



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

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA
Tuesday, August 11, 2015**

**REGULAR CLOSED SESSION
11:00 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. *Walnut Creek Associates 5, Inc. dba Acura of Oakland v. East Bay Municipal Utility District*
Alameda County Superior Court, Case No. RG13669775
 - b. *Jimmy Shrader v. East Bay Municipal Utility District*
Alameda County Superior Court, Case No. RG14721576
2. Initiation of litigation pursuant to Government Code section 54956.9(d)(4): one matter.
3. Threat to public services or facilities pursuant to Government Code section 54957:
Conference with Michael J. Wallis, Director of Operations and Maintenance, and Steven G. Frew, Manager of Security and Emergency.

(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 9 recommendations including 3 Resolutions.)

1. Approve the Regular Meeting Minutes of July 28, 2015.
2. File correspondence with the Board.
3. Award a contract to the lowest responsive/responsible bidder Sharper Technology, Inc. in an amount, after the addition of taxes, not to exceed \$197,946 for supplying Check Point firewall equipment and support, beginning on or after August 11, 2015 under Request for Quotation No. 1532.
4. Authorize a direct award contract to Ford Construction in the estimated total amount of \$325,000 for supplying on-site sorting, supply, transport, and placement of gravel and construction of floodplain habitat in the lower Mokelumne River for spawning and rearing habitat enhancement during the period August 17, 2015 through July 1, 2017.
5. Authorize execution of an amendment to the Lease Agreement between EBMUD and Viridis Fuels, LLC to reconfigure the boundaries of the two parcels leased under the Lease Agreement in order to allow for necessary improvements to Engineers Road and adjust monthly compensation under the Lease Agreement to account for the new parcel boundary reconfiguration.
6. Authorize use of the State of California agreements with AT&T, Sprint and Verizon on or after October 1, 2015 to synchronize and provide wireless telephone and wireless broadband Internet service to District devices in an estimated annual amount of \$575,000 through June 30, 2016, with three additional one-year periods for a total cost of \$3,164,000 through June 30, 2019 (includes six percent cumulative increases in years 2, 3 and 4).
7. Authorize an amendment to the Agreement for Employment of Craig S. Spencer as General Counsel effective August 11, 2015. (Resolution)
8. Approve a resolution adopting a plan for implementing a Labor Compliance Program for the Camanche Area Regional Water Supply Plan. (Resolution)
9. Fix the ad valorem tax rate for Special District No.1 (SD-1) to cover debt service, delinquencies, and county administrative fees in the amount of \$3,105,823 on Wastewater System General Obligation Bond Series G for FY16 at a rate of \$0.0034 per \$100 of assessed value for properties located within the service area of SD-1. This represents a decrease of 28% over last year. (Resolution)

DETERMINATION AND DISCUSSION:

10. Legislative Update:
 - Receive Legislative Report No. 08-15 and consider positions on the following bills: AB 723 (Rendon) – Rental Property: Plumbing Fixtures: Replacement; SB 7 (Wolk) Housing: Water Meters: Multiunit Structures; SB 32 (Pavley) California Global Warming Solutions Act of 2006: Emissions Limit; and SB 551 (Wolk) State Water Policy: Water and Energy Efficiency
 - Update on Legislative Issues of Interest to EBMUD
11. General Manager's Report:
 - Drought Operations
 - 2015 Critical Drought Action Plan Update
 - Monthly Report – July 2015

REPORTS AND DIRECTOR COMMENTS:

12. Committee Reports:
 - EBMUD/EBRPD Liaison
 - Sustainability/Energy
 - Finance/Administration
 - Planning
 - Legislative/Human Resources
13. Director Comments.

ADJOURNMENT:

The next Regular Meeting of the Board of Directors will be held at 1:15 p.m. on Tuesday, September 8, 2015 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.

BOARD CALENDAR

Date	Meeting	Time/Location	Topics
Tuesday, August 11	<p>Planning Committee McIntosh {Chair}, Linney, Young</p> <p>Legislative/Human Resources Committee Coleman {Chair}, McIntosh, Patterson</p> <p>Board of Directors</p>	<p>9:15 a.m. Training Resource Center</p> <p>10:30 a.m. Training Resource Center</p> <p>11:00 a.m. 1:15 p.m.</p>	<ul style="list-style-type: none"> • Recycled Water Drought Update • Food Waste Program Update • FY15 Emergency Preparedness and Business Continuity Readiness • Legislative Report • Closed Session • Regular Meeting
Tuesday, August 25	<p>Finance/Administration Committee Patterson {Chair}, Katz, Young</p> <p>Board of Directors</p>	<p>10:00 a.m. Training Resource Center</p> <p>11:00 a.m. 1:15 p.m.</p>	<p>CANCELLED</p> <p>CANCELLED</p>
Monday, September 7	Labor Day Holiday		<ul style="list-style-type: none"> • District Offices Closed
Tuesday, September 8	<p>Planning Committee McIntosh {Chair}, Linney, Young</p> <p>Legislative/Human Resources Committee Coleman {Chair}, McIntosh, Patterson</p> <p>Board of Directors</p>	<p>9:15 a.m. Training Resource Center</p> <p>10:15 a.m. Training Resource Center</p> <p>11:00 a.m. 1:15 p.m.</p>	<ul style="list-style-type: none"> • Closed Session • Regular Meeting
Wednesday, September 9	Admission Day Holiday		<ul style="list-style-type: none"> • District Offices Closed •
Tuesday, September 22	<p>Finance/Administration Committee Patterson {Chair}, Katz, Young</p> <p>Board of Directors</p>	<p>10:00 a.m. Training Resource Center</p> <p>11:00 a.m. 1:15 p.m.</p>	<ul style="list-style-type: none"> • Closed Session • Regular Meeting
Tuesday, October 13	<p>Planning Committee McIntosh {Chair}, Linney, Young</p> <p>Legislative/Human Resources Committee Coleman {Chair}, McIntosh, Patterson</p> <p>Board of Directors</p>		<ul style="list-style-type: none"> • • • Closed Session • Regular Meeting

MINUTES

Tuesday, July 28, 2015

**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 11:08 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 (via teleconference), 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 (Item 1b), and Attorney Derek T. McDonald (Item 1b).

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 8a/b for discussion.

Regular Business Meeting

President Frank Mellon called to order the Regular Business Meeting of the Board of Directors at 1:21 p.m. in the Administration Building Board Room.

ROLL CALL

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

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer and Secretary of the District Lynelle M. Lewis.

BOARD OF DIRECTORS

President Mellon led the Pledge of Allegiance.

ANNOUNCEMENTS FROM CLOSED SESSION

There were no announcements required from closed session.

PUBLIC COMMENT

Addressing the Board were the following persons: 1) Helen Burke, Sierra Club, commended the District on the resolutions to support the San Francisco Bay-Delta Estuary and the Mokelumne Watershed Interregional Sustainability Evaluation Program; 2) Steven Bates expressed concern about the handling of his claim for damage to his home and asked the Board for assistance; 3) Pam Martin expressed concern about the length of time and the handling of the claim for the damage to her home and asked for honest negotiations; and 4) John Wilson commented on leaks detection loggers and urged EBMUD to provide funding to repair the leaks. The Board requested an update on the logger leak issue.

CONSENT CALENDAR

- Motion by Director Coleman, seconded by Director Linney, to approve the recommended actions for Items 1-12 on the Consent Calendar, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Patterson, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (None).
1. **Motion No. 136-15** – Approved the Regular Meeting Minutes of July 14, 2015.
 2. The following correspondence was filed with the Board: 1) Presentation entitled “Drinking Water Program Fees and Consolidation of Agencies,” by Steven Moore, Board Member, State Water Board, dated July 28, 2015; 2) Document entitled “Attachment 1 – Delinquent EBMUD Charges for Transfer to the Alameda County 2015-2016 Property Tax Roll;” 3) Document entitled “Attachment 2 – Delinquent EBMUD Charges for Transfer to the Contra Costa County 2015-2016 Property Tax Roll;” and 4) Presentation entitled “Consideration of Artificial Turf Pilot Study: Follow-Up to Questions Raised at June 23, 2015 Board Meeting,” dated July 28, 2015.
 3. **Motion No. 137-15** – Awarded a contract to the lowest responsive/responsible bidder American Industrial Equipment, LLC, in an amount not to exceed \$536,620 to supply four (4) 1-million gallons per day trailer-mounted, diesel-powered, centrifugal pumps within an acoustic enclosure, under Request for Quotation No. 1503.
 - 4.1. **Motion No. 138-15** – Awarded a contract to the lowest responsive/responsible bidder Pape Machinery, Inc., in the total amount of \$651,275, after the addition of taxes, for supplying five small backhoe loaders for the District Fleet under Request for Quotation No. 1517A.
 - 4.2. **Motion No. 139-15** – Awarded a contract to the lowest responsive/responsible bidder, California Trenchless, Inc., in the amount of \$1,047,400 for construction of Camanche Water Transmission Pipeline under Specification 2093A.

5. **Motion No. 140-15** – Authorized an agreement beginning on or after July 28, 2015 with eight firms – ADS Corporation; Andes Construction, Inc.; Electro Scan Inc.; Infrastructure Engineering Corporation; Pacific General Engineering; Hoffman Southwest Corporation, dba Professional Pipe Services (Pro-Pipe); Santact Inc., dba Roto-Rooter; and V&A Consulting Engineers, Inc. – to develop a roster for performing inflow and infiltration (I/I) investigation of the regional wastewater collection system, as required by the wet weather Consent Decree, for 2 years with three options to renew for an additional 1-year period for a total cost not to exceed \$7,100,000.
6. **Motion No. 141-15** – Authorized a contract with Morais Construction/West Coast Docks in the total amount not to exceed \$134,352 to remove existing exposed Styrofoam flotation under the Pardee Reservoir marina and replace with encapsulated tub flotation.
7. **Motion No. 142-15** – Authorized an agreement beginning on or after August 17, 2015 with Pennsylvania Perlite Corporation in an amount not to exceed \$85,000 for removing, storing, and installing insulation material at Oxygen Production Plant No. 1 at the Main Wastewater Treatment Plant.
8. **Motion No. 143-15** – Authorized an agreement beginning on or after July 28, 2015 with Harvest Power Tulare, LLC in an amount not to exceed \$261,000 for preliminary engineering services for design of food waste processing facilities at the Main Wastewater Treatment Plant.
9. **Motion No. 144-15** – Approved the assignment of the compressor service and parts contract to Ingersoll Rand. This contract was previously awarded to Cameron Compression by Board Motion No. 173-14 on October 28, 2014.
10. **Motion No. 145-15** – Cancelled the August 25, 2015 Closed Session and Regular Meetings of the Board of Directors.
11. **Resolution No. 34045-15** – Proclaiming Support For The San Francisco Bay-Delta Estuary.
12. **Resolution No. 34046-15** – Support Of The Mokelumne Watershed Interregional Sustainability Evaluation Program.

PUBLIC HEARING

13. **Conduct A Public Hearing To Consider Objections And Protests To The General Manager's Report To Transfer Delinquent EBMUD Charges To The 2015-2016 Property Tax Rolls.**

President Mellon opened the public hearing at 1:36 p.m. He announced that the hearing is to consider objections and protests to the General Manager's Report to Transfer Delinquent EBMUD Charges to the 2015-2016 Property Tax Rolls. He noted that staff is available to meet with any customer who is protesting and wants to make a payment arrangement.

President Mellon asked for speakers to come forward. There was no public comment. President Mellon closed the public hearing at 1:37 p.m.

DETERMINATION AND DISCUSSION

14. **Adopt The General Manager's Report And Authorize The General Manager To Exclude From The Report Any Affected Parcels Or Amounts As Appropriate, Including Those That The District Receives Payment For On Or Before The Reports Are Sent To Alameda And Contra Costa Counties' In Electronic Form On August 7, 2015.**

- Motion by Director Linney, seconded by Director Katz, to approve the recommended action for Item 14, carried (7-0) by the following voice vote: AYES (Coleman, Katz, Linney, McIntosh, Young, and Mellon); NOES (None); ABSTAIN (None); ABSENT (Patterson).

Resolution No. 34047-15 – Approving Transfer Of Unpaid Delinquent Charges To Alameda And Contra Costa Counties' 2015-2016 Property Tax Rolls.

15. **Legislative Update.**

State Water Resources Control Board member Steven Moore presented information on the agency's perspective on the Drinking Water Program Fee provisions and Water System Consolidation provisions included in two budget trailer bills, SB 83 and SB 88. He said the fiscal analysis concluded that the current fee structure does not generate sufficient revenue, that federal subsidies are not guaranteed, and that statutory requirements restrict the Water Board's ability to generate revenues to pay costs. The recommendation is to adopt annual fee schedules to conform to revenue levels authorized in the Budget Act. He noted that there is a 5% cap on fee increases. Next, Mr. Moore presented information on consolidation of a public water system, or a state small system within a disadvantaged community, that consistently fails to provide an adequate supply of safe drinking water. He explained the process that will be considered prior to ordering consolidation.

Board members expressed concern that larger water systems will be required to pay more to subsidize smaller water systems, asked for clarification about well owners in the consolidation process, and asked how the District's interest could be advanced in clean up legislation related to consolidation.

Manager of Legislative Affairs Marlaigne K. Dumaine highlighted the recommended positions in Legislative Report No. 07-15. She reported that the report contained updates on AB 142 (Bigelow) Wild and Scenic Rivers: Mokelumne River; SB 88 (Committee on Budget and Fiscal Review) Water; and H.R. 2898 (Valadao) Western Water and American Food Security Act of 2015. The report also recommended a position on H.R. 2983 (Huffman) Drought Recovery and Resilience Act of 2015.

- Motion by Director McIntosh, seconded by Director Linney, to approve the recommended position on H.R. 2983, 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. 146-15 – Received information on AB 142 (Bigelow) Wild and Scenic Rivers, Mokelumne River; SB 88 (Committee on Budget and Fiscal Review) Water; and H.R. 2898 (Valadao) Western Water and American Food Security Act of 2015; and approved a position on the following bill: SUPPORT H.R. 2983 (Huffman) Drought Recovery and Resilience Act of 2015.

The Board urged staff to participate in the process to develop clean up language for SB 83.

16. Water Conservation: Follow-Up To Artificial Turf Discussion At The June 23, 2015 Board Meeting.

Manager of Water Conservation Richard W. Harris presented follow up information in response to questions raised at the June 23, 2015 Board Meeting on the Artificial Turf Pilot Study. He highlighted information on rebate and conservation options, heat island impacts, water quality impacts, environmental and disposal impacts, lifespan of various turf products, recycled materials content, and agencies that don't allow artificial turf. The Board raised no questions.

- Addressing the Board was Peter Rosen who thanked the Board for the Landscape Advisory Committee meeting held on July 27th. He commented that artificial turf conflicts with the mission of the District.
- Motion by Director McIntosh, seconded by Director Young, to not approve rebates for artificial turf installation, 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. 147-15 – Withdrew consideration of a rebate for artificial turf installation as part of the Water Conservation Landscape Rebate Program.

17. General Manager's Report.

General Manager Coate reported that a memorandum providing an update on recent activities related to the 2015 Critical Drought Action Plan was included in the Board's packet. The Board raised no questions.

REPORTS AND DIRECTOR COMMENTS

18. Committee Reports.

- Filed with the Board were the meeting Minutes of the July 14, 2015 Planning Committee and the Legislative/Human Resources Committee.

19. Director Comments.

- Director Coleman reported attending/participating in the following events: ACWA Water Transfer Group meeting on July 17 in Sacramento; East Bay Leadership Council meeting on July 17 in Walnut Creek; and EBMUD Landscape Advisory Committee meeting on July 27 in Oakland. He reported on plans to attend/participate in the following upcoming events: ACWA Executive Committee teleconference meeting on July 29 in Oakland; ACWA Board of Directors Workshop meeting on July 30 in Sacramento; ACWA Executive Committee teleconference meeting on July 31 in Sacramento; and ACWA Board of Directors meeting on July 31 in Sacramento.
- Director Katz had no report.
- Director Linney reported attending the San Ramon Valley Democratic Club on July 23 in San Ramon and plans to participate in his Ward 5 Briefing on water supply on July 29 in Oakland.
- Director McIntosh had no report.
- Director Patterson reported attending/participating in the following events: Oakland Urban League Board of Directors meeting on July 20 in Oakland; Black Elected Officials meeting on July 22 in Oakland; Peralta Colleges Foundation meeting on July 22 in Oakland; and the 100-Year Celebration of McClymonds High School on July 24-25 in Oakland. He also reported that he was invited to the 2015 St. Louis Cardinals Hall of Fame Induction Ceremony on August 15, 2015 in St. Louis, MO. The organization will enshrine former local baseball player Curt Flood.
- Director Young had no report.
- President Mellon reported attending/participating in the following events: Hayward Area Recreation District Foundation on July 15 in Hayward; EBMUD Retirement Board meeting on July 16 in Oakland; funeral for Ken Parker, long time Scout Leader on July 17; and the EBMUD Landscape Advisory Committee meeting on July 27 in Oakland.

ADJOURNMENT

President Mellon adjourned the meeting at 2:53 p.m.

SUBMITTED BY:

Lynelle M. Lewis, Secretary of the District

APPROVED: August 11, 2015

Frank Mellon, President of the Board

W:\Minutes\Minutes 2015\072815_regular_minutes.docx



AGENDA NO.
MEETING DATE

3.
August 11, 2015

TITLE CHECK POINT FIREWALL EQUIPMENT AND SUPPORT

MOTION _____ RESOLUTION _____ ORDINANCE _____

RECOMMENDED ACTION

Award a contract to the lowest responsive/responsible bidder Sharper Technology, Inc. in an amount, after the addition of taxes, not to exceed \$197,946 for supplying Check Point firewall equipment and support, beginning on or after August 11, 2015 under Request for Quotation (RFQ) No. 1532.

SUMMARY

The District relies on firewall technology to help protect the District's information resources and control system infrastructure. This purchase is for 30 new firewall appliances, related training, and support.

DISCUSSION

Most of the District's firewall infrastructure is at or approaching end of life and needs to be replaced to maintain a secure connection to the Internet, securely isolate internal networks, and protect against increasing and evolving threats. An evaluation of firewall technology was conducted to determine the product that best fits the needs of the District and the Check Point solution was selected.

SERVICE PROVIDER SELECTION

Requests for quotations were sent to three resource organizations and to 305 potential proposers and posted on the District's website. A total of two bids were received.

CONTRACT EQUITY PROGRAM EFFORTS

The completed P-035 and P-061 forms are attached.

FISCAL IMPACT

Funds are available for this purchase in the FY16 operating budget.

Funds Available: FY16		Budget Code: WSO/252/1013973/8523
DEPARTMENT SUBMITTING <u>Information Systems</u>	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.

ALTERNATIVES

Reject the bid and rebid the contract. This alternative is not recommended because the District engaged in a fair and competitive bid process and obtained a bid that contains reasonable pricing. Rebidding the contract will also increase administrative costs.

Do not acquire Check Point firewall equipment and support. This alternative is not recommended because the District needs to update the existing firewall equipment that is at end of life and to improve the ability to protect the District's information resources.

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 QUOTATION NO.: 1532 Check Point Firewall Equipment and Support						DATE: July 23, 2015						
CONTRACTOR:				PERCENTAGE OF CONTRACT DOLLARS								
Sharper Technology, Inc. Sacramento, CA				Availability Group			Contracting Objectives		Participation			
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP		White Men			25%		100.0%			
\$197,946		Ethnicity	Gender	White Women			2%		0.0%			
		White	Men	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
<i>PRIME:</i> Sharper Technology, Inc.		\$197,946	White	X		100.0%	--	--	--	--	--	--
<i>SUBS:</i> None						--	--	--	--	--	--	--
TOTAL		\$197,946				100.0%	0.0%	0.0%	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:			9		0		0		9			
Percent of Total Employees:			100.0%		0.0%		0.0%					
MSA Labor Market %:			39.0%		33.7%		27.2%					
MSA Labor Market Location:			Total USA									
COMMENTS												
Contract Equity Participation - 100% White Men 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: Check Point Firewall Equipment and Support		Ethnic Minority Percentages From U.S. Census Data							
		B	H	A/PI	AI/AN	TOTAL			
Quotation #: 1532		DATE: 7/23/2015	National		10.5	10.7	3.7	0.7	27.3
R=Recomm P=Prime S=Sub		Composition of Ownership	9 Bay Area Counties		5.5	16.2	14.2	0.4	39.9
Company Name, Owner/Contact Person, Address, and Phone Number			Alameda/CC Counties		10.7	15.6	15.4	0.5	46.2
		Number of Ethnic Minority Employees							
			B	H	A/PI	AI/AN	TOTAL	PERCENT	MSA %
RP	WM	Company Wide	-	-	-	-	0	0.0%	39.9%
Sharper Technology, Inc. Ronald Steffen 1032 Elwell Court, Ste #110 Palo Alto, CA 94303 650-964-4617		Manager/Prof	-	-	-	-	0	0.0%	
		Technical/Sales	-	-	-	-	0	0.0%	
		Clerical/Skilled	-	-	-	-	0	0.0%	
		Semi/Unskilled	-	-	-	-	-	NA	
		Bay Area	-	-	-	-	0	0.0%	
		AA Plan on File:	NA		Date of last contract with District:		8/1/2015		
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		9 Bay Area: 4		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:		
P	EMM: A/PI - L/SBE	Company Wide	-	2	9	-	11	64.7%	53.9%
Saitech, Inc. Ernesto Juarez 42640 Christy St Fremont, CA 94538 510-440-0256		Manager/Prof	-	1	3	-	4	100.0%	
		Technical/Sales	-	-	2	-	2	40.0%	
		Clerical/Skilled	-	-	-	-	0	0.0%	
		Semi/Unskilled	-	1	4	-	5	83.3%	
		Bay Area	-	2	-	-	2	11.8%	
		Co. Wide MSA:	Alameda		# Employees-Co. Wide:		17 Bay Area: 17		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:		
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:			# Employees-Co. Wide:		Bay Area:		

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. _____

4.

MEETING DATE August 11, 2015

TITLE MOKELUMNE RIVER SPAWNING GRAVEL PURCHASE AND PLACEMENT

MOTION _____ RESOLUTION _____ ORDINANCE _____

RECOMMENDED ACTION

Authorize a direct award contract to Ford Construction in the estimated total amount of \$325,000 for supplying on-site sorting, supply, transport, and placement of gravel and construction of floodplain habitat in the lower Mokelumne River for spawning and rearing habitat enhancement during the period August 17, 2015 through July 1, 2017.

DISCUSSION

The Joint Settlement Agreement for the District's Lower Mokelumne River Project requires habitat improvement in the lower Mokelumne River ecosystem, including spawning gravel placement and rearing habitat enhancement. Combined funding from the US Fish and Wildlife Service (USFWS) and EBMUD will fund the purchase, sorting, transport, and placement of approximately 10,000 cubic yards of appropriately-sized washed river rock from the lower Mokelumne River basin and the construction of floodplain habitat over the two year period.

A major limiting factor for Mokelumne River anadromous fish populations is the lack of an adequate amount of spawning gravel. Natural gravel recruitment ended when Camanche Dam was constructed in 1964. The gravel replenishment program established by the District in 1990 has played a critical role in the successful rebuilding of the Mokelumne River Chinook salmon populations. This project will continue the gravel refurbishment in the spawning areas downstream of the dam. Work is funded 75 percent by the USFWS Anadromous Fish Restoration Program and 25 percent by EBMUD. EBMUD manages all restoration work under this project.

VENDOR SELECTION

Ford Construction, Inc., a local vendor that has been used in previous years for gravel placement, was selected for this contract for the gravel placement and floodplain construction due to the requirement of this project for experience in operating equipment in a river channel, compliance with environmental requirements and the availability of a portable gravel sorter used for floodplain construction. Staff

Funds Available FY16		Budget Code: 1010084-5311; 2010151-5312	
DEPARTMENT SUBMITTING Water and Natural Resources	DEPARTMENT MANAGER or DIRECTOR <i>Richard G. Sykes</i> Richard G. Sykes	APPROVED <i>Alexander Riley</i> General Manager	

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

searched for potential qualified firms for this work from the Sacramento River Watershed to the Tuolumne River Watershed and Ford Construction is the only local vendor that meets those criteria.

CONTRACT EQUITY PROGRAM EFFORTS

The completed P-035 and P-061 forms are attached.

FISCAL IMPACT

Funds for the District's share of this project are included in the FY16/17 operating budget.

UNION NOTIFICATION

Local 444 was notified on June 24, 2015 of this work and did not raise any specific issues related to this contract.

CEQA/ENVIRONMENTAL COMPLIANCE

A mitigated negative declaration for this project was certified by the Board on August 12, 2014.

ALTERNATIVES

Do not implement the project. This alternative is not recommended because this on-going habitat restoration program is specifically identified in the Mokelumne River Joint Settlement Agreement as a high priority restoration action. Research has demonstrated the immediate benefits of the program to spawning Chinook salmon and steelhead trout in the lower Mokelumne River.

Conduct the work with District forces. This alternative is not recommended because the work is short-term in nature, District forces are not available to conduct the work, and District forces do not have the specific expertise and equipment that the sole source vendor has.

Attachments

- P-035 – Contract Equity 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 General Services Agreement Mokelumne River Spawning Gravel Purchase and Placement	DATE: July 21, 2015
---	-------------------------------

CONTRACTOR:	PERCENTAGE OF CONTRACT DOLLARS				
Ford Construction Company Lodi, CA	Direct Award/ Local	Availability Group	Contracting Objectives	Participation	
BID/PROPOSER'S PRICE:	FIRM'S OWNERSHIP		White Men	25%	84.8%
	Ethnicity	Gender	White Women	6%	0.0%
\$325,000	White	Men	Ethnic Minorities	25%	15.2%

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:											
Ford Construction Company	\$225,870	White	X		69.5%	---	---	---	---	---	---
SUBS:											
Hanson Aggregates, LLC	\$49,680	White	X		15.3%	---	---	---	---	---	---
Paul E. Vaz Trucking, Inc.	\$49,450	Hispanic	X		---	---	15.2%	---	---	---	---
TOTAL	\$325,000				84.8%	0.0%	15.2%	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:	33	2	14	49
Percent of Total Employees:	67.3%	4.1%	28.6%	
MSA Labor Market %:	28.1%	24.5%	47.4%	
MSA Labor Market Location:	Stockton-Lodi			

COMMENTS

Contract Equity Participation - 84.8% White Men participation and 15.2% 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:		Ethnic Minority Percentages From U.S. Census Data							
		B	H	A/PI	AI/AN	TOTAL			
Mokelumne River Spawning Gravel Purchase and Placement		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		
General Services Agreement		DATE:							
			Number of Ethnic Minority Employees						
R=Recomm 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	WM - LBE	Company Wide	1	8	-	4	13	26.5%	47.4%
Ford Construction Company Nicholas Jones 300 W. Pine St Lodi, CA 95240 209-333-1116		Manager/Prof	-	2	-	-	2	28.6%	
		Technical/Sales	-	1	-	2	3	50.0%	
		Clerical/Skilled	1	5	-	2	8	22.2%	
		Semi/Unskilled	-	-	-	-	-	NA	
		Bay Area	-	-	-	-	0	0.0%	39.9%
		AA Plan on File:	NA		Date of last contract with District:		7/17/2013		
		Co. Wide MSA:	Stockton-Lodi		# Employees-Co. Wide:		49 Bay Area: 49		
S	WM - LBE	Company Wide	Information not Provided						
Hanson Aggregates, LLC 12523 N. Hwy 59 Merced, CA 95348 209-563-6907		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:				
S	EMM:H - LBE	Company Wide	Information not Provided						
Paul E. Vaz Trucking, Inc. Paul Vaz 4740 E. Peltier Rd Acampo, CA 95220 209-334-9001		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:				
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:				
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:				
		Company Wide							
		Manager/Prof							
		Technical/Sales							
		Clerical/Skilled							
		Semi/Unskilled							
		Bay Area							
		Co. Wide MSA:	# Employees-Co. Wide:		Bay Area:				

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. 5.
 MEETING DATE August 11, 2015

TITLE VIRIDIS FUELS LEASE AMENDMENT

MOTION _____ RESOLUTION _____ ORDINANCE _____

RECOMMENDATION ACTION

Authorize execution of an amendment to the Lease Agreement between EBMUD and Viridis Fuels, LLC to reconfigure the boundaries of the two parcels leased under the Lease Agreement in order to allow for necessary improvements to Engineers Road and adjust monthly compensation under the Lease Agreement to account for the new parcel boundary reconfiguration.

SUMMARY

The District entered into a Lease Agreement with Viridis Fuels ("Viridis") on October 27, 2011, which provided for the leasing of Parcel "A" - three acres, for twenty-five years, and Parcel "B" - three acres, for five years. The Lease Agreement with Viridis was amended on September 20, 2013, December 16, 2013 and August 12, 2014, to reflect deferral of the commencement dates and the start of rental payments. On July 19, 2012, the District entered into a Memorandum of Agreement (MOA) with the City of Oakland and CCIG Oakland Global, LLC to address the City's planned realignment of Wake Avenue as part of the City's Oakland Army Base Redevelopment Project. The MOA mandated improvements to Engineers Road to provide access to the Main Wastewater Treatment Plant (MWWTP) following the realignment of Wake Avenue.

These improvements include the construction of a rail crossing. In order to construct the rail crossing to provide a safe turning radius for trucks entering and exiting Engineers Road, the District notified Viridis of its need to acquire four-tenths (0.4) of an acre from the southern portion of the leased property to Viridis under Parcel "B". Viridis asserted that reducing its leasehold interest by 0.4 acre would increase the costs of its project, including the redesign and related engineering work for the project site, legal fees, additional required site improvements, staff time, implementation delays and an impact on funding. Staff held several meetings with Viridis to work out a resolution. The District has agreed to compensate Viridis for claimed impacts to their project through a Fourth Amendment to Lease Agreement (MLP-213), as set forth below.

Funds Available: FY16		Budget Code:
DEPARTMENT SUBMITTING	DEPARTMENT MANAGER or DIRECTOR	APPROVED
Customer and Community Svcs.	<i>Sherri A. Hong</i> Sherri A. Hong	<i>Melvin R. Cunniff</i> General Manager

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

DISCUSSION

The Lease Amendment expands Parcel "A" from three acres to four. This additional acre will now be included in the twenty-five year term of Parcel A, with two options to extend. The remaining two acres in Parcel "B" will revert to the District. The Lease Amendment contains the following key provisions:

- Parcel "A" expands from 130,680 square feet (sf) to 174,240 sf at the rate of \$0.14 per sf/month for a total monthly rental amount of \$24,393.60.
- Viridis receives a one-time credit of \$155,509.20. This amount represents Viridis' past rental payments to the District for Parcel "B" paid through July 1, 2015.
- Viridis receives a temporary credit of \$215,000. This amount represents Viridis' past payment to the District for the cost of buildings demolition as set forth in the Third amendment to the Lease Agreement dated August 12, 2014. Viridis is obligated to repay the entire \$215,000 credit amount to the District prior to the commencement of construction.
- The one-time credit of \$155,509.20 will be applied to all future monthly payments owed by Viridis to the District on or after August 1, 2015. Upon exhaustion of the credit, the \$215,000 temporary credit shall be applied to all future monthly payments due to the District until such time as the temporary credit is exhausted or paid prior to the commencement of construction.
- Viridis acquires the right to sublease the leased premises (Parcel "A") for a one time term not to exceed 12 months.
- Lease Agreement Paragraph 4(d) is modified to allow for market rate rent adjustment for each extended five-year term to either increase or decrease by up to 15 percent based on the market rent of other ground leases in the area.
- Viridis acquires the right to demolish building 1070, which is part of Parcel "A", at its own costs, including any costs associated with the removal and disposal of hazardous materials.
- The District shall provide to Viridis a nonexclusive easement or equivalent for the right to construct and maintain a rail crossing across Engineers Road.
- Viridis' additional value payment for Parcel "A" is established at \$260,000 annually, payable in equal monthly installments of \$21,666.67, beginning on the operation date as set forth in the Lease Agreement. The monthly additional value payments are subject to the same credit provisions as the monthly rent.
- Viridis has the right to lease from the District up to an additional 1.5 acre "Staging Parcel" for construction and staging, subject to terms and conditions which include 90 days' advance notice. The Staging Parcel will be leased no later than July 1, 2016, the duration of the lease shall not exceed 12 months, and the rental rate is established at \$0.17 per sf/month.
- The District will coordinate with Viridis for the provision of utility services in a manner consistent with the District's regulations and schedule of rates and charges, which require application and advanced payment in full for the service(s).

- The District will provide property rights, such as easements or license agreements, required by gas and water service providers in a manner that reasonably allows such service without interfering with the District's rights to utilize Engineers Road or its MWWTP.
- Viridis releases and discharges the District from any and all claims, demands, damages, liabilities, causes of action or actions, costs and expenses, in law or in equity, whether known or unknown, that it may have concerning any impacts to rail access and Viridis' Project caused by the District's planned improvements to Engineers Road and the adjustments to the boundaries of Parcels "A" and "B" as set forth in the Lease Amendment.

FISCAL IMPACT

The lease amendment will result in a loss of \$155,509.20 in rent paid by Viridis to date due to the compensatory credit to be granted to Viridis. However, upon expiration of the credit it will increase monthly revenue for Parcel A from rent and added value payments from \$38,295.20 to \$46,060.27. There will be an overall reduction of approximately \$200,000 per year in rent due to the return of two acres from Parcel "B" to the District. The lease amendment will also provide up to \$133,293.60 in income for the one-year lease of up to 1.5 acres of land to Viridis for a project staging area.

CEQA

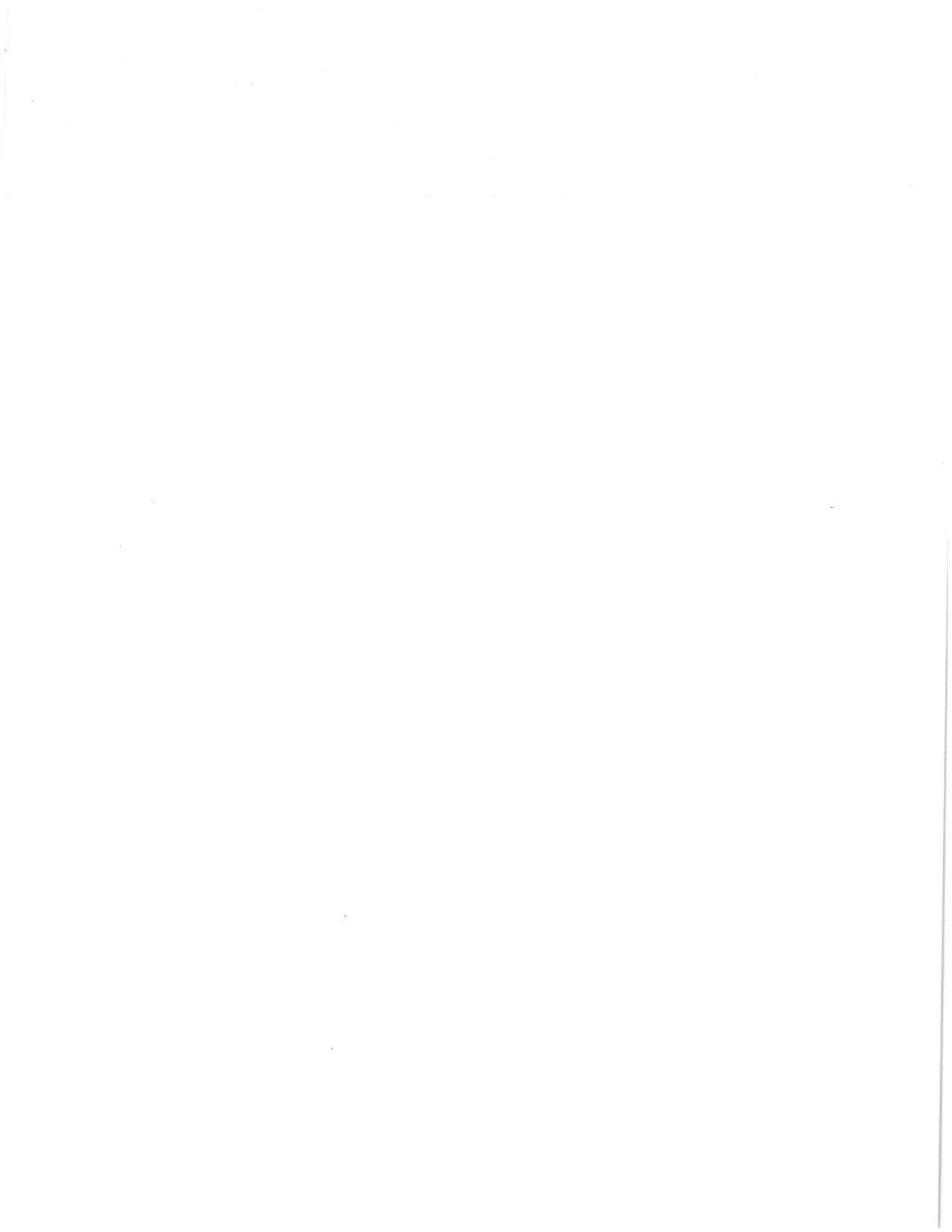
The District finalized and certified the Environmental Impact Report for the MWWTP Land Use Master Plan (EIR), in accordance with the California Environmental Quality Act, on June 28, 2011. The EIR analyzes the impact of the biodiesel processing facility included in the Lease Agreement. Environmental documentation for a glycerin refining facility was not included in the EIR and may require an addendum to the EIR or a supplemental EIR, which would be conducted at Viridis' sole expense.

ALTERNATIVES

Delay action. This alternative is not recommended because the proposed Lease Amendment brings value to the District and the District requires the 0.4 acre of Parcel B in order to commence construction of the Engineers Road improvements.

Do not enter into an agreement. This alternative is not recommended because the inability to construct the Engineers Road improvements will cause the District to be in breach of its agreement with the City of Oakland and could result in a loss of access to the District's Main Wastewater Treatment Plant.

Attachment



FOURTH AMENDMENT TO LEASE AGREEMENT (MLP-213)

THIS AMENDMENT TO LEASE AGREEMENT is made and entered into this ____ day of July, 2015 by and between EAST BAY MUNICIPAL UTILITY DISTRICT, a public corporation of the State of California, ("Lessor") and VIRIDIS FUELS, LLC ("Lessee"), collectively referred to in this Amendment as "the Parties."

RECITALS

1. The Parties have entered into a Lease Agreement dated October 27, 2011, which provided for the lease, under specific terms and conditions, by Lessor to Lessee of that certain real property ("the original Leased Property") as shown and described in Exhibit "A" and Exhibit "B" of the Lease Agreement.
2. The Lease Agreement was amended on September 20, 2013, December 16, 2013 and August 12, 2014.
3. Under the Lease Agreement, the original Leased Property consisted of "Parcel A" (three acres, or 130,680 square feet), to be leased for a period of twenty-five (25) years and "Parcel B" (three acres, or 130,680 feet), to be leased for a period of five (5) years.
4. On July 19, 2012, Lessor entered into Memorandum of Agreement with the City of Oakland and CCIG Oakland Global, LLC in relation to the City's planned realignment of Wake Avenue as part of the City's Oakland Army Base Redevelopment Project. The realignment of Wake Avenue would result in the loss of access to Lessor's Main Wastewater Treatment Plant ("MWWTP") and the original Leased Property.
5. In order to mitigate this loss of access, under the Memorandum of Agreement the City has agreed to compensate Lessor for improvements to Engineers Road that will allow Engineers Road to safely connect to the newly-realigned Wake Avenue. These improvements will include a crossing of the railroad tracks located along the southern edge of Engineers Road. The crossing has been designed in the only feasible way that will provide a safe turning radius for trucks entering and exiting Engineers Road.
6. In order to construct the rail crossing as designed, Lessor has notified Lessee that Lessor will require a four-tenths (0.4) acre portion of the southern part of Parcel B on which to construct improvements to Engineers Road.
7. Lessee has informed Lessor that while Lessee can accommodate the necessary .4 acre reduction in the size of Engineers Road, the reconfiguration of Parcels A and B required for the improvements to Engineers Road have resulted in increased costs for Lessee's project, including, but not limited to, costs for the redesign and related engineering work for the project site, legal fees, additional required site improvements, additional Lessee staff time, and project implementation delays and resulting impacts on funding.
8. Without admitting liability for any increased costs incurred by Lessee, Lessor has agreed to compensate Lessee for all claimed impacts to Lessee's project through mutually agreed upon modifications to the Lease Agreement, as set forth below in this Fourth Lease

Amendment. The Parties intend this Lease Amendment to be a "global settlement" of all issues and costs associated with Lessor's Engineers Road improvement project and its required reconfiguration of Parcel B of the original Leased Property.

9. The Parties therefore agree to further amend the Lease Agreement as follows:

LEASE AMENDMENT TERMS

PARCEL BOUNDARIES

Parcel A is expanded from 3.0 acres (130,680 square feet) to 4.0 acres (174,240 square feet). The boundaries of Parcel A are substantially as shown on the exhibit attached as "Temporary Exhibit A." Upon execution of this Lease Amendment, Lessor shall prepare a new "Exhibit A" for this Lease Amendment consisting of a metes and bounds description and drawing of the new Parcel A, as agreed-upon by the Parties. Once completed and approved by both Parties, the new Exhibit A shall replace the "Temporary Exhibit A."

Lessee relinquishes all rights to the remainder of Parcel B to Lessor, and the Lease Agreement is terminated as to Parcel B upon execution of this Lease Amendment.

RENT

The monthly rental amount for Parcel A shall be a Base Rent of \$24,393.60 (\$0.14 per square foot x 174,240 square feet). The first payment of this new monthly rental amount shall be due and payable on or before August 1, 2015, subject to the payment credits set forth below.

ADDITIONAL VALUE PAYMENT

Lessee shall pay to Lessor the annual sum of \$260,000 for Parcel A, payable in equal monthly installments of \$21,666.67, beginning on the Operation Date as set forth in the Lease Agreement, subject to the payment credits set forth below.

PAYMENT CREDITS

Lessee shall be entitled to a permanent credit of \$155,509.20. This amount represents Lessee's past rental payments to Lessor for Parcel B paid through July 1, 2015.

Lessee shall be entitled to an additional temporary credit of \$215,000, which shall act as a deferral of payments due and owing for the life of the credit. This amount represents Lessee's past payment to Lessor for the cost of building demolition as set forth in the Third Amendment to the Lease Agreement dated August 12, 2014. Lessee shall have the obligation to repay this entire \$215,000 credit amount to Lessor upon the earliest of 1) the start of construction, or 2) any physical alteration related to project construction of the Leased Property. At such time, any remaining balance on the temporary credit shall cease to be applicable to any invoice issued by Lessor following the date of repayment.

These two credits shall be applied to the entire invoice amounts, including rent and value added payments, for all invoices due and owing to Lessor on or after August 1, 2015.

The permanent credit of \$ 155,509.20 shall be applied to all invoices due and owing on or after August 1, 2015, and shall be utilized until it is exhausted. Upon exhaustion of the \$ 155,509.20 permanent credit, the \$215,000 temporary credit shall be applied to all invoices thereafter due and owing until the earliest of such time as the temporary credit is exhausted or is paid as set forth above.

EXTENDED TERM RENT ADJUSTMENT

Under paragraph 4(d) of the Lease Agreement, the market rate rent adjustment for each extended five-year term may be decreased by up to 15% in addition to the possibility of being increased by up to 15% as contemplated by paragraph 4(d), based on the market rent of other ground leases for bare ground without improvements in the area.

LATE RENT PAYMENT PENALTIES

Lessee shall pay the following penalties for any late rental payment:

- \$500, if the full invoice payment is not received by the close of business on the tenth (10th) day of each month;
- Five (5) percent of the full invoice amount if the full invoice payment is not received by the close of business on the twentieth (20th) day of each month.

Neither this late payment penalty provision nor Lessor's acceptance of any late payment penalty shall serve as a waiver of Lessor's rights under paragraph 22 of the Lease Agreement.

SUBLEASE OF PARCEL A

Lessee shall have the right to sublease or license all or part of the land comprising Parcel A, subject to the restrictions on the use of Building 1070 under "Demolition of Building 1070" below, and subject to the following terms and conditions:

- Lessee may sublease or license Parcel A for a period of no longer than 12 months from the date of execution of this Lease Amendment. Any sublease or license of Parcel A shall terminate no later than 12 months from the date of execution of this Lease Amendment.
- Lessor shall have the right to approve any sublease, license, or any other encroachment during the specified period for subleasing or licensing of Parcel A as to form.
- Any sublease, license or encroachment permit of Parcel A shall provide for insurance in a manner and form required by Lessor.

LEASE OF PROJECT CONSTRUCTION STAGING AREA

Lessee shall have a one-time right under this Lease Amendment to lease from Lessor a single, contiguous parcel of land of up to 1.5 acre solely for the purpose of construction staging for Lessor's project ("Staging Parcel"), subject to the following terms and conditions.

- Lessee shall provide Lessor with a minimum of 45 days' advance written notice of Lessee's intent to commence its lease of the Staging Parcel, and of the number of square feet Lessee intends to utilize, which shall comprise the total Staging Parcel for the purposes of this Lease Amendment.
- The Staging Parcel shall be within the fence boundaries of Lessor's MWWTP.
- Lessee shall commence the lease of the Staging Parcel no later than August 1, 2016, after which time Lessee shall forfeit its right to lease the Staging Parcel.
- The duration of Lessee's lease of the Staging Parcel shall be no longer than 12 months and shall terminate no later than July 30, 2017.
- The monthly rent for the Staging Parcel shall be \$0.17 per square foot for a maximum of \$11,107.80 (\$0.17 per square foot x 65,340 square feet). Such rent shall be included in the monthly invoice for Parcel A, and shall be paid under the same terms and conditions as the rent for Parcel A as set forth in the Lease Agreement as amended.
- Lessee's use of the Staging Parcel shall be subject to all relevant terms and conditions of the Lease Agreement as amended, including paragraphs 3, 5, 7, 8, 10, 14 through 36, and the environmental restrictions and regulatory compliance provisions of paragraph 1.

DEMOLITION OF BUILDING 1070

The expanded Parcel A contains Building 1070. Lessee shall have the right to demolish Building 1070. Lessee shall solely bear the entire cost of the demolition of Building 1070, including any costs associated with the removal and disposal of all hazardous materials. Lessee's demolition of Building 1070 shall be subject to all environmental, regulatory and review requirements of the Lease Agreement, including paragraphs 3, 5, 7, 10, 14 through 36, and the environmental restrictions and regulatory compliance provisions of paragraph 1.

During the term of the Lease Agreement, Building 1070 shall not be subleased or licensed by Lessee to any third party.

RAIL CONNECTIONS

Lessee shall include proposed rail traffic in the traffic plan that Lessee is required to provide to Lessor under paragraph 8 of the Lease Agreement. Upon approval of Lessee's traffic plan, Lessor shall provide Lessee with a nonexclusive easement or equivalent for the right to construct and maintain a rail crossing across Engineers Road. It shall terminate upon termination of the Lease Agreement. The rail crossing easement shall be subject to all relevant terms and conditions of the Lease Agreement as amended, including paragraphs 3, 5, 8, 9, 10, 11, 12, 14, 16, 17, 18, 20 and 22 through 36, and the environmental restrictions and regulatory compliance provisions of paragraph 1.

UTILITIES

For any utility services to be provided by Lessor (water and sewer), Lessor will coordinate with Lessee for the provision of such services in a manner consistent with Lessor's policies and procedures, which require applications for such service. Lessee shall be entitled to a sewer

capacity fee credit for past use from Building 1070. Sewer uses for Building 1070 or other areas of the Leased property that exceed prior use will require Lessee to pay commensurate capacity and use charges. Utility services to be provided by Lessor shall be obtained and paid for by Lessee in accordance with Lessor's regulations, policies and procedures.

Lessor shall provide property rights, such as easements or license agreements, required by gas and water service providers in a manner that reasonably allows such service without interfering with Lessor's rights to utilize Engineers Road or its MWWTP, including the effluent outfall.

Nothing in this provision related to utility services shall be construed so as to alter Lessee's obligations to provide for utility services under paragraph 7 of the Lease Agreement.

RELEASE OF CLAIMS

Lessee acknowledges that this Lease Amendment is made in order to fully compensate Lessee for all present and future damages, losses, costs or expenses Lessee may sustain in relation to impacts to rail access and Lessee's Project that Lessee states are caused by Lessor's planned improvements to Engineers Road and the adjustments to the boundaries of Parcels A and B as set forth in this Lease Amendment. As such, Lessee hereby expressly releases and discharges Lessor from any and all claims, demands, damages, liabilities, causes of action or actions, costs and expenses, in law or in equity, whether known or unknown, that it may have concerning any impacts to rail access and Lessee's Project caused by Lessor's planned improvements to Engineers Road and the adjustments to the boundaries of Parcels A and B as set forth in this Lease Amendment. Lessee retains the right to bring any future claim arising from any future breach by Lessor of the Lease, including paragraphs 8 and 9 of the Lease.

Lessee acknowledges that it may have sustained or may sustain damages, losses, costs or expenses that are presently unknown or unsuspected, and that damages, losses, costs or expenses that may have been sustained, may give rise to additional damages, losses, costs or expenses in the future. Lessee acknowledges that this Lease Amendment has been negotiated and agreed upon in light of this situation.

EFFECT OF AMENDMENT

All other clauses, terms and conditions of the Lease Agreement as previously amended shall remain in effect and unchanged.

///

///

///

///

///

IN WITNESS WHEREOF the parties have executed this FOURTH AMENDMENT TO LEASE AGREEMENT (MLP-213) in duplicate.

VIRIDIS FUELS, LLC
(Lessee)

EAST BAY MUNICIPAL UTILITY DISTRICT
(Lessor)

By: 
Kathy Neal, Chief Executive Officer

By: _____
Bennett K. Horenstein, Director of Wastewater

By: _____
Matt Elawady, Manager of Real Estate Services

APPROVED AS TO FORM

By: _____
Office of General Counsel



AGENDA NO.
MEETING DATE

6.

August 11, 2015

TITLE WIRELESS TELEPHONE AND WIRELESS BROADBAND INTERNET SERVICE

MOTION _____ RESOLUTION _____ ORDINANCE _____

RECOMMENDED ACTION

Authorize use of the State of California agreements with AT&T, Sprint and Verizon on or after October 1, 2015 to synchronize and provide wireless telephone and wireless broadband Internet service to District devices in an estimated annual amount of \$575,000 through June 30, 2016, with three additional one-year periods for a total cost of \$3,164,000 through June 30, 2019 (includes six percent cumulative increases in years 2, 3 and 4).

SUMMARY

Since 1997 and 1999 respectively, the District has used wireless telephone and wireless broadband Internet services in the field to improve the efficiency of District forces and to provide data transport for telemetry data acquisition systems. The implementation of tablet and smartphone devices for District forces has greatly increased the number of these devices in the field. In addition, to improve the resilience of wireless access following a disaster and to provide the best possible geographic coverage, the District is continuing to diversify the wireless telephone and wireless broadband Internet devices across three providers. The District currently uses the three service providers stated and has been satisfied with their cost, experience, knowledge, and ability to meet District requirements. The total annual cost of this technology is based on the number of devices required to support District operations.

DISCUSSION

The District currently has individual data and cellular contracts with AT&T, Sprint and Verizon. The existing AT&T and Verizon cellular data contracts expire on September 30, 2015 and the AT&T and Verizon wireless contracts expire on December 31, 2015. In order to streamline contract management and oversight, this action will align the expiration dates for all services amongst the three vendors. District staff performed a comparative analysis which demonstrates that using State of California competitively awarded contracts will result in an average savings of 20% to 30% over pricing which would have been secured if the District bid for these services independently. In addition to the favorable pricing and service

Funds Available: FY16/17		Budget Code: WSO/252/8583&8585/5372
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.

options available, these contracts have no required term, allowing the District to change providers when necessary to address changing business needs.

SERVICE PROVIDER SELECTION

Public Contract Code, Section 10298-10299, specifically allows the District to purchase directly through the State of California on competitively awarded contracts without pursuing separate competitive bidding. The AT&T, Sprint and Verizon price and terms of service are under the National Association of State Procurement Officials (NASPO) Wireless Equipment and Services Master Price Agreement #1907, of which the State of California has a Participating Addendum. District staff has confirmed that the state pricing is the lowest known pricing available to the District.

CONTRACT EQUITY PROGRAM EFFORTS

The completed P-035 and P-061 forms are attached.

FISCAL IMPACT

Funds are available for this work in the FY16/17 operating budget.

ALTERNATIVES

Do not authorize the agreement. This alternative is not recommended because it would limit the District's access to wireless services which will significantly decrease employee productivity and increase the time to respond to field operations.

Select an alternative service provider. This alternative is not recommended because no other wireless provider has the performance or geographic coverage for our facility locations as compared to the three providers listed.

Conduct a competitive process to obtain vendors and pricing. This alternative is not recommended because the NASPO contract provides the best terms and pricing available to the District due to the leveraged buying power of multiple agencies.

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)

http://www.ama General Services Agreement Wireless Telephone and Wireless Broadband internet Service							DATE: July 24, 2015					
CONTRACTOR:					PERCENTAGE OF CONTRACT DOLLARS							
Various State Contract					Availability Group		Contracting Objectives		Participation			
BID/PROPOSER'S PRICE:		FIRM'S OWNERSHIP			White Men		25%		0.0%			
		Ethnicity	Gender		White Women		6%		0.0%			
\$575,000 */year					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
<i>PRIME:</i>												
Verizon Wireless		\$770,763	Publicly Held			---	---	---	---	134.0%	---	---
AT&T		\$58,089	Publicly Held			---	---	---	---	10.1%	---	---
Sprint		\$38,148	Publicly Held			---	---	---	---	4.4%	---	---
						---	---	---	---	---	---	---
						---	---	---	---	---	---	---
						---	---	---	---	---	---	---
TOTAL		\$867,000				0.0%	0.0%	0.0%	0.0%	148.5%	0.0%	0.0%
CONTRACTOR'S WORKFORCES PROFILE (From P-025 Form)												
			White Men		White Women		Ethnic Minorities		Total Employees			
No. of Employees:			See P-61									
Percent of Total Employees:												
MSA Labor Market %:												
MSA Labor Market Location:												
COMMENTS												
Contract Equity Participation - Zero Contract Equity participation since firms are publicly held corporation and no subcontracting opportunities exist.												
*Total Not to exceed \$3,164,000.												
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								
			B	H	A/PI	AI/AN	TOTAL			
Wireless Telephone and Wireless Broadband internet Service		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			
General Services Agreement		DATE:								
		7/24/2015								
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	Publicly Held	Company Wide	16,018	11,079	4,712	355	32,164	43.1%	39.9%	
Verizon Wireless Debbie Ratiiff PO Box 5029 Wallingford, CT 06492 800-627-2791		Manager/Prof	3,243	2,576	2,609	89	8,517	36.8%		
		Technical/Sales	5,656	5,568	1,719	159	13,102	41.5%		
		Clerical/Skilled	7,116	2,934	384	106	10,540	53.2%		
		Semi/Unskilled	3	1	-	1	5	10.2%		
		Bay Area	101	265	321	3	690	57.1%		39.9%
		AA Plan on File:	NA		Date of last contract with District:		NA			
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		74,602	Bay Area:	1,208	
RP	Publicly Held	Company Wide	51,624	33,400	15,472	1,611	102,107	39.1%	27.2%	
AT&T Mobility National Accounts, LLC Lori Oliver 1025 Lenox Park Blvd, NE Atlanta, GA 30319 916-486-3140		Manager/Prof	10,989	6,001	8,293	427	25,710	31.1%		
		Technical/Sales	18,671	15,465	4,187	536	38,859	42.6%		
		Clerical/Skilled	21,731	11,882	2,967	644	37,224	42.9%		
		Semi/Unskilled	233	52	25	4	314	38.7%		
		Bay Area	-	-	-	-	-	NA		39.9%
		Co. Wide MSA:	Total USA		# Employees-Co. Wide:		261,425	Bay Area:	0	
RP	Publicly Held	Company Wide	Information not Provided							
Sprint Solutions, Inc. Michaela Clairmonte 6500 Sprint Parkway Overland Park, KS 66251 703-433-8581		Manager/Prof								
		Technical/Sales								
		Clerical/Skilled								
		Semi/Unskilled								
		Bay Area								
		Co. Wide MSA:			# Employees-Co. Wide:					
		Company Wide								
		Manager/Prof								
		Technical/Sales								
		Clerical/Skilled								
		Semi/Unskilled								
		Bay Area								
		Co. Wide MSA:			# Employees-Co. Wide:					
		Company Wide								
		Manager/Prof								
		Technical/Sales								
		Clerical/Skilled								
		Semi/Unskilled								
		Bay Area								
		Co. Wide MSA:			# Employees-Co. Wide:					
		Company Wide								
		Manager/Prof								
		Technical/Sales								
		Clerical/Skilled								
		Semi/Unskilled								
		Bay Area								
		Co. Wide MSA:			# Employees-Co. Wide:					

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. 7.
 MEETING DATE August 11, 2015

TITLE AMEND EMPLOYMENT AGREEMENT OF THE GENERAL COUNSEL

MOTION _____ RESOLUTION _____ ORDINANCE _____

RECOMMENDED ACTION

Authorize an amendment to the Agreement for Employment of Craig S. Spencer as General Counsel effective August 11, 2015.

SUMMARY

Craig S. Spencer was appointed to the position of General Counsel pursuant to an Agreement for Employment dated January 13, 2015 and effective on January 28, 2015.

Paragraph 3 of the Agreement provides that the Board of Directors will undertake a review of the General Counsel's performance and salary six (6) months following commencement of the term of the Agreement. The proposed amendment extends the time for review of the General Counsel's performance and salary from six (6) months to twelve (12) months following commencement of the term of the Agreement. This proposed extension will allow review of the General Counsel's performance and salary to be on the same schedule currently set for review of the General Manager's performance and salary. All other provisions and terms of the Agreement will remain in effect.

The proposed amendment to the Agreement is attached as Exhibit A to the authorizing resolution.

Funds Available: FY		Budget Code:
DEPARTMENT SUBMITTING	DEPARTMENT MANAGER or DIRECTOR	APPROVED
Human Resources	<i>Delores Turner</i> Delores Turner	<i>Michael R. ...</i> General Manager

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

Craig Spencer
Office of General Counsel

RESOLUTION NO. _____

**AUTHORIZING AMENDMENT TO GENERAL COUNSEL
EMPLOYMENT AGREEMENT**

Introduced by Director _____ ; Seconded by Director _____

BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District hereby authorizes the President of the Board of Directors to execute an Amendment to the Agreement for Employment of Craig S. Spencer as General Counsel for East Bay Municipal Utility District, in the form attached as Exhibit A, effective August 11, 2015.

ADOPTED this 11th day of August, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel

**FIRST AMENDMENT TO AGREEMENT
FOR EMPLOYMENT OF CRAIG S. SPENCER AS
GENERAL COUNSEL OF EAST BAY MUNICIPAL UTILITY DISTRICT**

THIS AGREEMENT is entered into this 11th day of August, 2015 by and between EAST BAY MUNICIPAL UTILITY DISTRICT ("District") and Craig S. Spencer ("General Counsel").

WITNESSETH

WHEREAS, on January 13, 2015, the parties entered into an agreement setting forth the terms and conditions of employment for the position of General Counsel of East Bay Municipal Utility District; and

WHEREAS, it is the desire and intention of the parties to amend the agreement to extend the time for review of the General Counsel's performance and salary from six (6) months to twelve (12) months following commencement of the term of the agreement.

NOW, THEREFORE, THE PARTIES DO AGREE to amend the agreement as follows:

1. Paragraph 3 of the agreement is hereby amended as follows:

Review. The District's Board of Directors will undertake a review of General Counsel's performance and salary ~~six (6)~~ twelve (12) months following commencement of the term of this agreement, as specified in paragraph 5 hereof. Thereafter, District's Board of Directors will review and evaluate the performance of General Counsel at least once annually.

2. Except as expressly provided herein, all other terms and conditions of the agreement shall remain in full force and effect.

WHEREFORE, the parties have entered into this First Amendment to agreement in Oakland, California, on the date first set forth above.

EAST BAY MUNICIPAL UTILITY DISTRICT

By: _____

Frank Mellon
President of the Board

Craig S. Spencer
General Counsel



AGENDA NO.
MEETING DATE

8.
August 11, 2015

**TITLE ADOPT A PLAN FOR IMPLEMENTING A LABOR COMPLIANCE PROGRAM FOR
THE CAMANCHE AREA REGIONAL WATER SUPPLY PLAN**

MOTION RESOLUTION ORDINANCE

RECOMMENDED ACTION

Approve a resolution adopting a plan for implementing a Labor Compliance Program for the Camanche Area Regional Water Supply Plan.

SUMMARY

The District, Amador County, and Calaveras County, in conjunction with the Upper Mokelumne River Watershed Authority (UMRWA), updated the regional water supply plan for the Camanche Reservoir area in 2012. The regional plan is called the Camanche Area Regional Water Supply Plan (CARWSP) and consists of three phases, one for each agency. CARWSP Phase 1 is primarily the District's Camanche South Shore Water Treatment Plant Replacement project which includes three project elements: the new Camanche South Shore Water Treatment Plant (WTP), a pipeline connection from Camanche South Shore to Camanche North Shore recreation areas, and a pipeline connection between the WTP and the Mokelumne Aqueducts. UMRWA submitted the CARWSP Phase 1 for Proposition 84 grant funds and received a grant of \$1.4 million, of which approximately \$1.1 million is available for the three District projects. All three Phase 1 project elements will contribute to the matching local funds required by the state. CARWSP Phase II consists of a treatment plant expansion, pipeline extensions from the District Camanche North Shore recreation area, pumping and storage to provide service to the Amador County Lake Camanche water system. CARWSP Phase III consists of an additional treatment plant expansion, pipeline, pumping and storage improvements to the Calaveras County system to serve the Wallace area.

The state requires the District to have a state-approved Labor Compliance Program (LCP) in order to receive the grant funds. A LCP ensures that all wages paid for contracted labor are in conformance with State labor laws. The LCP must be on behalf of the District (cannot be held by a third party), but the District can contract with a consultant to prepare, submit, and administer the LCP. The recommended resolution authorizes Diversified Contract Management (DCM) Group to prepare and administer the LCP for the CARWSP project. DCM Group was selected through a competitive process and is an experienced, local, woman-owned small business. The DCM contract was within staff's level of approval authority and DCM was selected to administer an LCP for the Mokelumne Aqueducts project in February 2012.

Funds Available: FY 16/17		Budget Code:
DEPARTMENT SUBMITTING	DEPARTMENT MANAGER or DIRECTOR	APPROVED
WATER OPERATIONS	<i>Eileen M. White</i> Eileen M. White	<i>Michael R. Lee</i> General Manager

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

Adopt a Plan for Implementing a Labor Compliance Program for the Camanche Area Regional Water Supply Plan

August 11, 2015

Page 2

FISCAL IMPACT

The LCP consultant expenditure has been included in the Camanche South Shore Water Treatment Plant Replacement Project capital improvement plan budget.

ALTERNATIVE

Do not pass a resolution authorizing the LCP. This alternative is not recommended because the District historically has contracted for LCP services and does not have experience to perform the work. An LCP is required in order for the District to receive the grant funds for the project.

Attachment

I:\Sec\2015 Board Related Items\081115 Board Agenda Items\OMD\OMD_08_11_15_CARWSP_LCP_Resolution.docx



RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT ADOPTING A PLAN
FOR IMPLEMENTING A LABOR COMPLIANCE PROGRAM FOR
THE CAMANCHE AREA REGIONAL WATER SUPPLY PLAN

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, California Labor Code section 1770 through 1781 requires contractors on public works projects to pay their workers based on the prevailing wage rates that are established and issued by the Department of Industrial Relations, Division of Labor Statistics and Research; and

WHEREAS, California Labor Code section 1776 requires contractors to keep accurate payroll records for all workers on public works projects and to submit copies of certified payroll records upon request; and

WHEREAS, California Labor Code section 1777.5 requires contractors to employ registered apprentices on public works projects; and

WHEREAS, the East Bay Municipal Utility District was formed and is authorized to operate under the Municipal Utility District (MUD) Act, California Public Utilities Code sections 11501 through 14403.5; and

WHEREAS, the California Department of Water Resources has awarded the Upper Mokelumne River Watershed Authority an IRWMP implementation grant funded by Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; Public Resource Code sections 75075, *et seq.*) for the Camanche Area Regional Water Supply Plan; and

WHEREAS, the East Bay Municipal Utility District is a member agency in the Upper Mokelumne River Watershed Authority for which Proposition 84 funds have been authorized for the East Bay Municipal Utility District portion of the Camanche Area Regional Water Supply Plan; and

WHEREAS, Proposition 84 requires grantees to adopt and implement a Labor Compliance Program approved by the California Department of Industrial Relations for all public works project funded with such grants; and

WHEREAS, the East Bay Municipal Utility District has established a Labor Compliance Program for the Camanche Area Regional Water Supply Plan in accordance with the requirements of Labor Code section 1771.5(b) and 8 California Code of Regulations section 16423;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the East Bay Municipal Utility District authorizes and approves the following:

1. The Board of Directors hereby adopts the East Bay Municipal Utility District Labor Compliance Program for the Camanche Area Regional Water Supply Plan.
2. Diversified Contract Management Group is authorized to operate and administer the East Bay Municipal Utility District Labor Compliance Program for the Camanche Area Regional Water Supply Plan.
3. The Board of Directors directs staff to apply for and obtain approval of the East Bay Municipal Utility District Labor Compliance Program for the Camanche Area Regional Water Supply Plan from the Department of Industrial Relations and to take all other actions necessary to implement that program as required by the Proposition 84 Implementation Grant Program.

ADOPTED this 11th day of August, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

Secretary

APPROVED AS TO FORM AND PROCEDURE:

General Counsel

W:\400\410\410.01\Camanche LCP 8.11.15.docx



AGENDA NO. 9.

MEETING DATE August 11, 2015

TITLE SPECIAL DISTRICT GENERAL OBLIGATION BOND TAX RATE

MOTION _____ RESOLUTION _____ ORDINANCE _____

RECOMMENDED ACTION

Fix the ad valorem tax rate for Special District No.1 (SD-1) to cover debt service, delinquencies, and county administrative fees in the amount of \$3,105,823 on Wastewater System General Obligation (GO) Bond Series G for FY16 at a rate of \$0.0034 per \$100 of assessed value for properties located within the service area of SD-1. This represents a decrease of 28% over last year.

BACKGROUND

Following a public meeting on July 25, 1995 and a public hearing on August 8, 1995, the Board adopted a policy utilizing an ad valorem tax to cover the GO bond debt service approved by SD-1 voters in 1970.

The basis of the ad valorem tax is the assessed values of secured and unsecured property established by the assessors of Alameda and Contra Costa Counties. Alameda and Contra Costa Counties are authorized to collect the ad valorem tax for SD-1 and to withhold customary fees and charges for collection, which are limited by statute to no more than one-half of one percent of the amount of ad valorem tax collected.

In accordance with Section 12899 of the MUD Act, the fixing of the tax rate for FY16 is the necessary administrative process to continue the collection of the tax. The county tax collector relies on the certification of the formal annual "fixing" of the rate by the Board as authority to include the levy on the tax bill for the current fiscal year.

Funds Available FY:		Budget Code:
DEPARTMENT SUBMITTING:	DEPARTMENT MANAGER or DIRECTOR:	APPROVED:
FINANCE	 Sophia D. Skoda	 General Manager

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

The table below shows the calculation that was used to develop the ad valorem tax rate.

Wastewater System General Obligation Bond Series G - Ad Valorem Tax Rate		
	FY15	FY16
Debt Service	\$3,947,927	\$4,040,200
Offsetting Property Tax Revenue	-	(1,007,749)
Delinquencies*	78,960	58,386
County Collection Fee (0.50%)	<u>19,740</u>	<u>14,986</u>
Total Tax Collected	\$4,046,627	\$3,105,823
Estimated Assessed Valuation		
Alameda County		
Secured and Utility	\$74,139,640,675	\$80,238,056,765
Unsecured**	4,994,915,777	5,003,616,721
Contra Costa County		
Secured and Utility	4,781,080,484	5,229,066,298
Unsecured**	<u>61,653,184</u>	<u>61,782,444</u>
Total	\$83,977,290,120	\$90,532,522,228
Ad Valorem Tax Rate (\$/\$100 of Assessed Value)	0.0047	0.0034

*Delinquencies in Alameda County are projected at 6.0% on unsecured property and 1.5% on secured property;
 Delinquencies in Contra Costa County are 0% as the county forwards the full amount levied regardless of actual collections.
 **Unsecured property is assessed in arrears so FY15 tax rate of 0.0047 is used on prior year unsecured property levy.

DISCUSSION

As shown in the table above, the tax rate of \$0.0034 per \$100 (\$3.40 per \$100,000) of assessed value for FY16 is a decrease of \$0.0013 per \$100 (approximately 28%), from the FY15 tax rate of \$0.0047 per \$100 of assessed value.

During FY15, the tax rate decreased from 0.0066 to 0.0047 for two reasons: the dissolution of redevelopment agencies resulting in increased assessed value subject to the property tax and therefore increased property tax collection, and secondly a successful bond refinancing resulting in a lower debt service payment. In FY16, the tax rate is decreasing again from 0.0047 to 0.0034. This results primarily from the offsetting property tax revenues shown in the above table. These are property taxes collected by the counties since 2012 in excess of the funds required by the District to pay debt service and other associated expenses. The District will apply remaining offsetting revenues to the debt service payments over the next two years as well. This allows the District to lower the costs of debt service for property tax payers for as long as the bonds are outstanding. A second reason for the reduction in the ad valorem tax

Special District General Obligation Bond Tax Rate
Board of Directors Meeting
August 11, 2015
Page 3

rate is that property valuations within the SD-1 service area have increased as a result of a strong local real estate market which decreases the tax rate needed to recover the required revenue.

The levy of \$0.0034 per \$100 of assessed value will generate sufficient revenues to cover the debt service on outstanding GO bonds for FY16 as provided in the FY16-17 budget.

ALTERNATIVE

Pay debt service on the bonds with funds from wastewater rates and charges. This alternative is not recommended as it would require an increase in wastewater treatment charges of approximately 5% to meet the SD-1 GO bond debt service obligation. The District has already noticed and adopted its FY16 wastewater treatment charges in conformance with notice requirements under Proposition 218 without this increase as the tax levy has been in place since 1995.

ARC:SDS:DB

RESOLUTION NO. _____

FIXING THE RATE OF TAX FOR EAST BAY MUNICIPAL
UTILITY DISTRICT SPECIAL DISTRICT NO. 1

Introduced by Director _____ ; Seconded by Director _____

WHEREAS, pursuant to an election duly and regularly held in East Bay Municipal Utility District on November 3, 1970, the Board of Directors on June 8, 1971, adopted Resolution No. 25676 providing for the issuance of \$60,000,000 principal amount of East Bay Municipal Utility District Special District No. 1 Bonds, Issue of 1970 (the "Bonds"), authorizing the issuance of said Bonds in series and providing for the levy of a tax on the property of said Special District to pay the principal and interest of said bonds; and

WHEREAS, on August 8, 1995, following a duly noticed public hearing, the Board of Directors adopted Resolution No. 32933-95 determining (1) that the revenues of East Bay Municipal Utility District Special District No. 1 would not be sufficient to pay the principal of and interest on the Bonds as the same become due, or to carry out the objects and purposes of said Special District No. 1, or to provide a sum for sinking fund purposes for the retirement of the Bonds and (2) that a tax shall be levied upon properties within the Special District No. 1 for the payment of the principal of and interest on the Bonds and fixed the rate of taxation for fiscal year 1996; and

WHEREAS, the Board of Directors, having elected to avail itself of the assessments made by the assessors of Alameda and Contra Costa Counties and by the State Board of Equalization for the two counties, is required by Public Utilities Code section 12899 to fix the rate of tax using as a basis the value of property transmitted annually to the Board of Directors by the county auditors; and

WHEREAS, the Board of Directors hereby determines that the total amount of revenue required by Special District No. 1 which will be derived from ad valorem tax on property on the tax roll, for the fiscal year beginning July 1, 2015, and ending June 30, 2016, is the sum of \$3,105,823 and divides the sum so determined between the Counties of Alameda and Contra Costa as follows: Alameda County, \$2,923,833; Contra Costa County, \$181,990;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District that the rate of taxation for East Bay Municipal Utility District Special District No. 1, for the fiscal year beginning July 1, 2015, and ending June 30, 2016, is hereby fixed at the rate of \$0.0034 upon each \$100 of the valuation of secured property as so assessed by the County Assessor of Alameda County and by the State Board of Equalization for the property within Alameda County, and at \$0.0034 upon each \$100 of assessed valuation of secured property as so assessed by the County Assessor of Contra Costa County and by the State Board of Equalization for the property within Contra Costa County, said rates of tax being necessary to raise the amount of revenue hereinbefore apportioned to each county by the Board of Directors.

BE IT FURTHER RESOLVED that the Secretary is hereby instructed to immediately transmit to the County Auditors of said counties, respectively, a statement of the rate of taxation so fixed by the Board of Directors by filing with each of said County Auditors a certified copy of this resolution.

BE IT FURTHER RESOLVED that there shall be set aside out of the sum raised by the foregoing tax levy and/or out of other revenues of said Special District No. 1 amounts sufficient to constitute sinking funds to pay the outstanding Bonds of said Special District No. 1, as it becomes due, and the interest on any of said Bonds, which interest becomes due before the next general tax levy, and to carry out the objects and purposes of said Special District No. 1.

ADOPTED this 11th day of August, 2015 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: August 6, 2015

MEMO TO: Board of Directors

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

SUBJECT: Legislative Report No. 08-15

The following issues are being referred to the Legislative/Human Resources Committee for review and recommendation to the Board of Directors for action, as appropriate.

RECOMMENDED ACTION

Approve positions on the following bills: 1) Support AB 723 (Rendon) Rental Property: Plumbing Fixtures: Replacement; 2) Support SB 7 (Wolk) Housing: Water Meters: Multiunit Structures; 3) Support SB 32 (Pavley) California Global Warming Solutions Act of 2006: Emissions Limit; and 4) Support SB 551 (Wolk) State Water Policy: Water and Energy Efficiency

STATE LEGISLATION

RECOMMENDED POSITION

AB 723 (Rendon)	RENTAL PROPERTY: PLUMBING FIXTURES: REPLACEMENT	SUPPORT
----------------------------	--	----------------

Existing law, as a result of SB 407 (Padilla), Chapter 587 of 2009, which was sponsored by the Association of California Water Agencies and supported by EBMUD, requires that “noncompliant” plumbing fixtures in single-family residential properties be replaced with water-conserving plumbing fixtures, which are defined in law as fixtures that are “in compliance with current building standards applicable to a newly constructed real property of the same type,” by 2017. Existing law also requires that “noncompliant” plumbing fixtures in multifamily residential and commercial properties be replaced with water-conserving plumbing fixtures by 2019.

AB 723 (Rendon), as amended on July 16, 2015, would require that when a lease or rental agreement for a single-family residential property is entered into, renewed or amended on or after July 1, 2016, tenants be provided a written disclosure stating that it is the property owner’s responsibility to replace “noncompliant” plumbing fixtures with water-conserving plumbing fixtures on or before January 1, 2017. The bill would also require that when a lease or rental agreement for a multifamily residential or commercial property is entered into, renewed, or amended on or after January 1, 2017, tenants be provided with a written disclosure that it is the property owner’s responsibility to replace “noncompliant” plumbing fixtures with water-conserving fixtures on or before January 1, 2019.

According to the California Energy Commission, household water use accounts for approximately 64 percent of total urban water use in California, and 18 percent of indoor water use can be attributed to leaking fixtures. One of the most effective ways to reduce indoor water usage and leaks is to replace older inefficient plumbing fixtures with newer, more efficient models. SB 407 was introduced in order to better ensure the existing building stock in California is equipped with high-efficiency plumbing fixtures. However, according to AB 723's author, the lack of a designated enforcement authority in SB 407 has "resulted in a lack of accountability and implementation."

On April 14, 2015, EBMUD's Board of Directors (Board) declared a Stage 4 Critical Drought and established a water conservation goal for EBMUD's entire service area of 20 percent. The Board also approved a Critical Drought Action Plan on April 28, 2015 to guide outreach activities, conservation services, and education on water use restrictions, including efforts to provide information to those water users who are not the customer of record and may not receive a bill insert, such as tenants in rental properties.

AB 723 is intended to provide more accountability in the implementation of current law and would increase water conservation awareness among property owners as well as tenants, who could request that "noncompliant" plumbing fixtures be replaced. AB 723 would assist with EBMUD's efforts to raise awareness on water conservation with tenants who are not the customer of record, as well as help with meeting EBMUD's water conservation goals.

EBMUD has historically supported measures to facilitate water conservation. Earlier this year, EBMUD's Board adopted a "support" position on AB 1 (Brown), to facilitate outdoor water conservation. AB 1 was signed into law (Chapter 62). In 2014, EBMUD supported a number of measures to facilitate outdoor water conservation, including AB 2100 (Campos), AB 2104 (Gonzalez) and SB 992 (Nielsen). All three bills were signed into law (Chapter 164, Chapter 421, and Chapter 434, respectively). As mentioned above, in 2009, EBMUD supported SB 407 (Padilla) to facilitate indoor water conservation. SB 407 was signed into law (Chapter 587).

The current list of support and opposition to AB 723 is shown below.

Support

Association of California Water Agencies
Natural Resources Defense Council
San Diego County Water Authority

Opposition

Apartment Association, California Southern Cities
Apartment Association of Greater Los Angeles
Apartment Association of Orange County
California Association of Realtors
East Bay Rental Housing Association
Nor Cal Rental Property Owner's Association

North Valley Property Owner's Association
Santa Barbara Rental Property Association

**SB 7
(Wolk)**

**HOUSING: WATER METERS:
MULTIUNIT STRUCTURES**

SUPPORT

The Water Measurement Law requires every water purveyor to require, as a condition of new water service on and after January 1, 1992, the installation of a water meter to measure water service. That law also requires urban water suppliers to install water meters on specified service connections and to charge water users based on the actual volume of deliveries, as measured by those water meters, in accordance with a certain timetable.

SB 7 (Wolk), as amended on July 16, 2015, 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 to that property. SB 7 would require the landlord to charge tenants based on the actual volume of water delivered as measured by the submeter, and to charge tenants at the same rate charged by the water purveyor. Under SB 7, a landlord could also charge tenants a portion of any recurring fixed charge billed to the property, if the tenant's portion of the recurring charge is proportional to the amount of water the tenant uses. SB 7 would also authorize, but not require, the future adoption of building standards to require submeters in multiunit residential buildings.

Submetering is a third-party billing mechanism used by building owners and operators to resell water that is delivered to the master meter to individual units based on the actual amount of water delivered to the unit as measured by the submeter. For a submetering program to be both effective and fair, protections must be in place to ensure water is not resold to tenants at a profit and administrative billing standards must be included so that tenants are provided with the necessary information to determine what they are being billed for. A properly crafted submetering program will promote conservation by providing tenants the information they need to conserve water and enabling tenants to benefit from their water conservation efforts because they are only charged for the water they actually use.

SB 7 would promote increased water conservation by providing residents of multi-unit structures information about their water use. SB 7 contains appropriately rigorous administrative billing standards that would protect tenants from being charged inflated rates for the water they use and would require detailed bills so charges would be clear to tenants. This has been a critical issue for EBMUD in its consideration of prior submetering measures. SB 7 also includes language to preserve existing local submetering programs, such as EBMUD's, and enable local agencies to impose stricter requirements than those imposed by the bill and after building standards have been adopted. This is a critical issue since cities and counties may adopt changes to building standards if necessitated by local conditions, while water agencies, including EBMUD, do not

have that authority. It is vital that EBMUD's water conservation efforts are not hampered by future building standards that may impose a lesser conservation standard than those imposed by EBMUD.

Consistent with EBMUD's existing metering/submetering program, SB 7 would provide water purveyors with the discretion to determine whether to require the installation of meters or submeters for a particular property and also makes it clear that water purveyors would bear no responsibility for the installation, cost, or maintenance of submeters.

EBMUD has consistently supported legislative efforts to increase water conservation through the use of submeters, as long as adequate tenant and local water agency program protections are included. SB 7 is similar to Draft Trailer Bill 826 (TB 826), which the Board adopted a "support if amended" position on earlier this year. The language EBMUD requested, to clarify that the protections for local agency programs, such as EBMUD's, also apply once building standards are adopted, has been included in SB 7. TB 826 failed to advance. Previously, EBMUD supported SB 750 (Wolk) in 2014, AB 19 (Fong) in 2011, and had a "support if amended" position on AB 1975 in 2010. All three of these submetering bills failed to advance out of the legislature.

The current list of support and opposition to SB 7 is shown below.

Support

California Association of Realtors
California Building Industry Association
California Rural Legal Assistance Foundation
Sierra Club California
Sonoma County Water Agency
U.S. Green Building Council, California
Western Center on Law and Policy

Opposition

California State Pipe Trades Council
Coalition of California Utility Employees

**SB 32
(Pavley)**

**CALIFORNIA GLOBAL WARMING
SOLUTIONS ACT OF 2006: EMISSIONS
LIMIT**

SUPPORT

Existing law, as enacted by AB 32 (Nunez), the California Global Warming Solutions Act of 2006, placed into statute the target of reducing the state's greenhouse gas emissions to 1990 levels by the year 2020 and requires the California Air Resources Board (CARB) to make recommendations to the governor and the legislature on how to continue reducing greenhouse gas emissions beyond 2020.

SB 32 (Pavley), as amended on June 1, 2015, would require CARB to approve a statewide greenhouse gas emissions limit that is equivalent to 40 percent below the 1990 level by 2030 and 80 percent below the 1990 level by 2050. The measure requires both limits to include short-lived climate pollutants and to be based on the best available scientific, technological and economic assessments.

In 2005, then-Governor Schwarzenegger issued an executive order which set targets to reduce greenhouse gas emissions in the state to 1990 levels by 2020 and 80 percent below 1990 levels by 2050. AB 32 subsequently placed the 2020 goal into law. On April 29, 2015, Governor Brown issued an executive order establishing an interim statewide greenhouse gas emissions target to reduce emissions to 40 percent below 1990 levels by 2030 in order to “ensure California meets its targets of reducing greenhouse gas emissions to 80 percent below 1990 levels by 2050.”

CARB notes that the state is on target to meet the 2020 goal and it released an AB 32 Scoping Plan update in 2014 that identified a number of cost-effective, technologically feasible pathways to emissions reductions required by 2030, 2040 and 2050 to adequately protect the health, safety and welfare of Californians. However, SB 32 would place the 2030 and 2050 goals into statute and, according to the author’s office, identify priorities to guide the implementation of the goal and provide flexibility for adjusting the goal based on changing technological and economic conditions.

EBMUD’s energy policy (Policy 7.07) was updated in 2013 to establish a goal to be carbon free for indirect greenhouse gas emissions and reduce direct emissions by 50 percent compared to 2000 levels by 2040. To measure progress towards its 2040 goals, EBMUD conducts an annual inventory of greenhouse gas emissions using the Climate Registry’s General Reporting Protocol. Although drought requires increased pumping and other actions that increase EBMUD’s energy use, in general EBMUD uses significantly less energy than the average California utility to deliver water and has made great strides in generating clean energy and reducing overall energy use. EBMUD’s main wastewater treatment plant is a net renewable energy producer and EBMUD continues to find ways to use less energy and reduce its carbon footprint, including through the use of solar installations and hybrid cars, as well as emphasizing recycled materials and energy efficiency as facilities are built or renovated.

SB 32 would lay the groundwork for reaching the state’s long-term greenhouse gas emissions reduction goals by setting overarching, enforceable climate pollution reduction targets in law. While it is unclear what, if any, direct impact to the legislation would have on EBMUD or whether EBMUD would have to amend any policies or procedures to comply with future CARB regulations, SB 32 is consistent with EBMUD’s sustainability policy and its efforts to reduce greenhouse gas emissions.

EBMUD has historically supported measures intended to address the impacts of climate change. In 2014, EBMUD supported SB 1125 (Pavley), which would have required CARB to develop greenhouse gas emission targets and short-lived climate pollutant reduction targets for 2030. SB

1125 failed to advance out of the legislature. Additionally, in 2006, EBMUD supported the California Global Warming Solutions Act of 2006, AB 32 (Nunez), which was signed into law (Chapter 488).

The current list of support and opposition to SB 32 is shown below.

Support

Barbara Boxer, US Senator, California
Adam Schiff, US Representative, 28th District
Bay Area Air Quality Management District
Breathe California
Clean Water Action
Friends of the River
Humane Society
League of Women Voters of California
National Parks Conservation Association
National Resource Defense Council
Redlands Area Democratic Club
Sierra Club
The Nature Conservancy
Various air quality and air quality advocacy organizations
Various businesses
Various business organizations
Various health care organizations
Various housing developers and organizations
Various local government entities and officials
Various local labor organizations
Various environmental organizations
Various park and conservation organizations
Various public health organizations
Various renewable energy organizations
Various social justice organizations
Various transportation organizations
48 individuals

Opposition

California Chamber of Commerce
California Farm Bureau Federation
California Manufacturers and Technology Association
California Taxpayers Association
Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force
National Federation of Independent Businesses
Western Growers Association

of public health. SB 551 appropriately recognizes that many factors, not just energy efficiency, must be considered when making decisions regarding system operations.

SB 551 is intended to promote energy efficiency in water use and water treatment and water use efficiency in energy use and generation. While it is unclear what, if any, direct impact the legislation would have on EBMUD or how the criteria for state grant opportunities may be changed, SB 551 is consistent with EBMUD's energy and sustainability policies, as well as EBMUD's energy efficiency efforts.

EBMUD has previously supported legislation that recognizes the nexus between energy and water use. EBMUD is currently supporting SB 471 (Pavley), which would require a study of water-related energy use in California and provide cap and trade funding eligibility for water projects that reduce greenhouse gas emissions. SB 471 is pending in the legislature. In 2014, EBMUD supported SB 1036 (Pavley), which authorized but did not require urban water suppliers to include energy-related information in Urban Water Management Plans. SB 1036 was signed into law (Chapter 485).

The current list of support and opposition to SB 551 is shown below.

Support

Sierra Club of California
California League of Conservation Voters
San Diego County Water Authority (if amended)

Opposition

None Listed

ARC:MD:JF

AMENDED IN SENATE JULY 16, 2015
AMENDED IN SENATE JUNE 23, 2015
AMENDED IN ASSEMBLY APRIL 30, 2015
AMENDED IN ASSEMBLY APRIL 16, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 723

Introduced by Assembly Member Rendon

February 25, 2015

An act to amend Sections 1101.4 and 1101.5 of the Civil Code, relating to water conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 723, as amended, Rendon. Rental property: plumbing fixtures: replacement.

Existing law requires, on and after January 1, 2017, replacement by the property owner of noncompliant plumbing fixtures in any single-family residential real property. Existing law requires, on and after January 1, 2019, replacement of noncompliant plumbing fixtures in multifamily residential real property and commercial real property, as specified.

This bill would require the lease *or rental agreement* of a single-family residential real property or any portion of a multifamily residential real property or commercial real property that is entered into, renewed, or amended after ~~January 1, 2016, July 1, 2016, or January 1, 2017, respectively, to contain a provision in which the property owner states his or her~~ *be accompanied by a written disclosure stating the property owner's responsibility to replace all noncompliant plumbing fixtures*

with water-conserving plumbing fixtures on or before January 1, 2017, or January 1, 2019, respectively. ~~The bill would authorize any party, including a city, county, or water supplier to enforce that lease provision.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1101.4 of the Civil Code is amended to
2 read:

3 1101.4. (a) On and after January 1, 2014, for all building
4 alterations or improvements to single-family residential real
5 property, as a condition for issuance of a certificate of final
6 completion and occupancy or final permit approval by the local
7 building department, the permit applicant shall replace all
8 noncompliant plumbing fixtures with water-conserving plumbing
9 fixtures.

10 (b) On or before January 1, 2017, noncompliant plumbing
11 fixtures in any single-family residential real property shall be
12 replaced by the property owner with water-conserving plumbing
13 fixtures.

14 (c) On and after January 1, 2017, a seller or transferor of
15 single-family residential real property shall disclose in writing to
16 the prospective purchaser or transferee the requirements of
17 subdivision (b) and whether the real property includes any
18 noncompliant plumbing fixtures.

19 (d) ~~The lease or rental agreement of any single-family~~
20 ~~residential real property that is entered into, renewed, or amended~~
21 ~~on or after January July 1, 2016, shall contain a provision in which~~
22 ~~the property owner shall state his or her be accompanied by a~~
23 ~~written disclosure stating the property owner's responsibility to~~
24 ~~replace all noncompliant plumbing fixtures with water-conserving~~
25 ~~plumbing fixtures on or before January 1, 2017. That provision~~
26 ~~may be enforced by a city, county, city and county, water supplier,~~
27 ~~or any other party.~~

28 (e) *The following provision is deemed adequate to satisfy the*
29 *notice requirement prescribed by subdivision (d):*

30
31 *"Section 1101.4 of the Civil Code requires all single-family*
32 *residences to be equipped with water-conserving plumbing fixtures*

1 on or after January 1, 2017. Section 1101.5 of the Civil Code
2 requires all multifamily residential real property and all
3 commercial real property to be equipped with water-conserving
4 plumbing fixtures on or after January 1, 2019. Fixtures in this
5 dwelling, multifamily residential real property, or commercial
6 property may not comply with Sections 1101.4 and 1101.5 of the
7 Civil Code. The property owner is responsible for equipping this
8 property with water-conserving plumbing fixtures by January 1,
9 2017, or January 1, 2019.”

10
11 (f) Single-family residential real properties in compliance with
12 subdivision (a) or (b) shall not be required to comply with the
13 notice requirement prescribed by subdivision (d).

14 SEC. 2. Section 1101.5 of the Civil Code is amended to read:

15 1101.5. (a) On or before January 1, 2019, all noncompliant
16 plumbing fixtures in any multifamily residential real property and
17 in any commercial real property shall be replaced with
18 water-conserving plumbing fixtures.

19 (b) An owner or the owner’s agent may enter the owner’s
20 property for the purpose of installing, repairing, testing, and
21 maintaining water-conserving plumbing fixtures required by this
22 section, consistent with notice requirements of Section 1954.

23 (c) On and after January 1, 2019, the water-conserving plumbing
24 fixtures required by this section shall be operating at the
25 manufacturer’s rated water consumption at the time that the tenant
26 takes possession. A tenant shall be responsible for notifying the
27 owner or owner’s agent if the tenant becomes aware that a
28 water-conserving plumbing fixture within his or her unit is not
29 operating at the manufacturer’s rated water consumption. The
30 owner or owner’s agent shall correct an inoperability in a
31 water-conserving plumbing fixture upon notice by the tenant or if
32 detected by the owner or the owner’s agent.

33 (d) (1) On and after January 1, 2014, all noncompliant plumbing
34 fixtures in any multifamily residential real property and any
35 commercial real property shall be replaced with water-conserving
36 plumbing fixtures in the following circumstances:

37 (A) For building additions in which the sum of concurrent
38 building permits by the same permit applicant would increase the
39 floor area of the space in a building by more than 10 percent, the

1 building permit applicant shall replace all noncompliant plumbing
2 fixtures in the building.

3 (B) For building alterations or improvements in which the total
4 construction cost estimated in the building permit is greater than
5 one hundred fifty thousand dollars (\$150,000), the building permit
6 applicant shall replace all noncompliant plumbing fixtures that
7 service the specific area of the improvement.

8 (C) Notwithstanding subparagraph (A) or (B), for any alterations
9 or improvements to a room in a building that require a building
10 permit and that room contains any noncompliant plumbing fixtures,
11 the building permit applicant shall replace all noncompliant
12 plumbing fixtures in that room.

13 (2) Replacement of all noncompliant plumbing fixtures with
14 water-conserving plumbing fixtures, as described in paragraph (1),
15 shall be a condition for issuance of a certificate of final completion
16 and occupancy or final permit approval by the local building
17 department.

18 (e) On and after January 1, 2019, a seller or transferor of
19 multifamily residential real property or of commercial real property
20 shall disclose to the prospective purchaser or transferee, in writing,
21 the requirements of subdivision (a) and whether the property
22 includes any noncompliant plumbing fixtures. This disclosure may
23 be included in other transactional documents.

24 (f) The lease or rental agreement of any portion of a multifamily
25 residential real property or commercial real property that is entered
26 into, renewed, or amended on or after January 1, 2016, 2017, shall
27 ~~contain a provision in which the property owner shall state his or~~
28 ~~her be accompanied by a written disclosure stating the property~~
29 ~~owner's responsibility to replace all noncompliant plumbing~~
30 ~~fixtures with water-conserving plumbing fixtures on or before~~
31 ~~January 1, 2019. That provision may be enforced by a city, county,~~
32 ~~city and county, water supplier, or any other party.~~

33 (g) *The following provision is deemed adequate to satisfy the*
34 *notice requirement prescribed by subdivision (f):*

35
36 *"Section 1101.4 of the Civil Code requires all single-family*
37 *residences to be equipped with water-conserving plumbing fixtures*
38 *on or after January 1, 2017. Section 1101.5 of the Civil Code*
39 *requires all multifamily residential real property and all*
40 *commercial real property to be equipped with water-conserving*

1 *plumbing fixtures on or after January 1, 2019. Fixtures in this*
 2 *dwelling, multifamily residential real property, or commercial*
 3 *property may not comply with Sections 1101.4 of 1101.5 of the*
 4 *Civil Code. The property owner is responsible for equipping this*
 5 *property with water-conserving plumbing fixtures by January 1,*
 6 *2017, or January 1, 2019.”*

7
 8 *(h) Multifamily residential real properties and commercial real*
 9 *properties in compliance with subdivision (a) or (d), and*
 10 *commercial real properties without plumbing fixtures, shall not*
 11 *be required to comply with the notice requirements prescribed by*
 12 *subdivision (f).*

13
 14
 15 CORRECTIONS: _____

16 Text—Page 5.
 17 _____

AMENDED IN ASSEMBLY JULY 16, 2015

AMENDED IN ASSEMBLY JULY 7, 2015

AMENDED IN ASSEMBLY JUNE 18, 2015

SENATE BILL

No. 7

Introduced by Senator Wolk
(Coauthor: Assembly Member Williams)

December 1, 2014

An act to add Chapter 2.5 (commencing with Section 1954.201) to Title 5 of Part 4 of Division 3 of the Civil Code, to add Section 17922.14 to the Health and Safety Code, and to add Section 517 to, and to add Article 5 (commencing with Section 537) to Chapter 8 of Division 1 of, the Water Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 7, as amended, Wolk. Housing: water meters: multiunit structures.

(1) Existing law generally regulates the hiring of dwelling units and, among other things, imposes certain requirements on landlords and tenants. Among these requirements, existing law requires landlords to provide tenants with certain notices or disclosures pertaining to, among other things, pest control and gas meters.

This bill would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords.

This bill would, if a submeter is used to charge a tenant separately for water service, impose requirements on landlords relating to

submetered water service to individual dwelling units. The bill would require a landlord to make certain disclosures to the tenant prior to the execution of the rental agreement, if the landlord intends to charge a tenant separately from rent for water service in a property with submeters. The bill would specify that as part of the monthly bill for water service, a landlord may only bill a tenant for volumetric water usage, as specified, a portion of any recurring fixed charge billed to the property by the water purveyor, as specified, a billing, administrative, or other fee, as prescribed, and a late charge. The bill would specify that payments are required to be due at the same point in each billing cycle, as prescribed, and that each bill must include and separately set forth certain information. The bill would prohibit a landlord from charging certain additional fees. The bill would require a landlord to maintain and make available in writing to a tenant, as specified, the date the submeter was last inspected, tested, and verified, the data used to calculate the tenant's bill, and the location of the submeter. The bill would require a landlord to investigate and, if warranted, rectify certain problems or a submeter reading that indicates constant or abnormal water usage. The bill would permit a landlord to enter a unit for specified purposes relating to a submeter or water fixture if certain requirements are met. The bill would permit a tenant to be charged late fees, as specified. The bill would provide that these provisions shall become operative on January 1, 2017.

(2) The California Building Standards Law provides for the adoption of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the California Building Standards Commission for approval and adoption. Existing law creates the Building Standards Administration Special Revolving Fund and requires that funds deposited into the fund be expended, upon appropriation by the Legislature, to carry out specified provisions of law that relate to building standards, with emphasis placed on certain activities relating to green building standards.

This bill would authorize the Department of Housing and Community Development to develop and propose for adoption by the commission building standards that require the installation of water meters or submeters in multiunit residential buildings, as specified. The bill would exempt specified categories of structures from these building standards. This bill would provide that moneys in the fund are available to the department, upon appropriation, for administrative costs associated

with the development of building standards that require the installation of water meters or submeters in multiunit residential buildings.

(3) The Water Measurement Law requires every water purveyor to require, as a condition of new water service on and after January 1, 1992, the installation of a water meter to measure water service. That law also requires urban water suppliers to install water meters on specified service connections, and to charge water users based on the actual volume of deliveries as measured by those water meters in accordance with a certain timetable.

This bill would add to the Water Measurement Law the requirement that a water purveyor that provides water service to a newly constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure that submits an application for a water connection after January 1, 2017, measure the quantity of water supplied to each individual dwelling unit as a condition of new water service and permit the measurement to be by individual water meters or submeters, as defined. The bill would require the owner of the structure to ensure that a submeter installed for these purposes complies with laws and regulations governing the approval of submeter types or the installation, maintenance, reading, billing, and testing of submeters, including, but not limited to, the California Plumbing Code. *The bill would further require installation and maintenance of submeters to be provided by licensed plumbing contractors using workers who meet specified training requirements.* The bill would exempt certain structures from these requirements. The bill would prohibit a water purveyor from imposing an additional capacity or connection fee or charge for a submeter that is installed by the owner, or his or her agent. The bill would provide that these provisions shall become operative on January 1, 2017.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2.5 (commencing with Section 1954.201)
2 is added to Title 5 of Part 4 of Division 3 of the Civil Code, to
3 read:

CHAPTER 2.5. WATER SERVICE

1

2

3 1954.201. It is the intent of the Legislature in enacting this
4 chapter to do both of the following:

5 (a) To encourage the conservation of water in multifamily
6 residential rental buildings through means either within the
7 landlord's or the tenant's control.

8 (b) To ensure that the practices involving the submetering of
9 dwelling units for water service are just and reasonable, and include
10 appropriate safeguards for both tenants and landlords.

11 1954.202. For the purposes of this chapter:

12 (a) "Billing agent" means a person or entity who contracts to
13 provide submetering services to a landlord, including billing.

14 (b) "Landlord" means an owner of residential rental property.
15 "Landlord" does not include a tenant who rents all or a portion of
16 a dwelling unit to subtenants. "Landlord" does not include a
17 common interest development, as defined in Section 4100 of the
18 Civil Code.

19 (c) "Property" means real property containing two or more
20 dwelling units that is served by a single master meter.

21 (d) "Purveyor" means any local purveyor who bills the landlord
22 for charges related to water treatment, distribution, or usage,
23 including, but not limited to, water sewer, stormwater, flood control
24 and water treatment charges.

25 (e) "Rental agreement" includes a fixed-term lease.

26 (f) "Renting" includes leasing, whether on a periodic or
27 fixed-term basis.

28 (g) "Submeter" means a device that measures water consumption
29 of an individual rental unit within a multiunit residential structure
30 or mixed-use residential and commercial structure, and that is
31 owned and operated by the owner of the structure or the owner's
32 agent. As used in this section, "multiunit residential structure" and
33 "mixed-use residential and commercial structure" mean real
34 property containing two or more dwelling units.

35 (h) "Water service" includes any charges, whether presented
36 for payment on local purveyor bills, tax bills, or bills from other
37 entities, related to water treatment, distribution, or usage, including,
38 but not limited to, water, sewer, stormwater, flood control, and
39 water treatment charges.

1 (i) "Water purveyor" means a water purveyor as defined in
2 Section 512 of the Water Code.

3 1954.203. (a) All properties that use submeters to separately
4 bill tenants for water service shall ensure:

5 (1) The submeter is inspected, tested, and verified for
6 commercial purposes pursuant to law, including, but not limited
7 to, Section 12500.5 of the Business and Professions Code.

8 (2) The installation conforms to all laws, including, but not
9 limited to, regulations established pursuant to Section 12107 of
10 the Business and Professions Code.

11 (3) The submeter for a dwelling unit measures only water that
12 is supplied for the exclusive use of the particular dwelling unit,
13 and only to an area within the exclusive possession and control of
14 the tenant of the dwelling unit.

15 (4) The submeter is capable of being accessed and read by the
16 tenant of the dwelling unit and read by the landlord without
17 entering the dwelling unit. A submeter installed before January 1,
18 2017, may be read by the landlord after entry into the unit, in
19 accordance with this chapter and Section 1954.

20 (5) Each submeter is reinspected and recalibrated within the
21 time limits specified in law or regulation.

22 (6) All plumbing fixtures and fittings within each dwelling unit
23 conform to all laws regarding water conservation.

24 (b) This section does not require a water purveyor to assume
25 responsibility for ensuring compliance with any law or regulation
26 governing installation, certification, maintenance, and testing of
27 submeters and associated onsite plumbing.

28 1954.204. Before executing a rental agreement, a landlord who
29 intends to charge a tenant separately from rent for water service
30 in a property with submeters shall clearly disclose the following
31 information to the tenant, in writing, in at least 10-point type, which
32 may be incorporated into the rental agreement:

33 (a) That the tenant will be billed for water service separately
34 from the rent.

35 (b) An estimate of the monthly bill for water service for units
36 at the property based on either of the following:

37 (1) The average or median bill for water service for comparative
38 units at the property over any three of the past six months.

39 (2) The amount of the bill based upon average indoor water use
40 of a family of four of approximately 200 gallons per day, and

1 including all other monthly charges that will be assessed. Estimates
2 for other gallons per day may also be included. The estimate shall
3 include a statement that the average family of four uses about 200
4 gallons of water each day.

5 (c) The due dates and payment procedures for bills for water
6 service.

7 (d) An email address and a toll-free telephone number or a local
8 telephone number for the tenant to contact with questions regarding
9 the water service billing and the days and hours for regular
10 telephone service at either number.

11 (e) That the monthly bill for water service may only include the
12 following charges:

13 (1) Payment due for the amount of usage as measured by the
14 submeter, charged at the same rate for commodity usage by the
15 purveyors.

16 (2) Payment of a portion of the fixed fee charged by the
17 purveyors for water service ~~divided equally among all the units at~~
18 ~~the property.~~ service.

19 (3) A fee for the landlord's or billing agent's costs in accordance
20 with paragraph (3) of subdivision (a) of Section 1954.205.

21 (4) Any late fee, with the amounts and times assessed, in
22 compliance with Section 1954.213.

23 (f) A statement that the tenant shall notify the landlord in writing
24 of any leaks, drips, or other problems with the water system,
25 including problems with water saving devices, and that the landlord
26 is required to investigate, and, if necessary, repair these problems.

27 (g) A statement that the landlord shall provide any of the
28 following information if asked by the tenant:

29 (1) The location of the submeter.

30 (2) The calculations used to determine a monthly bill.

31 (3) The date the submeter was last certified for use, and the date
32 it is next scheduled for certification.

33 (h) A statement that if the tenant believes that the submeter
34 reading is inaccurate or the submeter is malfunctioning, the tenant
35 shall first notify the landlord in writing and request an
36 investigation. A tenant shall be provided with notice that if an
37 alleged submeter malfunction is not resolved by the landlord, a
38 tenant may contact the local county sealer and request that the
39 submeter be tested. Contact information for the county sealer shall
40 be included in the disclosure to the tenant.

1 (i) A statement that this disclosure is only a general overview
2 of the laws regarding submeters and that the laws can be found at
3 Chapter 2.5 (commencing with Section 1954.201) of Title 5 of
4 Part 4 of Division 3 of the Civil Code, available online or at most
5 libraries.

6 1954.205. (a) As part of the regular bill for water service, a
7 landlord shall only bill a tenant for the following water service:

8 (1) Volumetric charge for water at a rate calculated by dividing
9 the total charges for volumetric water use at the entire property by
10 the total volume of volumetric water used at the property multiplied
11 by the tenants measured usage at the property.

12 (2) Any recurring fixed charge for water service billed to the
13 property by the purveyors that, at the landlord's discretion, shall
14 be calculated by either of the following:

15 (A) The tenant's proportion of the total fixed charges charged
16 to the property. The tenant's proportion shall be based on the
17 percentage of the tenant's volumetric water use in relation to the
18 total volumetric water use of the entire property, as shown on the
19 property's water bill during that period.

20 (B) Dividing the total fixed charges charged to the property
21 equally among the total number of residential units and
22 nonresidential units at the property.

23 (3) A billing, administrative, or other fee for the landlord's and
24 billing agent's costs, which shall be the lesser of an amount not to
25 exceed four dollars and seventy-five cents (\$4.75), as adjusted
26 pursuant to this paragraph or 25 percent of the amount billed
27 pursuant to paragraph (1). Beginning January 1, 2018, the
28 maximum fee authorized by this paragraph may be adjusted each
29 calendar year by the landlord, no higher than a commensurate
30 increase in the *Consumer Price Index based on a California* fiscal
31 year average for the previous fiscal year, for all urban consumers,
32 as determined by the Department of Finance.

33 (4) A late charge as assessed pursuant to Section 1954.213.

34 (b) If a submeter reading for the beginning or end of a billing
35 period is, in good faith, not available, the landlord shall bill the
36 tenant according to Section 1954.212.

37 (c) This section does not prohibit a landlord or the landlord's
38 billing agent from including any other lawful charges on the same
39 bill.

1 1954.206. (a) Submeters shall be read within three days of the
2 same point in each billing cycle.

3 (b) Payments shall be due at the same point in each billing cycle.
4 A tenant may agree in writing to receive a bill electronically. A
5 tenant may rescind authorization for electronic delivery of bills at
6 any time. A tenant shall not be required to pay a bill electronically.

7 (c) A bill shall include and separately set forth the following
8 information:

9 (1) The submeter reading for the beginning date and ending
10 date of the billing cycle, the dates read, and the indicated
11 consumption as determined by subtracting the amount of the
12 beginning date submeter reading from the amount of the ending
13 date submeter reading. If the unit of measure is in something other
14 than gallons, the indicated consumption shall be expressed in
15 gallons.

16 (2) The amounts charged pursuant to subdivision (a) of Section
17 1954.205.

18 (3) The rate or rates charged for the volumetric charge per unit
19 of measure.

20 (4) The amount, if any, due from the previous month's bill.

21 (5) The amount, if any, due from bills prior to the previous
22 month's bill.

23 (6) The late fee, if any, imposed on amounts specified in
24 paragraph (4) or (5).

25 (7) The total amount due for the billing period.

26 (8) The due date for the payment.

27 (9) If a late fee is charged by the landlord, a statement of when
28 the late fees would apply.

29 (10) The procedure to contact the landlord or billing agent with
30 questions or concerns regarding the bill. Upon request of the tenant,
31 the landlord or billing agent shall respond in writing to any
32 questions or disputes from the tenant. If a billing agent is used, the
33 name of the billing agent shall be disclosed. The tenant shall be
34 provided a mailing address, email address, telephone number,
35 which shall be either a toll-free or a local number, and the time of
36 regular telephone hours for contact regarding billing inquiries.

37 (11) A statement that the landlord or billing agent is not the
38 water purveyor that includes the name of the local water purveyor
39 providing the water service to the master meter.

1 (d) Notwithstanding paragraphs (4) and (5) of subdivision (c),
2 a separate bill may be provided for past due amounts if past due
3 amounts are not included on the current month's bill.

4 1954.207. (a) At the beginning of a tenancy, a submeter shall
5 be read after the tenant takes possession. If the regular reading
6 occurs less than five days prior to the tenant taking possession,
7 that reading may be substituted to establish usage. If the submeter
8 is manually read, the first bill may be estimated based on the rate
9 established in subdivision (b) of Section 1954.212.

10 (b) For a water-service bill at the end of a tenancy, the submeter
11 shall be read within five days, if possible. If the submeter cannot
12 be read within five days at the end of a tenancy, the bill amount
13 for the final month shall be based on the bill amount for the
14 previous month.

15 (c) The landlord may deduct an unpaid water service bill from
16 the security deposit upon the ending of a tenancy, if the last water
17 service bill showing the amount due is attached to the
18 documentation required by Section 1950.5.

19 1954.208. Unless it can be documented that a penalty is solely
20 the result of a tenant's failure to comply with state or local water
21 use regulations or restrictions, or both, regarding wasting of water,
22 a landlord shall not charge, recover, or allow to be charged or
23 recovered, fees incurred by the landlord from the purveyors, billing
24 agent, or any other person for any deposit, disconnection,
25 reconnection, late payment by the landlord, or any other penalty
26 assessed against the landlord. This section shall not prevent a
27 landlord from charging a tenant for the tenant's late payment of
28 any bill.

29 1954.209. The landlord shall maintain and make available in
30 writing, at the tenant's written or electronic request, within seven
31 days after the request, the following:

32 (a) The date the submeter was last inspected, tested, and verified,
33 and the date by which it shall be reinspected, tested, and verified
34 under law, if available. If this information is not available, the
35 landlord shall disclose that the information is not available.

36 (b) The data used to calculate the tenant's bill, as follows:

37 (1) The most recent water bill for the property's master water
38 meter showing the recurring fixed charge for water service billed
39 to the property by the water purveyor, and the usage charges for
40 the property, including any tiered amounts.

1 (2) Any other bills for water service, as defined in subdivision
2 (h) of Section 1954.202, for the property.

3 (3) The number of units in the property.

4 (4) If not shown on the bill for the property, the per unit charges
5 for volumetric water usage, including any tiered amounts.

6 (5) The formula used to calculate the charge for the tenant's
7 volumetric water usage.

8 (c) The location of the submeter.

9 1954.210. (a) If a tenant notifies the landlord in writing of, or
10 the landlord otherwise becomes aware of, a leak, a drip, a running
11 toilet, or other submeter problem, or a submeter reading indicates
12 constant or abnormal high water usage, the landlord shall have the
13 condition investigated, and, if warranted, rectify the condition.

14 (b) A tenant shall not remove any water fixtures or water
15 conservation devices that have been installed by the landlord.

16 (c) If the condition is rectified more than 14 days after the tenant
17 notifies the landlord in writing pursuant to subdivision (a), the
18 tenant's volumetric usage for any month or months that include
19 the period between 14 days after the initial investigation and the
20 repair shall be deemed to be fifteen dollars (\$15) or actual usage,
21 whichever is less. At the landlord's option, if submeter readings
22 are available to determine the usage at a point prior to investigation
23 and a point following repair, usage shall be deemed to be fifty
24 cents (\$0.50) per day for those days between the two submeter
25 readings or actual usage, whichever is less.

26 (d) If the condition remains unrectified for six months after
27 investigation, no further volumetric usage charges may be imposed
28 until the condition is repaired.

29 1954.211. In addition to the grounds for entry specified in
30 subdivision (a) of Section 1954, the landlord may enter a unit as
31 follows:

32 (a) For the purpose of installing, repairing, testing, and
33 maintaining a submeter, or for the purpose of repairing or testing
34 any water fixture suspected by the landlord or reported by the
35 tenant to be in need of repair, if the requirements of Section 1954
36 are met.

37 (b) To read a submeter, if the requirements of this chapter and
38 Section 1954 are met. Notwithstanding paragraph (3) of subdivision
39 (d) of Section 1954, notice shall be given only in writing.

1 1954.212. (a) If a monthly submeter reading necessary to
2 measure volumetric is unavailable, the tenant may be charged 75
3 percent of the average amount billed for volumetric usage for the
4 last three months for which complete billing information is
5 available. The adjustment shall be disclosed on the bill.

6 (b) If no complete billing information is available for the prior
7 three months, the volumetric usage charge shall be deemed to be
8 fifty cents (\$0.50) per day that the data is not available.

9 (c) If monthly submeter readings remain unavailable for more
10 than six months, the volumetric usage charge shall be deemed to
11 be zero for any subsequent month that the data is not available.

12 1954.213. (a) A tenant may be charged a late fee for any water
13 service bill not paid 25 days after mailing or other transmittal of
14 the bill. If the 25th day falls on a Saturday, Sunday, or holiday,
15 the late fee shall not be imposed until the day after the first business
16 day following the 25th day.

17 (b) A late fee of up to seven dollars (\$7) may be imposed if any
18 amount of a bill remains unpaid after the time described in
19 subdivision (a). A late fee of up to ten dollars (\$10) may be
20 imposed in each subsequent bill if any amount remains unpaid. If
21 any partial payments are made, they shall be credited against the
22 bill that has been outstanding the longest.

23 (c) In addition to the purposes specified in subdivision (b) of
24 Section 1950.5, if a water service bill remains unpaid after the
25 time described in subdivision (a) expires, the landlord may also
26 claim the amount of the unpaid bill from the security deposit.

27 (d) If a water service bill remains unpaid for 30 days after the
28 time described in subdivision (a) expires, the nonpayment shall
29 constitute a curable material breach of the lease. The landlord shall
30 have the right to terminate the tenancy in accordance with
31 paragraph (3) of Section 1161 of the Code of Civil Procedure with
32 the service of a three-day notice to cure covenant or quit upon the
33 tenant.

34 (e) Water service charges under this chapter shall not constitute
35 rent.

36 (f) The water service to a dwelling unit shall not be shut off or
37 otherwise interfered with by the landlord for any reason, including
38 nonpayment of a bill. Notwithstanding the foregoing, a landlord
39 or its agent may shut off water service to a dwelling unit or the

1 property, in order to make repairs, replacements of equipment, or
2 perform other maintenance at the property.

3 1954.214. This chapter does not preclude or preempt an
4 ordinance or regulation adopted prior to January 1, 2013, that
5 regulates the approval of submeter types or the installation,
6 maintenance, reading, billing, or testing of submeters and
7 associated onsite plumbing.

8 1954.215. The rights or obligations established under this
9 chapter shall not be waived. Any purported waiver is void.

10 1954.216. (a) This chapter applies to the following:

11 (1) All dwelling units offered for rent or rented in a building
12 where submeters were required to be installed pursuant to a
13 building standard adopted in accordance with Section 17922.14
14 of the Health and Safety Code.

15 (2) All dwelling units where submeters are used to charge a
16 tenant separately for water service.

17 (b) Nothing in this chapter shall be construed to apply to any
18 dwelling units other than those described in subdivision (a).

19 1954.217. This chapter shall become operative on January 1,
20 2017.

21 1954.218. Any property that is required to install individual
22 submeters pursuant to Article 5 (commencing with Section 537)
23 of Chapter 8 of Division 1 of the Water Code shall at all times be
24 required to bill residents for water service pursuant to this chapter.

25 SEC. 2. Section 17922.14 is added to the Health and Safety
26 Code, to read:

27 17922.14. (a) During the next regularly scheduled intervening
28 code cycle that commences on or after January 1, 2016, or during
29 a subsequent code adoption cycle, the department may develop
30 and propose for adoption by the California Building Standards
31 Commission, pursuant to Chapter 4 (commencing with Section
32 18935) of Part 2.5, building standards requiring the installation of
33 water meters or submeters in multiunit residential structures, as
34 those terms are defined in Section 517 of the Water Code. These
35 standards shall conform to Article 5 (commencing with Section
36 537) of Chapter 8 of Division 1 of the Water Code.

37 (b) (1) The department shall determine whether and under what
38 circumstances the installation of water meters or submeters is
39 infeasible and include in the building standards proposed in
40 subdivision (a) the appropriate provision for exemption from this

1 requirement. The department may consider whether there are any
2 issues specific to high-rise multifamily buildings that would require
3 an exemption from the requirement for the installation of water
4 meters or submeters.

5 (2) The following categories of structures shall be exempt from
6 the building standards established pursuant to subdivision (a):

7 (A) Long-term health care facilities, as defined in Section 1418.

8 (B) Low-income housing. For the purposes of this subparagraph,
9 “low-income housing” means a residential building that is financed
10 with low-income housing tax credits, tax-exempt mortgage revenue
11 bonds, general obligation bonds, or federal, state, or local loans
12 or grants, for which rents charged to lower income households, do
13 not exceed rents prescribed by deed restrictions or regulatory
14 agreements pursuant to the terms of the financing or financial
15 assistance, and for which not less than 90 percent of the dwelling
16 units within the building are designated for occupancy by lower
17 income households. As used in this subparagraph, “lower income
18 households” has the same meaning as defined in Section 50079.5.

19 (C) Residential care facilities for the elderly, as defined in
20 subdivision (k) of Section 1569.2.

21 (D) Student dormitories.

22 (E) Time-share property, as defined in subdivision (aa) of
23 Section 11212 of the Business and Professions Code.

24 (c) Moneys in the Building Standards Administration Special
25 Revolving Fund established pursuant to Section 18931.7 shall be
26 available, upon appropriation by the Legislature, for the
27 department’s administrative costs associated with the development
28 of building standards in accordance with this section.

29 SEC. 3. Section 517 is added to the Water Code, to read:

30 517. “Submeter” means a device that measures water
31 consumption of an individual rental unit within a multiunit
32 residential structure or mixed-use residential and commercial
33 structure, and that is owned and operated by the owner of the
34 structure or the owner’s agent. As used in this section, “multiunit
35 residential structure” and “mixed-use residential and commercial
36 structure” mean real property containing two or more dwelling
37 units.

38 SEC. 4. Article 5 (commencing with Section 537) is added to
39 Chapter 8 of Division 1 of the Water Code, to read:

Article 5. Multiunit Structures

1
2

3 537. (a) The structures in all of the following categories shall
4 be exempt from this article:

5 (1) Low-income housing. For purposes of this paragraph,
6 “low-income housing” means a residential building financed with
7 low-income housing tax credits, tax-exempt mortgage revenue
8 bonds, general obligation bonds, or local, state, or federal loans
9 or grants, for which the rents of the occupants in lower income
10 households, as defined in Section 50079.5 of the Health and Safety
11 Code, do not exceed rents prescribed by deed restrictions or
12 regulatory agreements pursuant to the terms of the financing or
13 financial assistance, and for which not less than 90 percent of the
14 dwelling units within the building are designated for occupancy
15 by lower income households, as defined in Section 50079.5 of the
16 Health and Safety Code.

17 (2) Student dormitories.

18 (3) Long-term health care facilities, as defined in Section 1418
19 of the Health and Safety Code.

20 (4) Time-share property, as defined in subdivision (aa) of
21 Section 11212 of the Business and Professions Code.

22 (5) Residential care facilities for the elderly, as defined in
23 Section 1569.2 of the Health and Safety Code.

24 (b) A submeter used to measure water supplied to an individual
25 residential unit that is required pursuant to this chapter shall be of
26 a type approved pursuant to Section 12500.5 of the Business and
27 Professions Code, and shall be installed and operated in compliance
28 with regulations established pursuant to Section 12107 of the
29 Business and Professions Code.

30 537.1. (a) Each water purveyor that sells, leases, rents,
31 furnishes, or delivers water service to a newly constructed multiunit
32 residential structure or newly constructed mixed-use residential
33 and commercial structure for which an application for a water
34 connection, or more than one connection, is submitted after January
35 1, 2017, shall require a measurement of the quantity of water
36 supplied to each individual dwelling unit as a condition of new
37 water service. The measurement may be by individual water meters
38 or submeters.

39 (b) (1) The owner of the structure shall ensure that each
40 submeter installed complies with all laws and regulations governing

1 the approval of submeter types or the installation, maintenance,
2 reading, billing, and testing of submeters, including, but not limited
3 to, the California Plumbing Code.

4 (2) This subdivision does not require a water purveyor to fund
5 or assume responsibility for ensuring compliance with any law or
6 regulation governing the approval of submeter types or the
7 installation, maintenance, reading, billing, and testing of submeters
8 and associated onsite plumbing.

9 (3) *Installation and maintenance of submeters shall be provided*
10 *by licensed plumbing contractors using workers who have*
11 *graduated from a state approved apprenticeship program.*

12 (c) A water purveyor shall not impose an additional capacity or
13 connection fee or charge for a submeter that is installed by the
14 owner, or his or her agent.

15 (d) This section shall remain operative until the date on which
16 the California Building Standards Commission includes standards
17 in the California Building Standards Code that conform to this
18 article.

19 537.2. (a) This article does not preclude or preempt an
20 ordinance or regulation that regulates the approval of submeter
21 types or the installation, maintenance, reading, billing, or testing
22 of submeters and associated onsite plumbing if the ordinance or
23 regulation was adopted prior to January 1, 2013.

24 (b) This article does not restrict the authority of a water
25 purveyor, city, county, city and county, or other local agency to
26 adopt and implement a program to promote water conservation
27 that includes the installation of water meters and submeters, as
28 required pursuant to subdivision (a) of Section 537.1, if the
29 program is at least as stringent as the requirements of this article.

30 537.3. It is the intent of the Legislature that this article should
31 not be construed to impose costs on any local government agency,
32 except to the extent that the local government agency is a water
33 purveyor.

34 537.4. This article shall become operative on January 1, 2017.

AMENDED IN SENATE JUNE 1, 2015

AMENDED IN SENATE MAY 5, 2015

AMENDED IN SENATE MARCH 16, 2015

SENATE BILL

No. 32

Introduced by Senator Pavley

(Coauthors: Senators Allen, Beall, Block, De León, Hancock, Hill, Jackson, Leno, Liu, McGuire, Mitchell, Monning, Wieckowski, and Wolk)

(Coauthors: Assembly Members Bloom, Cristina Garcia, Rendon, and Mark Stone)

December 1, 2014

An act to amend Sections 38505, 38550, 38551, and 38561 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 32, as amended, Pavley. California Global Warming Solutions Act of 2006: emissions limit.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions.

This bill would require the state board to approve a statewide greenhouse gas emissions limit that is equivalent to limits that are the equivalent to 40% below the 1990 level to be achieved by 2030 and

80% below the 1990 level to be achieved by 2050, as specified. The bill would authorize the state board to adopt *an* interim greenhouse gas emissions level ~~targets~~ *target* to be achieved by ~~2030 and~~ 2040. The bill also would state the intent of the Legislature for the Legislature and appropriate agencies to adopt complementary policies that ensure the long-term emissions reductions advance specified criteria. The bill would make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 38505 of the Health and Safety Code is
2 amended to read:
3 38505. For purposes of this division, the following terms have
4 the following meanings:
5 (a) "Allowance" means an authorization to emit, during a
6 specified year, up to one ton of carbon dioxide equivalent.
7 (b) "Alternative compliance mechanism" means an action
8 undertaken by a greenhouse gas emission source that achieves the
9 equivalent reduction of greenhouse gas emissions over the same
10 time period as a direct emission reduction, and that is approved
11 by the state board. "Alternative compliance mechanism" includes,
12 but is not limited to, a flexible compliance schedule, alternative
13 control technology, a process change, or a product substitution.
14 (c) "Carbon dioxide equivalent" means the amount of carbon
15 dioxide by weight that would produce the same global warming
16 impact as a given weight of another greenhouse gas, based on the
17 best available science, including from the Intergovernmental Panel
18 on Climate Change.
19 (d) "Cost-effective" or "cost-effectiveness" means the cost per
20 unit of reduced emissions of greenhouse gases adjusted for its
21 global warming potential.
22 (e) "Direct emission reduction" means a greenhouse gas
23 emission reduction action made by a greenhouse gas emission
24 source at that source.
25 (f) "Emissions reduction measure" means programs, measures,
26 standards, and alternative compliance mechanisms authorized
27 pursuant to this division, applicable to sources or categories of
28 sources, that are designed to reduce emissions of greenhouse gases.

1 (g) "Greenhouse gas" or "greenhouse gases" includes all of the
2 following gases:

- 3 (1) Carbon dioxide.
- 4 (2) Methane.
- 5 (3) Nitrous oxide.
- 6 (4) Hydrofluorocarbons.
- 7 (5) Perfluorocarbons.
- 8 (6) Sulfur hexafluoride.
- 9 (7) Nitrogen trifluoride.

10 (h) "Greenhouse gas emissions limit" means an authorization,
11 during a specified year, to emit up to a level of greenhouse gases
12 specified by the state board, expressed in tons of carbon dioxide
13 equivalents.

14 (i) "Greenhouse gas emission source" or "source" means any
15 source, or category of sources, of greenhouse gas emissions whose
16 emissions are at a level of significance, as determined by the state
17 board, that its participation in the program established under this
18 division will enable the state board to effectively reduce greenhouse
19 gas emissions and monitor compliance with the statewide
20 greenhouse gas emissions limit.

21 (j) "Leakage" means a reduction in emissions of greenhouse
22 gases within the state that is offset by an increase in emissions of
23 greenhouse gases outside the state.

24 (k) "Market-based compliance mechanism" means either of the
25 following:

26 (1) A system of market-based declining annual aggregate
27 emissions limitations for sources or categories of sources that emit
28 greenhouse gases.

29 (2) Greenhouse gas emissions exchanges, banking, credits, and
30 other transactions, governed by rules and protocols established by
31 the state board, that result in the same greenhouse gas emission
32 reduction, over the same time period, as direct compliance with a
33 greenhouse gas emission limit or emissions reduction measure
34 adopted by the state board pursuant to this division.

35 (l) "State board" means the State Air Resources Board.

36 (m) "Statewide greenhouse gas emissions" means the total
37 annual emissions of greenhouse gases in the state, including all
38 emissions of greenhouse gases from the generation of electricity
39 delivered to and consumed in California, accounting for
40 transmission and distribution line losses, whether the electricity

1 is generated in state or imported. Statewide emissions shall be
2 expressed in tons of carbon dioxide equivalents.

3 (n) "Statewide greenhouse gas emissions limit" or "statewide
4 emissions limit" means the maximum allowable level of statewide
5 greenhouse gas emissions, as determined by the state board
6 pursuant to Part 3 (commencing with Section 38550).

7 SEC. 2. Section 38550 of the Health and Safety Code is
8 amended to read:

9 38550. (a) By January 1, 2008, the state board shall, after one
10 or more public workshops, with public notice, and an opportunity
11 for all interested parties to comment, determine what the statewide
12 greenhouse gas emissions level was in 1990, and approve in a
13 public hearing, a statewide greenhouse gas emissions limit that is
14 equivalent to that level, to be achieved by 2020. In order to ensure
15 the most accurate determination feasible, the state board shall
16 evaluate the best available scientific, technological, and economic
17 information on greenhouse gas emissions to determine the 1990
18 level of greenhouse gas emissions.

19 ~~(b) (1) Notwithstanding subdivision (a), the state board shall~~
20 ~~approve in a public hearing a statewide greenhouse gas emissions~~
21 ~~limit that is equivalent to 80 percent below the 1990 level, as~~
22 ~~determined pursuant to subdivision (a) or Section 39730, to be~~
23 ~~achieved by 2050 based on the best available scientific,~~
24 ~~technological, and economic assessments. The greenhouse gas~~
25 ~~emissions limit shall include short-lived climate pollutants, as~~
26 ~~defined in Chapter 4.2 (commencing with Section 39730) of Part~~
27 ~~2 of Division 26.~~

28 (b) (1) (A) *Notwithstanding subdivision (a), the state board*
29 *shall approve in a public hearing, based on the best available*
30 *scientific, technological, and economic assessments, all of the*
31 *following:*

32 (i) *A statewide greenhouse gas emissions limit that is equivalent*
33 *to 40 percent below the 1990 level, as determined pursuant to*
34 *subdivision (a) or Section 39730, to be achieved by 2030.*

35 (ii) *A statewide greenhouse gas emissions limit that is equivalent*
36 *to 80 percent below the 1990 level, as determined pursuant to*
37 *subdivision (a) or Section 39730, to be achieved by 2050.*

38 (B) *For the purposes of this paragraph, a greenhouse gas*
39 *emissions limit shall include short-lived climate pollutants, as*

1 *defined in Chapter 4.2 (commencing with Section 39730) of Part*
2 *2 of Division 26.*

3 (2) The state board also may approve *an* interim greenhouse
4 gas emissions level ~~targets~~ *target* to be achieved by ~~2030 and~~ 2040
5 consistent with paragraph (1).

6 SEC. 3. Section 38551 of the Health and Safety Code is
7 amended to read:

8 38551. (a) ~~The~~ *Each of the* statewide greenhouse gas emissions
9 ~~limit~~ *limits* shall remain in effect unless otherwise amended or
10 repealed.

11 (b) It is the intent of the Legislature that the ~~2050~~ statewide
12 greenhouse gas emissions ~~limit~~ *limits* established pursuant to
13 Section 38550 continue in existence and be used to maintain and
14 continue reductions in emissions of greenhouse ~~gases beyond 2050.~~
15 *gases.*

16 (c) The state board shall make recommendations to the Governor
17 and the Legislature on how to continue reductions of greenhouse
18 gas emissions beyond 2050.

19 (d) In implementing subdivision (b) of Section 38550, it is the
20 intent of the Legislature for the Legislature and appropriate
21 agencies to adopt complementary policies that ensure the long-term
22 emissions reductions adopted pursuant to subdivision (b) of Section
23 38550 advance all of the following:

24 (1) Job growth and local economic benefits in California.

25 (2) Public health benefits for California residents, particularly
26 in disadvantaged communities.

27 (3) Innovation in technology and energy, water, and resource
28 management practices.

29 (4) Regional and international collaboration to adopt similar
30 greenhouse gas emissions reduction policies.

31 SEC. 4. Section 38561 of the Health and Safety Code is
32 amended to read:

33 38561. (a) (1) On or before January 1, 2009, the state board
34 shall prepare and approve a scoping plan, as that term is understood
35 by the state board, for achieving the maximum technologically
36 feasible and cost-effective reductions in greenhouse gas emissions
37 from sources or categories of sources of greenhouse gases under
38 this division.

39 (2) The state board shall consult with all state agencies with
40 jurisdiction over sources of greenhouse gases, including the Public

1 Utilities Commission and the State Energy Resources Conservation
2 and Development Commission, on all elements of its plan that
3 pertain to energy-related matters including, but not limited to,
4 electrical generation, load based-standards or requirements, the
5 provision of reliable and affordable electrical service, petroleum
6 refining, and statewide fuel supplies to ensure the greenhouse gas
7 emissions reduction activities to be adopted and implemented by
8 the state board are complementary, nonduplicative, and can be
9 implemented in an efficient and cost-effective manner.

10 (b) The plan shall identify and make recommendations on direct
11 emissions reduction measures, alternative compliance mechanisms,
12 market-based compliance mechanisms, and potential monetary
13 and nonmonetary incentives for sources and categories of sources
14 that the state board finds are necessary or desirable to facilitate
15 the achievement of the maximum feasible and cost-effective
16 reductions of greenhouse gas emissions under this division.

17 (c) In making the determinations required by subdivision (b),
18 the state board shall consider all relevant information pertaining
19 to greenhouse gas emissions reduction programs in other states,
20 localities, and nations, including the northeastern states of the
21 United States, Canada, and the European Union.

22 (d) The state board shall evaluate the total potential costs and
23 total potential economic and noneconomic benefits of the plan for
24 reducing greenhouse gases to California's economy, environment,
25 and public health, using the best available economic models,
26 emission estimation techniques, and other scientific methods.

27 (e) In developing its plan, the state board shall take into account
28 the relative contribution of each source or source category to
29 statewide greenhouse gas emissions, and the potential for adverse
30 effects on small businesses, and shall recommend a de minimis
31 threshold of greenhouse gas emissions below which emissions
32 reduction requirements will not apply.

33 (f) In developing its plan, the state board shall identify
34 opportunities for emissions reduction measures from all verifiable
35 and enforceable voluntary actions, including, but not limited to,
36 carbon sequestration projects and best management practices.

37 (g) The state board shall conduct a series of public workshops
38 to give interested parties an opportunity to comment on the plan.
39 The state board shall conduct a portion of these workshops in
40 regions of the state that have the most significant exposure to air

1 pollutants, including, but not limited to, communities with minority
2 populations, communities with low-income populations, or both.
3 (h) The state board shall update its plan for achieving the
4 maximum technologically feasible and cost-effective reductions
5 of greenhouse gas emissions at least once every five years.

O

AMENDED IN ASSEMBLY JULY 6, 2015

SENATE BILL

No. 551

Introduced by Senator Wolk

February 26, 2015

An act to add Section 110 to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 551, as amended, Wolk. State water policy: water and energy efficiency.

The California Constitution requires the reasonable and beneficial use of water. Existing law establishes various state water policies, including the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable.

Existing law, the Warren-Alquist State Energy Resources Conservation Development Act, declares, among other things, that electrical and natural gas utilities should have as a principal goal of their resource planning and investment to minimize the cost to society of reliable energy services, improve the environment, and encourage the diversity of energy sources. The act also declares that those utilities should seek to exploit all practicable and cost-effective conservation and improvements in the efficiency of energy use and distribution that offer equivalent or better system of reliability.

This bill would declare the policy of the state that water use and water treatment shall ~~be operate in a manner that is~~ as energy efficient as is feasible and energy use and generation shall ~~be operate in a manner that is~~ as water efficient as is feasible. This bill would require all relevant state agencies to consider this state policy when revising, adopting, or establishing policies, regulations, and grant criteria when pertinent to these uses of water and energy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

- 3 (a) Water and energy are vital to California's economy.
- 4 (b) Water and energy resources in California are inextricably
5 connected.
- 6 (c) Energy generation can be water intensive.
- 7 (d) Transportation and treatment of water, treatment and disposal
8 of wastewater, and the energy used to heat and consume water
9 account for nearly 20 percent of the total electricity and 30 percent
10 of the nonpowerplant-related natural gas consumed in California.
- 11 (e) Targeted water efficiency measures, therefore, are likely to
12 result in significant energy savings and targeted energy efficiency
13 measures may result in water savings.

14 SEC. 2. Section 110 is added to the Water Code, to read:

15 110. (a) It is hereby declared to be the established policy of
16 the state that water use and water treatment shall ~~be operate in a~~
17 *manner that is* as energy efficient as is feasible and energy use and
18 generation shall ~~be operate in a manner that is~~ as water efficient
19 as is feasible.

20 (b) All relevant state agencies shall consider this state policy
21 when revising, adopting, or establishing policies, regulations, and
22 grant criteria when those policies, regulations, and criteria are
23 pertinent to the uses of water and energy described in this section.

24 (c) The implementation of this section shall not infringe on the
25 rights or responsibilities of any public water system or public
26 utility.

27 (d) *For purposes of this section, "feasible" means capable of*
28 *being accomplished in a successful manner within a reasonable*
29 *period of time, taking into account life-cycle analyses,*
30 *cost-effectiveness, consistency with existing plans, demand*
31 *forecasts, and environmental, social, public health, and*
32 *technological factors.*

O

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 6, 2015
MEMO TO: Board of Directors
THROUGH: Alexander R. Coate, General Manager *ARC*
FROM: Eileen M. White, Manager of Water Operations *Eileen M. White*
SUBJECT: Drought Operations

INTRODUCTION

Water year 2015 (October 1, 2014 – September 30, 2015) is shaping up to be one of the driest on record and 2012 – 2015 is the driest four year period in the history of the District. On April 14, 2015, the Board declared a Stage 4 Critical Drought and authorized the delivery of over 65 thousand acre-feet (TAF) of supplemental water supply. Staff will provide a comprehensive update on the District's current water supply, drought operations, and the plan for managing through another dry year at the August 11, 2015 Board Meeting.

DISCUSSION**Current Water Supply**

When full at the beginning of each water year, EBMUD's total water system storage is approximately 600 TAF. Total system storage on September 30, 2014 was 404 TAF. Storage levels would have been 40 TAF lower had the District not taken supplemental supplies and implemented voluntary conservation by customers during 2014. EBMUD refills its reservoirs by relying on an average of 48 inches of precipitation annually. This past year, the Mokelumne watershed received only 29.18 inches of precipitation resulting in 2014 – 2015 being the second driest two year period on record, and staff projects total system storage on September 30, 2015 to be 330 TAF with Central Valley Project water and transfers to that date.

Drought Operations Plan

The current drought operation relies solely on delivering supplemental supplies to the Upper San Leandro (USL) and San Pablo Reservoirs for treatment at the USL and Sobrante Water Treatment Plants (WTPs). This operation has an annual limit of 65 TAF. In addition, this operation has been subject to several constraints including taste and smell complaints, facility interruptions, and down-time for scheduled maintenance.

With the Board's declaration of a Stage 4 Critical Drought, staff developed a plan to increase supplemental supply annual delivery capacity from a maximum of 65 TAF to 100 TAF. This requires reconditioning and operating San Pablo WTP and utilizing the in-line WTPs to treat supplemental supplies.

Capital Projects

The District is completing the following projects to implement the operating plan to deliver 100 TAF of supplemental supply.

Sobrante and Upper San Leandro WTPs

The ozonation facilities were added to the two treatment plants 25 years ago. The equipment has reached the end of its useful life and is in need of replacement. The District is in the process of upgrading the ozonation systems at both plants with more efficient, reliable equipment. The new equipment at the Sobrante WTP should be in service by mid-2017, and at the USL WTP by mid-2018. The new ozone facilities will greatly improve the ability to address taste and odor associated with algal blooms. In the meantime, the existing equipment may experience periodic breakdowns and will be repaired as soon as possible.

The USL WTP sedimentation basin sludge removal system is prone to failure and requires constant maintenance and adjustments. A replacement system in use at Sobrante WTP for over seven years is planned for USL WTP that will make maintenance more efficient. The installation of the new system at USL WTP, which is scheduled for 2017, will greatly improve the reliability of the plant so it can operate at high rates to maximize the production of Sacramento River water.

San Pablo Reservoir

Hypolimnetic Oxygenation Systems (HOS) have been demonstrated to suppress algal blooms in raw water reservoirs and the technology has been used at USL Reservoir for many years. The District plans to install a similar HOS system in San Pablo Reservoir. Once in operation, sometime in FY18/19, the concentration of taste and odor causing compounds entering the Sobrante WTP should be much lower.

San Pablo WTP

San Pablo WTP is a standby plant that has not been operated since 2007. Since then the plant has had no preventive maintenance performed on equipment and systems. Staff inspected the systems and identified the repairs and improvements required to reliably operate the plant and are scheduled to complete the work in September. The systems will be tested and the plant will be operating this fall and will allow the District to treat an additional 20 to 25 MGD of supplemental supply.

Walnut Creek WTP

Walnut Creek Water Treatment Plant (WC WTP) is currently permitted to treat Mokelumne water supply. Staff has been conducting pilot studies over the past year to demonstrate that water from the Folsom South Canal (FSC) can be effectively treated at WC WTP to meet all drinking water standards. Staff will be meeting with staff from the State Division of Drinking Water later this month to present the results of the pilot studies and seek approval from the state to treat FSC water at WC WTP. Staff will be making modifications to the control systems at the plant to separate chemical feeds so that FSC water can be treated at the WC WTP. With the ability to treat FSC water at WC WTP later this year, the District will be able to treat an additional 10 to 20 MGD.

FISCAL IMPACT

Projects are accounted for in the five-year Capital Improvement Program.

NEXT STEPS

Staff will keep the Board updated on the District's current water supply, drought operations, and the plan for managing through another dry year.

ARC:EMW:ss

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 11, 2015
MEMO TO: Board of Directors
THROUGH: Alexander R. Coate, General Manager *ARC*
FROM: Cheryl A. Farr, Special Assistant to the General Manager *CAF*
SUBJECT: 2015 Critical Drought Action Plan Update

SUMMARY

Staff continues implementing the 2015 Critical Drought Action Plan to support customer conservation and customer compliance with drought-related regulations and ordinances adopted by the Board and the state. Based on water production, July demand was down 31 percent compared to the same time period in 2013, surpassing the 20 percent goal set by the Board and the 16 percent target EBMUD is required to achieve based on state requirements. Since the February 11, 2014 drought declaration the cumulative savings rate is 16 percent and since January 2015 the cumulative savings rate is 20 percent.

DISCUSSION

Customer Outreach and Activity. In July, a “thank you” bill insert began mailing to customers who are using eight units or less per bi-monthly billing period to acknowledge their sustained low water use. Approximately 27% of single family residential customers received thank you notices in July.

A new video is now available on our website that demonstrates inline drip irrigation. Additional videos will launch shortly explaining the benefits of mulching and how to do it properly and demonstrating how to adjust irrigation controllers to run only two times per week.

During July, staff responded to 486 drought-related phone and email inquiries regarding customer conservation efforts, rebate programs, excessive use penalties and the drought surcharge. There were 12 excessive use inquiries in July in response to the letter sent to customers informing them that (based on their water use in the most recent billing period) they might be subject to the penalty in future billing cycles and encouraging them to consider adjusting their use. Rebate activity continues to be strong with a total of 1,166 rebates issued for the month. Staff continues to respond to a high volume of water waste reports; 740 were received in July (slightly lower than June) and nearly 60 percent involved residential properties.

Home Water Reports continue to be an effective customer engagement tool with 22,553 reports distributed in July. The reports generated nearly 2,000 visits to the online portal where customers can access additional conservation services. Water conservation activities completed in July are summarized in Attachment 2.

The District continues to work with community organizations, large irrigators and business partners to promote water-efficient practices and conservation services to customers. The District hosted a meeting of the Landscape Advisory Committee during July to engage members on ideas and approaches to enhance community outreach and services toward efficient landscape design, irrigation and maintenance practices. Follow up meetings are scheduled for August and September and likely will continue through the fall if conditions remain dry. Interest in scheduling Board members and staff to speak on water supply and drought efforts remains high. Recent and upcoming speaking engagements are shown in Attachment 3.

During July staff responded to 30 drought-related media inquiries that addressed the mandatory water use restrictions, implementation of the drought surcharge and excessive use penalty, outdoor rebates, recycled water and achievement of our goal of a 20 percent reduction in overall water use. Coverage included three in-studio interviews: KTVU-2 (4 o'clock live newscast) and KTSF-26 (Vietnamese and Korean public affairs programming).

The drought theater program EBMUD is sponsoring at community events throughout the service area was presented in seven cities during July. During the month our drought page received 4,691 visits and there were 429 visits to pages explaining drought-related tap water taste and smell changes.

The July-August *Pipeline* continues to mail. It features drip irrigation, supplemental supplies and opting in to the My Water Report program. The top of bill message reminds customers that new rates are in effect to pay for replacement of aging pipes and long-term infrastructure improvements. The message also advises customers of the temporary 25% drought surcharge and that excessive use penalties will apply to customers using more than 984 gallons per day.

District Operations. Staff continues to actively monitor and manage water use and to report to the state on water production and conservation savings compared to 2013. July 2015 water use at our facilities was down 67 percent compared to July 2013 and cumulative water use from February 2014 – July 2015 is down 14 percent overall. A significant contribution to the current savings rate was the conversion of the Administration Building cooling towers to recycled water. Ongoing planned operational changes are expected to provide additional savings in the coming months. Expanded water loss detection and supply-side conservation efforts are ongoing through the heightened deployment of acoustic loggers, remote telemetry and field crews who are surveying hundreds of miles of pipe throughout the service area.

Trucked Recycled Water Program. The amount of trucked recycled water used in July was 496,000 gallons from the East Bayshore station and 257,000 gallons from the North Richmond station, for a total of 753,000 gallons. Staff continues to work toward pilot testing a residential recycled water fill station starting soon near Point Isabel on the wet weather treatment plant property in Richmond.

Supplemental Supply Actions. The Freeport pumping plants and facilities continued to be in service this month to deliver supplemental supply from the Sacramento River into the East Bay. From April 15th through July 31st, a total of 27,500 acre feet of CVP contract water has been delivered to local storage reservoirs.

NEXT STEPS

We are scheduled to deliver another 6,850 acre feet of CVP contract water to terminal reservoirs in August. Staff is also working on completing environmental documentation and permitting to bring an additional 25,000 acre feet of transfer water into the system in late summer and fall.

Attachments:

1. Water Conservation Outreach Update as of July 31, 2015
2. Speakers Bureau Update as of July 31, 2015

FY16 Demand Reduction Program

As of July 31, 2015⁴ Revised 8-6-15

Monthly Water Conservation Activity	Current Month	Activity Level to Date
Customer Outreach (on-site audits, self-survey kits, landscape consultations, high-bill inquiries, new account review, WaterSmart Home Water Reports¹) - Residential	22,612	228,199
<i>Single Family</i>	22,589	226,649
<i>Multi Family (number of dwelling units audited)</i>	23	1,550
Customer Outreach (on-site audits, landscape consultations, high bill inquiries) - Non Residential	1,687	26,326
<i>Commercial</i>	8	232
<i>Industrial</i>	-	7
<i>Institutional</i>	3	18
<i>Irrigation and IRIS Water Budget Program</i>	1,676	26,069
Devices, Materials and Information Distributed	2,204	34,815
Water Saving Devices (showerheads, aerators, dye tabs, toilet bags, hose nozzles)	1,142	9,047
Table tents, hotel cards, shower stickers	1,018	23,163
Plant Books ³	44	2,605
Water Waste Response	740	6,157
<i>Residential</i>	528	3,938
<i>Commercial</i>	106	997
<i>Institutional</i>	59	307
<i>Street and Misc.²</i>	47	915
Rebates (toilets, clotheswashers, irrigation controllers, landscape, etc.)	1,166	18,823
Rebates Paid (toilets, clotheswashers, irrigation controllers, landscape, etc.) :		
<i>Residential</i>	1127	17,452
<i>Non-Residential</i>	39	1,371
Community Outreach Presentations/Events	12	235
Contact Center Activity	Current Month	Activity Level to Date
No. of Leak Adjustments	179	5,685
Drought Related Calls	482	3,639
Drought Related Emails	64	819
¹ WaterSmart Home Water Reports added in September 2014		
² Note this is a new category as of August 2014		
³ Adjustment in plant book sales versus consignments occurred January 2015		
⁴ Data Collection started February 2014		

SPEAKERS' BUREAU and OUTREACH RECORD CY15

Date/Time	Group	Speaker/BOD Attendee	Presentation Type	Topics Requested	Estimated Audience
TBD	Ada Street Neighborhood Association Berkeley	TBD	Presentation	Water conservation	22
TBD	Berkeley Community Emergency Response Team Volunteers	TBD	Presentation	Managing drought as a chronic disaster	20
TBD	Beth Chaim Congregation Danville	TBD	Presentation	Water conservation and impact of drought	50
TBD	Chevron Refinery	Richard Sykes	Presentation	Drought, recycling, and conservation	
TBD	Contra Costa Board of Realtors Richmond	TBD	Presentation	Drought and water conservation for homeowners	30
TBD	Contra Costa Association of Realtors Richmond	TBD	Presentation	Water Conservation tips and updates	35
TBD	Glenview Neighborhood Association Oakland	TBD	Presentation	Landscaping lawn conversion and water conservation	400
TBD	Hoe and Hope East Bay Garden Club	TBD	Presentation	Water conservation, drought, solutions for clear water, El Nino	40
TBD	Oakland Chinatown StreetFest	EarthCapades for EBMUD	Presentation	Water conservation and drought	
TBD	Oakland City Council Desley Brooks	Ben Horenstein, Jackie Kepke, Sophia Skoda, Steve Sherman	Tour	Wastewater Treatment Plant - Food waste to energy tour	
TBD	Oakland International High School	Michelle Blackwell	Presentation	Water consumption and storage	27

Date/Time	Group	Speaker/BOD Attendee	Presentation Type	Topics Requested	Estimated Audience
TBD	Oakland Sunrise Rotary Club	TBD	Presentation	Water conservation and drought	10
TBD	One Kelton Court Oakland	TBD	Presentation	Water conservation	25
TBD	Richmond City Council	Director McIntosh	Presentation	Drought and water conservation (Reschedule from June)	
TBD	Rosie the Riveter National Historic Park and Eugene O'Neill National Historic Park - Richmond	Michelle Blackwell	Presentation	Overview of EBMUD, water supply, water conservation and California water issues	
TBD	Water Conservation Committee Solar Power - Rossmoor	Scott Sommerfeld	Presentation	Plants and landscapes for Rossmoor	25
TBD	Zero Graffiti International City of Oakland Annual Graffiti Masters Event	TBD	Presentation	Proper disposal and procedures when pressure washing	60
11/4/15 11:00am- 1:30pm	Lamorinda Sons In Retirement (Branch 171)	Director Coleman	Presentation	Water policy	150
10/20/15 7:45am- 9:45am	President Frank Mellon's Ward Briefing Castro Valley	President Mellon	Presentation	EBMUD update on water supply, rates, water conservation, infrastructure, long term water supplies	60
10/17/15 2pm	Castro Valley Library	TBD	Presentation	Water conservation and landscape rebates	

Date/Time	Group	Speaker/BOD Attendee	Presentation Type	Topics Requested	Estimated Audience
10/17/15 10am	Palomares Hills HOA Castro Valley	TBD	Presentation	Landscape and indoor water conservation, better plant choices for drought, turf replacement, graywater diversion	50
10/15-16/15	EBMUD Insurance Brokers and Insurance Underwriters	TBD	Tour	Pardee Dam Tour, Camanche, and Chevron Treatment Plant	15
10/15/15 11:30am- 1:30pm	Director Lesa McIntosh's Ward Briefing Richmond	Director McIntosh	Presentation	EBMUD update on water supply, rates, water conservation, infrastructure, long term water supplies	60
10/13/15 11:30am	Alamo/Danville Newcomers Club	Charles Bohlig	Presentation	Current water supply situation and how to conserve	250
10/4/15 2pm-5pm	Sustainable Lafayette	Director Coleman	Presentation	Drought	150
9/30/15 12pm	Orinda Rotary	Director Young	Presentation	Drought and water conservation	
9/28/15 12pm	Bay Planning Coalition Water Energy Nexus Summit	Alex Coate	Presentation	Water and energy Nexus	
9/23/15 11:30am- 1:30pm	Director Bill Patterson's Ward Briefing Oakland	Director Patterson	Presentation	EBMUD update on water supply, rates, water conservation, infrastructure, long term water supplies	60
9/22/15	Danville - Sycamore Rotary	Director Coleman	Presentation	Drought	

Date/Time	Group	Speaker/BOD Attendee	Presentation Type	Topics Requested	Estimated Audience
9/20/15 11am-4pm	El Sobrante Chamber of Commerce El Sobrante Stroll	Rolando Gonzalez Jolene Bertetto	Booth	Water conservation rebates and programs	
9/20/15 TBD	San Lorenzo 70th Anniversary	Magic Circus for EBMUD	Presentation	Water conservation and drought	
9/19/15 11am-3pm	San Leandro Public Library	TBD	Presentation	Water conservation and drought, preserving water, bay friendly waste disposal, installing a water-saving faucet	
9/19/15 10am-6pm	Lafayette Chamber of Commerce Lafayette Art & Wine Festival	Salbra James, Maureen O'Toole, Nanci Miller, Jessica Woodard	Booth	Water conservation and drought response	
9/13/15 TBD	Solano Ave Association Solano Stroll - Berkeley	EarthCapades for EBMUD	Presentation	Water conservation and drought	
9/12-13/15 10am-6pm	Castro Valley Chamber of Commerce Castro Valley Fall Festival	Nanci Miller Salbra James	Booth	Water conservation	
9/12/15 10am-3pm	Acts of Grace Community Fair Oakland	Jessica Woodard	Booth	Water conservation and drought	
9/9/15 6pm	Music in the Park Albany	EarthCapades for EBMUD	Presentation	Water conservation and drought	
9/3/15 9am-10am	Alameda County Emergency Managers Association - Oakland	Mike Hazinski	Presentation	Drought	30
9/2/15 2pm-5pm	San Lorenzo Unified School Health and Wellness Fair	TBD	Booth	Water conservation	300

Date/Time	Group	Speaker/BOD Attendee	Presentation Type	Topics Requested	Estimated Audience
9/1/15	Orinda City Council	Director Young	Presentation	Drought update	
8/28/15 6pm	Movie Night Castro Valley	Shows That Teach for EBMUD	Presentation	Water conservation and drought	
8/27/15 5:30pm- 7:30pm	Oakland Housing Authority, Family & Community Partnerships Department	TBD	Presentation	Rebate program for drought tolerant landscapes, water conservation tips, and free conservation items	12
8/27/15 12pm-2pm	East Bay Economic Development Alliance	Richard Harris	Presentation	"Conservation Tools For Business" panel discussion and presentation	
8/26/15 6:30pm- 8:00pm	THHM Senior Housing San Pablo	TBD	Presentation	Water conservation	20
8/20/15 6:30pm	Broadway Plaza Summer Concert Series - Walnut Creek	Magic Circus for EBMUD	Presentation	Water conservation and drought	
8/19/15 12pm	KW Engineering Oakland	TBD	Presentation	Water conservation for personal and building use	30
8/13/15 1pm	Camp Awesome Lafayette	Magic Circus for EBMUD	Presentation	Water conservation and drought	
8/12/15 7pm-9pm	Berkeley CERT Meeting	Scott Sommerfeld	Presentation	Drought as a chronic disaster, terrain, landscape, what can be do to conserve for the long term	
8/10/15 9:30am	Federal General Accounting Office	Ben Horenstein, Jackie Kepke	Tour	Wastewater treatment plant	6

Date/Time	Group	Speaker/BOD Attendee	Presentation Type	Topics Requested	Estimated Audience
8/8/15 5:30pm	Music in the Park Danville	EarthCapades for EBMUD	Presentation	Water conservation and drought	
8/7/15 8pm	Movie Night San Ramon	Shows That Teach for EBMUD	Presentation	Water conservation and drought	
8/5/15 6:30pm	Kiwanis Club Meeting Rathskellar of the Alameda	Charles Bohlig	Presentation	Water conservation	
8/5/15 2pm	City of San Ramon Mayor Bill Clarkson Meeting	President Mellon	Presentation	EBMUD update	
8/4/15 6pm-8pm	Woodstock Homes National Night Out - Alameda	Charles Bohlig	Presentation	Water conservation	200
8/4/15 12:30pm	Albany Rotary	Mike Hazinski	Presentation	Water conservation	18
8/1/15 9am-12pm	"Defeat the Drought" Expo Dublin	Nanci Miller	Booth	Water conservation and recycling	
7/31/15	Ed Baxter Talk 910	Director Coleman	Presentation	Water conservation and drought	
7/29/15 11:30am- 1:30pm	Director Doug Linney's Ward Briefing Oakland	Director Linney	Presentation	EBMUD update on water supply, rates, water conservation, infrastructure, long term water supplies	65
7/29/15 10:30am- 12:00pm	SRI International	Yuyun Shang	Tour	Wastewater treatment plant	2

Date/Time	Group	Speaker/BOD Attendee	Presentation Type	Topics Requested	Estimated Audience
7/25-26/15 10am-6pm	Park Street Business Association Annual Art & Wine Festival Alameda	Salbra James, Joe Lerma, Nanci Miller, Rachel Garza	Booth	Drought strategies and water conservation	
7/22/15 6:15pm- 6:35pm	Richmond Main Street	EarthCapades for EBMUD	Presentation	Water conservation and drought	
7/22/15 6pm	Lafayette Art Gallery	Richard Harris	Presentation	Water conservation	30
7/22/15 12pm	Satellite Affordable Housing, Inc. Oakland	Charles Bohlig	Presentation	Water conservation for multifamily property managers and maintenance staff	25
7/21/15 11:50am- 1:30pm	Laney College - Geo Lab Summer School	Joe Barge	Tour	Wastewater treatment plant	20
7/20/15 6:30pm	Laurel Park Neighborhood Council Richmond	Richard Harris	Presentation	Drought restrictions and free water saving devices	
7/19/15 11am-6pm	Crockett Chamber of Commerce's Sugartown Festival	Joseph Lerma Rolando Gonzalez/ EarthCapades for EBMUD	Booth/ Presentation	Water conservation and drought	
7/18/15 10am-12pm	Oakland District One Town Hall	Director Katz, Director Young	Presentation	Water conservation and drought	
7/14/15 6:00pm- 6:30pm	Lamorinda Idol/Summer Concerts Orinda	Magic Circus for EBMUD	Presentation	Water conservation and drought	

Date/Time	Group	Speaker/BOD Attendee	Presentation Type	Topics Requested	Estimated Audience
7/14/15 1pm	Town of Danville	Charles Bohlig	Workshop	Water conservation	
7/10/15 7pm	Movie Night San Lorenzo	EarthCapades for EBMUD	Presentation	Water conservation and drought	
7/10/15 5:30pm- 7:30pm	Concert at the Cove Alameda	Shows That Teach for EBMUD	Presentation	Water conservation and drought	
7/10/15	Water Tech Summit Sacramento	Alex Coate	Presentation	Water and technology	
7/9/15 4pm	City of San Ramon Mayor Bill Clarkson Meeting	President Mellon	Presentation	EBMUD update	
7/4/15 12pm	July 4th Festival of Family Fun Oakland	Shows That Teach for EBMUD	Presentation	Water conservation and drought	
7/4/15 10am-6pm	One World July 4th Festival El Cerrito	Joseph Lerma Salbra James/ Magic Circus	Booth/ Presentation	Water conservation services, rebates, and drought	
7/2/15	Eden Housing Organization Oakland	Director Coleman	Podcast	Water conservation and affordable housing	

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 11, 2015
MEMO TO: Board of Directors
FROM: Alexander R. Coate, General Manager *ARC*
SUBJECT: Monthly Report – July 2015

HIGHLIGHTS

Water transfer from Placer County Water Agency (PCWA) begins. In July, PCWA began releasing 12,000 acre feet of transfer water into Folsom Reservoir. The District will begin diverting the transfer water at the Freeport intake in September.

Recycled water truck program update. The District continues to respond to multiple inquiries regarding our program to provide recycled water via water trucks for construction, pressure washing, and irrigation. In July, one new permit for this program was issued and two additional permit applications were submitted. These were all small commercial enterprises. To date, over 750,000 gallons of recycled water was distributed.

Glen Echo Creek spill update. On July 3, the City of Oakland identified a sewer main leak in the area of Harbord Court after searching for the source of wastewater in the creek. District staff reinitiated weekly water quality monitoring in the creek following repairs of the sewer and found that wastewater was still present. District staff asked the City to continue researching the source and is waiting for city staff to advise how they plan to resolve the issue. On July 17, , the District selected a consulting firm to develop the restoration plan for the next phase of work at the creek. Once a plan is developed and there is agreement between the affected stakeholders, a contractor will be solicited to construct the recommended alternatives. Staff has scheduled a site walk and overview of the incident with the Army Corps of Engineers for late August. This will facilitate obtaining a permit for the restoration work.

WATER SUPPLY AND WATER RIGHTS PROGRAMS AND ACTIVITIES

District water use data submitted to the State Water Resources Control Board (SWRCB) as part of state drought reporting requirements. Staff submitted the required reports to the SWRCB documenting current water use as compared to 2013. The District's water consumption was 31 percent lower in June 2015 and in July 2015 than for the same months in 2013. The SWRCB also requested information on the number of water waste complaints that were filed.

The District will serve as the California Statewide Groundwater Elevation Monitoring (CASGEM) entity for the northern portion of the East Bay Plain Basin (EBPB). On July 7, staff met with the Department of Water Resources (DWR) to discuss the District's proposed monitoring plan for the basin. The plan proposes to modify four existing wells (owned/operated by others) in the basin that could be suitable for CASGEM needs. Once DWR approves the monitoring plan and EBMUD receives well agreements from the owners and submits final

documentation to DWR, the District will be designated as the basin's groundwater monitoring agency. This is anticipated by the end of 2015.

On July 15, staff participated in a Mokelumne River Technical Advisory Committee meeting in Lodi. Staff presented the water supply update as of July 2015 and the strategies being used to reserve cold water in Camanche and Pardee reservoirs for returning salmon this fall. Although the drought and required regulatory releases have impacted the District's cold water supply, at this time it appears that diligent reservoir management will insure the availability of cold water during the fall salmon run. Resource agency staff commended the District on its efforts and support the strategies presented.

Emeryville Shellmound-Christie recycled water pipeline update. On July 15, staff issued a request for proposals from consultants to provide labor compliance program (LCP) services. The consultant will monitor the contractor for compliance with labor laws including prevailing wage and payroll monitoring, which is a state funding requirement. The project, which is partially funded by a state grant, requires an LCP to be implemented during the construction period. Construction is scheduled to start in September.

FRWA/FSCC Operations. For the month of July, 6,903 acre-feet (AF) of supplemental supply was delivered to storage, 1,330 AF to San Pablo Reservoir and 5,573 AF to USL Reservoir. The District worked collaboratively with the U.S. Bureau of Reclamation to manage fisheries on the Sacramento River by reducing deliveries at the Freeport intake from 90 MGD to 65 MGD on July 11. The diversion rate of 65 MGD is planned to continue through the end of August for the CVP deliveries. Since the start of FSCC operation on April 15, 2015, a total of 27,587 AF of supplemental supply has been delivered to storage. Of the total, 9,277 AF has been delivered to San Pablo Reservoir and 18,310 AF has been delivered to USL Reservoir.

Precipitation. The rainfall year began on July 1. The East Bay precipitation for July was 0.04 inches (133% of average) and the season total was 0.04 inches (133% of average). The Mokelumne precipitation for July was 0.45 inches (188% of average) and the season total was 0.45 inches (188% of average).

Releases from Camanche Reservoir. The average rate of Camanche release for July was 256 cfs (1 cfs generation, 243 cfs sluice, and 12 cfs through the hatchery), and the average flow below Woodbridge Dam was 25 cfs, both in accordance with the Joint Settlement Agreement "Critically Dry" criteria.

Mokelumne reservoirs storage is 51% of average. As of July 31, 2015, Pardee was at 554.8 feet (89% of average), and the Camanche was at 172.2 feet (27% of average). Combined Pardee and Camanche reservoir storage was 254,000 AF compared to 312,000 AF last year.

Releases from East Bay Reservoirs. There were no East Bay reservoir releases in July.

East Bay reservoirs storage is 90% of average. As of July 31, 2015, USL was at 448.7 feet (99% of average), San Pablo was at 288.3 feet (68% of average), and Briones was at 568.5 feet (99% of average). Total terminal reservoir storage was 116,000 AF compared to 117,000 AF last year.

Mokelumne Aqueducts and Raw Water Pumping Plants. The average rate of Mokelumne Aqueduct draft for July 2015 was 94 MGD. Moraga RWPP (FSCC operation) pumped a total of 1,814 MG at an average of 59 MGD to refill USL Reservoir. Walnut Creek and Briones Raw Water Pumping Plants remained out of service for the month.

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

	July 2015	July 2014	July 2013	Average of FY 2005-2007
East of Hills	50 MGD	74 MGD	88 MGD	99 MGD
West of Hills	116 MGD	139 MGD	152 MGD	187 MGD
Total	166 MGD	213 MGD	240 MGD	286 MGD
Max Day Production	181 MGD (7/20/2015)	227 MGD (7/7/2014)	259 MGD (7/1/2013)	

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

CUSTOMER EVENTS AND PUBLIC OUTREACH

Water theft notices. Staff began alerting customers and enforcing the new water theft penalty ordinance that went into effect on May 28. In July, 12 customers (or occupants) received first-time violation notices for water theft. The District has received three appeals, all of which were denied. One penalty was paid under protest.

On July 14, staff attended the ribbon cutting event for the Caltrans San Francisco-Oakland Bay Bridge maintenance complex. The new complex, home to Caltrans District 4 Division of Maintenance, uses recycled water for landscape irrigation and toilet flushing.

San Pablo Reservoir Recreation area used to film a science television production. An episode for a Discovery Science television production featuring a test of a parachute pulled by a car was filmed at the reservoir and is scheduled to air in December.

Alameda-North Bay Farm Island Crossings Project. On July 8, staff met with City of Oakland (City) staff and provided a briefing on the schedule for the Environmental Impact Report (EIR) for the Alameda-North Bay Farm Island Crossings Project and solicited input. The City's primary concerns are related to coordination with potentially concurrent projects and the City's long-term plans at or near the new crossing locations. Staff explained how the City's concerns and other potential impacts will be addressed in the EIR and how the City can participate in the EIR and public outreach process.

Diversity and Inclusion Outreach Events.

On July 15 staff attended “Combat to Community: Engaging Veterans in the Workforce,” sponsored by Swords to Plowshares in San Francisco. Staff participated in a roundtable discussion with private and public sector employers and provided input on practical methods to recruit, hire, and retain/support veterans. As a federal contractor, the District is required and committed to take affirmative action to recruit, employ and advance qualified protected veterans.

On July 23 staff participated in the East Bay Consortium’s (EBC’s) Pre-Collegiate Academy Math Summer Enrichment Program at Merritt College in Oakland. Staff’s presentation highlighted the importance of math skills and the value of higher education for students seeking to pursue careers at the District. EBC’s mission is to increase the number of students from urban, low-income and underserved communities in the East Bay to finish high school and enroll in postsecondary institutions, through intensive educational enrichment.

On July 29 staff attended the 4th Annual Exploring College & Career Options (ECCO) Summer Demonstration of Mastery event in Oakland. ECCO summer interns gave presentations that highlighted the skills acquired during their internships and demonstrated how their internships contributed to their professional growth and career readiness. Participation in the ECCO program supports the District’s long-term recruitment efforts and provides local youth opportunities to learn about job opportunities and careers at the District.

On July 31, twenty-four high school students and recent high school graduates completed a summer internship program with the District. The students worked up to a maximum of 150 hours and District staff from various departments supervised, mentored and assisted the interns with their final learning projects. Administered by the Diversity and Inclusion Office in partnership with Oakland’s Exploring College and Career Options Program, the Contra Costa Office of Education’s Earn and Learn Program and Girls Inc. of Alameda County, these opportunities educate youth about career options available to them after high school. The students received stipends from their corresponding programs upon completion of the internship.

Contract Equity Outreach Events.

On July 19-21, the American Indian Chamber hosted its 2015 Expo in Rancho Mirage, CA. Staff participated on a session panel on leveraging supply chains to enhance business opportunities. Staff also disseminated information on the Contract Equity Program including new enhancements (local hire pilot and disabled veteran business inclusion). Over 200 business owners participated in the Expo.

On July 28, Assemblymember Rob Bonta hosted a small business contracting and labor law seminar in Oakland. Staff participated on the procurement opportunities and certification workshop panel and discussed the Contract Equity Program including upcoming enhancements, upcoming contract opportunities and the small business incentives. Approximately 25 participants attended.

Staff participated in the following business community events:

- July 27, PG&E’s Supplier Development Program *Mentor & Mentee Recognition and Graduation* (San Francisco, CA)
- July 29, Women Construction Owners & Executives, California Chapter – Rosie the Riveter Memorial Tour and General Membership Meeting (Richmond, CA)

Water Conservation Outreach Events

On July 14, staff gave a drought presentation to the City of Oakland’s Public Works Committee. Staff provided an update on the current drought situation and water supply, EBMUD regulations and restrictions, and programs and services available to businesses and residences to help them reduce their use. The Committee expressed interest in the District’s plans to expand recycled water within the city for irrigation use in the parks. The presentation was later shared with the full Council. Approximately 30 people attended.

On July 15, staff gave a 30-minute drought interview to KTSF-26 for a Korean news program. The interview discussed an overview of the water supply, drought restrictions and conservation information and rebates for customers seeking to reduce their water consumption.

On July 26, staff did a 30-minute drought interview on KTSF-26 for a Vietnamese Journal news program. The interview discussed an overview of the water supply, drought restrictions and conservation information and rebates for customers seeking to reduce their water consumption.

Staff provided drought updates, water supply updates, conservation and rebate program information at the following events: delete--redundant

Water Conservation Outreach Events in July 2015		
Date	Event/Location	Approximate # of Attendees
July 4	World One 4 th of July Festival, El Cerrito	5,000
July 10	Governor’s 2015 Summit on Water Technology and the California Drought, Sacramento	Several hundred
7/14	City of Oakland Public Works Committee	
July 14	Water Conservation Workshop – Town of Danville	75
July 18	Town Hall Meeting organized by Oakland City Councilmember Dan Kalb - North Oakland Senior Center	30
July 19	SugarTown Festival and Street Fair, Crockett	5,000 at fair Several hundred/booth
July 20	Laurel Hill Neighborhood Association, Richmond	35

Water Conservation Outreach Events in July 2015		
Date	Event/Location	Approximate # of Attendees
July 22	14 th Annual Music on Main Festival, Richmond	300-500
July 22	Resource for Community Development, Oakland	40
July 22	Lafayette Gallery of Art, Lafayette	15
July 22	Bay Area Water Conservation Coordinators, San Mateo	20
July 26	31 st Annual Park Street Art & Wine Faire, Alameda	1000
July 26	30-minute interview on KTSF-26 for a Vietnamese Journal news program	n/a

CAPITAL IMPROVEMENTS AND FACILITY MAINTENANCE

Mitigation pond construction on the Camanche watershed. District staff identified locations for the construction of two new ponds on the Camanche watershed. The half-acre ponds are required in the environmental permits for the construction of the new Camanche South Shore Water Treatment Plant and the Cross-Lake Pipeline.

Paving. Paving was completed on the finished portion of Lafayette Circle in Lafayette in July. This three-day effort required close coordination with the many businesses in the area to accommodate their and their customers' needs. Striping was also completed during this time to help minimize the impact of paving work on the businesses. This job required more than 400 tons of asphalt to complete. During the same time frame, staff also completed grinding and paving of two large main breaks in Walnut Creek in two days. Grinding allows quick and successful completion of roadway restoration and greatly reduces impact on consumers. The jobs on Castle Hill Ranch Road and Castle Hill Road required approximately 100 tons of asphalt.

Former Lake Chabot machine gun range (Miller Road) remediation site approved for closure. On July 13, staff received informal notice from the Department of Toxic Substances Control (DTSC) that the pilot project work conducted by the Army Corp of Engineers (COE) last year, which included vacuuming up polycyclic aromatic hydrocarbon (PAH) contaminated soils would be sufficient for site closure. The PAH contamination is legacy pollution from historic military use. The site will be listed as closed in the state's database with notes of limited health risk. The District will work with the COE to close out this multiyear Formerly Used Defense Sites project once the DTSC issues its formal closure approval letter.

Bureau of Land Management (BLM) Poison Lake Project. On July 16, District staff and BLM staff discussed proposed revisions to the long-term alternatives for addressing the contaminated soils at the site. Instead of capping the upper pond in place, the new alternative would repair the "dam" to prevent offsite migration of contaminated soils from the upper pond. This option is one-third less expensive than the previously selected plan. Staff is scheduling a meeting with the Central Valley Regional Water Quality Control Board to seek approval for this alternative. An additional public meeting may occur in the future as this alternative is

significantly different than what was proposed in the Engineering Evaluation and Cost Analysis and the Value Engineering study.

Anodes are being installed on Acton Street in Berkeley as part of the Cast Iron Corrosion Feasibility Study. The project will evaluate the effectiveness of installing galvanic anodes at meter boxes to avoid costly and disruptive street excavations. Once installed, the electrical continuity characteristics of the 20-inch (1935) cast iron main will be determined.

Work nearing completion on the 39th Avenue and Redwood Pumping Plants in Oakland. This project improved reliability of the two 60-year old pumping plants. Work included installing emergency pumping tees, new electrical equipment, and new mechanical equipment. Improvements also lowered arc flash hazards, improved efficiency, and modernized the plants to bring them up to date with current design standards. The facilities are expected to be ready for operations in August 2015.

San Pablo Water Treatment Plant (SPWTP) is being readied to return to service. The SPWTP is needed over the next two years to support drought operations and an outage of the Orinda Water Treatment Plant scheduled for winter 2016-2017. The plant has been out-of-service since 2007 when it was last used for the Claremont Tunnel Outage. Staff is working collaboratively to ready the plant for service by October 2015, including extensive rehabilitation of a number of critical facilities required to support plant operations.

District-wide fuel management system upgrade requires an increase in the change order contingency. This project is 95 percent complete. A number of changes were required including adding more cable and conduit to accommodate changed site conditions, adding equipment to improve fuel use accounting and retrofitting of one additional fueling site and retrofitting 90 vehicles. This work is being performed by Fuel Serv and the total change order amount is projected to be \$237,342 or 31 percent of the original contract amount of \$760,061.

Automatic piezometric readings from San Pablo and Danville Dams are now available to the District's SCADA system. The automatic piezometers were installed as part of the recent upgrades at these dams and allow the dam tracker database program to capture real time continuous readings of these instruments. The piezometers read the water levels in the dam embankments. An increase in the water levels may be a precursor to dam safety issues. Piezometer readings at the other dams are done manually; some additional automatic piezometers will be installed as part of other future dam upgrade projects.

The Bryant No. 2 Pumping Plant Electrical Improvements project (Lafayette) requires an increase in the change order contingency. This project is 95 percent complete. A number of changes were required including a delay in work for eight months due to late delivery of District-supplied equipment, installation of a new roll up door for safety, a new support for the motor terminal box, and miscellaneous electrical changes. This work is being performed by Monterey Mechanical and the total change order amount is expected to be \$107,640, or 18 percent of the original contract amount of \$598,000.

The Dingee Pipeline and Claremont Center Aqueducts (Oakland) Replacement work continues and requires an increase in the change order contingency. At the Claremont Center, work was completed on pipeline tie-ins between the aqueducts and the Berryman South Pumping Plant, the connection between the Dingee Pumping Plant and the Summit South Pumping Plant discharge lines, and the Dingee pipeline surge tanks and piping. Restoration work at the Claremont Center and punch list work throughout the project areas is in progress. Paving on Roble Road, Chabot Road, and Brookside is scheduled for the second week in August.

This project is 95 percent complete. A number of unanticipated work items were required, including a Caltrans trench backfill and paving requirements on Tunnel Road, work associated with the Glen Echo Creek spill, unstable soil, underground obstructions at the Claremont Center, and the installation of a new Sequoia Aqueduct valve. This work is being performed by Ranger Pipeline and the total change order amount is expected to be \$5,280,000 or 24 percent of the original contract amount of \$22,000,000.

The Fontaine Street (Oakland), El Portal Drive (San Pablo), and Euclid Avenue (Berkeley) Pipeline Improvements project was accepted as complete on July 30. The contractor furnished and installed one 48-inch flexible expansion joint and 100 feet of 48-inch steel pipe in Fontaine Street; furnished and installed one 48-inch flexible expansion joint and 900 feet of 8-inch HDPE pipe in El Portal Drive; and furnished and installed one 18-inch flexible expansion joint, 300 feet of 12-inch HDPE pipe and various sizes of District-furnished mortar-lined and plastic coated steel pipe and valves in Euclid Avenue.

The Steel Reservoir and Pumping Plant Demolitions (Richmond, Lafayette, Orinda and Oakland) project was accepted as complete on July 30. The contractor demolished and removed five reservoirs and two pumping plants including Trilane Reservoir, Sunset Reservoir; Crossroads Reservoir; Pinehaven Reservoir Nos. 1 and 2, Pinehaven Pumping Plant and Hilltop Pumping Plant. The work included hazardous materials handling, grading, excavation, fill, fencing, paving and hydroseeding as required.

On July 27, District staff met with the California Department of Fish and Wildlife (CDFW) to resolve permitting issues related to the Upper San Leandro (USL) Outlet Tower and Chabot Dam Seismic Upgrade projects. As part of the permit process CDFW requested information on the District's process to comply with bypass flows and fish passage due to the construction of the dams as barriers to fish movement. During the meeting, CDFW agreed to issue project-specific permits for USL Tower and Chabot Dam Seismic Upgrade. The District also will continue to work with CDFW to address fish flows and passage in the watershed under a separate permit process. This approach will allow the current projects to proceed and allow the District time to research data to address fish flows and passage on an individual project basis.

WATER AND WASTEWATER SYSTEM OPERATIONS

Pardee Recreation Area closes early for construction. Pardee Recreation Area closed to the public four months early, on July 10, for major construction projects which include the Pardee Seasonal RV Park renovation and the replacement of a portion of the park's main sewer line.

Staff responds to four fires near District property. The first fire occurred July 3 at Camanche South Shore Oaks campground and was contained by District staff to a 20' x 40' spot. The second fire occurred July 12 on the south Camanche watershed and was contained to 5 ½ acres by Cal Fire without staff assistance. The third fire occurred July 15 on the north Camanche watershed and was contained by Camanche Recreation Company patrol staff to a 50'x100' spot. The fourth fire occurred July 17 on Camanche Reservoir, when a house boat was completely destroyed by fire while moored off the Camanche North Shore Recreation Area shoreline.

Staff conducted two tours of the Main Wastewater Treatment Plant (MWWTP). On July 21, Laney Junior College students participated in a tour which included a general overview of the MWWTP and the laboratory. On July 29, staff facilitated a tour for SRI International Group (SRI). SRI is currently working on algal remediation of wastewater and is interested in working with EBMUD to obtain some process data and wastewater samples for testing with algae.

All authorized discharges from the Main Wastewater Treatment Plant (MWWTP) were in compliance with the permit limits for the month of July. This is the 191st consecutive month (15.9 years) that the Main Wastewater Treatment Plant experienced no exceedances.

One odor complaint was received at the MWWTP on July 15. An investigation into the cause of the odors was inconclusive. Staff reviewed the conditions at the plant during the time the odor was reported to have occurred and based on operations at the time as well as the location of the reported odor and wind conditions, the possible source could have been the plant or the local sewers.

July main breaks. The attached table lists the main breaks that were repaired by staff in June, sorted by city and street. The associated map shows the locations of the breaks geographically.

ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY

The District received a \$200,000 grant for salmonid spawning habitat enhancement for the lower Mokelumne River from the US Fish and Wildlife Service. The agency has also made a commitment to provide an additional \$100,000 in funding in each of the next three years. Gravel procured with this funding will be placed in the river each August over the next four years.

Orinda Water Treatment Plant National Pollutant Discharge Elimination System Permit (NPDES permit) out for public review. On July 6, the San Francisco Regional Water Quality Control Board (SF RWQCB) posted a public notice regarding the Tentative Order for the revised NPDES Permit for the Orinda Water Treatment Plant (WTP). The permit has been revised to only cover the discharge of treated filter backwash water from the facility. All other discharges will now be covered under the State Water Resources Control Board's new Permit for Drinking Water Discharges. Staff believes the requirements of the revised Orinda WTP NPDES Permit, including limits and monitoring, are reasonable. Public comments are due to the SF RWQCB on August 7, which will consider the permit for adoption on September 9. The effective date of the new permit is currently set for January 1, 2016.

On July 7, the District received two Notices of Violation (NOVs) from the Central Valley Regional Water Quality Control Board (CV RWQCB). The first NOV was for a January 30 chlorine residual exceedance at Pardee Recreation Water Treatment Facility. The exceedance, which was reported to the CV RWQCB, was caused by a problem with the dechlorination system. There was no environmental impact as the discharge did not reach the receiving water. System improvements have been completed to address the problem. The NOV is being contested on the basis of no impacts to receiving waters. The second NOV was for failure to report a daily discharge volume at the Camanche South Shore Water Treatment Plant. A reporting error incorrectly indicated a sampling event on January 13. No discharge occurred on the 13th and a revised report will be submitted to correct the error. The NOV is being contested on the basis of a data reporting error.

On July 30, staff met with Kubota Pipe to plan the Earthquake Resistant Ductile Iron Pipe (ERDIP) Pilot Project. The project is located in Kensington along Edwin Drive and Kerr Avenue from Highgate Road to Rincon Road. Kubota Pipe manufactures ERDIP which is designed to resist permanent ground deformation triggered by seismic hazards and is widely used in Japan as an earthquake mitigation for water systems. The ERDIP installation includes the pipeline replacement of a six-inch cast iron main from 1949 that is located in an active landslide region with 1,800 feet of new eight-inch ERDIP. The training and installation are scheduled to begin late September and early October of 2015, respectively.

Tuition Reimbursement

	July 2015	FY16 Total
# of Employees	27	27
# of Classes	35	35
Total Reimbursed	\$30,513	\$30,513

Employment Information

	July 2015	FY16 Total
Retirements – Regular	7	7
Retirements – Vested	1	1
Hires	20	20
Other Separations	11	11

FINANCIAL NEWS

In FY15, the District billed \$11.3 million in tip fees to trucked waste customers. This is a 7% increase over FY14 and shows strong continued growth in the District’s Resource Recovery Program. Energy sales associated with the Resource Recovery Program added another \$1 million, yielding a total of \$12.3 million in program revenues.

There were no contracts over \$70,000 and less than \$100,000 approved by the General Manager in July 2015.

The Net Mokelumne Power Revenue for July was \$284,260, vs the \$539,180 planned.

Inflows into Pardee Reservoir for July were 99 percent of plan and generation was 33 percent of plan, with Pardee Reservoir volume decreasing over the month. Renewable power and related Renewable Energy Credits (RECs) were sold to Marin Clean Energy under the Power Purchase Agreement. The average electricity price was \$88/MWh. REC revenue for July was \$29,560. Total net revenue for FY16 is \$284,260 which is 14.2% of the planned \$2,000,000 and 8% of the budgeted \$3,500,000.

FY16	Net Revenue		Inflow (Acre Feet)	
	Plan	Actual	Plan	Actual
July-15	\$539,180	\$284,260	17,100	17,000
FY16 YTD Total	\$539,180	\$284,260	17,100	17,000

Bold items are estimated

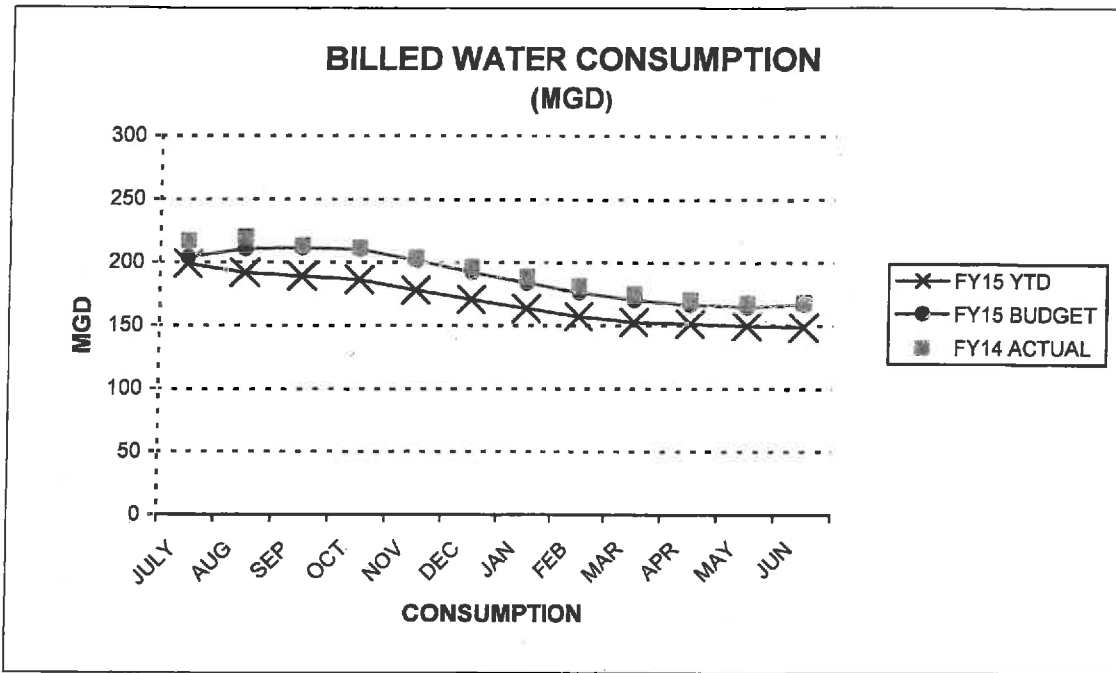
Plant book activity for July 2015. Forty-four books were sold in July 2015 increasing number of total plant books sold 36,673. Total revenues as a percentage of out-of-pocket book design and production cost is at 99%. Going forward, plant book activity will be reported on a quarterly basis.

Water Sales

Overall billed water consumption for FY15 through June 2015 was 148.5 MGD. The table below breaks out this information by customer class with a comparison to FY14.

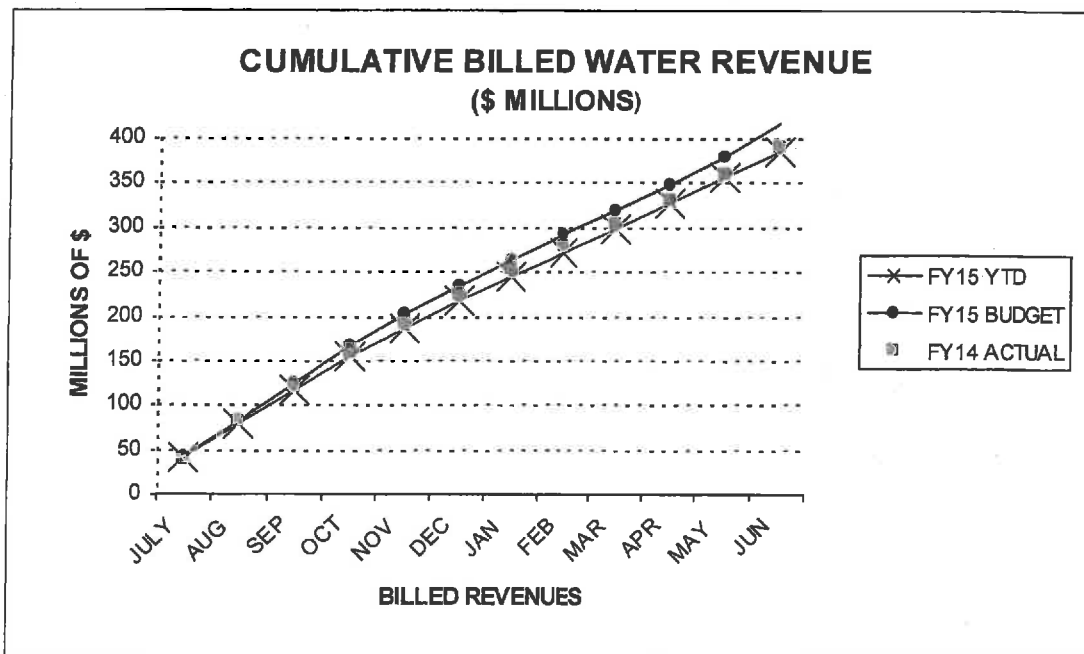
Billed Water Consumption		
Usage Type	FY15 (MGD)	FY14 (MGD)
Residential	76.3	89.4
Commercial	48.4	53.8
Industrial	17.5	16.8
Public Authority	6.3	7.5
Total Billed Water Consumption	148.5	167.5

Note: Drought reduction goals are expressed relative to CY13.



Source: Customer Information System

Water revenues billed for the fiscal year through June were \$385 million or 1.2% less than the FY14 revenue through June of \$389.6 million which reflects the net impact of lower current consumption and the 9.5% rate increase for services provided and billed starting July 1, 2014. Compared to the budgeted water revenue, actual water revenues are down \$31.4 million for this period or 7.5%.



Source: Customer Information System

JULY 2015 MAIN BREAKS

	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On
1	ALAMEDA		PEARL	ST	STEEL	4.00	1919	25,920	7/11/2015	7/16/2015
2	ALAMO		LUNADA	LN	ASBESTOS CEMENT	6.00	1973	450	7/13/2015	7/13/2015
3	ALAMO		MIRANDA	AVE	ASBESTOS CEMENT	6.00	1953	90,000	7/16/2015	7/17/2015
4	ALBANY		MASONIC	AVE	CAST IRON	4.00	1936	4,500	7/9/2015	7/10/2015
5	BERKELEY		GILMAN	ST	CAST IRON	6.00	1934	10,080	7/8/2015	7/14/2015
6	BERKELEY		GRANT	ST	CAST IRON	6.00	1931	10,080	7/14/2015	7/20/2015
7	BERKELEY		LE CONTE	AVE	CAST IRON	6.00	1929	3,600	7/28/2015	7/28/2015
8	BERKELEY		MILLER	AVE	CAST IRON	6.00	1938	2,250	7/23/2015	7/24/2015
9	BERKELEY		MODOC	ST	CAST IRON	6.00	1939	900	7/11/2015	7/11/2015
10	BERKELEY		PARKER	ST	CAST IRON	6.00	1949	4,500	7/13/2015	7/14/2015
11	CASTRO VALLEY		SAN MIGUEL	AVE	CAST IRON	6.00	1949	5,760	7/14/2015	7/15/2015
12	DANVILLE		BOBBIE	CT	ASBESTOS CEMENT	6.00	1957	1,620	7/31/2015	7/31/2015
13	DANVILLE		EL PINTADO		ASBESTOS CEMENT	6.00	1960	13,500	7/7/2015	7/7/2015
14	DANVILLE		QUAIL RUN	DR	ASBESTOS CEMENT	8.00	1984	540	7/18/2015	7/18/2015
15	DANVILLE		SILVERADO	CT	ASBESTOS CEMENT	6.00	1976	2,250	7/29/2015	7/30/2015
16	EL SOBRANTE		ALHAMBRA	RD	CAST IRON	6.00	1947	12,960	6/23/2015	7/1/2015
17	EL SOBRANTE		HUNTERS	LN	CAST IRON	6.00	1953	900	7/13/2015	7/13/2015
18	HAYWARD		BLOSSOM	WAY	CAST IRON	4.00	1941	9,000	7/4/2015	7/4/2015
19	KENSINGTON		HIGHLAND	BL	CAST IRON	6.00	1938	180	7/5/2015	7/6/2015

JULY 2015 MAIN BREAKS

	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On
20	LAFAYETTE		CAMINO DIABLO		STEEL	12.00	1969	0	6/29/2015	7/15/2015
21	LAFAYETTE		MANZANA	PL	ASBESTOS CEMENT	4.00	1952	18,000	7/17/2015	7/17/2015
22	LAFAYETTE		MT DIABLO	BL	STEEL	16.00	1947	1,440	7/10/2015	7/10/2015
23	LAFAYETTE		PERALES	ST	CAST IRON	6.00	1945	5,760	7/7/2015	7/10/2015
24	LAFAYETTE		SANTA MARIA	WAY	CAST IRON	6.00	1939	1,350	7/8/2015	7/8/2015
25	LAFAYETTE		SIERRA VISTA	WAY	ASBESTOS CEMENT	6.00	1966	900	7/25/2015	7/25/2015
26	LAFAYETTE		UPPER HAPPY VAL	RD	ASBESTOS CEMENT	12.00	1956	5,760	7/15/2015	7/16/2015
27	LAFAYETTE		WINDSOR	DR	ASBESTOS CEMENT	6.00	1956	5,760	7/4/2015	7/7/2015
28	OAKLAND		3 RD	ST	CAST IRON	6.00	1950	11,520	7/18/2015	7/21/2015
29	OAKLAND	E	12 TH	ST	CAST IRON	4.00	1938	6,750	7/11/2015	7/11/2015
30	OAKLAND		49 TH	AVE	CAST IRON	6.00	1932	10,080	7/17/2015	7/23/2015
31	OAKLAND		77 TH	AVE	CAST IRON	10.00	1924	900	7/11/2015	7/12/2015
32	OAKLAND		87 TH	AVE	CAST IRON	6.00	1937	9,000	7/5/2015	7/5/2015
33	OAKLAND		94 TH	AVE	CAST IRON	4.00	1938	9,000	7/11/2015	7/11/2015
34	OAKLAND		103 RD	AVE	CAST IRON	4.00	1913	4,320	7/27/2015	7/29/2015
35	OAKLAND		109 TH	AVE	CAST IRON	6.00	1939	7,200	7/4/2015	7/8/2015
36	OAKLAND		14 TH	ST	CAST IRON	2.00	1938	0	7/15/2015	7/23/2015
37	OAKLAND		77 TH	AVE	CAST IRON	10.00	1938	13,500	7/11/2015	7/13/2015
38	OAKLAND		ATLAS	AVE	CAST IRON	6.00	1939	9,000	7/16/2015	7/16/2015
39	OAKLAND		BALSAM	WAY	STEEL	6.00	1961	5,760	7/15/2015	7/16/2015
40	OAKLAND		BIRCH	ST	CAST IRON	6.00	1927	0	6/19/2015	7/2/2015

JULY 2015 MAIN BREAKS

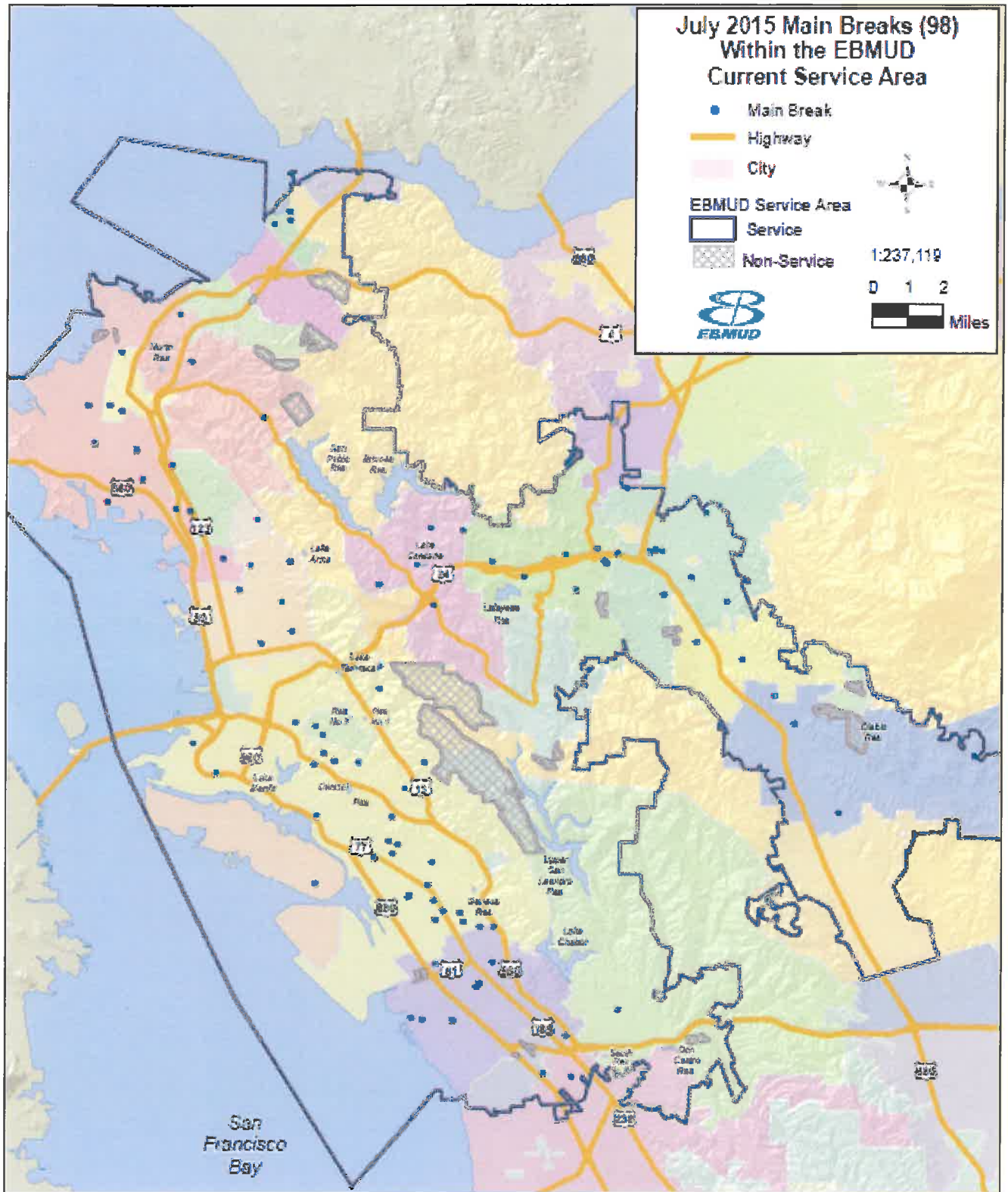
	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On
41	OAKLAND		CALMAR	AVE	CAST IRON	6.00	1925	1,440	7/13/2015	7/13/2015
42	OAKLAND		COLE	ST	CAST IRON	6.00	1952	22,500	7/6/2015	7/7/2015
43	OAKLAND		CRANE	WAY	ASBESTOS CEMENT	6.00	1956	45,000	7/10/2015	7/11/2015
44	OAKLAND		E	ST	CAST IRON	4.00	1911	10,080	7/17/2015	7/23/2015
45	OAKLAND		EDGEWOOD	AVE	CAST IRON	6.00	1940	18,000	7/2/2015	7/3/2015
46	OAKLAND		FAIRFAX	AVE	CAST IRON	6.00	1925	12,960	7/19/2015	7/27/2015
47	OAKLAND		HALLIDAY	AVE	CAST IRON	6.00	1934	9,000	7/11/2015	7/11/2015
48	OAKLAND		HILLGIRT	CIR	CAST IRON	6.00	1923	2,250	7/10/2015	7/10/2015
49	OAKLAND		LOCUST	ST	CAST IRON	4.00	1954	17,280	7/23/2015	7/28/2015
50	OAKLAND		MIDVALE	AVE	ASBESTOS CEMENT	6.00	1969	4,500	7/29/2015	7/29/2015
51	OAKLAND		PENNIMAN	AVE	CAST IRON	6.00	1924	0	7/2/2015	7/9/2015
52	OAKLAND		PIEDMONT	AVE	CAST IRON	4.00	1895	2,250	7/28/2015	7/28/2015
53	OAKLAND		ROSEMOUNT	RD	CAST IRON	6.00	1923	9,000	7/13/2015	7/14/2015
54	OAKLAND		ROSEMOUNT	RD	CAST IRON	6.00	1923	1,440	7/31/2015	7/31/2015
55	OAKLAND		THORNHILL	DR	CAST IRON	6.00	1922	2,880	7/21/2015	7/22/2015
56	OAKLAND		VICKSBURG	AVE	CAST IRON	6.00	1938	18,000	7/6/2015	7/7/2015
57	ORINDA		CAMINO SOBRANTE		CAST IRON	6.00	1934	9,000	7/28/2015	7/28/2015
58	ORINDA		DIABLO VIEW		CAST IRON	6.00	1945	900	7/28/2015	7/28/2015
59	ORINDA		LAS PIEDRAS		CAST IRON	4.00	1951	10,080	6/25/2015	7/1/2015
60	ORINDA		LOMAS CANTADAS		CAST IRON	6.00	1948	0	6/24/2015	7/1/2015
61	ORINDA		LOMBARDY	LN	CAST IRON	6.00	1946	0	7/6/2015	7/9/2015
62	ORINDA		UNDERHILL	RD	CAST IRON	6.00	1934	2,700	7/14/2015	7/14/2015

JULY 2015 MAIN BREAKS

	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On
63	PIEDMONT		GRAND	AVE	STEEL	24.00	1929	60,480	6/24/2015	7/7/2015
64	PIEDMONT		MAGNOLIA	AVE	CAST IRON	2.00	1941	1,440	7/10/2015	7/10/2015
65	RICHMOND		6TH	ST	ASBESTOS CEMENT	6.00	1977	4,500	7/16/2015	7/17/2015
66	RICHMOND	S	21ST	ST	CAST IRON	6.00	1941	1,440	7/19/2015	7/19/2015
67	RICHMOND		28TH	ST	CAST IRON	4.00	1932	1,800	7/24/2015	7/25/2015
68	RICHMOND		ARDMORE	DR	ASBESTOS CEMENT	6.00	1955	6,750	7/23/2015	7/23/2015
69	RICHMOND		FRED JACKSON	WAY	CAST IRON	4.00	1945	11,520	7/8/2015	7/15/2015
70	RICHMOND		KEY	BL	CAST IRON	6.00	1949	450	7/16/2015	7/16/2015
71	RICHMOND		MARINA WAY S		ASBESTOS CEMENT	8.00	1946	360	7/10/2015	7/10/2015
72	RICHMOND		MERCED	ST	ASBESTOS CEMENT	8.00	1958	8,640	7/25/2015	7/30/2015
73	RICHMOND		STEGE	AVE	CAST IRON	4.00	1935	10,080	7/21/2015	7/21/2015
74	RICHMOND		TEHAMA	AVE	CAST IRON	6.00	1949	13,500	7/11/2015	7/12/2015
75	RODEO		2ND	ST	CAST IRON	4.00	1941	2,250	7/14/2015	7/14/2015
76	RODEO		NAPA	AVE	CAST IRON	4.00	1959	5,760	7/13/2015	7/16/2015
77	RODEO		SAN PABLO	AVE	STEEL	8.00	1955	10,080	7/16/2015	7/22/2015
78	SAN LEANDRO		166TH	AVE	CAST IRON	4.00	1938	2,700	7/22/2015	7/22/2015
79	SAN LEANDRO	W	AVE 134TH		CAST IRON	4.00	1938	5,400	7/6/2015	7/7/2015
80	SAN LEANDRO	W	AVE 140TH		ASBESTOS CEMENT	12.00	1957	4,320	7/15/2015	7/17/2015
81	SAN LEANDRO		BILLINGS	BL	CAST IRON	4.00	1942	0	7/4/2015	7/4/2015
82	SAN LEANDRO		BROADMOOR	BL	CAST IRON	6.00	1926	20160	7/17/2015	7/23/2015
83	SAN LEANDRO		ESTABROOK	ST	CAST IRON	6.00	1951	10,080	7/17/2015	7/23/2015

JULY 2015 MAIN BREAKS

	City	Pre	Street	Suf	Pipe Material	Pipe Diameter	Year Installed	Est Water Loss (Gal)	Identified On	Completed On
84	SAN LEANDRO		JUANA	AVE	CAST IRON	6.00	1929	0	7/4/2015	7/4/2015
85	SAN LEANDRO		MARINA	BL	CAST IRON	8.00	1939	20,160	6/30/2015	7/6/2015
86	SAN LEANDRO		NEPTUNE	DR	CAST IRON	4.00	1938	1,350	7/22/2015	7/23/2015
87	SAN LORENZO		VIA PALOS		CAST IRON	4.00	1950	14,400	7/4/2015	7/8/2015
88	SAN PABLO		11TH	ST	CAST IRON	6.00	1947	3,600	7/24/2015	7/24/2015
89	SAN PABLO		PINE	AVE	CAST IRON	8.00	1935	900	7/24/2015	7/24/2015
90	SAN PABLO		SUTTER	AVE	CAST IRON	6.00	1938	450	7/30/2015	7/30/2015
91	WALNUT CREEK		ALMOND	AVE	CAST IRON	6.00	1953	900	7/17/2015	7/17/2015
92	WALNUT CREEK		BONANZA	ST	CAST IRON	8.00	1953	7,200	7/18/2015	7/22/2015
93	WALNUT CREEK		CARDIGAN	CT	ASBESTOS CEMENT	6.00	1974	10,080	7/14/2015	7/20/2015
94	WALNUT CREEK		DORA	AVE	CAST IRON	4.00	1953	8,640	7/2/2015	7/7/2015
95	WALNUT CREEK		FOREST HILLS	CT	ASBESTOS CEMENT	4.00	1954	28,800	7/16/2015	7/17/2015
96	WALNUT CREEK		GLEN VIEW	DR	ASBESTOS CEMENT	4.00	1953	1,800	7/17/2015	7/17/2015
97	WALNUT CREEK		LOS BANOS	CT	ASBESTOS CEMENT	4.00	1956	9,000	7/2/2015	7/2/2015
98	WALNUT CREEK		NORRIS	RD	ASBESTOS CEMENT	6.00	1957	8,640	7/11/2015	7/16/2015
							TOTAL	821,880		



EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 6, 2015
MEMO TO: Board of Directors
THROUGH: Alexander R. Coate, General Manager *ARC*
FROM: Cheryl A. Farr, Special Assistant to the General Manager *CAF*
SUBJECT: EBMUD/EBRPD Liaison Committee Meeting Minutes - June 25, 2015

Attached are the minutes from the June 25, 2015 East Bay Municipal Utility District/East Bay Regional Parks District Liaison Committee meeting held in the EBMUD Small Training Resource Center.

ARC:CAF:caf

Attachment

I:\Sec\2015 Board Related Items\ Info Memos 2015\080615 Info Memos\ 062515 EBMUD-EBRPD Liaison Ctte minutes.doc

AGENDA
REGULAR MEETING
BOARD OF BOARD MEMBERS

EAST BAY REGIONAL PARK DISTRICT

August 11, 2015

C. BUSINESS BEFORE THE BOARD

BOARD COMMITTEE REPORTS

EBMUD/EBRPD Liaison Committee (06/25/15) (Siden)

Attendees:

EBMUD

Board Members: Doug Linney and Marguerite Young

Staff:

General Manager, Alex Coate; Director of Water and Natural Resources Richard G. Sykes, Director of Operations and Maintenance Mike Wallis, Engineering Manager Elizabeth Bialek, Manager of Real Estate Services Matt Elawady, Manager of Regulatory Compliance Mike Ambrose, Community Affairs Representative Michelle Blackwell, and Special Assistant to the General Manager Cheryl A. Farr

EBRPD

Board Members: Doug Siden, Dennis Waespi, Diane Burgis

Staff:

Assistant General Manager of Operations Jim O'Connor, Water Management Supervisor Hal MacLean, Chief of Stewardship Matthew Graul, Business Services Manager Mimi Waluch, Chief of Park Operations Mark Ragatz, Confidential Secretary Sue Rogers

The East Bay Municipal Utility District (EBMUD)/East Bay Regional Park District (EBRPD) Liaison Committee meeting was called to order by EBMUD Director Doug Linney at 2:03 p.m. at the EBMUD Headquarters.

1. Public Comments:
None

2. Algae Bloom at Lake Chabot and Lake Temescal
EBMUD Director of Operations and Maintenance Mike Wallis reported that since last September there have been a persistent level of algal blooms on Lake Chabot which have produced high levels of the algal toxin microcystin. The highest concentrations are in the marina area where people frequent. Both agencies have shared concern as to public exposure to the toxins and don't want this to become a toxic lake in the future.

In addition, the water is used by two golf courses. The primary health impact is ingestion but there is also a dermis contact issue at certain concentrations. Levels have come down quite a bit based on the physical removal of the algae by vacuuming. EBMUD is considering spot treatment of chemicals which the Park District has the permit to apply. Next steps are to work with the Park District to come to an agreement on how to move forward to monitor the levels and to continue sampling, removal, and spot treatments as necessary. Thus far the two agencies have been sharing the cost. This situation is serious.

EBRPD Assistant General Manager of Operations Jim O'Connor handed out photos of the signage that has been posted by the Park District. This situation has been fluctuating broadly on a short-term basis, so the Park District's position is the public needs to avoid water contact by humans and pets at all times. This being the safest, most conservative course of action. When we get recovery from the drought, with significant rains, and toxin levels consistently below the allowable limit for a period of months, the warnings will be removed. A question was raised concerning the division of responsibility between EBMUD and EBRPD. Mr. O'Connor responded that the Park District takes lead on public notification with outreach at the park entrance kiosk, signage, website, and staff provides public messaging. The actual treatment of the water is where the two agencies cooperatively work the closest. EBMUD Director of Water and Natural Resources Richard Sykes further clarified the Park District is responsible for public safety, all recreation, and management of visitors at the site. The work on the water is done cooperatively. Mr. O'Connor added that the Park District is also dealing with this issue at Lake Anza in Tilden, Lake Temescal, Del Valle, and Quarry Lakes. Both Del Valle and Quarry Lakes have been closed to swimming for over three weeks. Mr. O'Connor believes this issue will have to be dealt with more globally as the drought continues.

3. Redwood Canyon Public Golf Course RFP Update

EBRPD Business Services Manager Mimi Walach referred to her staff report providing a timeline on the previous concession known as Willow Park Public Golf Course (which was renamed Redwood Canyon Public Golf Course this year). That concession had come to an end of the 50-year lease in November 2014. The Park District processed the Request for Proposal (RFP) for the next long-term operation and management of the facility and received two proposals that were non-responsive. An interim operator, Touchstone Golf, was chosen to run the facility and their contract has been extended to March 2016. During this transition general conditions at the golf course have improved significantly and golfers seem pleased. The golf course is open with scheduled tournaments, and the event center and restaurant are open as well. The RFP which went out in July of 2014 for the next long-term operation included a substantial list of capital improvements which most likely resulted in few submittals. Therefore, the Park District has decided to invest capital funds for clean-up, repair, landscape, painting, lighting, security, and health and safety projects involving the clubhouse, course, and maintenance areas. The Park District will initiate a new RFP process by December of this year and plans to have a new full-time operator managing the facility by April 1, 2016. Mr. O'Connor added that with the current improvements and capital investments the Park District feels the second RFP will attract a professional golf operator. The

interim operator is interested in submitting a proposal. The EBRPD board approved \$500,000 for the improvements to the facility. The roof, HVAC, parking area, and kitchen facility are of primary concerns. EBRPD Director Dennis Waespi asked if the Park District has ever thought of the Audubon certification for a "green" golf course as part of the RFP. Mr. O'Connor responded this would not be part of the RFP but it could be addressed with the new operator since the Park District has gone through the process with the Tilden golf course. EBMUD Director Doug Linney stated EBMUD would like to see this happen.

4. Chabot Reservoir Watershed Lease

EBMUD Director of Water and Natural Resources Richard Sykes provided an update on the expired lease which is on 6 month extensions. EBMUD started lease revisions a year and a half ago but quickly decided to start with a fresh lease. The lease accommodates, and accounts for, a lot of the things that have happened over the years. The old lease was primarily about development. The new lease acknowledges that facilities exist. Cost provisions, invasive mussel species, responsibility for algae, and the insurance indemnification have now been addressed. One thing yet to clarify, which would affect the Park District, is reservoir level fluctuation as a non-potable water supply. There may be future regulatory requirements for modified flow. A draft has been provided to the Park District and the next iteration will be ready in a month or so. Mr. O'Connor feels there will be no problem completing the process within the six-month extension. Mr. Sykes stated they will work to have this long-term lease executed prior to the next RFP for the golf course so the new concessionaire is secure in the condition of the 25-year lease. The lease includes the marina area, the golf course, and an operations/maintenance area. Director Waespi mentioned previous flooding of the golf course. Mr. Sykes explained the work that was completed a couple of years ago to clean out wooded debris has resulted in double the capacity for water flow. Under the new lease this will be part of maintenance.

5. Chabot Dam Seismic Upgrade

EBMUD Engineering Manager Elizabeth Bialek provided some background on the project. In 2005, EBMUD completed a study on Chabot Dam. Though the dam is safe the tower would be vulnerable to collapse in severe seismic activity. It was mandated by the California Division of Safety of Dams (DSOD) that improvements be made. The EIR was completed and certified in June of 2014. Instead of removal and replacement of soil, as had previously been considered, in-place cement deep soil mixing will be done, similar to what was done at San Pablo Dam, resulting in a smaller area of impact. In earlier phases they had been looking at areas to stockpile soil inside the park. This will not be required with this method. Design phase is at 50% and initial proposals have been submitted to DSOD and are awaiting approval. Analysis shows the reservoir level will not need to be lowered. But this still needs to be approved by DSOD. The project will bid in December 2015 and start construction in spring 2016. This probably won't impact the East Shore stabilization project the Park District is working on and EBMUD is coordinating with Park District staff as the project proceeds. Director Waespi asked if the pavilion tower would be kept and seismically upgraded. Ms. Bialek responded that the tower would be removed due to original construction of unreinforced masonry and

is subject to collapse. This structure will be removed and the controls will be moved to an adjacent on-land shaft. The pavilion was built in the 1920's after the original 1870s construction and will be commemorated as part of the EIR.

6. East Bay Watershed Master Plan Update

EBMUD Director of Water and Natural Resources Richard Sykes reported the primary plan is to protect water quality and biodiversity. Recreation and bicycle use are currently not allowed in most of the EBMUD trail system. EBMUD will be in discussion with the public and agencies who manage recreation in their agencies. The first public meeting is anticipated for August and a draft is planned by the end of the year. Mr. O'Connor noted the Park District has recently completed its Master Plan update in 2013. As part of that process the Park District has broadened the usage of bicycles on narrow-width, multi-use trails. Some new trails were converted for expanded use. Director Linney asked if the Park District had any tips on how to handle the issue of mountain bikes on trails that might be relevant to EBMUD. Mr. O'Connor recommended engagement with the community as the key in getting mountain bikers to police themselves. Public education is important. Optimized narrow trails designed for mountain bike use actually slows bikers more than when using wider fire trails. In the future the Park District may do trail-specific plans for parks, engaging the hiking, equestrian, and biking communities to designing a trail system that meets everyone's needs. The new Crockett Hills trail development which was optimized for biking will teach the Park District a lot.

7. Drought / Operational Response

EBMUD Director of Operations and Maintenance Mike Wallis noted EBMUD is managing through the fourth year of the drought. Storage has dropped to half capacity, year-end storage will be 320,000 acre feet, while full condition is 610,000 acre feet. EBMUD is importing a supplemental supply of 33,000 acre feet by September, and an additional 25,000 acre feet after September. Conservation goals have increased from 10% to the latest 20%. Year to date conservation is at 17%. The last couple of months have averaged 30% in conservation. The Park District has 29 accounts with EBMUD, 12 of which are landscape accounts. The good news is the 12 landscape accounts have averaged 42% savings over the last 12 months. There are however some accounts that aren't meeting the goal. Mr. O'Connor responded the Park District deals with 11 different water agencies with different conservation goals. The Park District has set a goal of 25% in line with the governor's goal. Some parks have dilapidated water systems that are in the process of being upgraded. Therefore, some parks will fail the conservation goal until system updates are completed. The Park District has created a Infrastructure Renovation Replacement Fund to address the issue of water system replacements or renovations. Mr. O'Connor presented a PowerPoint on the drought which showed the results of efforts since last year. Ornamental turf areas are being let go to brown, while play space and picnic space green areas continue to be maintained. Turf under trees being allowed to go brown and the Park District is looking at a new vision for the parks in general. Examples of Park District efforts include using drip irrigation at Ardenwood instead of flood irrigation, using wildflowers in non-public areas, and experimenting with different species, like warm-season grasses, in warm

areas. The Park District board provided \$500,000 in a Drought Recovery Funds, which is now being used for a Water Conservation Fund. The Park District is converting to new technologies which rely on relative humidity, localized weather stations, internet connectivity for microclimates, and soil moisture monitors, while converting to native plants and drought tolerant grasses in many areas. Using special equipment to maintain grasses also helps with the health of the remaining grasses, which then use less water. The Park District is still in the process of examining options to use reclaimed water at certain locations.

8. San Leandro Creek Alliance Update

EBRPD Director Doug Siden provided information to distinguish between Friends of San Leandro Creek and the San Leandro Creek Alliance. Friends of San Leandro Creek does projects cleaning the creek, and educational events. The San Leandro Creek Alliance was envision by the Director of the Merritt College Environmental Center who organized students to create a project to show how there could be public access and fish in the creek. A group of individuals including Director Siden, San Leandro City Council Member Michael Gregory, BART board president Robert Rayburn, National Parks Service Regional Program Manager Barbara Rice, and Barry Bergman of Rails to Trails Conservancy have come together with the Alliance.

Executive Director of Friends of San Leandro Creek Susan Levenson provided some background on the project since the group's inception in 1993, discussing history, educational component, and protecting the ecology of the creek. For the last four years Friends has been a part of the Alliance. With help from all of the Alliance members a Sustainable Communities Grant from CalTrans was secured to create the first master plan co-sponsored by the cities of Oakland and San Leandro. It is a \$250,000 planning grant to outline the greenway from Arrowhead Marsh to just below the dam in San Leandro, approximately 6.5 miles. A full-time city planner has been assigned by the City of San Leandro to help accomplish this plan. Friends of San Leandro Creek looks forward to continuing the relationship.

Meeting was adjourned by EBMUD Director Linney at 3:20 p.m.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 6, 2015

MEMO TO: Board of Directors

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

FROM: Lynelle M. Lewis, Secretary of the District *Lynelle*

SUBJECT: Sustainability/Energy Committee Minutes – July 28, 2015

Director Doug Linney called to order the Sustainability/Energy Committee meeting in the Training Resource Center at 9:16 a.m. Chair Andy Katz was absent at roll call but arrived at 9:18 a.m. Director Marguerite Young was absent but excused. Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Wastewater Bennett K. Horenstein, Director of Water and Natural Resources Richard G. Sykes, Manager of Wastewater Engineering Vincent P. De Lange, Associate Civil Engineer Paul B. Gilbert-Snyder, Special Assistant to the General Manager Cheryl A. Farr, and Secretary of the District Lynelle M. Lewis.

Public Comment. None.

Food Waste Program Update. Manager of Wastewater Engineering Vincent P. De Lange presented a status update on contract negotiations with Waste Management of Alameda County (WMAC) for delivery of commercial food waste from the City of Oakland, with Harvest Power Tulare, Inc. (HPT) to develop a joint project for preprocessing of the material received from WMAC, and with Recology for delivery of organic waste from San Francisco. He reported that staff is resolving a few minor outstanding contract details with the City and WMAC, and expects to execute the contract by the end of July. Staff is also monitoring developments related to the WMAC pricing structure for trash and organics collection and the recent public concerns and protests lodged by local restaurants.

Mr. De Lange reported that staff has been working with HPT to reach an equitable approach to sharing the project capital costs, operating costs, revenues and risks. In particular, there has been discussion of balancing the distribution of project revenues derived from tipping fees versus energy revenue (CNG sales and environmental attributes). Additionally, staff continues to work with Recology on material quantity, tipping fees and contract terms. The Committee asked questions about the financial analysis for CNG sales and urged staff to get input from regulatory agencies about their long-term view of the availability of CNG environmental attributes for this type of project. They also asked a variety of questions about the financial analysis for the HPT project.

Mr. De Lange also reported that staff has received positive feedback from AFSCME Local 444 regarding the proposed approach to operations for the food waste processing facilities. The proposed approach includes training District staff to operate the dedicated dewatering and CNG facilities. Staff management would transition following a successful two-year facility start-up period during which HPT's labor would be responsible for ensuring effective and reliable facility operation prior to transitioning the operation to District staff. HPT would retain overall process control and operational responsibility for these facilities during and following the startup period, while providing oversight and direction to District staff under a task-based model.

Next steps are for staff to execute the WMAC contract. Staff will continue contract negotiations with HPT and Recology prior to submitting the proposed contracts for consideration at future Board meetings. Staff will continue monitoring responses from the City and WMAC to concerns raised by local restaurant owners regarding costs associated with organics collection.

Consider a Resolution in Support of the San Francisco Bay-Delta Estuary. Associate Civil Engineer Paul B. Gilbert-Snyder presented highlights of a proposed resolution for the Board's consideration which requests that certain principles be applied in the ongoing Bay-Delta planning processes, including protection and restoration of ecosystems, recognition of the need for reliable water supplies, sustainable approaches to improving water supply reliability and funding consistent with beneficiary-pays principles. The principles presented in the draft resolution are consistent with District Policy 9.06 on Bay-Delta Protection. There is no fiscal impact associated with the Board's adoption of the resolution. The resolution is scheduled for the Board's consideration at the regular meeting on July 28, 2015. If adopted, staff will share the resolution with the Friends of the Estuary and other interested parties. It was moved (Katz), seconded (Linney), and carried (2-0) to support the resolution. Director Young was absent (excused). Darcie Luce, Friends of the Estuary, commended and thanked the District for its support.

Adjournment. Chair Katz adjourned the Sustainability/Energy Committee meeting at 10:05 a.m.

ARC/LML/slb

W:\Minutes\Minutes 2015\072815_sustainability_minutes.docx

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 6, 2015

MEMO TO: Board of Directors

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

FROM: Lynelle M. Lewis, Secretary of the District *Lynelle*

SUBJECT: Finance/Administration Committee Minutes – July 28, 2015

Chair William B. Patterson called to order the Finance/Administration Committee meeting in the Training Resource Center at 10:17 a.m. Directors Andy Katz and Marguerite Young were absent; Director Young's absence was excused. Staff present included: General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Wastewater Bennett K. Horenstein, Acting Director of Finance Sophia D. Skoda, Manager of Customer and Community Services Sherri A. Hong, Manager of Water Conservation Richard W. Harris, Internal Auditor ~~x~~ Supervisor Barry N. Gardin, Special Assistant to the General Manager Cheryl A. Farr, and Secretary of the District Lynelle M. Lewis.

Public Comment. None.

Water Conservation Pay As You Save On-Bill Financing Pilot Study Update. Manager of Water Conservation Richard W. Harris presented an update on the Pay As You Save® (PAYS) concept, which would enable District customers to install water efficiency upgrades with no up-front cost. He reported that over the past six months, the District and its partners have been working on a series of pilot agreements, site evaluation checklists and financial models of candidate conservation measures. Staff conducted customer outreach to gauge interest in a pilot program. The initial analysis targeted Multi-Family Residential (MFR) properties with higher than average per unit water usage whose owners had expressed interest in installing water-saving measures. The launch of the WaterSmart PAYS pilot is targeted for September 2015. The pilot will be funded within the approved budget. Staff plans to pursue any available state grant funding that may become available.

Next steps include completing final customer and contractor agreements and testing the billing statement surcharge. Staff will continue investigating a potential option to include irrigation-related conservation measures and reaching out to residential and commercial properties that may be good pilot participants. Staff will update the Board this fall on the pilot program and the list of customer participants. Lauren Casey, representing Bay Area Regional Energy Network, commended the District for its leadership in exploring this model.

Annual Internal Audit Report. Internal Auditor Supervisor Barry N. Gardin summarized the mid-year report on audit activity. He provided highlights and findings from the following audits: purchasing and material acquisition, retirement administration, materials management (surplus and

disposal practices), capital expenditure accountability, municipal inspection fees, water consumption recognition and contract administration. Mr. Gardin pointed out that the audits completed during this reporting period have resulted in opportunities to improve internal controls and/or enhance operating efficiency; however, no material findings, significant control weaknesses, undue exposure or other significant issues requiring immediate Board action or attention were identified.

Financial Quarterly Reports. Acting Director of Finance Sophia D. Skoda reported that the quarterly reports were filed in compliance with government statutes. These included quarterly payroll, disbursement and real estate summary reports for the Water and Wastewater Systems and investments for the period covering April 1 through June 30, 2015.

Adjournment. Chair Patterson adjourned the meeting at 10:50 a.m.

ARC/LML/slb

W:\Minutes\Minutes 2015\072815_finance_minutes.docx