a drought.
4. Rationing reduction goals are determined according to projected system storage levels in the Drought Management Program Guidelines discussed in Chapter 3.
5. Need for Water includes unmet customer demand as well as shortages on the Lower Mokelumne River.

The available supply and demand shown in Table 2 was derived from EBMUD's baseline hydrologic model with the following assumptions:

- Customer demand values are based on the MCDA, and planning level demands account for projected savings from water recycling and conservation programs.
- EBMUD Drought Planning Sequence assumes water year 1976, 1977 and a modified 1978 hydrology.
- Total system storage is depleted by the end of the third year of the drought.
- EBMUD will implement its Drought Management Program (DMP) when necessary.

- The diversions by Amador and Calaveras Counties upstream of Pardee Reservoir will increase over time, eventually reaching the full extent of their senior rights.
- Releases are made to meet the requirements of senior downstream water right holders and fishery releases, as required by the JSA.
- EBMUD allocation of Central Valley Project (CVP) supply is available the first year of a drought, and subsequent drought years, according to the U.S. Bureau of Reclamation's Municipal and Industrial Shortage Policy.
- The Bayside Groundwater Project Phase 1 is available and brought online in the third year of a drought.

The UWMP 2015 concludes that EBMUD has, and will have, adequate water supplies to serve existing and projected demand within the Ultimate Service Boundary during normal and wet years but that deficits are projected for multi-year droughts. During multi-year droughts, EBMUD may require significant customer water use reductions and may also need to acquire supplemental supplies to meet customer demand.

As discussed under the DMP Guidelines section in Chapter 3 of the UWMP 2015, EBMUD's system storage generally allows EBMUD to continue serving its customers during dry-year events. EBMUD typically imposes water use restrictions based on the projected storage available at the end of September, and based on recent changes to its DMP Guidelines (summarized below), may also implement water use restrictions in response to a State of California mandate. By imposing water use restrictions in the first dry year of potential drought periods, EBMUD attempts to minimize water use restrictions in subsequent years if a drought persists. Throughout dry periods, EBMUD must continue to meet its current and subsequent-year fishery flow release requirements and obligations to downstream agencies.

The UWMP 2015 includes DMP Guidelines that establish the level of water use restrictions EBMUD may implement under varying conditions. Under the new DMP Guidelines, water use restrictions may be determined based upon either projected end-of-September Total System Storage (TSS) or water use restriction mandates from the State Water Resources Control Board. When state-mandated water use restrictions exceed the reductions that would otherwise be called for based upon end-of-September TSS, EBMUD's water use reduction requirements may be guided by the applicable state mandates. Under either scenario, while EBMUD strives to keep water use reductions at or below 15 percent, if the drought is severe, mandatory water use reductions could exceed 15 percent.

Despite water savings from EBMUD's aggressive conservation and recycling programs and water use restrictions called for in the DMP Guidelines, supplemental supplies are still needed in significant, severe, and critical droughts. The proposed Project will be subject to the same drought restrictions that apply to all EBMUD customers. In addition, the proposed Project will be subject to EBMUD's regulations aimed at encouraging efficient water use, such as Sections 29 and 31 of EBMUD's Regulations Governing Water Service. Section 29, "Prohibiting Wasteful Use of Water," promotes efficient water use by EBMUD customers and includes additional restrictions on wasteful uses of potable water. Section 31, "Water Efficiency Requirements," identifies the types of water efficiency requirements (i.e., maximum flow rates for flow control devices) for water service.

Supplemental Water Supply and Demand Management

The goals of meeting projected water needs and increased water reliability rely on supplemental supplies, improving reliability of existing water supply facilities, water conservation and recycled water programs.

By 2011, EBMUD completed construction of the Freeport Regional Water Facility and the Bayside Groundwater Project Phase 1 Facility to augment its water supply during drought periods. However, additional supplemental supplies beyond those provided through these facilities will still be needed, as noted above. Chapter 5 of the UWMP 2015 describes potential supplemental water supply projects that could be implemented to meet projected long-term water demands during multi-year drought periods.

The Freeport Regional Water Facility became operational in February 2011. EBMUD's ability to take delivery of CVP water through the Freeport facility is based on its Long-Term Renewal Contract (LTRC) with the U.S. Bureau of Reclamation. The LTRC provides for up to 133,000 acre feet of CVP supply in a single dry year, not to exceed a total of 165,000 acre feet in three consecutive dry years. Under the LTRC, the CVP supply is available to EBMUD only in dry years when EBMUD's total stored water supply is forecast to be below 500,000 total acre feet on September 30 of each year.

Construction of the Bayside Groundwater Project Phase 1 Facility was completed in 2010. A permit from the California Department of Public Health is required before the groundwater can be extracted and treated for municipal use. The Bayside Groundwater Project can supply EBMUD a total of up to one mgd per year. Chapter 5 of the UWMP 2015 also lists other potential supplemental water projects, including northern California water transfers, Bayside Groundwater Project Expansion, Expansion of Contra Costa Water District's Los Vaqueros Reservoir, and others that could be implemented to meet the projected long-term water supplemental need during multi-year drought periods. The UWMP 2015 identifies a broad mix of projects, with inherent scalability and the ability to adjust implementation schedules for particular components. This will allow EBMUD to pursue the necessary supplemental supplies, while minimizing the risks associated with future uncertainties such as project implementation challenges and global climate change. The Environmental Impact Report that EBMUD certified for the Water Supply Management Program 2040 examined the impacts of pursuing these supplemental supply projects at a program level. Separate project-level environmental documentation will be prepared, as appropriate, for specific components as they are developed in further detail and implemented in accordance with EBMUD's water supply needs.

In addition to pursuing supplemental water supply sources, EBMUD also maximizes resources through continuous improvements in the delivery and transmission of available water supplies and investments in ensuring the safety of its existing water supply facilities. These programs, along with emergency interties and planned water recycling and conservation efforts, would ensure a reliable water supply to meet projected demands for current and future EBMUD customers within the current service area.

Water Conservation and Recycled Water Considerations

The proposed Project presents opportunities to incorporate water conservation measures. Conditions of approval for the implementation of the proposed Project should require that the Project comply with the California Model Water Efficient Landscape Ordinance (Division 2, Title 23, California Code of Regulations, Chapter 2.7, Sections 490 through 495). EBMUD staff would appreciate the opportunity to meet with the City to discuss conservation measures. This meeting will explore early opportunities to expand water conservation via EBMUD's conservation programs and best management practices applicable to the Project.

Conservation strategies will be required to achieve water use reduction goals and restrictions, including compliance with Sections 29 and 31, described above, of EBMUD's Regulations Governing Water Service, and the Water Conservation Act of 2009. The Water Conservation Act of 2009 sets an overall goal of reducing per capita urban water use by 20 percent by December 31, 2020.

The Project is located approximately 1.5 miles from an existing recycled water transmission pipeline with some parcels being 3 to 5 miles away. The size and nature of the proposed development, along with the thousands of people that will be employed within the Project area, will present several opportunities for the use of recycled water for landscape irrigation, commercial and industrial processes, toilet and urinal flushing in non-residential buildings, and cooling towers. As part of the long-term water supply planning, EBMUD may investigate expanding the existing recycled water infrastructure or construct a localized satellite facility that utilizes onsite waste and rainwater treatment to provide recycled water to the Project. EBMUD recommends that the City and their developers maintain continued coordination and consultation with EBMUD regarding the feasibility of providing recycled water for appropriate non-potable uses as they plan and implement the various projects.

The Project sponsor should contact Jennifer L. McGregor, Senior Civil Engineer, at (510) 287-1030 for further information.

Sincerely,

David J. Rehnstrom
Manager of Water Distribution Planning Division

DJR:CW:dks
sb16_181c_Letter to City

Enclosures: 1. Letter of Request for Water Supply Assessment dated August 5, 2016
2. EBMUD Urban Water Management Plan 2015

cc: Board of Directors w/o Enclosure 2

PLANNING DEPARTMENT



August 5, 2016

VIA EMAIL AND U.S. MAIL

Mr. David Rehnstrom, Senior Civil Engineer
East Bay Municipal Utilities District
Water Distribution Planning Division, Mail Stop 701
Oakland, CA 94607

Re: Water Supply Assessment for the Richmond Bay Specific Plan (formerly known as the South Shoreline Specific Plan)

Dear Mr. Rehnstrom:

We are seeking a determination as to whether an amendment to the attached Water Supply Assessment (WSA), submitted by East Bay Municipal Water District (EBMUD) to the City of Richmond on May 27, 2014 for the Richmond Bay Specific Plan project (formerly known as the South Shoreline Specific Plan) ("Specific Plan") is required due to changes in the project. A copy of the 2014 water supply assessment (the 2014 WSA) is attached for reference.

The 2014 WSA concluded that the Specific Plan triggered the statutory obligation for preparation of a WSA because the 1,580,150 million gallons per day (MGD) increase in water needed was an amount of water equivalent to or greater than the amount of water required by a 500 dwelling unit project. The 2014 WSA concluded that the increased demand caused by the Specific Plan would not change EBMUD's water demand projections for 2040, and was therefore consistent with EBMUD's Urban Water Management Plan.

Due to the flexibility in the land uses contemplated in the Specific Plan, the City is evaluating a development program that has 1,630 more residential units than was previously analyzed in the 2014 WSA. This increase in units would result in a corresponding increase in water demand representing approximately 8% of the total project demand.¹ Water Code Section 10910(h), states that an additional WSA would not be required for a project that has been the subject of a WSA unless 1) changes in the project result in a substantial increase in water demand for the project; 2) changes in the circumstances or conditions substantially affecting the ability of the public water system to provide sufficient supply of water for the project; and 3) significant new information becomes available which was not known and could have not been known at the time when the WSA was prepared.

Please advise if the above noted change would result in the need to complete a new or amended WSA for the Specific Plan. The revised land use table is provided below:

¹ $1,630 \times 215 \text{ GPD/unit} = 350,450 \text{ GPD} - 220,000 \text{ GPD (current water usage)} = 130,450 / 1,580,150 = .0825$

Foreseeable Maximum Theoretical Buildout				
Sub-Area	R&D/Business/ Service (Thousand Square Feet)	Retail (Thousand Square Feet)	Residential (Dwelling Units)	Open Space (acres)
Sub-Area 1	1,870	270	1,840	12.8
Sub-Area 2	140	130	1,330	12.4
Sub-Area 3	1,560	0	0	1.4
Sub-Area 4	2,120	320	2,530	7.6
Total	5,690	720	5,700	145

We are hoping to receive this information within 14 days of this request. The information provided will be included in the Draft EIR and used to support findings by the City. Please advise of your anticipated response date. If you have any questions or need additional information, please feel free to contact me at (510) 620-6841 or via email at Lina_Velasco@ci.richmond.ca.us.

Sincerely,



Lina Velasco
Project Manager II

Enclosures



May 27, 2014

Hector Rojas, Senior Planner
City of Richmond
Planning and Building Services Department
450 Civic Center Plaza
Richmond, CA 94804

Re: Water Supply Assessment – Richmond South Shoreline Specific Plan

Dear Mr. Rojas:

This letter responds to the City of Richmond's (City) request on March 17, 2014 for water agency consultation concerning the Richmond South Shoreline Specific Plan (Enclosure 1) located in Richmond, which is within the East Bay Municipal Utility District's (EBMUD) Ultimate Service Boundary. EBMUD appreciates the opportunity to provide this response.

Pursuant to Sections 10910-10915 (SB-610) of the California Water Code, the project meets the threshold requirement for an assessment of water supply availability based on the amount of water this project would require, a mixed-use project that would demand an amount of water equivalent to or greater than the amount of water required by a 500 dwelling unit project.

Please note that this assessment addresses the issue of water supply only and is not a guarantee of service, and future water service is subject to rates and regulations in effect at the time.

Project Demand

The water demand for the Richmond South Shoreline Specific Plan is accounted for in EBMUD's water demand projections as published in EBMUD's 2010 Urban Water Management Plan (UWMP/Enclosure 2). EBMUD's water demand projections account for anticipated future water demands within EBMUD's service boundaries and for variations in demand-attributed changes in development patterns. The historical water use is approximately 220,000 gallons per day (gpd). The projected water demand is estimated to increase up to 1,580,000 gpd at build out.

EBMUD's demand projections indicate both densification and land use changes in a few existing land use classifications, including commercial and residential land use areas, thus increasing EBMUD's overall demand. EBMUD's 2010 UWMP projects water demands over time, accounting for estimated variations in demand usage less conservation and recycled supply sources as noted in Table 4-1, Water Demand Projections for Each Water Use Sector, of the 2010 UWMP. EBMUD's water demand projections are based on the 2040 Demand Study (Demand Study), which was completed in 2009. For planning purposes, the demands are estimated in five year increments, but it is recognized that actual incremental amounts may occur

stepwise in shorter time increments. An increase in usage by one customer in a particular customer class does not require a strict gallon-for-gallon increase in conservation by other customers in that class as, in actuality, the amount of potable demand, conservation and recycled water use EBMUD-wide will vary somewhat. Future versions of the UWMP, which is updated every five years, will include an updated assessment of customer demand and water supply.

Project Area

The Richmond South Shoreline Specific Plan is bounded by I-580 to the north and east, Regatta Boulevard, Richmond Inner Harbor to the south, and Marina Way South to the west. The project area consists of approximately 525 acres. The Richmond South Shoreline Specific Plan consists of 4,070 multi-family residential units, 720,000 square feet of retail space, and 5,690,000 square feet of light industrial/commercial space.

EBMUD Water Demand Projections

Since the 1970s, water demand within EBMUD's service area has ranged from 200 to 220 million gallons per day (mgd) in non-drought years. The 2040 water demand forecast of 312 mgd for EBMUD's service area can be reduced to 230 mgd with the successful implementation of water recycling and conservation programs, as outlined in the 2010 UWMP. Although current demand is lower than estimated in the Demand Study, as a result of the recent multi-year drought and the downturn in the economy, the Demand Study still reflects a reasonable expectation for growth over the long term for demand in year 2040. The Richmond South Specific Plan will not change EBMUD's 2040 demand projection.

EBMUD Water Supply and Water Rights

EBMUD has water rights permits and licenses that allow for delivery of up to a maximum of 325 mgd from the Mokelumne River, subject to the availability of Mokelumne River runoff and the senior water rights of other users. EBMUD's position in the hierarchy of Mokelumne River water users is determined by a variety of agreements between Mokelumne River water right holders, and the terms of the appropriative water rights permits and licenses, which have been issued by the State, pre-1914 rights, and riparian rights.

Conditions that could, depending on hydrology, restrict EBMUD's ability to receive its full entitlement include:

- Upstream water use by prior right holders.
- Downstream water use by riparian and senior appropriators and other downstream obligations, including protection of public trust resources.
- Variability in rainfall and runoff.

During prolonged droughts, the Mokelumne River supply cannot meet EBMUD's projected customer demands. To address this, EBMUD has completed construction of the Freeport Regional Water Facility and the Bayside Groundwater Facility, which are discussed below in the Supplemental Water Supply and Demand Management section of this assessment. EBMUD has obtained and continues to seek supplemental supplies.

EBMUD UWMP

The 2010 UWMP, adopted on June 28, 2011, by EBMUD's Board of Directors by Resolution No. 33832-11, is a long-range planning document used to assess current and projected water usage, water supply planning and conservation and recycling efforts. A summary of EBMUD's demand and supply projections, in 5-year increments for a 25-year planning horizon is provided in Table 4-3, EBMUD Demand and Supply Projections of the 2010 UWMP (Enclosure 3).

EBMUD's evaluation of water supply availability accounts for the diversions of both upstream and downstream water right holders and fishery releases on the Mokelumne River. Fishery releases are based on the requirements of a 1998 Joint Settlement Agreement (JSA) between EBMUD, United States (U.S.) Fish and Wildlife Service, and the California Department of Fish and Game. The JSA requires EBMUD to make minimum flow releases from its reservoirs to the lower Mokelumne River to protect and enhance the fishery resources and ecosystem of the river. As this water is released downriver, it is, therefore, not available for use by EBMUD's customers.

The available supply shown in the attached table (Enclosure 3) was derived from EBMUD's hydrologic model with the following assumptions:

- EBMUD Drought Planning Sequence is used for 1976, 1977 and 1978;
- Total system storage is depleted by the end of the third year of the drought;
- EBMUD will implement its Drought Management Program when necessary;
- The diversions by Amador and Calaveras Counties upstream of Pardee Reservoir will increase over time, eventually reaching the full extent of their senior rights;
- Releases are made to meet the requirements of senior downstream water right holders and fishery releases are made according to the JSA;
- Dry-year supply of Central Valley Project (CVP) water, through the Freeport Regional Water Facility, is available; and
- Bayside Groundwater Project, Phase 1, is available.

As discussed under the Drought Management Program section in Chapter 3 of the 2010 UWMP, EBMUD's system storage generally allows it to continue serving its customers during dry-year events. EBMUD imposes rationing based on the projected storage available at the end of September. By imposing rationing in the first dry year of potential drought periods, EBMUD attempts to minimize rationing in subsequent years if a drought persists while continuing to meet its current and subsequent-year fishery flow release requirements and obligations to downstream

agencies. Table 3-2, Long-Term Drought Management Program Guidelines, in the 2010 UWMP summarizes the Drought Management Program guidelines for consumer water reduction goals based on projected system storage.

In Table 4-3, EBMUD Demand and Supply Projections (Enclosure 3), "Single Dry Water Year" (or Year 1 of "Multiple Dry Water Years") is determined to be a year that EBMUD would implement Drought Management Program elements at the "moderate" stage with the goal of achieving a reduction between 0 to 10 percent in customer demand. Year 2 of "Multiple Dry Years" is determined to be a year that EBMUD would implement Drought Management Program elements at the "severe" stage with the goal of achieving between 10 to 15 percent reduction in customer demand. Year 3 of "Multiple Dry Years" is a year in which EBMUD would implement Drought Management Program elements at the "critical" stage. Despite water savings from EBMUD's aggressive conservation and recycling programs and rationing of up to 15 percent, additional supplemental supplies beyond those provided through the Freeport Regional Water Facility and the Bayside Groundwater Facility will be needed during Years 2 and 3 of a three-year drought. Therefore, supplemental supplies are needed in multiple-year drought periods while continuing to meet the requirements of senior downstream water right holders and the provisions of the 1998 JSA.

Supplemental Water Supply and Demand Management

The goals of meeting projected water needs and increased water reliability rely on supplemental supplies, improving reliability of existing water supply facilities, water conservation and recycled water programs.

By 2011, EBMUD completed construction of the Freeport Regional Water Facility and the Bayside Groundwater Facility to augment its water supply during drought periods. However, additional supplemental supplies beyond those provided through these facilities will still be needed, as noted above. Chapter 2 of the 2010 UWMP describes potential supplemental water supply projects that could be implemented to meet projected long-term water demands during multi-year drought periods.

The Freeport Regional Water Facility became operational in February 2011. EBMUD's ability to take delivery of water through the Freeport facility is based on its Long Term Renewal Contract (LTRC) with the U.S. Bureau of Reclamation. The LTRC provides for up to 133,000 acre feet in a single dry-year, not to exceed a total of 165,000 acre feet in three consecutive dry years. Under the LTRC, the CVP supply is available to EBMUD only in dry years when EBMUD's total stored water supply is forecast to be below 500 total acre feet on September 30 of each year.

Construction of the Bayside Groundwater Project, Phase 1, was completed in 2010. A permit from the Department of Public Health, which is pending, is required before the groundwater can be extracted and treated for municipal use. The project is designed to yield 2 mgd over a 6-month period, resulting in an average annual production capacity of 1 mgd per year.

Chapter 2 of the 2010 UWMP also lists other potential supplemental water projects, including northern California water transfers, Bayside Groundwater Project Expansion, Los Vaqueros Expansion and others that could be implemented as necessary to meet the projected long-term water supplemental need during multi-year drought periods. The 2010 UWMP identifies a broad mix of projects, with inherent scalability and the ability to adjust implementation schedules for a particular component, so that EBMUD will be able to continue to pursue the additional supplemental supplies that are projected to be necessary, while also minimizing the risks associated with future uncertainties such as project implementation challenges and global climate change. The Environmental Impact Report that EBMUD certified for the Water Supply Management Program 2040 examined the impacts of pursuing these supplemental supply projects at a program level. Separate project-level environmental documentation will be prepared, as appropriate, for specific components as they are developed in further detail and implemented in accordance with EBMUD's water supply needs.

In addition to pursuing supplemental water supply sources, EBMUD also maximizes resources through continuous improvements in the delivery and transmission of available water supplies, and investments in ensuring the safety of its existing water supply facilities. These programs, along with emergency interties and planned water recycling and conservation efforts, would ensure a reliable water supply to meet projected demands for current and future EBMUD customers within the current service area.

Individual developments within the project area present opportunities to incorporate water conservation measures. EBMUD requests that the City include in its conditions of approval a requirement that the project sponsors comply with the California Model Water Efficient Landscape Ordinance (Division 2, Title 23, California Code of Regulations, Chapter 2.7, Sections 490 through 495). EBMUD staff would appreciate the opportunity to meet with the project sponsor to discuss water conservation programs and best management practices applicable to the integrated projects. A key objective of this discussion will be to explore timely opportunities to expand water conservation via early consideration of EBMUD's conservation programs and best management practices applicable to the project.

The Richmond South Shoreline Specific Plan is located approximately 1.5 miles from an existing recycled water transmission pipeline with some parcels being 3 to 5 miles away. The size and nature of the proposed development along with the thousands of people that will be employed within the project area and the proposed University of California campus will present several opportunities for the use of recycled water for landscape irrigation, commercial and industrial processes, toilet and urinal flushing in non-residential buildings, and cooling towers. As part of the long term water supply planning, the District may investigate expanding the existing recycled water infrastructure or construct a localized satellite facility that utilizes onsite waste and rain water treatment to provide recycled water to the project. The District recommends that the City, the University of California, and their developers maintain continued coordination and

Hector Rojas, Senior Planner
May 27, 2014
Page 6

consultation with the District as they plan and implement the various projects regarding the feasibility of providing recycled water for appropriate non-potable uses.

The project sponsor should contact David J. Rehnstrom, Senior Civil Engineer, at (510) 287-1365 for further information.

Sincerely,

Handwritten signature of William R. Kirkpatrick in black ink, followed by the text "for WRK".

William R. Kirkpatrick
Manager of Water Distribution Planning Division

WRK:TRM:sb
sb14_080.docx

Enclosures: 1. Letter of Request for Water Supply Assessment dated March 17, 2014
2. EBMUD 2010 Urban Water Management Plan
3. EBMUD Demand and Supply Projections Table

cc: Board of Directors w/o Enclosure 2

PLANNING AND BUILDING SERVICES DEPARTMENT
Planning Division



March 17, 2014

Mr. David Rehnstrom
East Bay Municipal Utilities District
Water Distribution Planning Division
375 11th Street
Oakland, California 94607

Subject: Request for Water Supply Assessment for Richmond South Shoreline Specific Plan

Dear Mr. Rehnstrom:

Per amendments to Section 10912 of the Water Code implemented by Senate Bill 610, the City of Richmond ("City") is submitting this request to the East Bay Municipal Utilities District ("EBMUD") to prepare a Water Supply Assessment (WSA). The assessment is required in order to determine whether adequate water supply is available to meet the projected water demand of the proposed project. The City, as lead agency, is currently preparing a Specific Plan and Program Environmental Impact Report (SP/PEIR) for the proposed project. The City respectfully request that EBMUD immediately prepare a water supply assessment for the proposed project as described.

The Richmond South Shoreline Specific Plan (RSSSP) will include general plan and zoning amendments, along with detailed strategies and programs to encourage projects, site design and development standards, as well as funding implementation strategies to carry out the policies of the plan. The proposed project encompasses an area totaling approximately 525 acres (Project Area). The site is bounded by I-580 to the north and east, Regatta Boulevard, Maeker Creek and San Francisco Bay to the south and west, and Marina Way to the west. The Project Area closely represents Richmond General Plan 2030 Change Areas 15 (Regatta/Marina Bay) and 16 (Southern Gateway). Per the General Plan, the central and eastern portions of the Project Area are comprised of commercial and light industrial businesses with the western portion of the Project Area between Marina Way South and Marina Bay Parkway comprised of medium intensity mixed-use with a commercial emphasis. A single residential development, 'The Anchorage at Marina Bay', consisting of approximately 100 townhomes lies just west of Marina Bay Parkway on Jetty Drive. The Project Area has been identified as a Priority Development Area (PDA) due to its existing transportation infrastructure (Rail, Port & Freeway) and the potential for sustainable mixed-use infill development.

The University of California (UC) owns properties at 1301 South 46th Street and 3300 Regatta Boulevard (known as the Richmond Field Station and the Regatta Property) at the center of the Project Area totaling approximately 195 acres. The Richmond Field Station (RFS) is managed by UC Berkeley and has been identified as the preferred site for the second Lawrence Berkeley National Laboratory (LBNL) campus, also known as the Richmond Bay Campus, which when completed may include up to 5.4 million square feet (sf) of research and development facilities with the potential to spin off additional supporting developments. The RSSSP will capitalize on and complement the Long Range Development Plan (LRDP) being developed for the Richmond Bay Campus by UC Berkeley and LBNL.

The RSSSP proposes several preferred development alternatives, including the "Long Term: Employment + Housing" growth scenario which is shown on the attached exhibit. This alternative assumes development of: 4,070 new housing units; 720,000 square feet (SF) of retail space; and 5,690,000 SF of light

450 CIVIC CENTER PLAZA, RICHMOND, CA 94804

Telephone: (510) 620-6706
Fax: (510) 620-6858
Website: www.ci.richmond.ca.us/planning

industrial/commercial space. This would result in an estimated average daily water use of approximately 1,580,150 gallons/day (GPD). A table providing a breakdown of this estimated use is shown below.

Land Use Classification	Total Size/No. of Units	Water Demand Factor (1)	Total GPD
Residential	4,070 Units	215 GPD/Unit	875,050
Retail	720,000 SF	0.11 GPD/SF	79,200
Light Industrial/Commercial	5,690,000 SF	0.11 GPD/SF	625,900
Total			1,580,150

1. Based on Contra Costa County Sanitation District Average Base Wastewater Flow Unit Factors plus 10%.

The City has identified East Bay Municipal Utilities District (EBMUD) as the water purveyor for the proposed project. As such, pursuant to the requirements of SB 610, the City respectfully requests a WSA be prepared and adopted by East Bay Municipal Utilities District (EBMUD) in 90 days or less.

The City is in the process of preparing the SP/PEIR for the proposed project. The results and conclusion of the WSA will be included in the Utilities section of the SP/PEIR.

Please contact me if you have any questions or need additional information. I can be reached at (510) 620-6662 or by email at hector_rojas@ci.richmond.ca.us

Sincerely,



Hector Rojas
Senior Planner

EAST BAY MUNICIPAL UTILITY DISTRICT DEMAND AND SUPPLY PROJECTION
(Reference: Table 4-3, UWMP 2010 – EBMUD)

	2010	2015	2020	2025	2030	2035 ¹	2040
PROJECTED DEMAND (MGD)							
CUSTOMER DEMAND ²	251	266	280	291	304	308	312
ADJUSTED FOR CUMULATIVE CONSERVATION ³	(26)	(32)	(43)	(49)	(56)	(59)	(62)
ADJUSTED FOR RECYCLED WATER ⁴	(9)	(11)	(16)	(18)	(19)	(20)	(20)
PLANNING LEVEL OF DEMAND	216	223	221	224	229	229	230
PROJECTED AVAILABLE SUPPLY AND NEED FOR SUPPLEMENTAL SUPPLY (MGD)⁵							
NORMAL YEAR	>216	>223	>221	>224	>229	>229	>230
SUPPLEMENTAL SUPPLY NEED	0	0	0	0	0	0	0
SINGLE DRY YEAR (MULTIPLE DRY YEARS – YEAR 1)							
AVAILABLE SUPPLY	211	217	215	218	223	222	222
CUSTOMER RATIONING ⁶	2%	3%	3%	3%	3%	3%	4%
SUPPLEMENTAL SUPPLY NEED ⁷	5	6	6	7	7	8	8
MULTIPLE DRY YEARS – YEAR 2							
AVAILABLE SUPPLY	183	189	188	190	194	194	195
CUSTOMER RATIONING ⁶	15%	15%	15%	15%	15%	15%	15%
SUPPLEMENTAL SUPPLY NEED ⁷	21	21	21	21	22	22	22
MULTIPLE DRY YEARS – YEAR 3							
AVAILABLE SUPPLY	183	189	188	190	183	164	144
CUSTOMER RATIONING ⁶	15%	15%	15%	15%	15%	15%	15%
SUPPLEMENTAL SUPPLY NEED ⁷	21	21	21	21	33	53	73
THREE-YEAR DROUGHT							
TOTAL SUPPLEMENTAL SUPPLY NEED (TAF) ⁷	53	54	54	55	69	93	115

¹ Projected demand for 2035 is interpolated.

² Customer demand values are based on the demand projections from the "2040 Demand Study," Feb 2009. These projected water demands are based on land use in EBMUD's ultimate service area and is unadjusted for conservation and non-potable water. The values are also unadjusted for the current suppressed demand due to the 2007-2010 rationing period and the economic downturn.

³ Existing conservation saving from the "1994 Water Conservation Master Plan" and planned conservation program savings based on the "2011 Water Conservation Master Plan".

⁴ Existing recycled water achieved per the "1993 Water Supply Management Program" and planned recycled water program savings as outlined in Chapter 5 of the UWMP 2010.

⁵ Projected available supply data includes dry year supply deliveries from the Freeport Regional Water Project (FRWP) and Bayside Groundwater Project, Phase 1. Delivery rules for the FRWP follow the rules as developed in the Freeport EIR, 2003.

⁶ Rationing reduction goals are determined according to projected system storage levels in the Long-Term Drought Management Program guidelines per Table 3-2 in Chapter 3 of the UWMP 2010.

⁷ The supplemental supply need is based on EBMUDSIM modeling studies. It is the amount of water needed based on EBMUD's updated demand projections, the provisions of the 1998 Joint Settlement Agreement and the rationing policy stated in Table 3-2, Chapter 3 of the UWMP 2010. The actual need will be dependent on antecedent conditions and the severity of actual drought conditions. Supplemental supply stored during the initial year of the drought could be later released, diminishing supplemental supply needs. During the drought that continued into 2010, the combined effects of water rationing and an economic downturn suppressed demand below the planning level of demand to maintain a sufficient water supply and deferred the need for supplemental water. However, if the drought had continued into its second year, most likely supplemental supplies would have been obtained from the Freeport Regional Water Facility as anticipated in the Interim Drought Management Program Guidelines discussed in Appendix G-2.

AGENDA NO. 9.MEETING DATE October 11, 2016TITLE SALE OF CROSSROADS RESERVOIR PROPERTY☐ MOTION ☒ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Approve the sale of the surplus Crossroads Reservoir property in Orinda, as shown on Exhibit "A", to Mr. James Vaughn for the purchase price of \$535,000, and authorize District staff to execute the Property Purchase Agreement and Joint Escrow Instructions ("Agreement") for the sale of the property to Mr. James Vaughn.

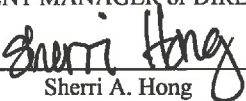
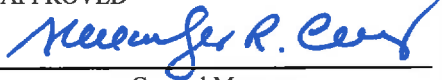
SUMMARY

The Crossroads Reservoir property is approximately 0.84 acres and located off of Knickerbocker Lane in the City of Orinda. The property was acquired by the District in March 1959 to accommodate a 250,000 gallon reservoir which was constructed in 1960. The reservoir was demolished in 2015, and the property is no longer required and is currently identified as surplus. Selling the property eliminates the costs associated with maintaining the site, including the liability associated with ownership.

The property was offered for sale to local, qualifying public agencies, and there was no interest. The property was then marketed for sale to the public under a closed bid process from July 1, 2016 to July 29, 2016. The successful offer was accepted on August 24, 2016, and is subject to the Board of Directors' approval.

DISCUSSION

The District has owned the property since March 1959, and maintained the Crossroads Reservoir tank and site from 1960 until present. The Crossroads Pressure Zone served approximately 165 customers and consisted of one pumping plant and one reservoir. The reservoir was taken out of operation in 2007 pursuant to the Crossroads Pressure Zone Improvement Plan and Phase I of Pressure Zone Change No. 1226. The reservoir's operating elevation was more than 50 feet lower than other reservoirs in the Baseline Pressure Zone which provides the necessary storage, level of service and fire flow requirements for the area. The Crossroads Reservoir was removed from service in August 2010, and demolition of the tank was completed in 2015.

Funds Available: FY17		Budget Code: 115-8712-5316
DEPARTMENT SUBMITTING Customer and Community Svcs.	DEPARTMENT MANAGER or DIRECTOR  Sherri A. Hong	APPROVED  General Manager

In August 2014, pursuant to California Government Code Section 65402, the District notified the City of Orinda of the District's intent to sell the property and requested a determination that the proposed sale conformed to the City's General Plan. The City confirmed the property is zoned RL-15 and the General Plan designation is Residential Single Family (one to two units per acre).

In October 2014, pursuant to California Government Code Section 54222, the District notified the California Natural Resources Agency, City of Orinda Parks and Recreation, Contra Costa County Public Works, East Bay Regional Park District, Housing Authority of Contra Costa County and the Orinda Unified School District of the property's availability. No agency expressed an interest in the property.

Thereafter in April 2015, in accordance with District Policy 4.21, the District notified 25 neighbors of its intent to dispose of the property. Many neighbors had questions about the property sale and staff informed them that the sale was forthcoming pending the completion of the demolition work.

Following the removal of the reservoir tank from the property, staff marketed the property on EBMUD's website, numerous real estate marketing websites, and contacted individuals who had subscribed to the District's surplus property mailing list. The District received five offers, with all offers at or above the asking price. Per the terms of the Property Purchase Agreement and Joint Escrow Instructions, the three highest bidders submitted their best and final offers. Staff selected Mr. James Vaughn's offer, which was the highest and best offer, to move forward with the formal acceptance process.

Mr. Vaughn has deposited a non-refundable \$10,000 deposit with the District and completed the necessary property inspections. Upon Board approval of the sale and execution of the Property Purchase Agreement and Joint Escrow Instructions by the District, Mr. Vaughn will have thirty days to complete the transaction.

This action supports the District's Strategic Plan goal for Long-Term Financial Stability by utilizing asset management principles that reduce operating costs, improve financial efficiency, and maximize asset values.

SUSTAINABILITY

Economic

The final offer selected by the District, if approved, will result in one-time revenue to the District of \$535,000. In addition, the District will save on annual property maintenance costs, as well as eliminate the liability inherent in retaining an unutilized property of this size.

Environmental

The sale of the surplus property is exempt from the California Environmental Quality Act (CEQA) under Section 15312 of the State CEQA Guidelines.

ALTERNATIVES

Reject the offer and accept one of the other offers. This alternative is not recommended. The proposed offer is the highest and best offer for the District.

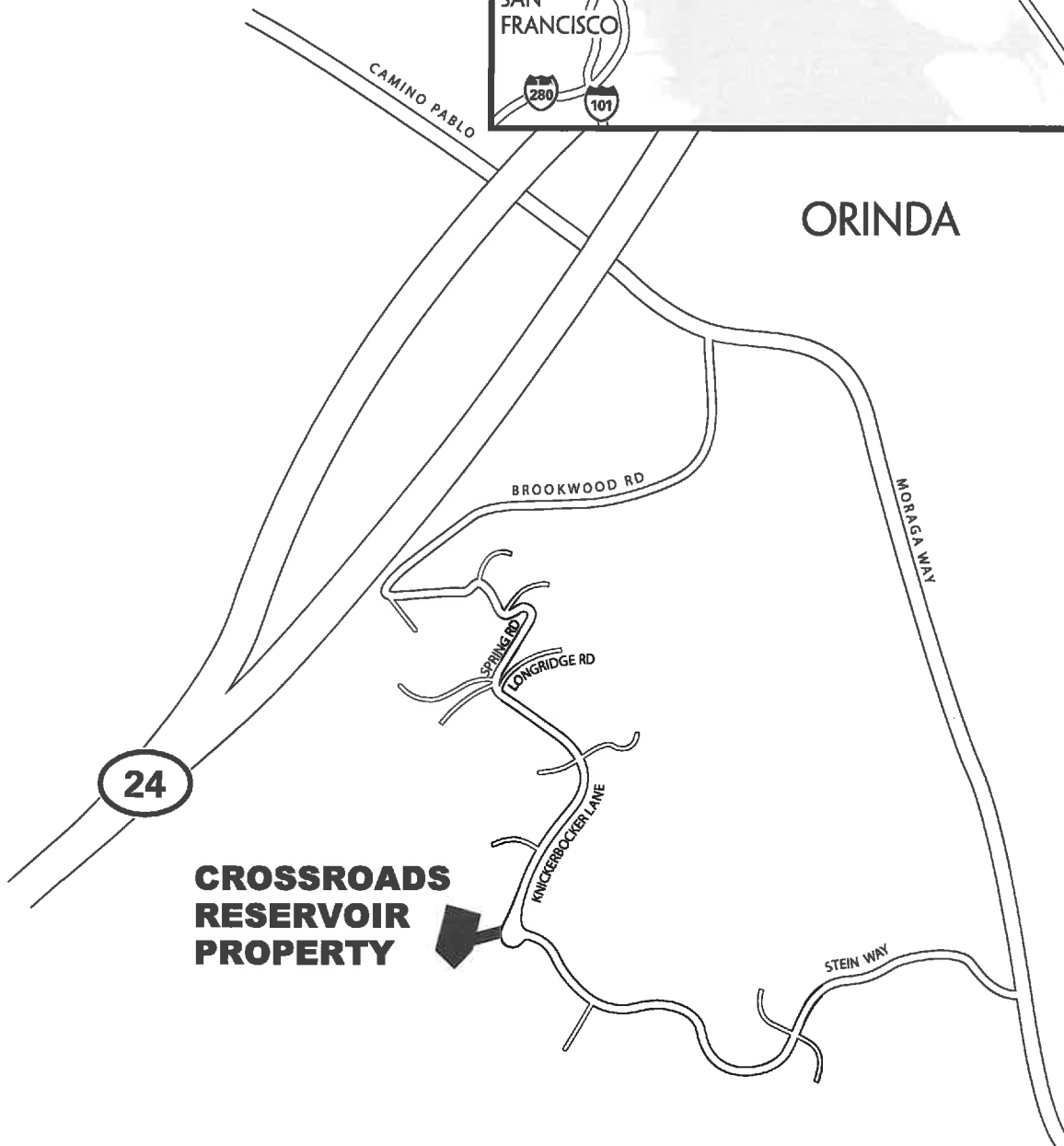
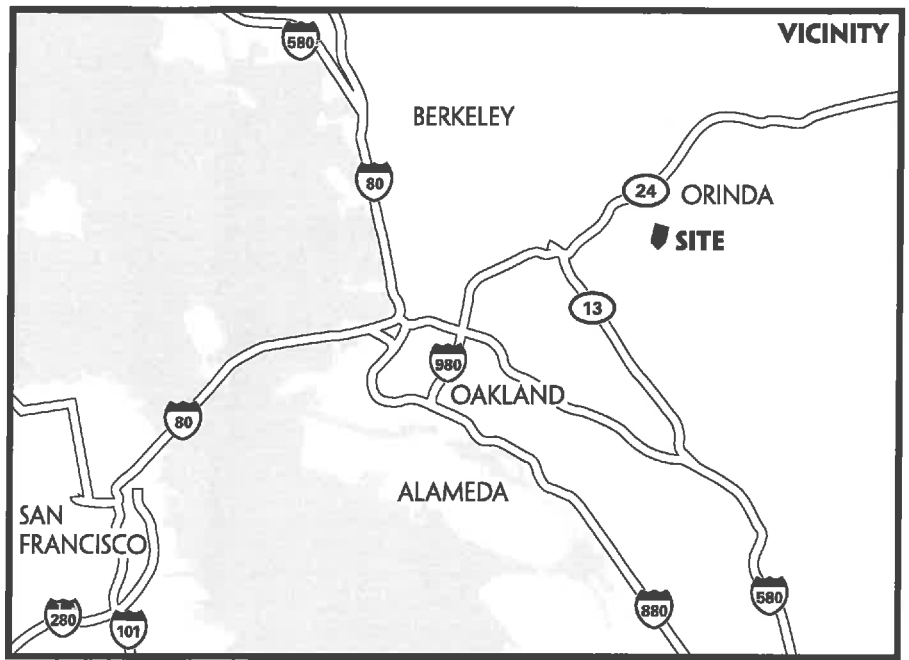
Reject the offer and keep the property. This alternative is not recommended. The property has been deemed surplus and is no longer required for any present or future District purpose. The District would also forego the one-time revenue associated with the sale and continue to incur property maintenance and insurance costs.

Attachment

I:\SEC\2016 Board Related Items\101116 Board Agenda Items\CCS Crossroads Reservoir Sale

CROSSROADS RESERVOIR ORINDA, CA

Exhibit A



RESOLUTION NO. _____

**AUTHORIZING THE SALE OF THE CROSSROADS RESERVOIR PROPERTY
IN ORINDA, CALIFORNIA, TO MR. JAMES VAUGHN**

Introduced by Director

; Seconded by Director

WHEREAS, East Bay Municipal Utility District ("the District") has determined that property known as the Crossroads Reservoir Property, consisting of approximately 0.84 acres of land located off Knickerbocker Lane in the City of Orinda, Contra Costa County, California, as more particularly shown on Exhibit A, attached hereto and incorporated herein, is surplus to the District's needs; and

WHEREAS, in accordance with the provisions of Government Code Section 54222, the District offered the property to the California Natural Resources Agency, City of Orinda Parks and Recreation, Contra Costa County Public Works, East Bay Regional Park District, Housing Authority of Contra Costa County and the Orinda Unified School District and did not receive an expression of interest in purchasing the property from any of these agencies; and

WHEREAS, pursuant to District Policy 4.21, the District notified 25 property owners adjacent to the Crossroads Reservoir Property of its intent to offer the property for sale; and

WHEREAS, after the District marketed the property for sale, the District received five offers, with all offers at or above the asking price, and staff selected Mr. James Vaughn's offer of \$535,000, which was the highest and best offer received; and

WHEREAS, the proposed sale is in conformance with the General Plan of Alameda County, and is categorically exempt from the California Environmental Quality Act under Section 15312 of the State CEQA Guidelines; and

WHEREAS, it is in the best interest of the District to sell the surplus property;

NOW, THEREFORE, BE IT RESOLVED that the Manager of Real Estate Services and the Secretary of the District are authorized and directed to execute a grant deed, in a form approved by the General Counsel, conveying said real property to Mr. James Vaughn, and any and all other documents necessary to close escrow, and the proper officers of the District are hereby authorized and directed to deliver said deed to Mr. James Vaughn upon receipt of \$535,000, less a non-refundable deposit into escrow of \$10,000.

BE IT FURTHER RESOLVED that the Secretary of the District is hereby directed to file a notice of exemption in accordance with the law, with the County Clerk of Contra Costa County.

ADOPTED this 11th day of October, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President

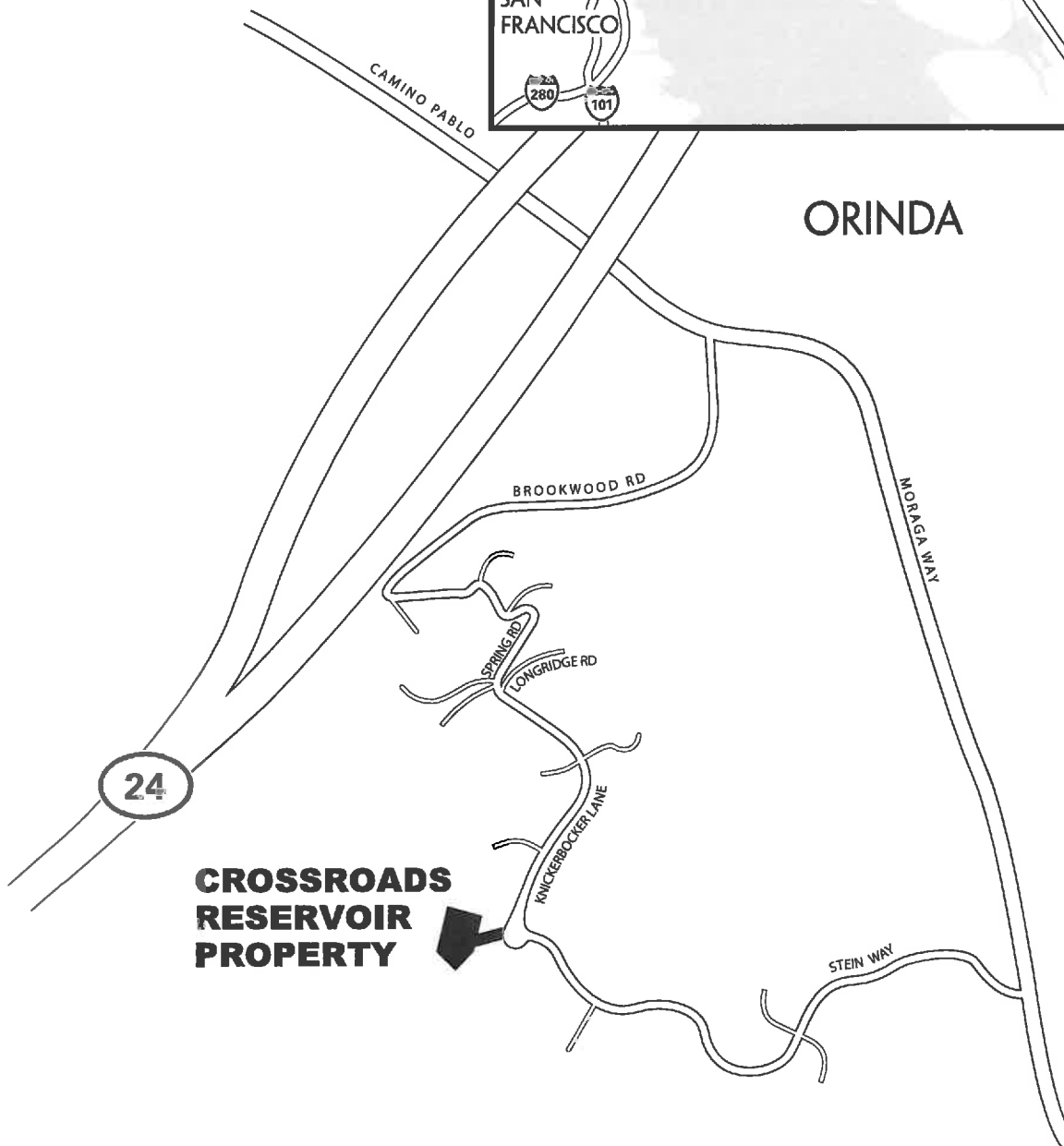
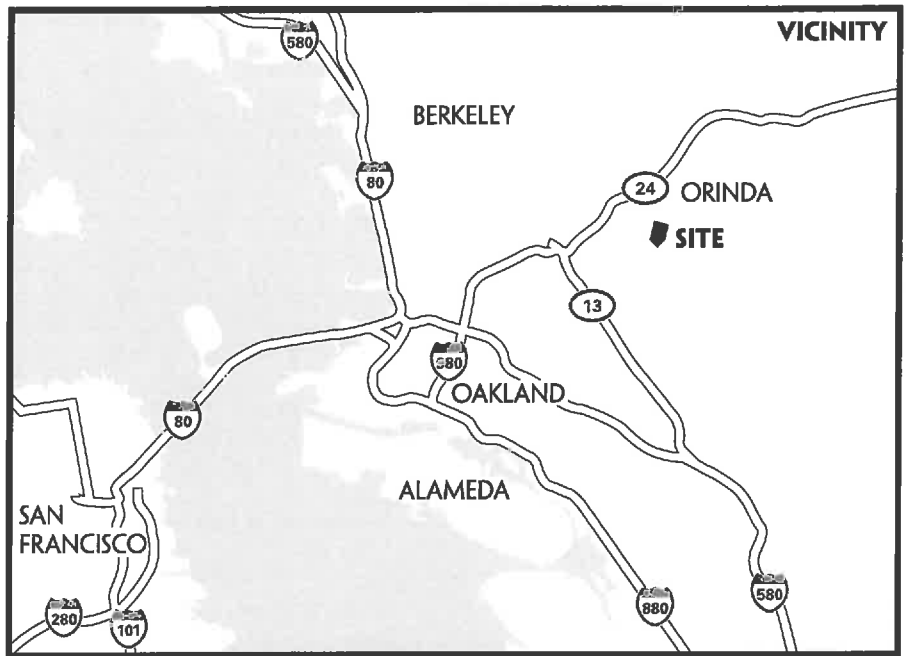
Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel

CROSSROADS RESERVOIR ORINDA, CA

Exhibit A



Map not
to Scale



AGENDA NO.
MEETING DATE

10.

October 11, 2016

TITLE APPOINT SENIOR PUBLIC INFORMATION REPRESENTATIVE

☐ MOTION ☒ RESOLUTION ☐ ORDINANCE

RECOMMENDED ACTION

Appoint Jenesse E. Miller to the position of Senior Public Information Representative effective October 12, 2016.

SUMMARY



Jenesse E. Miller is recommended for appointment as a Senior Public Information Representative to support media relations and the public information needs of the District. The Senior Public Information Representative position is exempt from civil service provisions of the MUD Act in accordance with Section 12055 which excludes officers, assistant officers, and other persons and employees appointed by the Board of Directors.

Appointment of the Senior Public Information Representative supports the District's Strategic Plan goals by ensuring effective, accurate and timely stakeholder outreach for all District work.

DISCUSSION

Ms. Miller will serve as part of the management staff of the Public Affairs Office and serve a leadership role in media relations, crisis communications, and support of all District public information services.

Ms. Miller has served as the Communications Director for the California League of Conservation Voters since 2008. In her position at the League, Ms. Miller was responsible for all communications including social media and website content, printed materials, online action and fundraising appeals, media alerts, press releases, key messages and served as media spokesperson. Prior to her work with the League, Ms. Miller served as Media Relations Manager for the American Cancer Society. Ms. Miller holds an undergraduate degree from Syracuse University in Women's Studies/Television & Film Production, and a Master's degree in Public Health from UC Berkeley.

Funds Available: FY17		Budget Code:
DEPARTMENT SUBMITTING Office of the General Manager	DEPARTMENT MANAGER or DIRECTOR  Alison A. Kastama	APPROVED  General Manager

Contact the Office of the District Secretary with questions about completing or submitting this form.

RESOLUTION NO. _____

APPOINTING JENESSE E. MILLER AS SENIOR PUBLIC
INFORMATION REPRESENTATIVE

Introduced by Director

; Seconded by Director

WHEREAS, the Board of Directors has established the position of Senior Public Information Representative and such position has been assigned a salary range under the Management Salary Plan heretofore established for District officers, assistant officers, civil service exempt and certain civil service classes; and

WHEREAS, the Senior Public Information Representative position is exempt from the District civil service pursuant to State of California Public Utilities Code section 12055; and

WHEREAS, the General Manager has recommended that Jenesse E. Miller be appointed to serve as Senior Public Information Representative of the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that it hereby appoints Jenesse E. Miller to serve as Senior Public Information Representative effective October 12, 2016.

Adopted this 11th day of October, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE

General Counsel

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 6, 2016

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager *ARC*

SUBJECT: Final Status of EBMUD Position Bills for the 2015-16 State Legislative Session

The 2015-16 state legislative session concluded on August 31st. The deadline for Governor Brown to act on all bills that passed out of the Legislature was September 30th. This memo provides a summary of the status of each bill that EBMUD adopted a formal position on during the 2015-16 legislative session, as well as the status on additional bills of interest. The final status of these bills is reported as "chaptered," "vetoed," or "failed to advance."

All statutes will take effect as noted. Copies of the relevant legislation will be made available upon request.

EBMUD-SPONSORED BILL

SB 188 (Hancock) – Municipal utility district: utility charges: delinquencies
 Status: Chaptered – Chapter 270; September 4, 2015
 Effective Date: January 1, 2016
 EBMUD Position: Sponsor

SB 188 amends the Municipal Utility District Act to eliminate the statutory 2015 sunset date on EBMUD's lien authority for delinquent water and wastewater charges, providing EBMUD continued authority, similar to the authority other local government entities have, to impose a lien on properties for delinquent water and wastewater service charges and to collect delinquent charges through county property tax rolls. The measure benefits ratepayers by allowing EBMUD to continue its successful lien program which serves as a viable alternative to terminating water service to tenants when a property owner or customer of record is unable to pay delinquent charges.

EBMUD POSITION BILLS

AB 1 (Brown) – Drought: local governments: fines
 Status: Chaptered – Chapter 62; July 13, 2015
 Effective Date: January 1, 2016
 EBMUD Position: Support

AB 1 facilitates water conservation during a governor-declared drought emergency by prohibiting a city, county, or city and county from imposing fines on residents for failing to water a lawn or for having a brown lawn.

AB 142 (Bigelow) – Wild and scenic rivers: Mokelumne River
Status: Chaptered – Chapter 661; October 9, 2015
Effective Date: January 1, 2016
EBMUD Position: Oppose unless Amended; Support

AB 142 designates specified portions of the Mokelumne River, upstream of EBMUD's Pardee Reservoir, for study by the Secretary of the Natural Resources Agency as a potential addition to the state's "wild and scenic" river system and, upon completion of the study, requires the Secretary of the Natural Resources Agency to make a clear recommendation to the Legislature.

At the April 9, 2015 Board meeting, EBMUD adopted a "support" position based on amendments EBMUD sought and secured to protect EBMUD facilities and operations, to include a deadline and explicit legislative recommendation, to provide for public input and to provide interim protections. Two other non-critical amendments EBMUD sought were not included in the bill. These were to provide flexibility to amend existing "wild and scenic" studies and to allow a designation to move forward in the absence of a study.

AB 149 (Chavez) – Urban water management plans
Status: Chaptered – Chapter 49; July 6, 2015
Effective Date: January 1, 2016
EBMUD Position: Support

AB 149 assists urban water suppliers incorporate their water use efficiency target reporting data in their 2020 Urban Water Management Plans by changing the due date for the 2020 Urban Water Management Plans from December 31, 2020 to July 1, 2021. Currently, the 2020 Urban Water Management Plan and reporting on urban water use efficiency targets are due at the same time, which would make including the water use efficiency data in the Urban Water Management Plans infeasible.

AB 291 (Medina) – California Environmental Quality Act: local agencies: notice of determination: water
Status: Failed to Advance
EBMUD Position: Support; Removed position

AB 291 would have increased transparency and clarified what triggers the start of the statute of limitations to challenge a California Environmental Quality Act decision for a multi-county water project, such as water transfers, by providing an alternative procedure for the filing of California Environmental Quality Act notices of approval or determination for multi-county water projects and specified that the start of the statute of limitations to challenge a project begins on the date the notice is filed with the Office of Planning and Research.

AB 291 was subsequently amended to address a different issue (ratify the tribal-state gaming compact with the Barona Band of Mission Indians). EBMUD did not have a position on the amended version of AB 291.

AB 327 (Gordon) – Public works: volunteers
Status: Chaptered – Chapter 53; July 6, 2015
Effective Date: January 1, 2016
EBMUD Position: Support

AB 327 extends the sunset date in existing law which exempts volunteers from prevailing wage requirements for public works projects from January 1, 2017, to January 1, 2024, thereby enabling volunteers to continue to contribute to important public resources projects.

AB 356 (Williams) – Oil and Gas: groundwater monitoring
Status: Failed to Advance
EBMUD Position: Support

AB 356 would have required regular review of, as well as groundwater monitoring plans for, oil and gas injection projects using Class II wells (oil and gas injection wells). It would also have ensured that aquifer exemption proposals, which if approved would have allowed for injection into aquifers, are vetted by the Division of Oil, Gas and Geothermal Resources and the State Water Resources Control Board with public input prior to submittal to the U.S. Environmental Protection Agency.

AB 577 (Bonilla) – Biomethane: grant program
Status: Failed to Advance
EBMUD Position: Support

AB 577 would have encouraged the development of biomethane projects in California by requiring the State Energy Resources Conservation and Development Commission to develop a grant program for biomethane-related projects that produce biomethane, build or develop collection and purification technology and infrastructure, or upgrade existing biomethane facilities. EBMUD sought and secured amendments to ensure that projects that produce biomethane would be eligible under the grant program.

AB 723 (Rendon) – Rental property: plumbing fixtures: replacement
Status: Failed to Advance
EBMUD Position: Support; Removed position

AB 723 would have required property owners to provide disclosure to tenants of residential and commercial property when a rental agreement is entered into, renewed, or amended on or after specified dates that it is the property owner's responsibility to replace any "noncompliant" plumbing fixtures with water-conserving plumbing fixtures on or before January 1, 2017, or on or before January 1, 2019, depending on the property type. AB 723 was intended to provide more accountability in the

implementation of current law, which requires property owners to replace “noncompliant” plumbing fixtures, and would have increased water conservation awareness among property owners as well as tenants, who could have requested that “noncompliant” plumbing fixtures be replaced.

AB 723 was subsequently amended to address a different issue (housing finance). EBMUD did not have a position on the amended version of AB 723.

AB 888 (Bloom) – Waste management: plastic microbeads
Status: Chaptered – Chapter 594; October 8, 2015
Effective Date: January 1, 2016
EBMUD Position: Support

AB 888 helps prevent pollution by prohibiting, as of January 1, 2020, the sale of a personal care product containing plastic microbeads that are used for exfoliation or cleansing in a rinse-off product, thereby reducing the amount of plastic microbeads entering the aquatic system via wastewater discharges. Microbeads are common in products that are designed to go down the drain and are not easily removed or transformed through the wastewater treatment process.

AB 1144 (Rendon) – California Renewables Portfolio Standard Program: unbundled renewable energy credits
Status: Failed to Advance
EBMUD Position: Support

AB 1144 would have classified renewable energy credits generated by California wastewater treatment agencies as content Category 1 (bucket 1), rather than Category 3 (bucket 3) renewable energy credits, thereby increasing their value, if the energy generating capacity was first placed into service on or after January 1, 2016 and the energy generated that earned the renewable energy credit is used on-site.

AB 1882 (Williams) – Oil and gas: groundwater monitoring
Status: Failed to Advance
EBMUD Position: Support

AB 1882 would have required underground injection projects using Class II wells to be reviewed by the State Water Resources Control Board or a regional board to ensure there were no water quality impacts before the project could be approved by the Division of Oil, Gas and Geothermal Resources.

AB 1928 (Campos) – Water efficiency: landscape irrigation equipment
Status: Chaptered – Chapter 326; September 13, 2016
Effective Date: January 1, 2017
EBMUD Position: Support

AB 1928 facilitates water conservation by establishing a new deadline for the adoption of performance standards and labeling requirements for landscape irrigation equipment and prohibiting the sale of such equipment after January 1, 2019 unless it meets those standards.

AB 2515 (Weber) – Water Conservation in Landscaping Act: model water-efficient landscaping ordinance

Status: Chaptered – Chapter 576; September 24, 2016

Effective Date: January 1, 2017

EBMD Position: Support

AB 2515 facilitates water conservation by synchronizing the timetables for updates to the Department of Water Resources model water-efficient landscape ordinance and the Building Standards Commission's California Green Building Standards Code. This will ensure that when a structure is newly built or remodeled and it must be brought "up to code" there is a mechanism in place to provide for compliance with the model water-efficient landscape ordinance.

AB 2543 (Gordon) – State buildings: efficiency

Status: Failed to Advance

EBMUD Position: Support

AB 2543 would have encouraged the efficient use of water as well as energy in state buildings by designating the California Energy Resources Conservation and Development Commission as the entity responsible for developing a state plan to take advantage of cost-effective energy efficient measures in state buildings and require the plan to also address water conservation.

AB 2549 (Committee on Water, Parks and Wildlife) – Public resources

Status: Chaptered – Chapter 201; August 26, 2016

Effective Date: January 1, 2017

EBMUD Position: Support

AB 2549 extends the sunset date on the provisions of law governing the control and eradication of quagga and zebra mussels to January 1, 2020, thereby enabling the Department of Fish and Wildlife to retain its authority and continue its critical efforts to prevent the spread of quagga and zebra mussels among reservoirs in the state.

AB 2555 (Committee on Water, Parks and Wildlife) – Fish and wildlife

Status: Failed to Advance

EBMUD Position: Support; Removed position

AB 2555 would have extended the sunset date on the provisions of law governing the control and eradication of quagga and zebra mussels to January 1, 2020, thereby enabling the Department of Fish and Wildlife to retain its authority and continue its critical efforts to prevent the spread of quagga and zebra mussels among reservoirs in the state.

AB 2555 was subsequently amended to address a different issue (water conserving plumbing fixtures in nonresidential and public buildings) and the invasive mussel related provisions of AB 2555 were placed into AB 2549 (discussed above). EBMUD did not have a position on the amended version of AB 2555.

AB 2561 (Irwin) – Water supply planning: projects: photovoltaic or wind energy generation facility
Status: Chaptered – Chapter 669; September 26, 2016
Effective Date: January 1, 2017
EBMUD Position: Oppose; Neutral

AB 2561 extends the sunset for an exemption to the 2001 EBMUD-sponsored water supply assessment law for one year – from January 1, 2017 to January 1, 2018. Specifically, AB 2561 exempts solar photovoltaic and wind energy projects that use less than 75 acre-feet/year of water from the water supply assessment requirement until January 1, 2018.

AB 2561 was amended during the final days of the legislative session to provide a permanent exemption for solar photovoltaic and wind energy projects from the water supply assessment requirements. EBMUD opposed the initial “gut and amend” version of the bill and moved to a neutral position after successfully negotiating a one-year extension of the sunset in order to allow adequate time for the Legislature and stakeholders to evaluate the exemption in the next legislative session.

ACA 8 (Bloom) – Local government financing: water facilities and infrastructure: voter approval
Status: Failed to Advance
EBMUD Position: Support

ACA 8 would have changed the two-thirds voter approval requirement for special taxes to, instead, authorize a city, county, or special district to impose, extend or increase a special tax with the approval of 55 percent of its voters voting on the tax if the tax is for funding “wastewater, stormwater and water treatment, supply and delivery facilities and infrastructure projects.”

SB 7 (Wolk) – Housing: water meters: multiunit structures
Status: Chaptered – Chapter 623; September 25, 2016
Effective Date: January 1, 2017
EBMUD Position: Support

SB 7 requires every water purveyor that provides water service to a newly constructed multi-unit residential structure or a newly constructed mixed-use residential and commercial structure that submits an application for a water connection after January 1, 2018, to require the installation of meters or submeters on each individual residential dwelling unit as a condition of new water service to that property. SB 7 will also require the future adoption of building standards to require submeters in multiunit residential structures.

SB 7 establishes rigorous administrative billing standards intended to protect tenants and makes it clear that water purveyors would bear no responsibility for the installation, cost, or maintenance of submeters. EBMUD successfully secured language to protect the ability of local water purveyors to maintain existing programs and impose requirements more stringent than those set forth in the bill and those that may be adopted by the Building Standards Commission.

SB 20 (Pavley) – Wells: reports: public availability
Status: Failed to Advance
EBMUD Position: Support; Removed position

The version of SB 20 that EBMUD adopted a position on would have required the Department of Water Resources to make well completion reports available to the public upon request and would have required the Department of Water Resources to provide specified disclaimers when providing the reports. SB 20 was subsequently amended to be the California Water Resiliency Investment Act. EBMUD did not have a position on the amended version of SB 20. Policy language similar to the version of SB 20 that EBMUD supported was incorporated into budget trailer bill SB 83 (Chapter 24 of 2015). EBMUD did not have a position on SB 83.

SB 32 (Pavley) – California Global Warming Solutions Act of 2006: emissions limit
Status: Chaptered – Chapter 249; September 8, 2016
Effective Date: January 1, 2017
EBMUD Position: Support

SB 32 requires the California Air Resources Board to ensure that statewide greenhouse gas emissions are reduced to at least 40 percent below the 1990 level by December 31, 2030.

SB 163 (Hertzberg) – Wastewater treatment: recycled water
Status: Failed to Advance
EBMUD Position: Oppose unless Amended; Removed position

SB 163 would have imposed a statewide mandate to reduce treated wastewater discharges through ocean and bay outfalls by 50 percent by 2033 and required treated wastewater that would otherwise be discharged through ocean or bay outfalls to be recycled to the maximum extent possible.

EBMUD sought amendments to be consistent with an alternative approach suggested by WaterReuse and the California Association of Sanitation Agencies to convene a robust task force that would, among other things, identify the real barriers to increased recycled water production and use, and provide clear and directed recommendations for overcoming those barriers so that statewide water recycling goals can be met and even surpassed. The requested amendments were not accepted by the author.

SB 163 was subsequently amended to address a different issue (pretrial release of person). EBMUD did not have a position on the amended version of SB 163.

SB 181, 182 and 183 (Committee on Governance and Finance) - Validations

Status: SB 181 Chaptered – Chapter 4; June 1, 2015: Effective Date – June 1, 2015

SB 182 Chaptered – Chapter 256; September 3, 2015: Effective Date – September 3, 2015

SB 183 Chaptered – Chapter 45; July 2, 2015: Effective Date – January 1, 2016

EBMUD Position: Support

These bills enact the First, Second, and Third Validating Acts of 2015. These acts retroactively correct procedural errors or omissions that public officials of state agencies, cities, counties, and special districts may have made inadvertently and validates the organization, boundaries, acts, proceedings, and bonds of the state, cities, counties, and special districts. Enactment of these Validating Acts ensures the continued highest possible bond rating, resulting in the lowest possible interest rates on the sale of bonds. The three acts were chaptered at different times to validate actions of the state and local government agencies that occur throughout the year.

SB 208 (Lara) – Integrated Regional Water Management Plans: grants: advanced payment

Status: Chaptered – Chapter 675; October 9, 2015

Effective Date: January 1, 2016

EBMUD Position: Support

SB 208 removes funding barriers for non-profit organizations and disadvantaged communities that participate in Integrated Regional Water Management Plans by allowing, until January 1, 2025, the Department of Water Resources to provide advanced payment of 50 percent of an Integrated Regional Water Management grant if the project proponent is a non-profit organization or a disadvantaged community or the project benefits a disadvantaged community, and the total grant award is less than \$1 million.

SB 471 (Pavley) – Water, energy, and reduction of greenhouse gas emissions: planning

Status: Failed to Advance

EBMUD Position: Support

SB 471 would have primarily done three things: 1) required the California Energy Commission to conduct a study of water-related energy use in California; 2) clarified that water projects, including, but not limited to, water use, water supply, and water treatment projects, that reduce greenhouse gas emissions are eligible for cap and trade funding; and 3) required the State Water Resources Control Board to develop a grant and loan program for water projects that result in the net reduction of water-related greenhouse gas emissions.

SB 551 (Wolk) – State water policy: water and energy efficiency

Status: Failed to Advance

EBMUD Position: Support

SB 551 would have declared that it is the policy of the state that water use and water treatment shall operate in a manner that is as energy efficient as is feasible, and energy use and generation shall operate in a manner that is as water efficient as feasible.

SB 554 (Wolk) - Delta levee maintenance
Status: Vetoed
EBMUD Position: Support

SB 554 would have extended the Delta levee maintenance program's 75 percent reimbursement limit by changing the sunset date from July 1, 2018 to July 1, 2020. This would have provided Delta reclamation districts continued assistance with levee maintenance and improvement. Governor Brown vetoed the measure on the basis that the bill is premature as the sunset does not expire until 2018, and various state agencies are currently working to consider what levee investments should be state priorities and evaluating new financing mechanisms for levees.

SB 637 (Allen) – Suction dredge mining: permits
Status: Status: Chaptered – Chapter 680; October 9, 2015
Effective Date: January 1, 2016
EBMUD Position: Support

SB 637 helps ensure that a potential source of mercury is regulated for water quality impacts by establishing the criteria under which permits for suction dredge mining can be issued by the Department of Fish and Wildlife and, authorizing the State Water Resources Control Board to: 1) adopt waste discharge requirements that address water quality impacts of mercury; 2) specify certain conditions or areas where waste discharges from suction dredge mining are prohibited; and 3) prohibit particular methods of suction dredge mining.

SB 664 (Hertzberg) – Water: urban water management planning
Status: Status: Chaptered – Chapter 681; October 9, 2015
Effective Date: January 1, 2016
EBMUD Position: Support

SB 664 requires urban water suppliers to include a seismic risk assessment and mitigation plan in their Urban Water Management Plans and allows water agencies to comply with this requirement by submitting a copy of an adopted local hazard mitigation plan or multi-hazard mitigation plan. By including seismic risk assessment and mitigation plans in Urban Water Management Plans, SB 664 makes seismic related projects eligible to compete for potential funding through Integrated Regional Water Management Plans and grants.

SB 687 (Allen) – Renewable gas standard
Status: Failed to Advance
EBMUD Position: Support

SB 687 would have primarily required the California Air Resources Board, on or before June 30, 2017, in consultation with other state agencies, to adopt a carbon-based renewable gas standard that requires all natural gas sellers to provide increasing amounts of renewable gas, gas that is generated from “organic waste or other renewable sources,” so that by January 1, 2030, at least ten percent of the natural gas supplied is renewable.

SB 814 (Hill) – Drought: excessive water use: urban retail water suppliers
Status: Chaptered – Chapter 230; August 30, 2016
Effective Date: January 1, 2017
EBMUD Position: Support if Amended; Support

SB 814 discourages excessive water use in times of drought and local water shortage conditions. Specifically, SB 814 requires that water agencies establish a method to identify and discourage excessive water use in three circumstances: 1) when a Governor has declared a statewide drought and a water supplier faces a local water shortage that requires mandatory use restrictions; 2) when a water supplier faces a local water shortage that requires mandatory use restrictions; and 3) when a Governor has declared a state of emergency based on local drought conditions that affect the water supplier.

EBMUD sought and secured amendments to protect EBMUD’s ability to implement and refine its own excessive use program; ensure that consideration of local conditions is part of the mandate trigger; revise the penalty amount; and address concerns relative to water rights, water rates, and public disclosure of customer information.

SB 971, 972, and 973 (Committee on Governance and Finance) – Validations
Status: SB 971 Chaptered – Chapter 15; May 27, 2016: Effective Date – May 27, 2016
SB 972 Chaptered – Chapter 16; May 27, 2016: Effective Date – September 1, 2016
SB 973 Chaptered – Chapter 17; May 27, 2016: Effective Date – January 1, 2017
EBMUD Position: Support

These bills enact the First, Second, and Third Validating Acts of 2016. These acts retroactively correct procedural errors or omissions that public officials of state agencies, cities, counties, and special districts may have made inadvertently and validates the organization, boundaries, acts, proceedings, and bonds of the state, cities, counties, and special districts. Enactment of these Validating Acts ensures the continued highest possible bond rating, resulting in the lowest possible interest rates on the sale of bonds. The three acts were chaptered at different times to validate actions of the state and local government agencies that occur throughout the year.

SB 995 (Pavley) – Well standards
Status: Failed to Advance
EBMUD Position: Support

SB 995 would have provided a mechanism to update current well standards. The bill would have required the Department of Water Resources to update well standards covering water wells, monitoring

wells and cathodic protection wells by January 1, 2019, and would have required the State Water Resources Control Board to then update its model well ordinance.

SB 1043 (Allen) – Biogas and biomethane
Status: Failed to Advance
EBMUD Position: Support

SB 1043 would have required the California Air Resources Board to consider and, as appropriate, adopt policies to significantly increase the sustainable production and use of biogas. SB 1043 would have also required California Air Resources Board to identify barriers to the rapid development and use of biogas, make recommendations to remove those barriers, and identify potential sources of funding to provide incentives for biogas production and use.

SB 1207 (Hueso) – Energy: conservation: financial assistance
Status: Chaptered – Chapter 675; September 26, 2016
Effective Date: January 1, 2016
EBMUD Position: Support

SB 1207 promotes energy efficiency by providing for the continued operation of the State Energy Conservation Assistance Account program, which provides low-interest loans to local governments and public institutions to cover up to 100 percent of the cost of energy efficiency projects, by extending the current sunset date to January 1, 2028.

SB 1233 (McGuire) – Joint powers authorities: Water Bill Savings Act
Status: Failed to Advance
EBMUD Position: Support

SB 1233 would have promoted water conservation by allowing for a joint powers authority to establish an on-bill financing mechanism to assist water agency customers to pay for water efficiency improvements via the customer's water bill. The bill would have also allowed, but not required, a water agency to pledge its rate revenue to back the joint powers authority's program bonds. EBMUD sought and secured amendments to make it clear that a joint powers authority water efficiency program may only cover the geographical boundaries of a water agency's service area with the express authorization of the water agency.

SB 1262 (Pavley) – Water supply planning
Status: Chaptered – Chapter 594; September 24, 2016
Effective Date: January 1, 2017
EBMUD Position: Support if Amended; Support

SB 1262 strengthens the existing link between land use and water supply planning by incorporating changes in groundwater planning and management as a result of the Sustainable Groundwater

Management Act and helps ensure that new development is not approved in areas that lack the groundwater necessary to provide sufficient supplies.

EBMUD sought amendments to the introduced version of the bill, which would have revised the process by which a city or county prepares a water supply assessment, to ensure that water supply feasibility information provided by a water agency be used when a city or county assessed the feasibility of a water agency providing water service to a new development. The provisions revising the current process were removed from the bill and EBMUD's requested amendments were no longer needed.

SB 1263 (Wieckowski) – Public water system: permits
Status: Chaptered – Chapter 843; September 29, 2016
Effective Date: January 1, 2017
EBMUD Position: Support if Amended; Support

SB 1263 will help prevent the proliferation of new unsustainable public water systems by strengthening the permitting process for new public water systems. SB 1263 allows the State Water Resources Control Board to deny a permit for a new public water system in certain circumstances, including in cases when the State Water Resources Control Board determines that it is feasible for an existing public water system to serve the area that the proposed new public water system plans to serve. EBMUD sought and secured amendments to clarify that feasibility information provided by an existing public water system is taken into account if the State Water Resources Control Board denies a permit for a new public water system based on the feasibility of an existing public water system providing service.

SB 1398 (Leyva) – Public water systems: lead user service lines
Status: Chaptered – Chapter 731; September 27, 2016
Effective Date: January 1, 2017
EBMUD Position: Support

SB 1398 requires each public water system to compile an inventory, by July 1, 2018, of known lead pipes in use in its distribution system and provide a timeline for the replacement of those pipes to the State Water Resources Control Board. SB 1398 also requires each public water system that may have lead pipes in its system to, by July 1, 2020, determine the existence or absence of lead pipes in its system and report that information to the State Water Resources Control Board. If the content of water system pipes connecting a water main to an individual water meter cannot be determined the public water system must provide a timeline to the State Water Resources Control Board for replacing those pipes.

SB 1425 (Pavley) – Water-energy nexus registry
Status: Chaptered – Chapter 596; September 24, 2016
Effective Date: January 1, 2017
EBMUD Position: Support

SB 1425 requires the California Environmental Protection Agency to oversee the development of a registry for greenhouse gas emissions resulting from the water-energy nexus. Participation in the registry is voluntary and open to any entity conducting business in the state, such as water agencies and large water consumers. The bill provides a mechanism to better understand the total greenhouse gas emissions associated with the water-energy nexus by allowing entities to voluntarily track and measure greenhouse gas emissions.

SCA 5 (Hancock) – Local Government: special taxes: voter approval
Status: Failed to Advance
EBMUD Position: Support; Removed position

SCA 5 was a constitutional amendment that, pending voter approval, would have changed the 2/3 voter-approval requirement for special taxes to instead allow a city, county or special district to impose a special tax with the approval of 55 percent of its voters voting on the tax. SCA 5 was subsequently amended to address commercial and industrial property taxation. EBMUD did not have a position on the amended version of SCA 5.

Draft Trailer Bill 807 – Water board drinking water program fee regulations
Status: Incorporated into budget trailer bill SB 83
EBMUD Position: Oppose unless Amended

TB 807 would substantially change the state's drinking water program funding structure without providing caps on overall program fees or caps on annual increases and authorize the adoption of a new fee schedule through emergency regulation. EBMUD sought amendments, advanced by the Association of California Water Agencies, to maintain existing caps and ensure a transparent and public rulemaking process in adopting a new fee structure. Compromise language similar to Draft Trailer Bill 807 (TB 807), which was developed by the administration and the water community, was incorporated into budget trailer bill SB 83 (Committee on Budget and Fiscal Review). SB 83, which EBMUD did not have a position on, was enacted into law (Chapter 24 of 2015).

Draft Trailer Bill 825 – Drought water system consolidations
Status: Incorporated into budget trailer bill SB 88
EBMUD Position: Oppose

Language similar to Draft Trailer Bill 825 (TB 825), to provide the State Water Resources Control Board authority to require consolidation or extension of services, was incorporated into budget trailer bill, SB 88 (Committee on Budget and Fiscal Review) which was enacted into law (Chapter 27 of 2015). TB 825 would allow the State Water Resources Control Board broad authority to force consolidations of public water systems "if a public water system fails to reliably provide an adequate supply of safe, potable water" and would not limit the State Water Resources Control Board's authority to require consolidation only to those circumstances where a disadvantaged community does not have access to safe drinking water on an on-going basis, including under non-drought conditions. Narrower language was included in SB 88. EBMUD did not have a position on SB 88.

Draft Trailer Bill 826 – Drought submetering

Status: Incorporated into SB 7

EBMUD Position: Support if Amended

Draft Trailer Bill 826 (TB 826) would require every water purveyor that provides water service to a newly constructed multi-unit residential structure or newly constructed mixed-use residential and commercial structure that submits an application for a water connection after January 1, 2017, to require the installation of meters or submeters on each individual rental unit as a condition of new water service. TB 826 would also authorize, but not require, the adoption of building standards to require submeters in multi-unit residential buildings. TB 826 also included language to preserve existing local programs and enable local agencies to impose stricter requirements than those established by the bill.

EBMUD sought amendments to clarify that these protections would also apply once building standards were adopted in order to preserve the ability of local agencies to maximize local conservation savings. While TB 826 was not introduced as a budget trailer bill, TB 826's language, as well as the amendments EBMUD sought, was incorporated into SB 7, which EBMUD supported and which was signed into law (see SB 7 discussion above).

ADDITIONAL BILLS OF INTEREST

AB 2480 (Bloom) – Source watersheds: financing

Status: Chaptered – Chapter 695; September 27, 2016

Effective Date: January 1, 2016

AB 2480 pertains to EBMUD's state legislative initiative regarding healthy forest and watersheds and declares it to be state policy that source watersheds are recognized and defined as integral components of California's water infrastructure. AB 2480 also declares that maintenance and repair of source watersheds is eligible for the same forms of financing as other water collection and treatment infrastructure. AB 2480 was amended late in the session to expand the bill from applying solely to the Shasta and Oroville watersheds to apply broadly throughout the state.

Under AB 2480, eligible maintenance and repair activities are limited to the following: 1) upland vegetation management to restore the watershed's productivity and resiliency; 2) wet and dry meadow restoration; 3) road removal and repair; 4) stream channel restoration; 5) conservation of private forests to preserve watershed integrity through permanent prevention of land use conversion and improved land management, achieved through, and secured with, conservation easements; and 6) other projects with a demonstrated likelihood of increasing conditions for water and snow attraction, retention, and release under changing climate conditions.

SB 1298 (Hertzberg) – Local government: fees and charges

Status: Failed to Advance

SB 1298, which the Board received information on earlier this year, pertains to Proposition 218 and the Proposition 218 Implementation Omnibus Act. Proposition 218, approved by California voters in 1996, amended the California Constitution to require voter-approval prior to the imposition or increase of taxes, assessments, and property-related fees. There is a narrow exception to the voter-approval requirement for water, sewer, and trash fees/charges though these fees/charges are subject to majority vote protest provisions. The Proposition 218 Implementation Omnibus Act was enacted through legislation to define terms and set forth the parameters for complying with Proposition 218.

SB 1298 would have amended the Proposition 218 Implementation Omnibus Act to expand the exceptions to Proposition 218's voter-approval requirement to allow stormwater-related charges and fees to be imposed without prior voter approval. Previously, the bill also included language to authorize voluntary lifeline rates for low-income customers and provide more flexibility for voluntary conservation-based pricing to encourage water conservation. However, concerns were raised in the Legislature about the constitutionality of addressing these issues in statute rather than through a constitutional amendment and the author narrowed the scope of SB 1298 to apply only to stormwater.

AB 1613 (Committee on Budget) – Budget Act of 2016

Status: Chaptered – Chapter 370; September 14, 2016

Effective Date: September 14, 2016

AB 1613, which pertains to the state legislative initiative regarding healthy forests and watersheds, is a budget trailer bill that appropriates \$900 million of cap and trade funds for the 2016-17 fiscal year, including \$25 million for the Healthy Forest Program. The specific appropriations areas are as follows:

- \$368 million to the Air Resources Board including:
 - \$133 million to the Clean Vehicle Rebate Program;
 - \$80 million to the Enhanced Fleet Modernization Program, Plus-Up Pilot Project and up to \$20 million of this amount may be used for other light-duty equity pilot projects;
 - \$150 million for heavy-duty vehicles and off-road equipment investments; and
 - \$5 million for black carbon wood smoke programs.
- \$140 million to the Office of Planning and Research for the Strategic Growth Council to provide transformative climate communities grants.
- \$135 million to the Transportation Agency for the Transit and Intercity Rail Program.
- \$80 million to the Natural Resources Agency for the Urban Greening program.
- \$65 million to the Department of Food and Agriculture, including:
 - \$50 million for the early and extra methane emissions reductions from dairy and livestock operations;
 - \$7.5 million for the Healthy Soils Program; and
 - \$7.5 for the State Water Efficiency and Enhancement Program (SWEEP).
- \$40 million to the Department of Forestry and Fire Protection, including:
 - \$25 million for the Healthy Forest Program; and

- \$15 million for urban forestry programs.
- \$40 million to the Department of Resources Recycling and Recovery for waste diversion and greenhouse gas reduction financial assistance.
- \$20 million to the Department of Community Services and Development for weatherization and renewable energy projects.
- \$10 million to the Department of Transportation for the Active Transportation Program.
- \$2 million to the Office of Planning and Research for the Strategic Growth Council to provide technical assistance to disadvantaged communities.

ARC:MD:JW

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 6, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Follow-up to Fiscal Year 2017 Financing Plan

SUMMARY

At the September 27, 2016 meeting during discussion of the District's Financing Plan for Fiscal Year 2017, staff recommended the District send a strong letter to Wells Fargo Bank expressing concern about the bank's practices and requesting that bank management hold themselves accountable to the highest standards of ethical behavior and transparency. The Board asked to review a draft of that letter, which is attached. The Board also requested additional information about the potential extension of the District's existing Standby Bond Purchase Agreement (SBPA) with Wells Fargo Bank. The bank is offering to extend the facility at the current annual rate which appears to be by far the most cost-effective option for the District, saving a minimum of \$250,000 and as much as \$1,000,000 or more.

DISCUSSION

The District's Financing Plan for Fiscal Year 2017 includes the requirement that the District "Extend or replace Wells Fargo Bank Standby Bond Purchase Agreement for Water Series 2008A-1 and A-4." During discussion of this item the bank's unethical practices with respect to its retail investors was raised. Since at least 2011 the bank has, according to the Consumer Financial Protection Bureau, opened deposit accounts, submitted applications for credit cards, enrolled consumers in online banking services, and ordered and activated debit cards all without the customer's knowledge or consent. This behavior all took place within the bank's Community Banking Division. Wells Fargo also has three other divisions: Wealth and Investment Management, Wholesale Banking, and Securities. The District's banking relationship is with the Wholesale Banking and Securities divisions.

As mentioned at the Board's September 27th meeting, the Wholesale Banking Division of Wells Fargo has provided the District with cost-effective service. The bank recently won a competitive District RFP for commercial banking services, saving the District about \$100,000 compared to the next lowest bidder. In its function as bond underwriter the bank purchased the Wastewater General Obligation Refunding Bonds Series G in 2014 and the Water Revenue Bonds Series

2015B&C as part of a competitive sale process, saving the District approximately \$250,000 on a present value basis.

In 2013, when the District issued an RFP pertaining to the Variable Rate Water Revenue Bonds Series 2008A, the bank provided the lowest cost option from among 13 respondents. Accordingly the District entered into the SBPA which is now set to expire. Wells Fargo is proposing to extend the SBPA at the current fee for an additional three years, a notable offer given that rates have risen substantially in the intervening years. Extending at the current rate would save the District between \$81,000 and \$415,000 for the life of the agreement when compared with bids received by the District and others over the past year. Any alternative to extending the agreement would require effectively a new bond issuance and incur additional costs of issuance of approximately \$250,000. Further, because of the timing of the expiration, until a new bond financing closed, the District likely would be required to draw down on the SBPA and incur interest costs at an 8% rate or approximately \$370,000 per month. Drawing down on the SBPA could also have a negative impact on the District's reputation with rating agencies, investors, and other market participants.

For these reasons staff recommends extending the Wells Fargo SBPA. In order to send Wells Fargo a message about the District's disappointment with its actions, in addition to sending the attached letter the Board could choose to take the same actions as those taken by the Treasurer of the State of California. The State Treasurer announced several measures that would be in place for at least one year including:

- Suspension of investments by the Treasurer's Office in all Wells Fargo securities
- Suspension of the use of Wells Fargo as a broker-dealer for purchasing investments
- Suspension of Wells Fargo as underwriter on negotiated sales of bonds

The District uses Wells Fargo Bank in all three capacities. Note that in his press release the State Treasurer did not preclude the use of Wells Fargo for other purposes. The State's banking relationships with Wells Fargo include cash management, treasury services, and approximately \$500 million in liquidity facilities. Accordingly, this option would not preclude the District from continuing its relationship with Wells Fargo in other areas, including extension of the SBPA.

Attachments

ARC:SDS:DB

October XX, 2016

Dear Board of Directors of Wells Fargo:

As elected representatives of 1.4 million residents in Alameda and Contra Costa counties, we must express in the strongest terms how badly Wells Fargo's recent conduct reflects upon your corporate leadership. Wells Fargo has betrayed the trust of its customers. We question how responsible leaders could tolerate such egregious conduct and feel the actions you've taken ring hollow. As a public agency we are held to the highest standard of ethical behavior and transparency and insist upon the same for our service providers.

EBMUD has been a long term customer of Wells Fargo. You are headquartered here in the Bay Area and nearly one quarter of your Bay Area workforce are our customers. We appreciate that you are a local bank, supporting our local economy and we have supported you. Over many years, you have provided us with:

- Commercial Banking
- Bond Underwriting
- Liquidity Provision /Remarketing Agent Services
- Brokerage Services
- Certificate of Deposit Investments
- Bond Paying Agent and Registrar

If our staff adversely impacted our customers through unethical conduct such as your staff did, the EBMUD Board of Directors would take swift action to address the root causes. We urge you to do the same.

Sincerely,

Frank Mellon, President,
Board of Directors

cc: EBMUD Board of Directors

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 6, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Alison A. Kastama, Special Assistant to the General Manager *AK*

SUBJECT: Outreach Addressing Operational Changes in Advance of Orinda Water Treatment Plant Improvements Project

SUMMARY

On November 1, the Orinda Water Treatment Plant (WTP) will be shutdown to accommodate reliability and process improvements. This \$22 million project, in planning for almost a decade, is critical to maintain the reliable operation of the Orinda WTP and to reduce the need for full plant maintenance shutdowns in the future.

In early September, operational and source water changes necessary to support the Orinda WTP shutdown caused taste and smell concerns for affected customers. To proactively address these consumer concerns, staff is continuing a media and public outreach effort as outlined below.

DISCUSSION

Concurrent with the start-up of the San Pablo WTP in September, the District posted consumer information on eb mud.com, responded to consumer and media inquiries, and issued a media advisory on taste and smell concerns. Following monitoring of consumer concerns and source water quality, the San Pablo WTP was shut down on September 28.

By mid-October, staff will restart the San Pablo WTP to support the planned November 1 shutdown of the Orinda WTP. Though raw water conditions in San Pablo Reservoir have improved, the possibility of taste and smell concerns remains. The District will also begin increasing output from the Sobrante and USL WTPs, as well as the Southern Loop pipeline, to support water delivery needs during the shutdown of the Orinda WTP. Staff is actively working to maintain public awareness of the potential for taste and smell concerns, as well as the vital work underway at the Orinda WTP.

Staff will work with local media outlets to publicize the critical work of the Orinda WTP Improvements Project and the limited nature of this necessary outage and may issue updated media advisories as operations adjust. These advisories will be provided to elected officials and

other community leaders to ensure affected communities remain informed. The District is also assessing the use of NextDoor to post the advisories in affected areas. Staff will continue to monitor taste and smell concerns, as well as raw water quality, throughout the Orinda WTP shutdown.

Beginning November 3, all account holders will receive the customer *Pipeline* bill insert newsletter featuring the Orinda WTP Improvements Project, and information on operational and source water changes.

ARC:AAK

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 6, 2016

MEMO TO: Board of Directors

FROM: Alexander R. Coate, General Manager *ARC*

SUBJECT: Monthly Report – September 2016

HIGHLIGHTS

On September 21, staff coordinated the airlift delivery of 2,500 feet of pipe for the Panoramic Hills Pipeline Replacement Project. A helicopter delivered 15 bundles of pipe to the Berkeley Hills north of the Claremont Hotel. This delivery method cost approximately \$20,000 which saved the District approximately \$250,000 and reduced the work time in the neighborhood for phase 1 of the project by six weeks. Staff coordinated with various agencies and community members and prepared a media advisory and press release. All five local TV networks, KQED radio and one print outlet covered the event. Staff also live-tweeted and posted videos of the event to the District's Twitter account.

Orinda Water Treatment Plant (WTP) Project – taste and smell calls. The District placed the San Pablo WTP and Upper San Leandro (USL) WTP into service on September 1 and September 15, respectively, to support the Orinda WTP outage in November. Staff received a number of customer calls regarding taste and smells attributable to these changes in source water because customers used to a certain blend can detect the change in composition. On September 28 staff shut down the San Pablo WTP to allow the raw water quality to improve as temperatures decrease and to give the Board time to become familiar with the situation and ask further questions of staff. Operation of the San Pablo WTP will resume in mid-October.

WATER SUPPLY

District extends deadline to receive a groundwater export permit for the San Joaquin County Demonstration Recharge and Aquifer Management Project. Staff discussions with San Joaquin County parties regarding an export permit are progressing positively. As such, staff extended the export permit deadline from September 30, 2016 to October 31, 2016.

On September 6, the U.S. Bureau of Reclamation released draft guidelines for implementation of its Municipal and Industrial (M&I) Water Shortage Policy. Staff submitted comments in support of the guidelines and requested a few clarifications. The updates clarify how M&I contractors will be considered for Public Health & Safety deliveries during severe water shortages.

On September 16, the Bay Area Regional Reliability Drought Task Force held its second meeting. Participants reviewed the first technical memorandum which provided background information on the partner agencies' water supply conditions, conservation and drought response efforts, and vulnerabilities. They also discussed potential mitigation actions that will provide the foundation for a Drought Contingency Plan for the Bay Area.

The Department of Water Resources posted EBMUD's Groundwater Sustainability Agency (GSA) proposal application for a 90-day comment period. The District's application to be the GSA for the portion of the East Bay Plain Groundwater Basin within EBMUD's service area posted on August 29, 2016. If no objections are received, EBMUD will be formally considered as the GSA.

Water use data submitted to the State Water Resources Control Board as part of state drought reporting requirements. Staff submitted water use data for the month of August, including required information on water waste complaints and enforcement. The District's total production in August was approximately 16 percent lower compared to August 2013. The residential water use for August 2016 is 84 gallons per capita per day (gpcd) as compared to 103 gpcd in August 2013 and 124 gpcd in August 2005-2007. Staff is participating in DWR's forums to address long term water use efficiency.

Precipitation. There was no East Bay precipitation for September and the season total is 0.00 inches (0% of average). The Mokelumne precipitation for September was 0.15 inches (19% of average) and the season total is 0.25 inches (19% of average).

Water Releases

Camanche Reservoir. The average rate of Camanche release for September was 222 cubic feet per second (cfs) (73 cfs generation, 138 cfs sluice, and 12 cfs through the hatchery), and the average flow below Woodbridge Dam was 32 cfs, both in accordance with the Joint Settlement Agreement "Below Normal" criteria. Approximately 3,300 acre-feet (AF) of additional fisheries release is planned in October in five pulses, and approximately 1,000 AF of additional fisheries release is planned in November in a sixth pulse for a total of 4,300 AF. As of September 30, there is approximately 4,300 AF of water available for fisheries release from gainsharing and water authorized by the Camanche Permit Extension for fisheries.

East Bay Reservoirs. There were no East Bay reservoir releases in September.

Water Storage

Mokelumne reservoirs storage is 105% of average. As of September 30, 2016, Pardee was at 560.6 feet (ft.) or 99% of average, and the Camanche was at 217.0 ft. or 109% of average. Combined Pardee and Camanche reservoir storage was 472,000 AF compared to 239,000 AF last year.

East Bay reservoirs storage is 116% of average. As of September 30, 2016, USL was at 453.8 ft. or 127% of average, San Pablo was at 309.5 ft. or 129% of average, and Briones was at 569.6 ft. or 107% of average. Total terminal reservoir storage was 136,000 AF compared to 114,000 AF last year.

Mokelumne Aqueducts and Raw Water Pumping Plants. The average rate of Mokelumne Aqueduct draft for September 2016 was 236 million gallons per day (MGD). Walnut Creek Raw Water Pumping Plant (RWPP) No. 3 was started on September 1 and pumped a total of 4,529 MG at an average rate of 151 MGD on two units. Briones RWPP was started on September 3 and pumped a total of 1,374 MG at an average rate of 49 MGD on three units. Moraga RWPP remained out of service for the month.

Water Production. Average rate of gross water production for September:

	September 2016	September 2015	September 2013	Average of FY 2005-2007
East of Hills	61 MGD	51 MGD	74 MGD	87 MGD
West of Hills	127 MGD	118 MGD	144 MGD	174 MGD
Total	188 MGD	169 MGD	218 MGD	261 MGD
Max Day Production	211 MGD (9/26/2016)	185 MGD (9/9/2015)	240 MGD (9/6/2013)	

Note: Data are all from preliminary daily operational reports and are subject to revision

WATER QUALITY AND ENVIRONMENTAL PROTECTION

On September 7 and 8, topography surveys of spawning and rearing habitat restoration sites were completed within the lower Mokelumne River. Topography data will be used to produce a post-project 2-D hydrodynamic model of the 1-mile river reach just below Camanche Dam. Data will be used to evaluate restoration effectiveness and monitor long-term changes in spawning and rearing habitat at different flows.

On September 7, the District received a Notice of Violation (NOV) from the San Joaquin Valley Air Pollution Control District (SJVAPCD) for failure to test the vapor recovery system for the gasoline dispensing facility at the Mokelumne River fish hatchery. While the District is the facility permit holder/property owner, the California Department of Fish and Wildlife (CDFW) is the tenant and oversees much of the daily operations and maintenance at the site. Staff determined that there was a misunderstanding about which agency was overseeing the required testing and the July 31, 2016 testing date was inadvertently missed. The District and CDFW tested the system on September 23. To prevent this from reoccurring in the future, the following corrective actions are being implemented: Staff requested that SJVAPCD include the District on all Permit to Operate correspondence; the annual testing event will be added to the District's internal compliance tracking calendar; and the testing will be discussed during coordination meetings between the District and CDFW specific to compliance at the fish hatchery facility.

On September 8, staff responded to a Notice of Violation (NOV) for reporting deficiencies at Camanche North Shore Wastewater Treatment Plant. On July 15, 2016, the Central Valley Regional Water Quality Control Board (CV RWQCB) issued an NOV for the plant, citing reporting deficiencies on a recently submitted annual report and requesting a new technical report to illustrate that there is no hydraulic connection between the wastewater ponds and the local groundwater. Staff submitted a response to address the requirements and requested a six-month extension to complete the technical report.

On September 17, District staff participated in the 2016 Great Sierra River Cleanup sponsored by the Sierra Nevada Conservancy. Staff coordinated 56 volunteers who removed 530 pounds of trash and 750 pounds of recyclables from the waterway corridor. Clean-up areas included Camanche Reservoir, the Mokelumne River Day Use area and a segment of the Mokelumne River from the day use area to Stillman Magee Park in Clements.

On September 19, District staff completed groundwater sampling and testing following the July 27, 2016 sodium hypochlorite release that occurred east of the MWWTP. The results of the investigation indicate that chlorine residual from the release did not enter San Francisco Bay via groundwater transport. Staff has provided this information to regulatory agencies.

On September 26, staff submitted comments on new filter backwash rules at the Pardee Recreation Area Water Treatment Plant. The plant is regulated under the CV RWQCB Waste Discharge Requirements for Limited Threat Discharges. CV RWQCB recently made revisions to clarify monitoring requirements which include a newly added element that calls out filter backwash from WTPs. The new monitoring requirements will not be very different from the existing requirements.

On September 27, District, CDFW, and SF RWQCB staff gave a presentation to the Pipeline Training Academy plumbers on the regulatory requirements in the field. The regulatory agencies appreciated the opportunity to provide this outreach to new District staff to help increase their understanding of the importance of Best Management Practices and protection of our local watersheds.

On September 30, the District responded to a Notice of Violation (NOV) for unauthorized stormwater discharges at Summit Reservoir. On August 12, 2016, the San Francisco Regional Water Quality Control Board (SF RWQCB) issued the NOV to the District and requested a response and corrective action be implemented by September 30, 2016. The District's response acknowledged our obligation as a permittee of the stormwater construction general permit and included responses regarding corrective actions from the project contractor who is contractually responsible to the District to manage stormwater at the project site.

Mokelumne fall pulse flows will begin in early October. At the September 29 Lower Mokelumne River Partnership Coordinating Committee meeting, EBMUD and the resource agencies agreed on a pulse flows schedule to attract salmon this fall. A total of 5 pulse flows are scheduled for this season beginning on October 3 and ending in early November. Since 2009, pulse flows have been released from Camanche Dam during the Chinook salmon spawning migration season (October – December). As a result of these flows, yearly returns have exceeded

12,000 fish for five consecutive years and are well over 200 percent of the average annual long-term return.

Staff starts work to remove a sandbar from San Ramon creek. On May 3, 2016, a main break in the Town of Danville near the intersection of Danville Boulevard and El Portal may have resulted in the formation of a sandbar in the San Ramon creek. The District spent resources repairing the road and headwall of a storm drain culvert that were impacted in the area of the break. The remaining work is to remove materials that potentially washed into the creek. Staff has worked with contractors to survey the area and develop a work plan to remove the sediment by hand. The work will last about six days and needs to be completed by mid-October before the start of the rainy season.

All authorized discharges from the MWWTP were in compliance with permit limits for the month of September. This is the 205th consecutive month that the Main Wastewater Treatment Plant (MWWTP) experienced no permit exceedances.

Three odor reports were received at the MWWTP in September. Staff investigated and determined that none of the odors were caused by the plant. One report was a taste and odor complaint related to water and was referred to the District's Water Quality staff. The other two were related to wastewater collection systems in Hayward and in Oakland, which are not owned by the District. Staff referred the callers to the appropriate agencies to investigate the cause of the odors.

Chevron Recycled Water Projects and the North Richmond Water Reclamation Facility (NRWRF) updates. The North Richmond Water Reclamation Facility (NRWRF) continues to provide potable water in place of recycled water to the Chevron refinery. West County Wastewater District's (WCWD) effluent does not meet water quality requirements for the NRWRF to reliably produce recycled water. This is expected to continue through the end of October. On September 19, District and WCWD staff started negotiations on a new agreement for WCWD to maintain reliable, consistent effluent water quality to allow the District to maximize production of recycled water from the NRWRF. On September 7, staff met with the manager of Chevron's Richmond Refinery to discuss terms relating to project agreement negotiations. Another negotiation meeting was held on September 30. Staff hopes to conclude negotiations with Chevron by the end of the year.

Chronic toxicity levels at the MWWTP are now in compliance with NPDES permit limits. One of the many monitoring requirements in the District's MWWTP permit is chronic toxicity testing that exposes a sensitive species (e.g. mussels) in the plant's effluent for 48 hours followed by an assessment of the species reproductive viability. The preliminary test result for September was 8.6 chronic toxicity units (TUC) compared to the permit limit of 10 TUC. These test results are now in compliance after the District exceeded permit limits in 5 of the past 6 months. Staff implemented accelerated monitoring in July as part of the Toxicity Identification and Reduction Evaluation work plan. Based on these results, accelerated monitoring will no longer be necessary.

Staff requested additional time to comment on California Environmental Laboratory Accreditation Program (ELAP) plans to recommend the adoption of The NELAC Institute's 2016 standards for laboratories to replace the current ELAP regulations. The eight-day comment period closed on September 16. Staff submitted a request for a 45-day extension to the comment period to allow sufficient review time and stated the District's support for alternative California-focused standards recommended by the Environmental Laboratory Technical Advisory Committee. The District is opposed to the proposal because the standards impose increased documentation requirements without an improved data quality benefit and higher administrative costs for implementation and staff training. The comment period was extended to October 20, 2016.

INFRASTRUCTURE INVESTMENT

On September 1, District staff witnessed the successful testing of its first new 1-MGD portable pump. The new diesel-powered portable pump meets the latest California Air Resources Board "tier 4" emissions requirements and successfully passed all required tests. Three additional portable pumps are being manufactured and will be delivered by early next year. These pumps will replace existing portable pumps which no longer meet emissions requirements and are old, noisy, and not as reliable. The 1-MGD pumps will also be used during future facility outages and emergencies.

On September 15, 20, and 21, District staff and a Division of Safety of Dams representative completed the annual open-cut dam safety inspections. These inspections are performed annually to ensure there are no safety issues and the dams are operated in accordance with the state licensing requirements. The inspections confirmed the dams are operating satisfactorily. The terminal reservoir dams will be inspected at a later date.

The East Bayshore Recycled Water Pipeline Project (Emeryville) was accepted as complete on September 23. This project included the installation of approximately one mile of new recycled water pipeline and appurtenances.

The 82nd Avenue (Oakland) and Hollis (Emeryville) Rate Control Stations Rehabilitations Project was accepted as complete on September 26. This project included the rehabilitation of two rate control stations including installation of one 24-inch valve and two electric actuators.

On September 28, staff attended the ASCE Seismic Pipeline Manual of Practice (MOP) meeting. ASCE is creating an updated MOP for the design of water and wastewater pipelines within seismic regions prone to ground failure. The MOP will replace the existing American Lifelines Alliance Design Guideline for Buried Steel Pipe and Seismic Guidelines for Water Pipelines. The District's involvement with the development of the MOP is critical, so the District can stay current with new ASCE design standards.

On September 28 and 29, District and Federal Energy Regulatory Commission staff conducted the annual safety inspection of the Mokelumne Reservoir dams. There were no major safety issues identified and the Mokelumne dams (Camanche, Pardee, and Jackson Spillway) were deemed safe for continued operation.

The Summit Reservoir and Shasta/Woods Pumping Plant Replacement project construction continues. The new pumping plant mechanical piping installation is underway. The new 3.5 MG tank foundation construction is underway. Concrete pours were completed on September 20 and 27. The first inlet/outlet pipeline tie-in was completed on September 20. Construction of the new inlet/outlet pipeline in the easement between residences on Vassar Avenue is underway, including clearing, grubbing, and potholing.

Staff completed engineering design of the MWWTP Secondary Clarifiers Mechanical Repairs Phase 1 Project. This \$2.4 million capital improvement project is the first phase of a multi-phased project to repair aging secondary clarifier mechanical equipment that was originally installed in the 1970s. The project will replace center columns and collectors and refurbish bridges and supports for two of the 12 clarifiers. An improved sprayer system to control foaming and extended inlet baffles to improve flow distribution will also be installed to improve process performance. Construction is scheduled for completion by the end of 2017.

Staff completed design of the MWWTP Recycled Water 12-inch Pipe Extension and Commercial Fill Station Project. This project will extend a 12-inch recycled water pipeline from the MWWTP to a new section of pipe installed by other agencies for future service to the City of Oakland's former Oakland Army Base redevelopment area. The project scope also includes a new commercial truck-fill station outside of the MWWTP to reduce the potential for traffic and construction conflicts within the MWWTP. Construction is scheduled for completion by September 2017.

A list of prequalified electrical contractors has been established for use on select District projects in FY17 and FY18. District staff piloted a new program to prequalify electrical contractors to streamline its bid selection process and improve the quality of electrical contract work on complex electrical projects. Twenty-two applications were received and based on the District's selection criteria staff developed a list of 12 contractors. The list will be used for the District's Faria Pumping Plant & No. 1 and No. 2 Reservoirs Construction and San Ramon Reservoir Rehabilitation project, which was advertised for construction on September 16.

The District launched its Pipeline Replacement Program on ArcGIS Online in September. Staff updated the old program with new features that include GIS layers for pipeline risk grades, a B-Map layer, upcoming infrastructure renewal projects, system improvement projects, and a query tool to filter specific pipelines and find projects.

CUSTOMER AND COMMUNITY SERVICES

In September, staff conducted public tours of the MWWTP for approximately 60 visitors. Attendees included students from a local high school as well as members of the general public.

On September 8, District staff and peer and emergency response agencies participated in Yellow Command 2016, part of Urban Shield 2016 in Dublin and Martinez. The event exercised and evaluated the Regional Catastrophic Earthquake Logistics Response Plan for the Bay Area. This year's scenario simulated the Bay Area's response to a major earthquake, 72 hours after impact, coupled with a cyber-attack on local government.

On September 11, staff participated in the Solano Stroll. Staff interacted with more than 200 people and provided information on the fats, oils and grease (FOG) program, answered questions, and handed out informational brochures.

On September 13, staff led 30 participants on a tour of the Freeport Project facilities. The tour visited the FRWA Intake, Sacramento County Water Agency's surface water treatment plant, the Folsom South Canal and EBMUD's Clay Station Pumping Plant. The participants included staff from Woodbridge Irrigation District, the San Joaquin County Farm Bureau, and US Fish and Wildlife Service.

The District launched the Environmental Education registration online calendar. The new software is user-friendly and allows teachers to register online for environmental educational tours instead of manually completing and faxing requests.

Leland Reservoir Replacement Project update. The comment period for the Notice of Preparation of an Environmental Impact Report (EIR) ended on September 30. District staff held two meetings with community members in Lafayette on September 15 and 28. Three people attended the meeting on the 15th and 21 people attended the Windsor Drive Neighborhood Watch Group meeting on the 28th. The groups received information regarding potential environmental factors that will be addressed in the EIR and reviewed conceptual site planning, landscaping plans and potential neighborhood views following construction of the project. The community members' voiced concerns related to project costs, construction impacts, noise, dust and traffic, parking, haul routes, pedestrian safety and trees at the reservoir and on private property. They also asked about street repaving on Windsor Drive, potential vandalism on the new reservoir and impacts to wildlife. Staff responded to all of the questions raised and will post detailed responses to questions from both meetings on the District's website.

Social Media update. The District posted its first Twitter video to highlight the helicopter pipe deliveries in Berkeley. Staff live tweeted throughout the event which generated over 11,200 impressions, 16 retweets and 23 likes.

Contract Equity Outreach

Staff participated in the following outreach activities:

- September 8 – Chinese for Affirmative Action, *47th Anniversary Celebration of Justice* San Francisco (380 attendees)

On September 15, Union Bank and the U.S. Small Business Administration hosted the 2016 Business Matchmaking event in Oakland. The event connected women, minority and disabled veteran-owned small businesses with corporations and government agencies. Staff shared upcoming contracting opportunities and the Contract Equity Program small business incentives during one-on-one matchmaking sessions. Approximately 100 participants attended.

Diversity and Inclusion

On September 23, District staff attended the Tradeswomen, Inc.'s (TWI's) Annual Gala and Fundraiser. Since 1979, TWI's goal has been to increase the number of successful women working in the skilled trades through its mission of outreach, recruitment, retention, and leadership development. District sponsorship of this event supports TWI's goal, as well as the District's commitment, to recruit women in the trades and develop qualified diverse candidate pools for the skilled trades.

On September 29, District staff attended Outdoor Afro's 2nd Annual Glamp Out at the Oakland Museum of California. Outdoor Afro celebrates and inspires African American connections and leadership in nature. Their events connect thousands of people to outdoor experiences and in turn change the face of conservation. District sponsorship of this event supports our goals to develop collaborative relationships with local partner organizations, to provide positive role models within the local community, and to be stewards and leaders of protecting natural resources.

Water Conservation

Staff participated in the following outreach activities:

- September 17-18 – Lafayette Art and Wine Festival, Lafayette (600 attendees)
- September 18 – 23rd Annual El Sobrante Stroll, El Sobrante (200 attendees)
- September 28 – 10th Annual Trade Expo and Symposium, Oakland (300 attendees)

On September 6, staff hosted the California State Agency Executive Order B-37-1616 Water Targets Workshop and Webinar at the Administration Building. Staff from the Department of Water Resources and the State Water Resources Control Board presented initial concepts and sought input to establish long-term water use standards and targets as directed by Governor's Executive Order B-37-16 Action No. 3. Approximately 100 representatives from water agencies, public interest groups, businesses and academia attended.

On September 17, staff hosted a class at the Oakland Public Library regarding drip irrigation basics. The two-hour class covered the essentials of designing efficient drip irrigation systems and calculating watering needs based on plant and soil type. Approximately 45 people attended.

On September 19 and 20, staff participated in the State Water Resources Control Board and Department of Water Resources Urban Advisory Group (UAG) meetings at the Metropolitan Water District of Southern California. EBMUD is a member of the Urban Advisory Group and is actively involved in providing specific input to state agencies on establishing long-term water use efficiency standards and targets as directed by the Governor's Executive Order B-37-16. The process will culminate with a public draft in November to assist in developing future long-term water efficiency regulations by January 10, 2017. Approximately 35 UAG members and 30 from the public attended.

On September 24, the District partnered with the City of Richmond, Greywater Action, The Watershed Project, Ecology Center, and the Urban Farmer Store to host the "Capture Your Rainwater and Graywater Workshop". Greywater and rain garden experts discussed how to capture rainwater, stormwater and greywater to irrigate landscape. The event also included demonstrations by several landscape services vendors and a tour of the Richmond water conservation demonstration garden. Attendees included Richmond City Councilmembers and 85 people from the adjacent communities.

On September 27, staff participated in the City of El Cerrito Environmental Quality Committee's "The Drought-Resilient Garden" Workshop. The workshop focused on residential water conservation and re-use strategies, technologies, and rebates. Approximately 40 homeowners attended.

On September 30, staff hosted the project briefing/pre-proposal conference for the Advanced Metering Infrastructure Request for Proposal at the Administration Building. Interested vendors received information about the District and its facilities and the project scope. Twenty-nine individuals from 16 different companies attended.

WORKFORCE PLANNING AND DEVELOPMENT

On September 3, the American Contract Compliance Association presented Contract Equity Program staff with its Parren J. Mitchell Crusader Award during its 30th anniversary celebration. The award recognizes an individual who pioneers and nurtures contracting opportunities for underutilized businesses. The award criteria is for an individual's vision, initiative and/or creation of program(s) that advance supplier diversity objectives, and promote inclusion of all business enterprises vital to future growth of the business community. Approximately 500 participants attended.

Tuition Reimbursement

	September 2016	FY17 Total
# of Employees	14	51
# of Classes	15	76
Total Reimbursed	\$10,652	\$52,332

Employment Information

	September 2016	FY17 Total
Retirements – Regular	4	25
Retirements – Vested	0	4
Hires	26	64
Other Separations	7	23

FINANCIAL STABILITY

Emeryville Shellmound Christie recycled water pipeline project has been completed. Staff invoiced the state to receive reimbursement for the \$1,000,000 grant for the installation of the Emeryville Shellmound Christie recycled water pipeline.

There was one material, supply or construction contract over \$70,000 and less than \$100,000 approved by the General Manager in September 2016.

VENDOR NAME	DATE AWARDED	CEP STATUS	ITEM (S) PURCHASED	PROJECT	CONTRACT TERM	VALUE
Garton Tractor, Inc.	9/2/16	White Male	One compact track loader	RFQ 1620	10/1/16-3/31/17	\$ 72,468.00

The Net Mokelumne Power Revenue for September was \$78,414. Inflows into Pardee Reservoir for September were 87 percent of plan and generation was 36 percent of plan, with Pardee Reservoir volume decreasing over the month. The District sold Renewable power and related Renewable Energy Credits to Marin Clean Energy (MCE) under the Power Purchase Agreement. MCE will continue to purchase all of the District's hydro-generation in calendar year 2016. Sales of Resource Adequacy capacity to Shell Energy North America generated \$7,085 in revenue. The average electricity price was \$32/MWh. Total net revenue for FY17 is an estimated \$369,371 which is 10.6 percent of budgeted \$3,500,000.

FY17	Net Revenue		Inflow (Acre Feet)	
	Plan	Actual	Plan	Actual
July-16	\$252,340	\$91,496	30,100	27,485
August -16	\$302,020	\$199,461	29,600	28,572
September-16	\$256,720	\$78,414	28,900	25,000
FY17 YTD Total	\$811,080	\$369,371	88,600	81,057

Bold items are estimated

Water Sales

The following consumption information is the average water consumption in million gallons per day (MGD) based on the first two months of the year for FY17. The budgeted average daily water consumption for the fiscal year is 151 MGD.

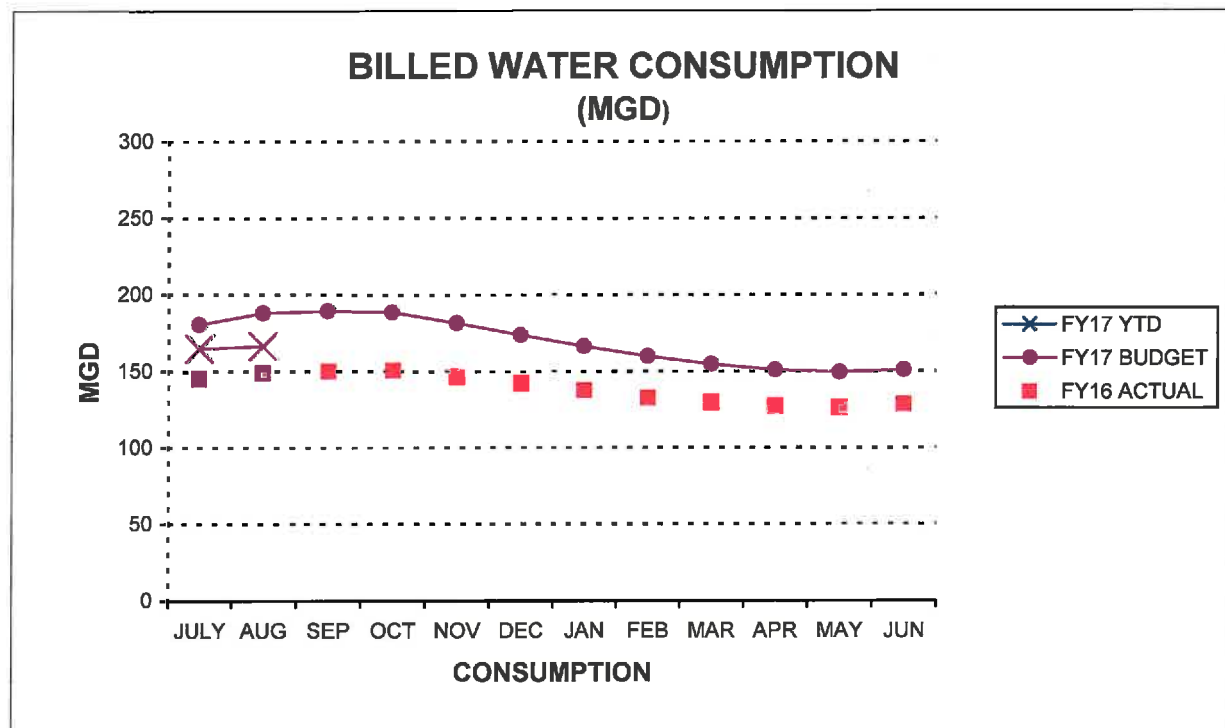
The table below breaks out the billed water consumption information by customer class with a comparison to FY16 data from the same period of time. Overall actual billed water consumption for FY17 through August 2016 was 166.7 MGD.

Year To Date Billed Water Consumption		
Usage Type (FY17 vs FY16)	FY17 (MGD)	FY16 (MGD)
Residential (17.7% higher than FY16)	85.9	73.0
Commercial (8.8% higher than FY16)	55.9	51.4
Industrial (5.6% lower than FY16)	16.9	17.9
Public Authority (15.9% higher than FY16)	8.0	6.9
Total Billed Water Consumption (11.7% higher than FY16)	166.7	149.2

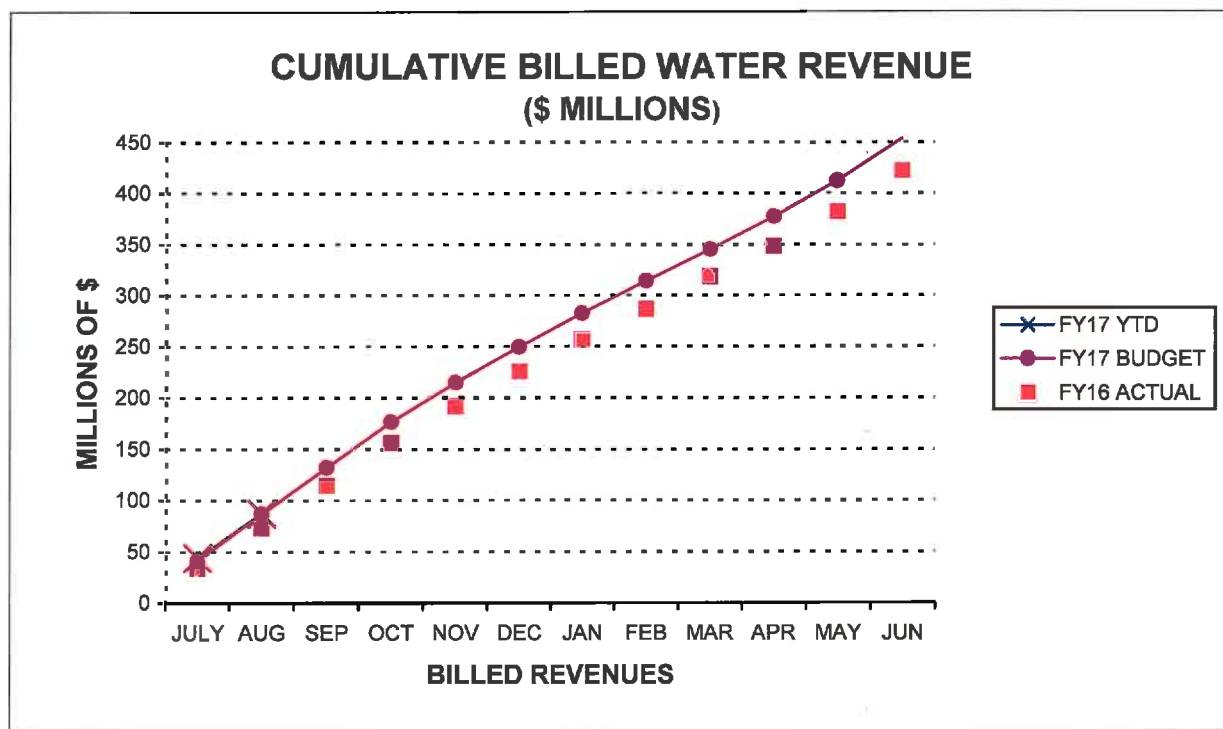
Water revenues billed for the fiscal year through August were \$87.1 million or 19.0% more than the FY16 revenue for August of \$73.2 million. This increase reflects the net impact of higher consumption and the 7% FY17 rate increase. Total water revenues through August are up \$0.5 million or 0.6% year-to-date compared to the budgeted water revenue. Note that total water revenues include the prorated drought surcharge revenue from the July and August billing cycles for consumption from May and June 2016.

Year to Date Billed Water Revenue		
Usage Type	FY17 Actual Revenue (\$ M)	FY17 Budgeted* Revenue Seasonally Adjusted (\$ M)
Normal Water Revenue	\$81.5	\$86.6
Drought Surcharge Revenue	\$5.6	-
Drought Excessive Use Penalty Revenue	\$0.0	-
Total Billed Water Revenue	\$87.1	\$86.6

**Based on the estimated water sales for 151 MGD annual water use under normal seasonal water use patterns.*



Source: Customer Information System



Source: Customer Information System

September 2016 Main Breaks

	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?
1	ALAMEDA		BAY	ST	ASBESTOS CEMENT	6.00	1974	8,640	9/5/2016	9/6/2016	Yes
2	ALAMO		BOLLA	AVE	ASBESTOS CEMENT	6.00	1959	8,640	9/28/2016	9/30/2016	Yes
3	ALAMO		BOLLA	AVE	ASBESTOS CEMENT	6.00	1953	6,300	9/28/2016	9/29/2016	Yes
4	ALBANY		PERALTA	AVE	CAST IRON	6.00	1949	360	9/27/2016	9/27/2016	Yes
5	BERKELEY		ADDISON	ST	CAST IRON	6.00	1917	18,000	9/12/2016	9/12/2016	Yes
6	BERKELEY		DERBY	ST	CAST IRON	4.00	1935	720	9/9/2016	9/9/2016	Yes
7	BERKELEY		EUCLID	AVE	CAST IRON	6.00	1925	9,000	9/24/2016	9/25/2016	Yes
8	BERKELEY		KENTUCKY	AVE	CAST IRON	6.00	1926	2,700	9/21/2016	9/21/2016	Yes
9	BERKELEY		MILVIA	ST	CAST IRON	6.00	1901	4,500	9/3/2016	9/4/2016	Yes
10	BERKELEY		NORTHAMPTON	AVE	CAST IRON	6.00	1927	360	9/15/2016	9/16/2016	Yes
11	BERKELEY		PERALTA	AVE	CAST IRON	6.00	1949	8,640	9/6/2016	9/8/2016	Yes
12	BERKELEY		PRINCE	ST	ASBESTOS CEMENT	6.00	1957	4,500	9/25/2016	9/25/2016	Yes
13	BERKELEY		SONOMA	AVE	CAST IRON	10.00	1925	270	9/19/2016	9/19/2016	Yes
14	CASTRO VALLEY		KINGSTON	WAY	CAST IRON	6.00	1953	20,160	9/2/2016	9/8/2016	Yes
15	CASTRO VALLEY		KINGSTON	WAY	CAST IRON	6.00	1953	1,440	9/8/2016	9/8/2016	Yes
16	CASTRO VALLEY		PINERIDGE	RD	ASBESTOS CEMENT	6.00	1957	720	9/9/2016	9/9/2016	Yes
17	CASTRO VALLEY		SAN MIGUEL	AVE	CAST IRON	6.00	1949	0	9/20/2016	9/22/2016	Yes
18	CROCKETT		BAY	ST	CAST IRON	8.00	1920	18,000	9/7/2016	9/8/2016	Yes
19	DANVILLE		CAMINO TASSAJARA		ASBESTOS CEMENT	6.00	1959	2,250	9/7/2016	9/7/2016	Yes
20	DANVILLE		CAMINO TASSAJARA		ASBESTOS CEMENT	6.00	1959	17,280	9/10/2016	9/12/2016	Yes
21	DANVILLE		HIGHBRIDGE	LN	ASBESTOS CEMENT	6.00	1979	1,350	9/27/2016	9/27/2016	Yes
22	DANVILLE		LAS BARRANCAS	DR	ASBESTOS CEMENT	6.00	1969	7,200	9/14/2016	9/14/2016	Yes

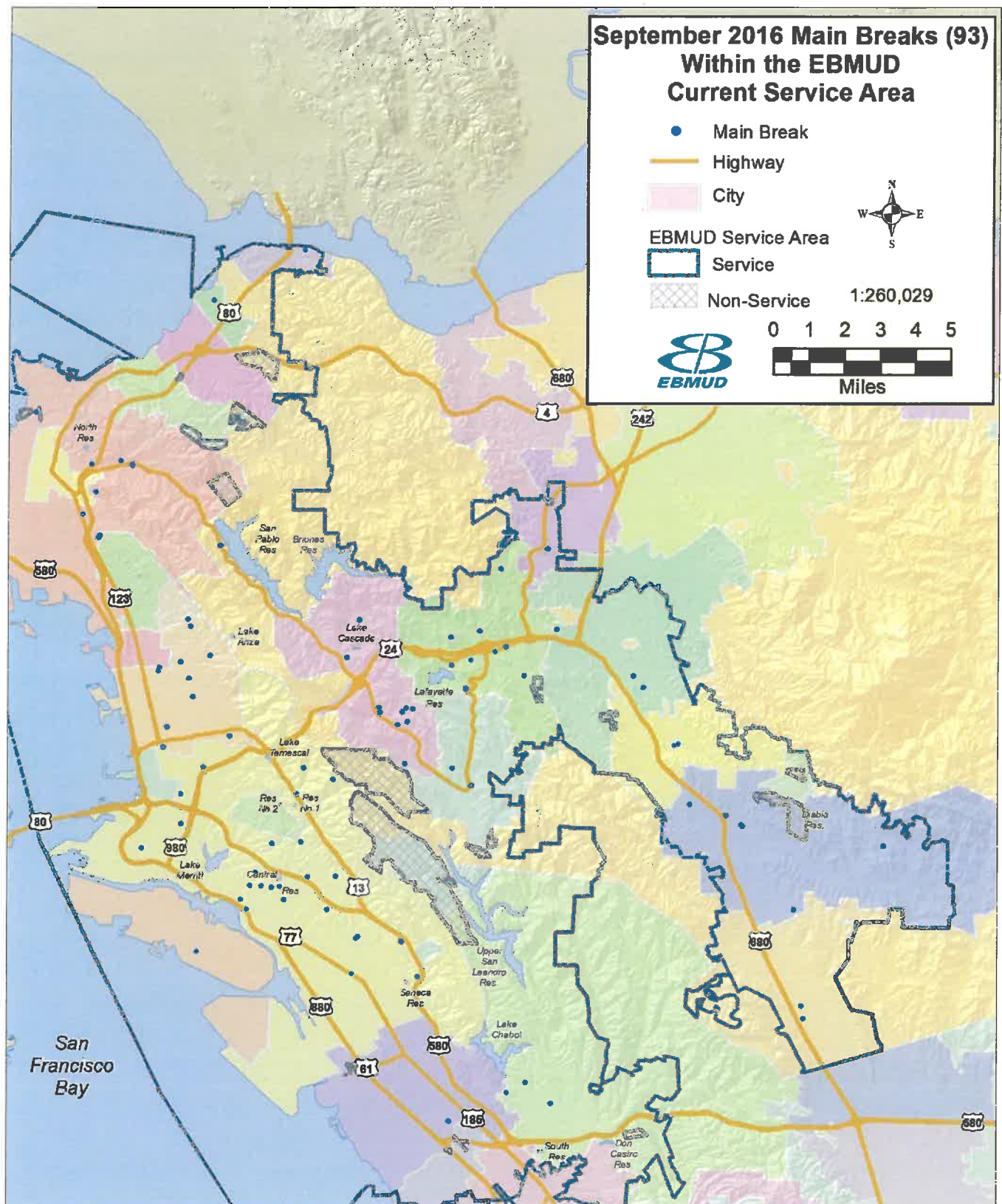
*KPI = turn around time to repair the leak

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	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?
23	DANVILLE		MYRTLE BEACH	LN	ASBESTOS CEMENT	6.00	1977	900	9/29/2016	9/29/2016	Yes
24	DANVILLE		SUGAR PINE	LN	ASBESTOS CEMENT	6.00	1981	10,080	9/20/2016	9/26/2016	Yes
25	EL CERRITO		BROOKS	AVE	CAST IRON	4.00	1935	18,000	9/28/2016	9/28/2016	Yes
26	EL CERRITO		TULLER	AVE	CAST IRON	4.00	1935	2,880	9/21/2016	9/22/2016	Yes
27	EL CERRITO		TULLER	AVE	CAST IRON	4.00	1935	18,000	9/30/2016	9/30/2016	Yes
28	EL SOBRANTE		GARDEN	RD	CAST IRON	4.00	1938	8,640	9/22/2016	9/27/2016	Yes
29	EL SOBRANTE		SAN PABLO DAM	RD	ASBESTOS CEMENT	6.00	1973	0	9/26/2016	9/27/2016	Yes
30	LAFAYETTE		GOLDEN GATE	WAY	CAST IRON	6.00	1932	9,000	9/23/2016	9/23/2016	Yes
31	LAFAYETTE		HIGHLAND	RD	STEEL	12.00	1948	4,500	9/1/2016	9/1/2016	Yes
32	LAFAYETTE		LAS TRAMPAS	RD	ASBESTOS CEMENT	6.00	1963	900	9/7/2016	9/7/2016	Yes
33	LAFAYETTE		MOON	CT	ASBESTOS CEMENT	6.00	1956	1,800	9/6/2016	9/7/2016	Yes
34	LAFAYETTE		MT DIABLO	BL	CAST IRON	6.00	1940	900	9/16/2016	9/16/2016	Yes
35	LAFAYETTE		NEMEA	LN	STEEL	12.00	2008	0	5/24/2016	9/14/2016	No
36	LAFAYETTE		OAK HILL	RD	ASBESTOS CEMENT	6.00	1963	4,500	9/23/2016	9/23/2016	Yes
37	LAFAYETTE		SHANGRI LA	RD	CAST IRON	6.00	1941	450	9/16/2016	9/16/2016	Yes
38	LAFAYETTE		VIA ROBLE		CAST IRON	8.00	1957	8,640	9/6/2016	9/8/2016	Yes
39	MORAGA		DANEFIELD	PL	ASBESTOS CEMENT	6.00	1964	4,320	9/4/2016	9/6/2016	Yes
40	MORAGA		PASEO BERNAL		ASBESTOS CEMENT	6.00	1974	46,080	9/26/2016	9/29/2016	Yes
41	OAKLAND		11TH	ST	CAST IRON	4.00	1894	720	9/10/2016	9/10/2016	Yes
42	OAKLAND	E	12TH	ST	CAST IRON	6.00	2015	450	9/3/2016	9/3/2016	Yes
43	OAKLAND		13TH	AVE	CAST IRON	6.00	1908	4,500	9/13/2016	9/13/2016	Yes
44	OAKLAND	E	22ND	ST	STEEL	6.00	1957	21,600	8/24/2016	9/7/2016	No
45	OAKLAND		23RD	AVE	CAST IRON	6.00	1939	4,320	9/2/2016	9/2/2016	Yes
46	OAKLAND	E	25TH	ST	CAST IRON	4.00	1933	1,350	9/24/2016	9/25/2016	Yes
47	OAKLAND		40TH	ST	ASBESTOS CEMENT	6.00	1958	9,000	9/10/2016	9/10/2016	Yes
48	OAKLAND		63RD	AVE	CAST IRON	6.00	2015	5,760	8/29/2016	9/1/2016	Yes

	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?
49	OAKLAND		63RD	AVE	CAST IRON	6.00	1940	0	9/13/2016	9/19/2016	Yes
50	OAKLAND		67TH	ST	CAST IRON	6.00	1927	1,440	9/23/2016	9/23/2016	Yes
51	OAKLAND		AILEEN	ST	CAST IRON	6.00	1930	4,320	9/10/2016	9/12/2016	Yes
52	OAKLAND		ARDEN	PL	CAST IRON	4.00	1927	44,640	8/22/2016	9/21/2016	No
53	OAKLAND		BEAU FOREST	DR	CAST IRON	6.00	1953	2,700	9/1/2016	9/1/2016	Yes
54	OAKLAND		BEAU FOREST	DR	CAST IRON	6.00	1953	9,000	9/13/2016	9/13/2016	Yes
55	OAKLAND		COURTLAND	AVE	CAST IRON	6.00	1942	900	9/20/2016	9/20/2016	Yes
56	OAKLAND		GARDEN	ST	CAST IRON	6.00	1929	9,000	9/24/2016	9/24/2016	Yes
57	OAKLAND		GEORGIA	ST	CAST IRON	6.00	1939	7,200	9/9/2016	9/13/2016	Yes
58	OAKLAND		GLENCOURT	DR	STEEL	6.00	1959	2,250	9/4/2016	9/5/2016	Yes
59	OAKLAND		GREENLY	DR	CAST IRON	8.00	1946	450	9/16/2016	9/16/2016	Yes
60	OAKLAND		HYDE	ST	CAST IRON	6.00	1935	2,700	9/28/2016	9/28/2016	Yes
61	OAKLAND		INTERNATIONAL	BL	CAST IRON	4.00	2015	0	9/17/2016	9/17/2016	Yes
62	OAKLAND		INTERNATIONAL	BL	ASBESTOS CEMENT	8.00	1960	5,400	9/27/2016	9/28/2016	Yes
63	OAKLAND		MIDCREST	RD	CAST IRON	6.00	1928	6,300	9/8/2016	9/8/2016	Yes
64	OAKLAND		MIDVALE	AVE	CAST IRON	6.00	1937	4,500	9/24/2016	9/25/2016	Yes
65	OAKLAND		MIRASOL	AVE	CAST IRON	4.00	1937	0	9/15/2016	9/16/2016	Yes
66	OAKLAND		THORNHILL	DR	CAST IRON	8.00	1933	17,280	9/19/2016	9/30/2016	No
67	OAKLAND		WEST	ST	CAST IRON	6.00	1936	2,250	9/22/2016	9/22/2016	Yes
68	ORINDA		CEDAR	LN	ASBESTOS CEMENT	6.00	1961	9,000	9/12/2016	9/12/2016	Yes
69	ORINDA		DOLORES	WAY	CAST IRON	6.00	1952	20,160	9/13/2016	9/19/2016	Yes
70	ORINDA		ESTATES	DR	CAST IRON	4.00	1939	17,280	9/26/2016	9/29/2016	Yes
71	ORINDA		HALL	DR	CAST IRON	8.00	1949	8,640	9/23/2016	9/28/2016	Yes
72	ORINDA		MINER	RD	CAST IRON	6.00	1937	0	9/13/2016	9/13/2016	Yes
73	ORINDA		MINER	RD	CAST IRON	6.00	1937	14,400	9/19/2016	9/20/2016	Yes
74	ORINDA		MIRA LOMA		CAST IRON	4.00	1934	4,050	9/26/2016	9/27/2016	Yes

	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On	KPI Met?
75	ORINDA		MORAGA VIA		CAST IRON	6.00	1945	5,760	9/22/2016	9/23/2016	Yes
76	ORINDA		ORCHARD	RD	CAST IRON	6.00	1938	0	8/31/2016	9/14/2016	Yes
77	ORINDA		ORCHARD	RD	CAST IRON	6.00	1938	450	9/10/2016	9/10/2016	Yes
78	ORINDA		RUSTIC	WAY	CAST IRON	6.00	1945	8,640	9/26/2016	9/27/2016	Yes
79	PIEDMONT		CRAIG	AVE	CAST IRON	6.00	1935	1,440	9/1/2016	9/1/2016	Yes
80	PLEASANT HILL		JOHNS	CT	CAST IRON	2.00	1947	3,600	9/20/2016	9/20/2016	Yes
81	RICHMOND	N	ARLINGTON	BL	STEEL	6.00	1959	450	9/19/2016	9/20/2016	Yes
82	RICHMOND	N	ARLINGTON	BL	STEEL	6.00	1959	0	9/21/2016	9/21/2016	Yes
83	RICHMOND		JUDITH	CT	CAST IRON	4.00	1950	11,520	9/12/2016	9/19/2016	Yes
84	RICHMOND		MCLAUGHLIN	ST	CAST IRON	4.00	1933	17,280	9/25/2016	9/28/2016	Yes
85	RICHMOND		THOMAS	DR	ASBESTOS CEMENT	4.00	1950	30,240	9/20/2016	9/26/2016	Yes
86	RICHMOND		WESLEY	WAY	CAST IRON	6.00	1951	5,760	9/19/2016	9/22/2016	Yes
87	RODEO		PINOLE	AVE	CAST IRON	4.00	1946	1,350	9/21/2016	9/21/2016	Yes
88	SAN LEANDRO		VERA	AVE	CAST IRON	4.00	1947	0	9/6/2016	9/12/2016	Yes
89	SAN RAMON		PRENTISS	PL	ASBESTOS CEMENT	6.00	1968	1,350	9/14/2016	9/14/2016	Yes
90	SAN RAMON		ST DENIS	CT	ASBESTOS CEMENT	6.00	1977	11,520	9/24/2016	9/27/2016	Yes
91	WALNUT CREEK		CELESTE	AVE	ASBESTOS CEMENT	6.00	1961	2,700	9/7/2016	9/7/2016	Yes
92	WALNUT CREEK		RODRIGUES	LN	ASBESTOS CEMENT	6.00	1985	2,250	9/4/2016	9/4/2016	Yes
93	WALNUT CREEK		YOUNGS	CT	ASBESTOS CEMENT	6.00	1961	900	9/23/2016	9/23/2016	Yes
TOTAL								627,390			



EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: October 6, 2016

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Rischa S. Cole, Acting Secretary of the District *RC*

SUBJECT: Finance/Administration Committee Minutes – September 27, 2016

Chair John A. Coleman called to order the Finance/Administration Committee meeting in the Training Resource Center at 10:00 a.m. Director William B. Patterson arrived at 10:04 a.m. and Director Andy Katz arrived at 10:13 a.m. Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Finance Sophia D. Skoda, Treasury Manager Dari Barzel, Controller D. Scott Klein, Manager of Budget Jeanne M. Chase, Principal Management Analyst David A. Mercado, Special Assistant to the General Manager Alison A. Kastama, and Acting Secretary of the District Rischa S. Cole.

Public Comment. None.

Financial Review of Fiscal Year 2016. Controller D. Scott Klein reported that the District's external auditors had completed the annual financial audit for Fiscal Year 2016. The District's outside auditor, Maze & Associates reported that for the year ending June 30, 2016, the auditors found no deficiencies or material weaknesses in District operations, no irregularities in reporting and no need for significant adjustments. He noted that the District implemented Government Accounting Standards Board Statement No. 72 – Fair Value Measurement and Application during this period which requires disclosure of the techniques used to value cash and investments. The new feature provides enhanced transparency for users of the District's annual audited financial statements.

Next, Manager of Budget Jeanne M. Chase reported that the Water and Wastewater Systems ended Fiscal Year 2016 with a net positive budget variance. Actual year-end revenues and expense savings were stronger than forecasted which eliminated the need to draw down the rate stabilization fund to maintain the District's policy level for debt coverage. Mr. Klein reported that the overall financial condition of the Water and Wastewater Systems continue to be sound, with stable revenue bases and rates that compare favorably to other local agencies. Both systems met or exceeded cash reserves and debt management target goals. Mr. Klein presented an overview of the changes to the financial reporting of pension liability. He said that the calculations are for financial reporting purposes only and are not a measurement of financial performance. The Retirement System funded percentage was 72 percent in 2015.

The Committee requested information on the potential to generate additional revenue from lab services and projections on the potential costs to lower the Retirement System assumed rate of return from the current rate of 7.5 percent.

FY16 Key Performance Indicators (KPI) Report. Principal Management Analyst David A. Mercado reported that for FY16, the District either met or was on track to meet 87 percent of its KPIs where targets were set. In FY16, a total of eight targets were not met. These unmet targets were for pipeline breaks; wastewater odor complaints; wastewater rates; internal audits completed; asset maintenance activities recorded for analysis; interceptor assets repaired; unplanned water service interruptions; and completed drafts/updates for 2-3 event-specific emergency communication plans.

FY17 Insurance Summary. Risk Manager Karen K. Curry reported that the District's insurance policies have been renewed for the new fiscal year. The overall cost of insurance in FY17 decreased over FY16, from \$1,506,638 to \$1,470,065. This is a \$36,573 or 2.4 percent total combined annual decrease for all lines of insurance currently carried by the District. The District's insurance program continues to be focused on providing cost-effective and broad coverage for large catastrophic losses while covering smaller losses through self-insurance and high deductibles. Staff was able to negotiate favorable rates, despite an increase in exposure (property values), resulting in a slight reduction in overall premiums.

Statewide Community Infrastructure Program (SCIP). Treasury Manager Dari Barzel provided an overview of the SCIP structure, discussed the program benefits and challenges and staff's recommendations. The SCIP allows developers to finance eligible development fees with tax-exempt bonds involving the District in the financing structure. The bonds are repaid from annual assessments on the ultimate property owners. The SCIP financing mechanism has only been used once by the District in 2007 when the program financed fees totaling \$295,000 for a housing development in Hercules. In March 2016, the District received an application to finance \$2.8 million in fees for the Muir Point project in Hercules. Staff's recommendation is to accept the current application and follow strict requirements to ensure the SCIP financing does not adversely affect District debt service coverage, financing flexibility, and tax compliance. In light of the challenges posed by continued participation and limited demand to date, staff also recommends that the District formally withdraw from the program and decline to accept additional applicants. There was discussion regarding the recommendation to withdraw from the program. The Committee requested additional information on how other entities participate in the program before approving staff's recommendation to end the District's participation.

Proposed Fiscal Year 2017 Financing Plan. Due to time constraints, the Committee agreed to have this item presented at the Board meeting in the afternoon.

Adjournment. Chair Coleman adjourned the meeting at 11:03 a.m.

ARC/RSC