



*EAST BAY DISCHARGERS AUTHORITY*  
2651 Grant Avenue  
San Lorenzo, CA 94580-1841  
(510) 278-5910  
FAX (510) 278-6547

*A Joint Powers Public Agency*

## **COMMISSION MEETING AGENDA**

**Thursday, November 21, 2019**

**9:30 A.M.**

**Oro Loma Sanitary District  
2655 Grant Avenue  
San Lorenzo, CA 94580**

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call**
- 4. Public Forum**

## **C O N S E N T   C A L E N D A R**

- |               |   |
|---------------|---|
| <b>MOTION</b> | <b>5. Commission Meeting Minutes of October 17, 2019</b>                              |
|               | <b>6. Commission Meeting Minutes of October 29, 2019</b>                              |
|               | <b>7. List of Disbursements for October 2019 – See Item FM4</b>                       |
|               | <b>8. Treasurer’s Report for October 2019 – See Item FM5</b>                          |
|               | <b>9. Final Adjusted Treasurer’s Reports for June - September 2019 – See Item FM6</b> |

## **R E G U L A R   C A L E N D A R**

- |                    |  |
|--------------------|--|
| <b>INFORMATION</b> | <b>10. General Manager’s Report</b><br>(The General Manager will report on EBDA issues.)   |
| <b>MOTION</b>      | <b>11. Report From the Financial Management Committee</b><br>(The General Manager will report on the meeting.)   |
| <b>MOTION</b>      | <b>12. Motion to Accept the Audited Financial Statements for Fiscal Year Ending June 30, 2019 – See Item FM7</b><br>(The Commission will consider a motion to accept the Authority’s audited financial statements for FYE June 30, 2019.)                        |
| <b>RESOLUTION</b>  | <b>13. Resolution Authorizing the General Manager to Amend the Agreement with Hanson Bridgett, LLP in the Amount of \$50,000, for a Total Contract Value of \$150,000 – See Item FM10</b><br>(The Commission will consider a resolution amending the agreement.) |
| <b>MOTION</b>      | <b>14. Report From the Regulatory Affairs Committee</b><br>(The General Manager will report on the meeting.)   |

Agenda Explanation  
East Bay Dischargers Authority  
Commission Agenda  
November 21, 2019

- RESOLUTION 15. Resolution Authorizing the General Manager to Enter into a Funding Agreement with the Association of Bay Area Governments for the Transforming Shorelines Project**  
(The Commission will consider a resolution to approve the agreement.)
- RESOLUTION 16. Resolution Authorizing the General Manager to Amend the Professional Services Agreement with Pacific EcoRisk Laboratory in the Amount of \$13,500 for Acute Toxicity Testing Services through FY 21/22, for a Total Contract Value of \$61,500**  
(The Commission will consider a resolution to approve the amendment.)
- RESOLUTION 17. Resolution Authorizing the General Manager to Issue a Purchase Order for the period January 2020 through June 2021 to Azyura in the amount of \$30,000 for Waterbits Licensing and Reporting Services**  
(The Commission will consider a resolution to approve the purchase order.)
- MOTION 18. Report From the Operations & Maintenance Committee**  
(The General Manager will report on the meeting.)
- MOTION 19. Motion to Accept Amended Committee Calendar for FY2019/2020**  
(The Commission will consider a motion accepting the amended FY 2019/20 Committee calendar.)
- INFORMATION 20. Items From the Commission and Staff**  
(The Commission and staff may address items of general interest.)

**21. Adjournment**

(Any member of the public may address the Commission at the commencement of the meeting on any matter within the jurisdiction of the Commission. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Commission limit their presentation to three minutes. Non-English speakers using a translator will have a time limit of six minutes. Any member of the public desiring to provide comments to the Commission on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)

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**The next Commission meeting will be held  
Thursday, December 19, 2019 at 3:00 p.m.**

## GLOSSARY OF ACRONYMS

<b>ACWA</b>	Association of California Water Agencies	<b>DPR</b>	Department of Pesticide Regulation
<b>AQPI</b>	Advanced Quantitative Precipitation Information	<b>DSRSD</b>	Dublin San Ramon Services District
<b>AEPS</b>	Alvarado Effluent Pump Station	<b>DTSC</b>	Department of Toxic Substances Control
<b>AMP</b>	Asset Management Plan	<b>EBDA</b>	East Bay Dischargers Authority
<b>ANPRM</b>	Advanced Notice of Proposed Rulemaking	<b>EIS/EIR</b>	Environmental Impact Statement/Report
<b>BAAQMD</b>	Bay Area Air Quality Management District	<b>EPA</b>	Environmental Protection Agency
<b>BACC</b>	Bay Area Chemical Consortium	<b>FOG</b>	Fats, Oils and Grease
<b>BACWA</b>	Bay Area Clean Water Agencies	<b>GASB</b>	Government Accounting Standards Board
<b>BPA</b>	Basin Plan Amendment	<b>HEPS</b>	Hayward Effluent Pump Station
<b>BCDC</b>	Bay Conservation and Development Commission	<b>JPA</b>	Joint Powers Agreement
<b>BOD</b>	Biochemical Oxygen Demand	<b>LAVWMA</b>	Livermore-Amador Valley Water Management Agency
<b>CARB</b>	California Air Resources Board	<b>LOCC</b>	League of California Cities
<b>CASA</b>	California Association of Sanitation Agencies	<b>MAC</b>	Managers Advisory Committee
<b>CBOD</b>	Carbonaceous Biochemical Oxygen Demand	<b>MCC</b>	Motor Control Center
<b>CDFA</b>	CA Department of Food & Agriculture	<b>MCL</b>	Maximum Contaminant Level
<b>CEC</b>	Compound of Emerging Concern	<b>MDF</b>	Marina Dechlorination Facility
<b>CEQA</b>	California Environmental Quality Act	<b>MG</b>	Million Gallons
<b>CFR</b>	Code of Federal Regulations	<b>MGD</b>	Million Gallons per Day
<b>CMMS</b>	Computerized Maintenance Management System	<b>MMP</b>	Mandatory Minimum Penalty
<b>COH</b>	City of Hayward	<b>MOU</b>	Memorandum of Understanding
<b>CPUC</b>	California Public Utilities Commission	<b>N</b>	Nitrogen
<b>CSL</b>	City of San Leandro	<b>NACWA</b>	National Association of Clean Water Agencies
<b>CTR</b>	California Toxics Rule	<b>NAS</b>	National Academy of Sciences
<b>CVCWA</b>	Central Valley Clean Water Association	<b>NGO</b>	Non-Governmental Organization
<b>CVSAN</b>	Castro Valley Sanitary District	<b>NOX</b>	Nitrogen Oxides
<b>CWA</b>	Clean Water Act	<b>NPDES</b>	National Pollutant Discharge Elimination System
<b>CWEA</b>	CA Water Environment Association	<b>NPS</b>	Non-Point Source
<b>DO</b>	Dissolved Oxygen	<b>NTR</b>	National Toxics Rule

## GLOSSARY OF ACRONYMS

<b>O&amp;M</b>	Operations & Maintenance	<b>SRF</b>	State Revolving Fund
<b>OLEPS</b>	Oro Loma Effluent Pump Station	<b>SSMP</b>	Sewer System Management Plan
<b>OLSD</b>	Oro Loma Sanitary District	<b>SSO</b>	Sanitary Sewer Overflow
<b>OMB</b>	Office of Management and Budget	<b>SWRCB</b>	State Water Resources Control Board
<b>P</b>	Phosphorous	<b>TDS</b>	Total Dissolved Solids
<b>PAHs</b>	Polynuclear Aromatic Hydrocarbons	<b>TMDL</b>	Total Maximum Daily Load
<b>PCBs</b>	Poly Chlorinated Biphenyls	<b>TN</b>	Total Nitrogen
<b>PLC</b>	Programmable Logic Controller	<b>TP</b>	Total Phosphorus
<b>PFAS</b>	Per and Polyflouroalkyl Substances	<b>TRC</b>	Total Residual Chlorine
<b>POTW</b>	Publicly Owned Treatment Works	<b>TSO</b>	Time Schedule Order
<b>PPCPs</b>	Pharmaceutical and Personal Care Products	<b>TSS</b>	Total Suspended Solids
<b>QA/QC</b>	Quality Assurance / Quality Control	<b>USD</b>	Union Sanitary District
<b>Region IX</b>	Western Region of EPA (CA, AZ, NV & HI)	<b>UV</b>	Ultraviolet Treatment
<b>ReNUWit</b>	Re-Inventing the Nation's Urban Water Infrastructure engineering research center	<b>VFD</b>	Variable Frequency Drive
<b>RFP</b>	Request For Proposals	<b>VOCs</b>	Volatile Organic Compounds
<b>RFQ</b>	Request For Qualifications	<b>WAS</b>	Waste Activated Sludge
<b>RMP</b>	Regional Monitoring Program	<b>WDR</b>	Waste Discharge Requirements
<b>RO</b>	Reverse Osmosis	<b>WEF</b>	Water Environment Federation
<b>RWB</b>	Regional Water Board	<b>WET</b>	Whole Effluent Toxicity or Waste Extraction Test
<b>RWQCB</b>	Regional Water Quality Control Board	<b>WIN</b>	Water Infrastructure Network
<b>SBS</b>	Sodium Bisulfite	<b>WLA</b>	Waste Load Allocation (point sources)
<b>SCADA</b>	Supervisory Control and Data Acquisition	<b>WPCF</b>	Water Pollution Control Facility
<b>SCAP</b>	Southern California Alliance of POTWs	<b>WQBEL</b>	Water Quality Based Effluent Limitation
<b>SEP</b>	Supplementary Environmental Project	<b>WQS</b>	Water Quality Standards
<b>SFEI</b>	San Francisco Estuary Institute	<b>WRDA</b>	Water Resource Development Act
<b>SIP</b>	State Implementation Policy (CTR/NTR criteria)	<b>WRF</b>	Water Research Foundation
<b>SLEPS</b>	San Leandro Effluent Pump Station	<b>WWTP</b>	Wastewater Treatment Plant
		<b>WWWIFA</b>	Water and Wastewater Infrastructure Financing Agency

## **CONSENT CALENDAR**

Consent calendar items are typically routine in nature and are considered for approval by the Commission with a single action. The Commission may remove items from the Consent Calendar for discussion. Items on the Consent Calendar are deemed to have been read by title. Members of the public who wish to comment on Consent Calendar items may do so during Public Forum.

- Item No. 5 Commission Meeting Minutes of October 17, 2019**
- Item No. 6 Commission Meeting Minutes of October 29, 2019**
- Item No. 7 List of Disbursements for October 2019 – See Item FM4**
- Item No. 8 Treasurer’s Report for October 2019 – See Item FM5**
- Item No. 9 Final Adjusted Treasurer’s Reports for June - September 2019 – See Item FM6**

## **Recommendation**

Approve Consent Calendar Items No. 5, 6, 7, 8, and 9.

**ITEM NO. 5 COMMISSION MEETING MINUTES OF OCTOBER 17, 2019**

**EAST BAY DISCHARGERS AUTHORITY  
COMMISSION MEETING MINUTES**

**October 17, 2019**

**1. Call to Order**

Chair Cutter called the meeting to order at 9:32 A.M. on Thursday, October 17, 2019, at the Oro Loma Sanitary District Boardroom, 2655 Grant Avenue, San Lorenzo, CA 94580.

**2. Pledge of Allegiance**

**3. Roll Call**

<b>PRESENT:</b>	Al Mendall	City of Hayward
	Dan Walters	Oro Loma Sanitary District
	Thomas Handley	Union Sanitary District
	Ralph Johnson	Castro Valley Sanitary District
	Pauline Cutter	City of San Leandro

**ABSENT:** None

**OTHERS**

<b>PRESENT:</b>	Jacqueline Zipkin	East Bay Dischargers Authority
	Eric Casher	Legal Counsel
	Howard Cin	East Bay Dischargers Authority
	Kalena Yambao	East Bay Dischargers Authority
	Alex Ameri	City of Hayward
	Jan Lee	City of Hayward
	Paul Eldredge	Union Sanitary District
	Hayes Morehouse	City of San Leandro
	Roland Williams	Castro Valley Sanitary District
	Jason Warner	Oro Loma Sanitary District

**4. Public Form**

No member of the public requested to address the Commission at the meeting.

**C O N S E N T C A L E N D A R**

- 5. Commission Meeting Minutes of September 19, 2019**
- 6. Commission Workshop Minutes of October 8, 2019**
- 7. List of Disbursements for September 2019**
- 8. Treasurer's Report for September 2019**
- 9. Fourth Quarter Expense Report, FY 18/19**

Commissioner Walters moved to approve the consent calendar. The motion was seconded by Commissioner Johnson and carried 5-0 (Mendall, Walters, Handley, Johnson, Cutter; ayes).

## **REGULAR CALENDAR**

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

The General Manager (GM) gave record of her attendance at the annual Water Environmental Federation Technical Conference (WEFTEC). Notable presentations included treatment options for per and polyfluoroalkyl substances (PFAS) and nutrients. The GM also attended the Bay Area Clean Water Agencies (BACWA) Technical Seminar where collaborative efforts with Regional Water Board staff were advanced. The GM noted that BACWA will soon begin recruitment for a new Executive Director. The GM also attended the CHARG Forward Forum, which presented technical solutions for sea level rise, in particular, illustrating the need for regional planning and collaboration going forward.

### **11. Report from the Managers Advisory Committee (MAC)**

The MAC met with the GM on October 4, 2019. The GM requested to combine the MAC and Ad Hoc reports.

### **12. Report from the Ad Hoc Committee**

The Ad Hoc Committee met with the GM on October 16, 2019. The GM reported that the MAC and Ad Hoc are working on revisions to a JPA draft delivered on Monday, October 14<sup>th</sup>. The MAC will meet at the conclusion of the Commission meeting to continue working towards a completed JPA Agreement, to be delivered October 25, in preparation for its proposed adoption at the October 29<sup>th</sup> Special Commission Meeting. There was discussion as to whether a separate "plain language guide" to understanding the JPA would be practical in relating intent of the document to future readers. The Ad Hoc recommended approval of the Resolution to Extend the Authority's Master Agreement with Livermore-Amador Valley Water Management Agency with the exception of changing the time period to not exceed six months. Adoption of the resolution would grant the GM authority to negotiate language for the extension to reflect the six month time period.

### **13. Resolution Extending the Authority's Master Agreement with Livermore-Amador Valley Water Management Agency.**

Commissioner Walters moved to adopt the Resolution Extending the Authority's Master Agreement with Livermore-Amador Valley Water Management Agency with the revision to extend for up to six months instead of one year. The motion was seconded by Commissioner Handley and carried unanimously, 5-0.

Ayes:	Commissioners Mendall, Walters, Handley, Johnson, and Chair Cutter
Noes:	None
Absent:	None
Abstain:	None

#### **14. Report from the Financial Management Committee**

The Financial Management Committee that was scheduled for October 14, 2019, was canceled. The GM reviewed for the Commission the September List of Disbursements and the expense summary noting EBDA came in 21% under budget. The GM will bring information forward next month to support the Agencies in deciding whether to use their FY 18/19 credit towards funding outstanding OPEB and Pension Liabilities or to apply it to their FY 19/20 O&M bill. Agency preferences would then be brought to the Commission in a resolution for approval the following month.

Commissioner Mendall motioned to approve the report from Financial Management and the motion was seconded by Commissioner Johnson and carried unanimously, 5-0 (Mendall, Walters, Handley, Johnson, Cutter; ayes).

#### **15. Report from the Regulatory Affairs Committee**

The Regulatory Affairs Committee met with the GM on October 16, 2019. The GM reviewed the NPDES Status Report, referencing graphs and tables showing compliance for CBOD, TSS and bacteria limits. The GM summarized the regulatory fact sheets including BACWA's Key Regulatory Issue Summary, and the Executive Summary and related fact sheets from the SFEI and 5Gyres study of microplastics in San Francisco Bay, published this October. The GM also highlighted an updated fact sheet provided by California Association of Sanitation Agencies (CASA) on PFAS.

Commissioner Johnson moved to approve the report from the Regulatory Affairs Committee. The motion was seconded by Commissioner Mendall and carried unanimously, 5-0 (Mendall, Walters, Handley, Johnson, Cutter; ayes).

#### **16. Report from the Operations and Maintenance Committee (O&M)**

The Operations and Maintenance Committee met on October 15, 2019, and discussed the status of the EBDA facilities. The Operations and Maintenance Manager provided an update on current projects. Carollo delivered a Draft Cavitation Study Project Memorandum for AEPS, which will undergo review in the coming month. The HEPS MCC Project now has all four pumps running on the new system. HEPS also had new pond diversion piping installed and the project should be nearing completion in the coming months. At OLEPS, new discharge valve actuators and gear drives were installed during wet well preventative maintenance activities and conduits are scheduled to be installed in the coming week to supply standby power from OLSD to OLEPS. At SLEPS, a generator malfunction due to a faulty starter was resolved. EBDA also received the Cybersecurity Vulnerability Assessment Report from Woodward & Curran; the document was reviewed at the first quarterly network security meeting. The SCADA System Upgrade Project will be completed this week. The Commission also received an update on special projects including the PG&E Large Integrated Audit Program, Transport System Seismic Reliability Plan, and the Facilities Electrical Evaluation. The GM reported the Disaster Recovery Plan will move forward as discussed early next year. The GM gave an update on the AQPI Project; a draft of the agreement continues to undergo legal review. The GM hopes to bring a final agreement forward later this year. Participating agencies have begun discussions of regional cost-sharing, post-

grant. Results from the first wet weather season will be brought before the Commission to evaluate value prior to signing any long-term agreement on regional cost-sharing.

Commissioner Handley moved to approve the report from the Operations and Maintenance Committee. The motion was seconded by Commissioner Mendall and carried unanimously, 5-0 (Mendall, Walters, Handley, Johnson, Cutter; ayes).

#### **17. Report from the Personnel Committee**

The Personnel Committee met with the GM on October 15, 2019. With Commission concurrence, the Committee recommends the GM cancel standing committee meetings when committee direction is not needed that month. The Committee also recommends the frequency of the Regulatory Affairs Committee meetings be reduced to every other month, alternating with Personnel Committee meetings. The Committee recommends Ad Hoc meetings cease at the conclusion of the JPA renewal; negotiation of the LAVWMA agreement may require a new Ad Hoc to convene at a later date or may be dealt with within other committees. Chair Cutter suggested that the Committee consider at a future meeting whether the Commission should take a recess in August. The Committee recommends hiring of the temporary administrative assistant as a full-time temporary employee. Working with the MAC, the GM will bring to the Committee and Commission a proposed staffing plan prior to the next fiscal year. Considerations include possible use of member agency resources for HR and accounting functions.

Commissioner Handley moved to approve the report from the Personnel Committee. The motion was seconded by Commissioner Johnson and carried unanimously, 5-0 (Mendall, Walters, Handley, Johnson, Cutter; ayes).

#### **18. Items from Commission and Staff**

Commissioner Mendall requested that staff analyze EBDA's fossil fuel use and report to the Commission before the end of the fiscal year. Chair Cutter also suggested that staff consider additional emergency preparedness training, including responding to an active shooter.

#### **19. Adjournment**

With no further business, Chair Cutter adjourned the meeting at 10:48 A.M.

Jacqueline Zipkin  
General Manager

**ITEM NO. 6 COMMISSION MEETING MINUTES OF OCTOBER 29, 2019**

**EAST BAY DISCHARGERS AUTHORITY  
COMMISSION MEETING MINUTES**

**October 29, 2019**

**1. Call to Order**

Chair Cutter called the meeting to order at 3:10 P.M. on Tuesday, October 29, 2019, at the Castro Valley Sanitary District Boardroom, 21040 Marshall St., Castro Valley, CA 94546.

**2. Roll Call**

<b>PRESENT:</b>	Al Mendall	City of Hayward
	Dan Walters	Oro Loma Sanitary District
	Thomas Handley	Union Sanitary District
	Ralph Johnson	Castro Valley Sanitary District
	Pauline Cutter	City of San Leandro

**ABSENT:** None

**OTHERS**

<b>PRESENT:</b>	Jacqueline Zipkin	East Bay Dischargers Authority
	Nicole Witt	Legal Counsel - East Bay Dischargers Authority
	Allison Schutte	Legal Counsel - East Bay Dischargers Authority
	Howard Cin	East Bay Dischargers Authority
	Alex Ameri	City of Hayward
	Jan Lee	City of Hayward
	Paul Eldredge	Union Sanitary District
	Justin Jenson	City of San Leandro
	Roland Williams	Castro Valley Sanitary District
	Jason Warner	Oro Loma Sanitary District
	Chuck Weir	Livermore-Amador Valley Water Management Agency
	Anthony Varni	Castro Valley Sanitary District
	Alexandra Barnhill	Livermore-Amador Valley Water Management Agency
	Eli Dellaratta	Union Sanitary District

**3. Public Form**

No member of the public requested to address the Commission at the meeting.

## REGULAR CALENDAR

### **4. Resolution Approving Extension of the Authority's Joint Exercise of Powers Agreement through June 30, 2020.**

Commissioner Walters moved to adopt the resolution approving the extension of the Authority's Joint Exercise of Powers Agreement through June 30, 2020.

The motion was seconded by Commissioner Handley and carried unanimously, 5-0, by roll call vote.

Ayes: Commissioners Mendall, Walters, Handley, Johnson, and Chair Cutter  
Noes: None  
Absent: None  
Abstain: None

### **5. Resolution Approving the Authority's Amended and Restated Joint Exercise of Powers Agreement.**

Commissioner Walters moved to adopt the resolution approving the Authority's Amended and Restated Joint Exercise of Powers Agreement, as revised. The motion was seconded by Commissioner Johnson and carried unanimously, 5-0, by roll call vote.

Ayes: Commissioners Mendall, Walters, Handley, Johnson, and Chair Cutter  
Noes: None  
Absent: None  
Abstain: None

### **6. Adjournment**

With no further business, Chair Cutter adjourned the meeting at 3:35 P.M.

Jacqueline Zipkin  
General Manager

**ITEM NO. 10 GENERAL MANAGER'S REPORT**

The General Manager will discuss items of interest concerning EBDA.



EAST BAY DISCHARGERS AUTHORITY  
2651 Grant Avenue  
San Lorenzo, CA 94580-1841  
(510) 278-5910  
FAX (510) 278-6547

*A Joint Powers Public Agency*

**ITEM NO. 11**

**FINANCIAL MANAGEMENT COMMITTEE  
AGENDA**

**Monday, November 18, 2019**

**3:00 p.m.**

**East Bay Dischargers Authority  
2651 Grant Avenue  
San Lorenzo, CA 94580**

**Committee Members: Mendall (Chair); Johnson**

**FM1. Call to Order**

**FM2. Roll Call**

**FM3. Public Forum**

**FM4. List of Disbursements for October 2019**

(The Committee will review the List of Disbursements.)

**FM5. Treasurer's Report for October 2019**

(The Committee will review the Preliminary Treasurer's Report.)

**FM6. Final Adjusted Treasurer's Reports for June, July, August, and September 2019**

(The Committee will review the final adjusted Treasurer's Reports for June - September 2019.)

**FM7. Motion to Accept the Audited Financial Statements for Fiscal Year Ending  
June 30, 2019 (Attachment 1)**

(The Committee will consider recommending acceptance of the Authority's audited financial statement for FYE June 30, 2019.)

**FM8. First Quarter FY 19/20 Expense Report**

(The Committee will review the Authority's first quarter expenses and budget status.)

**FM9. OPEB and Pension Liability**

(The Committee will provide direction on payments consistent with the Authority's OPEB and Pension Funding Policies and approach to CERBT withdrawals.)

**FM10. Resolution Authorizing the General Manager to Amend the Agreement with  
Hanson Bridgett, LLP in the Amount of \$50,000, for a Total Contract Value of  
\$150,000**

(The Committee will review the proposed resolution.)

**FM11. Adjournment**

(Any member of the public may address the Commission at the commencement of the meeting on any matter within the jurisdiction of the Commission. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Commission

Agenda Explanation  
East Bay Dischargers Authority  
Financial Management Committee  
November 18, 2019

limit their presentation to three minutes. Non-English speakers using a translator will have a time limit of six minutes. Any member of the public desiring to provide comments to the Commission on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)

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**The next Financial Management Committee meeting will be held  
Monday, December 16, 2019 at 3:00 p.m.**

**ITEM NO. FM4 LIST OF DISBURSEMENTS FOR OCTOBER 2019**

The itemized List of Disbursements for the month of October 2019 totaled \$423,977.28.

Reviewed and Approved by:

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Al Mendall, Chair Financial Management Committee	Date
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Jacqueline T. Zipkin Treasurer	Date
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**EAST BAY DISCHARGERS AUTHORITY**  
**Cash Disbursement**  
**October 2019**

**CHECKS (SORTED BY AMOUNT)**

Check #	Check Date	Invoice #	Vendor Name	Description	Itemized Charges	Invoice Amount	Check Amount
24436	10/16/2019	16	GSE CONSTRUCTION	MCC REPLACEMENT PROJECT		152,940.50	152,940.50
24442	10/31/2019	344355	CITY OF HAYWARD	O&M FIRST QUARTER FY 2019/20		43,329.58	43,329.58
24420	10/16/2019	374411	CITY OF SAN LEANDRO	O&M AUGUST 2019		39,489.20	39,489.20
24421	10/16/2019	06213	OROLOMA SANITARY DISTRICT	O&M SEPTEMBER 2019		15,915.02	15,915.02
24425	10/16/2019	45210	CALCON SYSTEMS	OLEPS, LIGHTING, SCADA, COMMUNICATION SYSTEM UPGRADE		5,623.69	14,524.49
24425	10/16/2019	45227	CALCON SYSTEMS	COMMUNICATION SYSTEM UPGRADE		3,744.40	
24425	10/16/2019	45208	CALCON SYSTEMS	NETWORK SECURITY UPGRADES		1,759.60	
24425	10/16/2019	45207	CALCON SYSTEMS	SKYWEST LIGHTING, OLEPS, SLEPS, SCADA		2,712.00	
24425	10/16/2019	45211	CALCON SYSTEMS	MDF SBS VALVE REPLACEMENT		684.80	
24443	10/31/2019	2534	UNION SANITARY DISTRICT	O&M SEPTEMBER 2019		14,073.40	14,073.40
24458	10/31/2019	OE01877112	AEROTEK	SUPPLEMENTAL STAFFING SERVICES - PERIOD ENDED 10/19/19		2,131.25	6,132.50
24458	10/31/2019	OE01869584	AEROTEK	SUPPLEMENTAL STAFFING SERVICES - PERIOD ENDED 10/5/19		2,044.35	
24458	10/31/2019	OE01873365	AEROTEK	SUPPLEMENTAL STAFFING SERVICES - PERIOD ENDED 10/12/19		1,956.90	
24435	10/16/2019	OE01865756	AEROTEK	SUPPLEMENTAL STAFFING SERVICES - PERIOD ENDED 9/28/19		2,062.50	4,079.35
24435	10/16/2019	OE01862022	AEROTEK	SUPPLEMENTAL STAFFING SERVICES - PERIOD ENDED 9/21/19		2,016.85	
24455	10/31/2019	SJ968475	UNIVAR USA, INC.	SODIUM BISULFITE DELIVERY 10/18/19		5,931.91	5,931.91
24445	10/31/2019	88555382972	PG&E	ELECTRIC CHARGES HAYWARD 8/2 - 9/26/19		5,777.06	5,777.06
24431	10/16/2019	SJ965011	UNIVAR	SODIUM BISULFITE DELIVERY 9/27/2019		5,309.96	5,309.96
24417	10/16/2019	JUL-SEPT	KARL ROYER	QUARTERLY RETIREE MEDICAL REIMBURSEMENT - JUL-SEPT		3,190.50	3,190.50
24451	10/31/2019	908384	VINCENT ELECTRIC MOTOR CO	OLEPS RECONDITION PUMP #1 MOTOR		3,048.33	3,048.33
24426	10/16/2019	IN0273012	ALAMEDA COUNTY ENV HEALTH	PERMIT FEES		2,477.00	2,477.00
24457	10/31/2019	11355456	BROWN & CALDWELL	ENGINEERING SERVICES SEPTEMBER		1,887.69	1,887.69
24418	10/16/2019	JUL-SEP	CHARLES WEIR	QUARTERLY RETIREE MEDICAL REIMBURSEMENT - JUL-SEPT		1,856.97	1,856.97
24441	10/31/2019	457-303166	VANTAGEPOINT TRANSFER AGENTS	ICMA DEFERRED COMPENSATION FOR PAY PERIOD ENDED 10/31/19		1,767.86	1,767.86
24419	10/16/2019	457-303166	VANTAGEPOINT TRANSFER AGENTS	ICMA DEFERRED COMPENSATION FOR PAY PERIOD ENDED 10/15/19		1,767.85	1,767.85
24437	10/16/2019	42747	COMPUTER COURAGE, INC.	WEBSITE DESIGN - SEPTEMBER 2019		1,597.05	1,597.05
24422	10/16/2019	52205704	CITY OF HAYWARD	INSURANCE PREMIUMS OCTOBER		1,507.83	1,507.83
24434	10/16/2019	19-600	BARTEL ASSOCIATES, LLC	ACTUARIAL CONSULTING SERVICES - GASB 68 REPORTING		1,300.00	1,300.00
24456	10/31/2019	1019-23	BEECHER	PROFESSIONAL ENGINEERING SERVICES HEPS MCC		1,200.00	1,200.00
24450	10/31/2019	576510	CORRPRO COMPANIES, INC	BI-ANNUAL CATHODIC PROTECTION SURVEY OF FORCE MAINS		1,200.00	1,200.00
24424	10/16/2019	SW240160956	PETERSON POWER SYSTEMS	SLEPS GENERATOR REPAIR		1,193.75	1,193.75
24432	10/16/2019	EBD3054	ALPHA ANALYTICAL LABS	SKYWEST LAB SAMPLES		1,150.00	1,150.00
24430	10/16/2019	55687627	USBANK	REMOTE DATA BACKUPS	402.00	1,021.27	1,021.27
24430	10/16/2019	55687627	USBANK	OFFICE DEPOT	111.86		
24430	10/16/2019	55687627	USBANK	TOGOS	110.00		

**EAST BAY DISCHARGERS AUTHORITY**  
**Cash Disbursement**  
**October 2019**

Check #	Check Date	Invoice #	Vendor Name	Description	Itemized Charges	Invoice Amount	Check Amount
24430	10/16/2019	55687627	USBANK	COSTCO	103.13		
24430	10/16/2019	55687627	USBANK	INTERMEDIA.NET	86.41		
24430	10/16/2019	55687627	USBANK	PAK N SAVE	33.76		
24430	10/16/2019	55687627	USBANK	DALZIEL GARAGE	28.00		
24430	10/16/2019	55687627	USBANK	AMAZON.COM	21.84		
24430	10/16/2019	55687627	USBANK	LYFT	31.69		
24430	10/16/2019	55687627	USBANK	LYFT	17.76		
24430	10/16/2019	55687627	USBANK	SAFEWAY	16.99		
24430	10/16/2019	55687627	USBANK	OAK GROVE EATERY	13.52		
24430	10/16/2019	55687627	USBANK	SAVOR-MCCORMICK PLACE	10.50		
24430	10/16/2019	55687627	USBANK	EAST BAY TIMES	9.95		
24430	10/16/2019	55687627	USBANK	USPS	7.00		
24430	10/16/2019	55687627	USBANK	NYC BAGEL	6.77		
24430	10/16/2019	55687627	USBANK	NYC BAGEL	3.21		
24430	10/16/2019	55687627	USBANK	TRIBUNE NEWSSTAND	2.99		
24430	10/16/2019	55687627	USBANK	DUNKIN DONUTS	2.90		
24430	10/16/2019	55687627	USBANK	APPLE ITUNES	0.99		
24459	10/31/2019	603580	CALTEST	NPDES AND NUTRIENTS TESTING SEPTEMBER		864.90	864.90
24429	10/16/2019	14268-6	CONSTRUCTION TESTING SERVICES	CONSTRUCTION TESTING & INSPECTIONS		689.23	689.23
24438	10/16/2019	426879	TWISTED PAIR	CONF RM POLYCOM SOUNDSTATION INSTALLATION		663.56	663.56
24433	10/16/2019	SI107912	WATSON MARLOW	PUMP PARTS		646.32	646.32
24423	10/16/2019	1746192-19	SCIF	WORKERS COMP PREMIUM		603.25	603.25
24454	10/31/2019	188623978	ORKIN	QUARTERLY PEST CONTROL MDF		290.00	510.00
24454	10/31/2019	188624033	ORKIN	QUARTERLY PEST CONTROL SLEPS		220.00	
24452	10/31/2019	20092171	ZASIO	VERSATILE EXPRESS ANNUAL SUPPORT FEE		395.00	395.00
24427	10/16/2019	T106920	BAAQMD	ANNUAL PERMIT - STANDBY DIESEL ENGINE		361.00	361.00
24444	10/31/2019	10110000001	EBMUD	WATER AND SEWR MDF 8/19/19-10/17/19		222.49	222.49
24428	10/16/2019	9839172792	VERIZON	ADMIN 9/2-10/1/19		192.81	192.81
24460	10/31/2019	2888777	CALTRONICS	COPIER USAGE/MAINTENANCE - SEPT-OCT 2019		171.45	171.45
24453	10/31/2019	5184	TOWN & COUNTRY	JANITORIAL SERVICES - OCTOBER 2019		165.00	165.00
24446	10/31/2019	5104830439	AT&T	PHONE SERVICE MDF 10/7-11/19/19		110.75	110.75
24447	10/31/2019	6-772-05991	FEDEX	OVERNIGHT AGENDAS SHIPPED 10/10/19		77.94	77.94
24439	10/16/2019	45833	DIRECT TV	BUNDLE PACKAGE FOR PHONE SERVICE SAVINGS		74.64	74.64
24448	10/31/2019	F244	TG'S BACKFLOW SERVICE	TEST & INSPECT BACKFLOW ASSEMBLY - SL		65.00	65.00
24440	10/31/2019	SEPT	JACQUELINE ZIPKIN	EXPENSE & MILEAGE REIMBURSEMENT - SEPT 2019		42.17	42.17
24449	10/31/2019	9839934854	VERIZON	M2M - SCADA 9/11 -10/10/19		22.70	22.70

**EAST BAY DISCHARGERS AUTHORITY**  
**Cash Disbursement**  
**October 2019**

Check #	Check Date	Invoice #	Vendor Name	Description	Itemized Charges	Invoice Amount	Check Amount
<b>TOTAL CHECK PAYMENTS</b>							<b>339,547.28</b>
<b>ELECTRONIC PAYMENTS</b>							
10/7/2019	5105948980-0	PG&E	GAS & ELECTRIC CHARGES 07/31/19-09/10/19		29,661.20	29,661.20	
10/3/2019	15808285	PERS HEALTH	HEALTH PREMIUMS - OCTOBER 2019		7,026.35	7,026.35	
10/17/2019	15818246	CALPERS	MONTHLY UNFUNDED LIABILITY - OCTOBER 2019		3,503.42	3,503.42	
10/9/2019	9-2019-1	CALPERS	PENSION PAYMENT FOR PERIOD 09/01/19-09/15/19		3,427.47	3,427.47	
10/18/2019	9-2019-2	CALPERS	PENSION PAYMENT FOR PERIOD 09/16/19-09/30/19		3,427.47	3,427.47	
<b>TOTAL ELECTRONIC PAYMENTS</b>							<b>47,045.91</b>
<b>PAYROLL</b>							
10/15/2019	10/15/2019	PAYROLL	10/01-15/2019		16,740.39	16,740.39	
10/31/2019	10/31/2019	PAYROLL	10/16-31/2019		15,783.38	20,643.70	
10/31/2019	Oct-19	CUTTER, PAULINE RUSSO	DIRECT DEPOSIT		960.00		
10/31/2019	Oct-19	HANDLEY, THOMAS	DIRECT DEPOSIT		960.00		
10/31/2019	Oct-19	MENDALL, AL	DIRECT DEPOSIT		960.00		
10/31/2019	Oct-19	JOHNSON, RALPH	DIRECT DEPOSIT		1,020.32		
10/31/2019	Oct-19	WALTERS, DAN	DIRECT DEPOSIT		960.00		
<b>TOTAL PAYROLL</b>							<b>37,384.09</b>
<b>TOTAL DISBURSEMENTS</b>							<b>423,977.28</b>

**ITEM NO. FM5 TREASURER'S REPORT FOR OCTOBER 2019**

The beginning cash balance on October 1, 2019 was \$4,244,145.04. The ending cash balance on October 31, 2019 was \$4,795,169.65. Total receipts for the month were \$975,001.89 and disbursements were \$423,977.28.

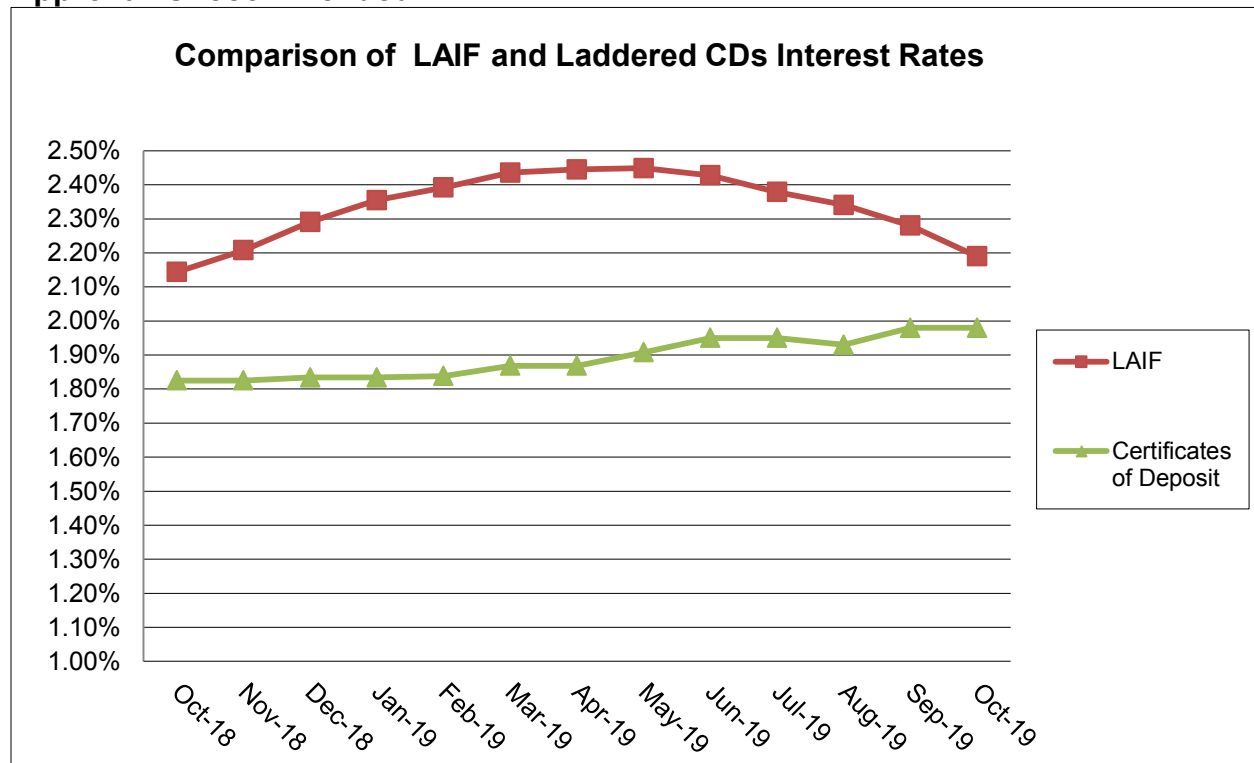
EBDA currently has a three-pronged investment approach that includes laddered CDs, Local Agency Investment Fund (LAIF), and a Wells Fargo savings account. As directed by the Financial Management Committee, funds are currently being transferred to savings and/or LAIF as CDs mature. Staff will continue to work with the Committee on investment strategy.

Current market value of laddered CD investments total \$652,454.05. The average annual yield of the CDs is 1.99%.

EBDA's LAIF balance beginning October 1, 2019 was \$3,229,932.27. The ending balance on October 31, 2019 was \$3,249,827.82. The LAIF account was credited \$19,895.55 in interest earned for the quarter ending October 31, 2019. The LAIF interest rate for the period ending October 31st, 2019 was 2.190%.

The Wells Fargo State/Local Government account interest rate for this period was 0.03%.

**Approval is recommended.**



**EAST BAY DISCHARGERS AUTHORITY  
TREASURER'S REPORT  
OCTOBER 31, 2019**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,016,619.44	661,889.60	234,883.54	1,443,625.50
13	PLANNING & SPECIAL STUDIES	321,054.85	291,838.41	3,484.74	609,408.52
14	RECLAMATION O & M (SKYWEST)	123,874.92		6,427.38	117,447.54
31	REPLACEMENT	2,770,826.33	21,273.88	179,181.62	2,612,918.59
41	CONSTRUCTION	11,769.50			11,769.50
	TOTALS	4,244,145.04	975,001.89	423,977.28	4,795,169.65

11/13/19

## SUPPLEMENTAL TREASURERS REPORT

										WELLS FARGO REGULAR CHECKING BALANCE	WELLS FARGO PAYROLL CHECKING BALANCE	WELLS FARGO REGULAR SAVINGS BALANCE	LAIF BALANCE	WELLS FARGO CERTIFICATES OF DEPOSIT	TOTAL CASH
DATE	TRANSACTION	RECEIPT	DISBURSEMENT REGULAR	DISBURSEMENT PAYROLL	PAYROLL TRANSFER	SAVINGS TRANSFER	LAIF TRANSFER	CD TRANSFER	CD INTEREST & EXPENSES						
09/30/19	BALANCE									85,060.58	71,312.28	205,514.91	3,229,932.27	652,325.00	4,244,145.04
10/01/19	SAVINGS TRANSFER					(100,000.00)				185,060.58	71,312.28	105,514.91	3,229,932.27	652,325.00	4,244,145.04
10/03/19	ELECTRONIC BILL PAY PG&E		29,661.20							155,399.38	71,312.28	105,514.91	3,229,932.27	652,325.00	4,214,483.84
10/03/19	ELECTRONIC BILL PAY		7,026.35							148,373.03	71,312.28	105,514.91	3,229,932.27	652,325.00	4,207,457.49
10/07/19	INTEREST	701.92							701.92	148,373.03	71,312.28	105,514.91	3,229,932.27	653,026.92	4,208,159.41
10/09/19	ELECTRONIC BILL PAY		3,427.47							144,945.56	71,312.28	105,514.91	3,229,932.27	653,026.92	4,204,731.94
10/10/19	DEPOSIT OLSD	213,701.16								358,646.72	71,312.28	105,514.91	3,229,932.27	653,026.92	4,418,433.10
10/11/19	PAYROLL			16,740.39						358,646.72	54,571.89	105,514.91	3,229,932.27	653,026.92	4,401,692.71
10/14/19	INTEREST	438.70							438.70	358,646.72	54,571.89	105,514.91	3,229,932.27	653,465.62	4,402,131.41
10/14/19	INTEREST	67.60							67.60	358,646.72	54,571.89	105,514.91	3,229,932.27	653,533.22	4,402,199.01
10/15/19	PAYROLL TRANSFER				20,000.00					338,646.72	74,571.89	105,514.91	3,229,932.27	653,533.22	4,402,199.01
10/15/19	INTEREST	19,895.55					19,895.55			338,646.72	74,571.89	105,514.91	3,249,827.82	653,533.22	4,422,094.56
10/16/19	DISBURSEMENT		252,551.55							86,095.17	74,571.89	105,514.91	3,249,827.82	653,533.22	4,169,543.01
10/17/19	ELECTRONIC BILL PAY		3,503.42							82,591.75	74,571.89	105,514.91	3,249,827.82	653,533.22	4,166,039.59
10/18/19	ELECTRONIC BILL PAY		3,427.47							79,164.28	74,571.89	105,514.91	3,249,827.82	653,533.22	4,162,612.12
10/23/19	DEPOSIT CVSD	102,605.33								181,769.61	74,571.89	105,514.91	3,249,827.82	653,533.22	4,265,217.45
10/25/19	PAYROLL TRANSFER				20,000.00					161,769.61	94,571.89	105,514.91	3,249,827.82	653,533.22	4,265,217.45
10/29/19	DEPOSIT COH	248,152.34								409,921.95	94,571.89	105,514.91	3,249,827.82	653,533.22	4,513,369.79
10/29/19	DEPOSIT USD	389,269.18								799,191.13	94,571.89	105,514.91	3,249,827.82	653,533.22	4,902,638.97
10/30/19	INTEREST	156.16							156.16	799,191.13	94,571.89	105,514.91	3,249,827.82	653,689.38	4,902,795.13
10/30/19	PAYROLL			20,643.70						799,191.13	73,928.19	105,514.91	3,249,827.82	653,689.38	4,882,151.43
10/31/19	INTEREST	7.93								799,199.06	73,928.19	105,514.91	3,249,827.82	653,689.38	4,882,159.36
10/31/19	INTEREST	2.68				2.68		-	-	799,199.06	73,928.19	105,517.59	3,249,827.82	653,689.38	4,882,162.04
10/31/19	INTEREST	1.89				1.89				799,199.06	73,930.08	105,517.59	3,249,827.82	653,689.38	4,882,163.93
10/31/19	DIVIDEND	1.45							1.45	799,199.06	73,930.08	105,517.59	3,249,827.82	653,690.83	4,882,165.38
10/31/19	DISBURSEMENT		86,995.73							712,203.33	73,930.08	105,517.59	3,249,827.82	653,690.83	4,795,169.65
										712,203.33	73,930.08	105,517.59	3,249,827.82	653,690.83	4,795,169.65
										①	②	③	④	⑤	
	TOTAL	975,001.89	386,593.19	37,384.09	40,001.89	(99,997.32)	19,895.55	-	1,365.83						
	CURRENT BALANCE									712,203.33	73,930.08	105,517.59	3,249,827.82	653,690.83	4,795,169.65
	Reconciliation														
①	Per Bank Statement @10/31/19	\$ 804,306.88													
	Less: Outstanding Checks	92,103.55													
		\$ 712,203.33													
②	Per Bank Statement @10/31/19	\$ 73,930.08													
③	Per Bank Statement @10/31/19	\$ 105,517.59													
④	Per LAIF Statement @10/31/19	\$ 3,249,827.82													
⑤	Per Treasurer's Report @10/31/19	\$ 653,690.83													
	Fair Market Value Increase/Decrease	855.63													
	Per Investment Statement @10/31/19	\$ 654,546.46													
The Supplemental Treasurer's Report is prepared monthly by the General Manager. It also serves as															

The Supplemental Treasurer's Report is prepared monthly by the General Manager. It also serves as EBDA's cash and investments reconciliation.

# CD PORTFOLIO

Institution	Description	Purchase Date	Maturity Date	Estimated Annual Yield	Quantity	Current Market Value
ALLY BANK	ALLY BANK CD MIDVALE UT ACT/365 FDIC INSURED CPN 1.350% DUE 11/04/19 DTD 11/03/16 FC 05/03/17	11/3/2016	11/04/2019	1.35%	50,000	49,997.00
ALLY BANK	ALLY BANK CD MIDVALE UT ACT/365 FDIC INSURED CPN 1.600% DUE 12/16/19 DTD 12/15/16 FC 06/15/17	12/15/2016	12/16/2019	1.59%	50,000	50,002.00
<b>ALLY BANK Total</b>						99,999.00
BARCLAYS BANK	BARCLAYS BANK CD WILMINGTON DE ACT/365 FDIC INSURED CPN 1.950% DUE 09/21/20 DTD 09/20/17 FC 03/20/18 CUSIP 06740KKU0	9/20/2017	9/21/2020	1.94%	50,000	50,128.50
<b>BARCLAYS BANK Total</b>						50,128.50
CAPITAL ONE BK USA NA	CAPITAL ONE BK USA NA CD GLEN ALLEN VA ACT/365 FDIC INSURED CPN 1.750% DUE 01/13/20 DTD 01/11/17 FC 07/11/17	1/11/2017	1/13/2020	1.74%	50,000	50,018.50
CAPITAL ONE BK USA NA	CAPITAL ONE BK USA NA CD GLEN ALLEN VA ACT/365 FDIC INSD CPN 2.000% DUE 11/02/20 DTD 11/01/17 FC 05/01/18 CUSIP 1404206A3	11/1/2017	11/2/2020	1.99%	50,000	50,148.50
<b>CAPITAL ONE BK USA NA Total</b>						100,167.00
CITIBANK NA	CITIBANK NA CD SIOUX FALLS SD ACT/365 FDIC INSD CPN 2.900% DUE 05/24/21 DTD 05/23/18 FC 11/23/18 CUSIP 17312QM22	5/23/2018	5/24/2021	2.84%	50,000	50,892.50
<b>CITIBANK NA Total</b>						50,892.50
COMENITY BANK	COMENITY BANK CD WILMINGTON DE ACT/365 JUMBO CD FDIC INSURED CPN 1.900% DUE 8/31/20 DTD 8/30/17 FC 9/30/17 CUSIP 99000PTY2	8/30/2017	8/31/2020	1.90%	100,000	99,916.00
<b>COMENITY BANK Total</b>						99,916.00
DISCOVER BANK	DISCOVER BANK CD GREENWOOD DE ACT/365 FDIC INSURED CPN 1.800% DUE 03/02/20 DTD 03/01/17 FC 09/01/17 CUSIP 2546723K2	3/1/2017	3/2/2020	1.79%	50,000	50,038.50
<b>DISCOVER BANK Total</b>						50,038.50
GOLDMAN SACHS BK USA	GOLDMAN SACHS BK USA CD NEW YORK NY ACT/365 FDIC INSURED CPN 1.900% DUE 06/22/20 DTD 06/21/17 FC 12/21/17	6/21/2017	6/22/2020	1.89%	3,000	3,005.70
<b>GOLDMAN SACHS BK USA Total</b>						3,005.70
KEY BANK NA	KEY BANK NA CD CLEVELAND OH ACT/365 FDIC INSURED CPN 1.750% DUE 04/13/20 DTD 04/12/17 FC 10/12/17	4/12/2017	4/13/2020	1.74%	50,000	50,035.50
<b>KEY BANK NA Total</b>						50,035.50

# CD PORTFOLIO

Institution	Description	Purchase Date	Maturity Date	Estimated Annual Yield	Quantity	Current Market Value
LAKESIDE BANK	LAKESIDE BANK CD CHICAGO IL ACT/365 FDIC INSURED CPN 1.750% DUE 02/14/20 DTD 07/14/17 FC 08/14/17 CUSIP 51210SNL7	7/12/2017	2/14/2020	1.74%	47,000	47,025.85
<b>LAKESIDE BANK Total</b>						47,025.85
MORGAN STANLEY BK NA	MORGAN STANLEY BK NA CD SALT LAKE CTY UT ACT/365 FDIC INSD CPN 2.500% DUE 02/08/21 DTD 02/08/18 FC 08/08/18 CUSIP 61747MJ93	1/30/2018	2/8/2021	2.47%	50,000	50,490.50
MORGAN STANLEY BK NA	MORGAN STANLEY BK NA CD SALT LAKE CTY UT ACT/365 FDIC INSD CPN 2.800% DUE 04/05/21 DTD 04/05/18 FC 10/05/18 CUSIP 61747MS69	4/5/2018	4/5/2021	2.75%	50,000	50,755.00
<b>MORGAN STANLEY BK NA Total</b>						101,245.50
<b>Grand Total</b>						652,454.05
<b>Average Estimated Annual Yield</b>				1.99%		

**ITEM NO. FM6 FINAL ADJUSTED TREASURER'S REPORTS FOR JUNE, JULY, AUGUST, AND SEPTEMBER 2019**

**Recommendation**

Approve the Final Adjusted Treasurer's Report for June, July, August, and September 2019.

**Discussion**

The final adjusted Treasurer's Reports for June through September 2019 are attached for the Committee's review. Preliminary reports were presented previously. The only changes are balances between funds, as total cash remains the same. Changes occur through the course of closing all accounts and during the annual financial audit.

**EAST BAY DISCHARGERS AUTHORITY  
FINAL (ADJUSTED)  
TREASURER'S REPORT  
JUNE 30, 2019**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,212,327.17	193,163.02	335,555.98	1,069,934.21
13	PLANNING & SPECIAL STUDIES	584,663.61	(146,396.74)	78,789.23	359,477.64
14	RECLAMATION O & M (SKYWEST)	115,703.17		13,465.79	102,237.38
31	REPLACEMENT	2,803,317.84	1,302.85	117,470.85	2,687,149.84
41	CONSTRUCTION	11,769.50			11,769.50
	TOTALS	4,727,781.29	48,069.13	545,281.85	4,230,568.57

**EAST BAY DISCHARGERS AUTHORITY  
FINAL (ADJUSTED)  
TREASURER'S REPORT  
JULY 31, 2019**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,069,934.21	626,873.16	257,028.75	1,439,778.62
13	PLANNING & SPECIAL STUDIES	359,477.64	273,711.19	27,427.89	605,760.94
14	RECLAMATION O & M (SKYWEST)	102,237.38	20,000.00	4,146.66	118,090.72
31	REPLACEMENT	2,687,149.84	167,849.07	13,285.98	2,841,712.93
41	CONSTRUCTION	11,769.50			11,769.50
	TOTALS	4,230,568.57	1,088,433.42	301,889.28	5,017,112.71

**EAST BAY DISCHARGERS AUTHORITY  
FINAL (ADJUSTED)  
TREASURER'S REPORT  
AUGUST 31, 2019**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,439,778.62	79,660.59	229,548.74	1,289,890.47
13	PLANNING & SPECIAL STUDIES	605,760.94	22,944.74	49,268.32	579,437.36
14	RECLAMATION O & M (SKYWEST)	118,090.72	10,000.00	2,717.47	125,373.25
31	REPLACEMENT	2,841,712.93	80,023.79	21,181.63	2,900,555.09
41	CONSTRUCTION	11,769.50			11,769.50
	TOTALS	5,017,112.71	192,629.12	302,716.16	4,907,025.67

**EAST BAY DISCHARGERS AUTHORITY  
FINAL (ADJUSTED)  
TREASURER'S REPORT  
SEPTEMBER 30, 2019**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,289,890.47	163,893.66	437,164.69	1,016,619.44
13	PLANNING & SPECIAL STUDIES	579,437.36	90,344.07	348,726.58	321,054.85
14	RECLAMATION O & M (SKYWEST)	125,373.25	10,000.00	11,498.33	123,874.92
31	REPLACEMENT	2,900,555.09	1,238.98	130,967.74	2,770,826.33
41	CONSTRUCTION	11,769.50			11,769.50
	TOTALS	4,907,025.67	265,476.71	928,357.34	4,244,145.04

**ITEM NO. FM7 MOTION TO ACCEPT THE AUDITED FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDING JUNE 30, 2019**

**Recommendation**

Accept, by motion, the audited financial statements for fiscal year ending June 30, 2019.

**Discussion**

The Authority's audited financial statements for the fiscal year ending June 30, 2019 are attached as a separate document for the Committee's review and full Commission acceptance. Staff and the Authority's accountant reviewed the report and made changes that were incorporated into the report. No deficiencies in internal controls considered to be material weaknesses were identified during the audit.

David Alvey of Maze & Associates, the Authority's independent auditor, conducted the field work and will be available by telephone conference at the November 18 Financial Management Committee Meeting. Mr. Alvey will also present the audited financial statements to the Commission at the Thursday, November 21 meeting.

Acceptance of the financial statement authorizes its publication. Copies will be provided to the State Controller's Office, the Alameda County Auditor-Controller, member agencies and other interested parties. The document will also be posted on the EBDA website.

**ITEM NO. FM8 FIRST QUARTER FY 19/20 EXPENSE REPORT**

**Recommendation**

For the Committee's information only; no action is required.

**Background**

The First Quarter Expense Summary for FY 2019/2020 is attached for the Committee's review. Expenses are presented by Program and by Account Number. These categories have been grouped to provide an overview of Authority expenses. The tables include discussion of particular items that varied significantly (>10%) from the budget.

At the end of the first quarter, EBDA's spending is right on budget, with 25% spent. Staff notes that certain annual fees (i.e. Nutrient Surcharge and Water Research Foundation) were paid in the first quarter, while others (NPDES Permit Fee, Regional Monitoring Program) had yet to be billed. This led to certain line items appearing over or under budget, but balances out overall for the quarter.

# East Bay Dischargers Authority

## EXPENSE SUMMARY BY PROGRAM

FY 2019/20 THROUGH SEPTEMBER 30, 2019 (25% of YEAR)

	YTD Expenses	Budget	Variance	% of Budget	Last FY Q1 Expenses	Explanations for Variance Over 10%
<b>O&amp;M EFFLUENT DISPOSAL</b>						
General Administration	\$255,728	\$1,204,602	(\$948,874)	21%	\$262,217	
Outfall & Force mains	\$29,370	\$181,181	(\$151,811)	16%	\$38,612	
San Leandro Pump Station	\$21,696	\$110,636	(\$88,940)	20%	\$20,676	
Marina Dechlor Facility	\$101,235	\$479,771	(\$378,536)	21%	\$99,182	
Oro Loma Pump Station	\$98,031	\$480,726	(\$382,695)	20%	\$54,513	
Hayward Pump Station	\$31,420	\$142,181	(\$110,761)	22%	\$34,256	
Alvarado Pump Station	\$58,591	\$358,181	(\$299,590)	16%	\$81,461	
Bay & Effluent Monitoring	\$273,691	\$500,090	(\$226,399)	55%	\$245,839	BACWA annual dues (\$102k) were paid in first quarter.
<b>TOTAL O&amp;M EFFLUENT DISPOSAL</b>	<b>\$869,763</b>	<b>\$3,457,368</b>	<b>(\$2,587,605)</b>	<b>25%</b>	<b>\$836,756</b>	
<b>SPECIAL PROJECTS</b>						
NPDES Permit Fees	\$0	\$500,000	(\$500,000)	0%	\$0	Annual fee has not yet been paid.
Regional Monitoring Program	\$0	\$280,000	(\$280,000)	0%	\$0	Annual fee has not yet been paid.
Nutrient Surcharge	\$273,461	\$273,000	\$461	100%	\$106,667	Annual fee was paid in first quarter.
Water Environment Research Foundation	\$22,277	\$25,000	(\$2,723)	89%	\$19,780	Annual dues were paid in first quarter.
Transport System Evaluation	\$11,759	\$70,000	(\$58,241)	17%	\$25,310	
JPA Evaluation Studies	\$0	\$50,000	(\$50,000)	0%	\$0	No studies have been identified.
JPA Legal Support	\$34,935	\$150,000	(\$115,065)	23%	\$0	
Website Update	\$4,691	\$20,000	(\$15,309)	23%	\$0	
AQPI	\$0	\$29,000	(\$29,000)	0%	\$0	Project MOU has not yet been completed.
Disaster Cost Recovery Plan Implementation	\$7,075	\$50,000	(\$42,925)	14%	\$0	Project has been moving slowly as JPA negotiations have taken priority.
Operator Training Modules	\$0	\$32,000	(\$32,000)	0%	\$0	EBDA has not yet been billed for project.
NPDES Testing - CSL	\$2,408	\$16,500	(\$14,092)	15%	\$4,093	Agencies are being billed directly for testing beginning in September 2019.
NPDES Testing - OLSD	\$2,169	\$15,500	(\$13,331)	14%	\$4,571	Agencies are being billed directly for testing beginning in September 2019.
NPDES Testing - HAY	\$5,044	\$18,500	(\$13,456)	27%	\$8,552	
NPDES Testing - USD	\$4,551	\$18,500	(\$13,949)	25%	\$5,412	
<b>TOTAL SPECIAL PROJECTS</b>	<b>\$368,371</b>	<b>\$1,548,000</b>	<b>(\$1,179,629)</b>	<b>24%</b>	<b>\$174,385</b>	
<b>WATER RECYCLING</b>						
Skywest Golf Course	\$17,338	\$80,000	(\$62,662)	22%	\$36,734	
<b>TOTAL WATER RECYCLING</b>	<b>\$17,338</b>	<b>\$80,000</b>	<b>(\$62,662)</b>	<b>22%</b>	<b>\$36,734</b>	
<b>TOTAL PROGRAMS</b>	<b>\$1,255,471</b>	<b>\$5,085,368</b>	<b>(\$3,829,897)</b>	<b>25%</b>	<b>\$1,047,876</b>	

**East Bay Dischargers Authority**

**EXPENSE SUMMARY BY ACCOUNT**

FY 2019/20 THROUGH SEPTEMBER 30, 2019 (25% OF YEAR)

	YTD Expenses	Budget	Variance	% of Budget	Last FY Expenses	Explanations for Variance Over 10%
4010 - Salary	\$102,683	\$546,019	(\$443,336)	19%	\$ 115,152	
4020 - Benefits	\$56,380	\$285,649	(229,269)	20%	\$ 76,731	
4030 - Commissioner Compensation	\$9,120	\$45,000	(35,880)	20%	\$ 8,892	
4070 - Insurance	\$12,076	\$54,000	(41,924)	22%	\$ 9,700	
4080 - Memberships & Subscriptions	\$126,462	\$171,550	(45,088)	74%	\$ 126,385	BACWA dues, which are EBDA's largest membership expense (\$102k) were paid in the first quarter.
4100 - Supplies, Variable	\$65,871	\$274,000	(208,129)	24%	\$ 53,193	
4100 - Supplies, Fixed	\$2,945	\$24,000	(21,055)	12%	\$ 1,719	Significant spending on supplies for office and facilities has not been required.
4110 - Contract Services	\$14,491	\$76,000	(61,509)	19%	\$ 17,504	
4120 - Professional Services	\$242,867	\$905,750	(662,883)	27%	\$ 199,505	
4140 - Rents & Fees	\$278,761	\$1,105,400	(826,639)	25%	\$ 112,606	
4141 - NPDES Fines	\$0	\$9,000	(9,000)	0%	\$ -	No violations have occurred. These funds are contingency.
4150 - Maintenance & Repair	\$155,221	\$752,500	(597,279)	21%	\$ 169,127	
4160 - Monitoring	\$44,113	\$170,000	(125,887)	26%	\$ 36,541	
4170 - Travel	\$1,726	\$18,000	(16,274)	10%	\$ 1,521	Travel was budgeted conservatively, and more training and conferences will be occurring in the following quarters.
4190 - Utility, Fixed	\$4,173	\$21,500	(17,327)	19%	\$ 3,803	
4191 - Utility, Variable (PG&E)	\$138,581	\$627,000	(488,419)	22%	\$ 114,539	
4200 - Acquisitions & Other	\$0	\$0	-	-	\$ 957	
<b>TOTAL ALL ACCOUNTS</b>	<b>\$1,255,471</b>	<b>\$5,085,368</b>	<b>(\$3,829,897)</b>	<b>25%</b>	<b>\$1,047,876</b>	

## ITEM NO. FM9 OPEB AND PENSION LIABILITY

### Recommendation

Provide direction to staff on approach to other post-employment benefits (OPEB) and pension liability payments and CERBT withdrawals.

### Background

Earlier this year, the Commission adopted Policy 1.2 – OPEB Funding, and Policy 1.6 – Pension Funding Policy. These policies set target funding ratios for these retirement obligations at 80% and 95%, respectively. The Commission also provided direction to staff that each member agency would be allocated their share of the liability associated with reaching those targets in FY 2019/20, prior to the start of the new JPA.

### Discussion

The table below summarizes the Authority's current OPEB and pension liabilities, and the required payment to reach the funding targets. These estimates are based on the CalPERS Annual Valuation Report as of June 30, 2018 for pension, and the actuarial evaluation from North Bay Pensions as of June 30, 2019 for OPEB. Staff is in the process of getting updated pension values from the Authority's CalPERS Actuary.

	Unfunded Accrued Liability (UAL)	Accrued Liability (AL)	Funded Portion (MVA)	Current Funded Ratio	Target Funding Ratio	Required Payment to Reach Target
OPEB	\$ 667,283	\$ 874,761	\$ 207,478	24%	80%	\$ 492,331
Pension	\$ 850,715	\$ 4,634,973	\$ 3,784,258	82%	95%	\$ 618,966
Total	\$ 1,517,998	\$ 5,509,734	\$ 3,991,736			\$ 1,111,297

The following table allocates that liability per each agency's fixed cost allocation, which is based on current capacity. This table also shows the credit available to each agency per the FY 18/19 budget underrun, and what the payment for each agency would be if the FY 18/19 credit were applied to this liability.

	San Leandro	OLSD	CVSan	Hayward	USD	LAVWMA
Capacity Allocation	13.2%	26.5%	14.3%	20.7%	25.4%	18.6%
Liability	\$ 119,223	\$ 239,515	\$ 129,381	\$ 187,121	\$ 229,357	\$ 206,701
FY 18-19 Credit	\$ (102,503)	\$ (196,881)	\$ (89,165)	\$ (241,152)	\$ (244,685)	\$ (75,835)
<b>Lump Sum</b>	<b>\$ 16,720</b>	<b>\$ 42,634</b>	<b>\$ 40,216</b>	<b>\$ (54,031)</b>	<b>\$ (15,328)</b>	<b>\$ 130,866</b>

Each agency has the option of whether to pay the liability as a lump sum or over several years (with interest applied). Each agency also has a choice whether to apply the credit to this liability or to apply the credit to their O&M bill, as has been past practice. As shown, the credit for several agencies exceeds the OPEB/Pension Liability. With

concurrence from the affected agencies, staff proposes to apply the excess credit to the next O&M bill for those agencies.

Pending feedback from the Committee on the overall methodology, and from each agency on application of their credit to OPEB and pension liabilities, staff will bring a resolution on the proposed approach, including updated actuarial numbers, to the Commission for consideration. Following approval, staff will issue credit memos and invoices as outlined.

Staff is also seeking direction on whether to begin withdrawals from the Authority's California Employers' Retiree Benefit Trust (CERBT) Fund. Historically, the Authority has funded current retirees OPEB through a pay-as-you-go approach using budgeted O&M funds. The Committee directed staff to look into beginning withdrawals from the CERBT to pay OPEB costs. After investigation, staff is recommending against making withdrawals at this time.

The CERBT was set up as a means to fund future OPEB liabilities. Currently, the Authority has more retirees than active employees. If the Authority begins to use the CERBT to pay current OPEB benefits, significant contributions will need to be made to the CERBT each year in order to stay at the 80% target funded status after the lump sum discussed above. The Authority's budget for OPEB expenses for FY 19/20 is approximately \$62,000. Making significant deposits and withdrawals to the CERBT every year lessens its value as a vehicle for long-term investment. CalPERS staff indicated that of the 562 agencies participating in CERBT, approximately 75% of them have taken no disbursements to date.

If the Committee does still recommend proceeding with withdrawals for current benefits, staff suggests considering moving from the Strategy 1 portfolio, which is the most aggressive and thus has the highest near-term risks, to a lower risk portfolio.

**ITEM NO. FM10 RESOLUTION AUTHORIZING THE GENERAL MANAGER TO AMEND THE AGREEMENT WITH HANSON BRIDGETT, LLP IN THE AMOUNT OF \$50,000, FOR A TOTAL CONTRACT VALUE OF \$150,000**

**Recommendation**

Adopt a resolution authorizing the General Manager to amend the agreement with Hanson Bridgett, LLP for legal services associated with renewal of the Authority's Joint Powers Agreement (JPA).

**Background**

The Authority's JPA is set to expire on January 1, 2020. In May 2019, the Commission approved a contract with Hanson Bridgett, LLP in the amount of \$100,000 to provide legal services for drafting the new JPA. Hanson Bridgett began their work in late May, and the drafting process culminated with the approval of the Amended and Restated JPA by the Commission on October 29, 2019. Member Agency governing body approvals are currently underway.

Recognizing the high priority of this effort, the Commission approved \$150,000 in the FY 19/20 budget for JPA legal services.

**Discussion**

Hanson Bridgett's scope, as approved in May, assumed that the JPA drafting would be complete in September and that three complete rounds of edits would be undertaken. The first complete draft was distributed on September 6th. However, due to the controversial and consequential nature of JPA elements, drafting and negotiations continued through late October, and four additional complete JPA Agreement drafts were distributed to the MAC and agency legal counsels for review and comment. There were also many additional rounds of revised excerpts of the Agreement, including language on liability for example, that were distributed to the MAC and legal counsels. In addition, significant time was expended on calls with the MAC and agency attorneys to work through issues and ensure that all feedback was incorporated. During October, Hanson Bridgett was in almost daily contact with the General Manager to revise Agreement language and negotiate terms with the MAC and legal counsels.

The extra time and care that the Hanson Bridgett attorneys put in was invaluable in getting the agencies to consensus and creating a high quality document. Hanson Bridgett was efficient in performing the work; the process just took longer and required more iterations than allowed for in the scope. Anticipating this, the budget for the project was higher than the original contract amount, and therefore the contract can be amended as proposed and still not exceed the budget.

Through October, Hanson Bridgett has spent \$125,000. Although the final JPA Agreement is currently being considered by the Member Agencies for approval, staff believes it is prudent to allocate some additional time and funding to the approved not-

Agenda Explanation  
East Bay Dischargers Authority  
Financial Management Committee  
November 18, 2019

to-exceed budget for Hanson Bridgett in the event assistance is required for finalizing the approved Agreement and implementing the new Agreement. For example, Hanson Bridgett may advise staff and the Authority's legal counsel on drafting of Rules of the Commission and other policy documents contemplated in the JPA negotiation. Staff therefore proposes to increase Hanson Bridgett's agreement to a not-to-exceed ceiling that matches the allocated budget of \$150,000, and to extend the term of service to June 30, 2020. Hanson Bridgett will only perform additional work at the request of the General Manager and will continue to bill on an hourly rate basis.

## EAST BAY DISCHARGERS COMMISSION

EAST BAY DISCHARGERS AUTHORITY  
ALAMEDA COUNTY, CALIFORNIA

RESOLUTION NO. 19-41

INTRODUCED BY \_\_\_\_\_

**RESOLUTION AUTHORIZING THE GENERAL MANAGER TO AMEND THE AGREEMENT  
WITH HANSON BRIDGETT, LLP IN THE AMOUNT OF \$50,000, FOR A TOTAL CONTRACT  
VALUE OF \$150,000**

**WHEREAS**, the Joint Powers Agreement (JPA) governing the East Bay Dischargers Authority (the Authority) is set to expire on January 1, 2020; and

**WHEREAS**, the Commission directed that a neutral attorney not engaged by any Member Agency be hired by the Authority to draft the renewed agreement; and

**WHEREAS**, the Authority solicited proposals from attorneys with experience in joint powers authority issues; and

**WHEREAS**, the Managers Advisory Committee recommended Hanson Bridgett, LLP as best suited to the Authority's JPA renewal needs; and

**WHEREAS**, on May 16, 2019, the Authority's Commission approved a contract with Hanson Bridgett, LLP for legal services associated with renewal of the Authority's JPA in the amount of \$100,000; and

**WHEREAS**, to reach consensus among the Authority's Member Agencies on the language of the JPA required more meetings and iterations than allowed for in the original scope; and

**WHEREAS**, the product of such additional work was an Amended and Restated JPA that was unanimously approved by the Commission on October 29, 2019.

**NOW, THEREFORE, BE IT RESOLVED**, that the Commission hereby approves an amendment to the Agreement between East Bay Dischargers Authority and Hanson Bridgett, LLP, a professional law corporation, in the amount of \$50,000, for a total contract value of \$150,000.

**SAN LORENZO, CALIFORNIA, NOVEMBER 21, 2019, ADOPTED BY THE FOLLOWING VOTE:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
**CHAIR**  
**EAST BAY DISCHARGERS COMMISSION**

**ATTEST:** \_\_\_\_\_  
**GENERAL MANAGER**  
**EAST BAY DISCHARGERS AUTHORITY**  
**EX OFFICIO SECRETARY**



EAST BAY DISCHARGERS AUTHORITY  
2651 Grant Avenue  
San Lorenzo, CA 94580-1841  
(510) 278-5910  
FAX (510) 278-6547

*A Joint Powers Public Agency*

**ITEM NO. 14**

**REGULATORY AFFAIRS COMMITTEE  
AGENDA**

**Wednesday, November 20, 2019  
9:00 a.m.**

**East Bay Dischargers Authority  
2651 Grant Avenue, San Lorenzo, CA 94580**

**Committee Members: Johnson (Chair); Cutter**

**RA1. Call to Order**

**RA2. Roll Call**

**RA3. Public Forum**

**RA4. Status Report – NPDES Report**

(The Committee will review NPDES Permit compliance data for September 2019.)

**RA5. Quarterly Reporting Checklist**

(The Committee will review a checklist of completed regulatory reporting items.)

**RA6. Nutrients Update**

(The Committee will receive an update on science and regulatory considerations for nutrients in the Bay.)

**RA7. Resolution Authorizing the General Manager to Enter into a Funding Agreement with the Association of Bay Area Governments for the Transforming Shorelines Project**

(A resolution will be considered to approve the agreement.)

**RA8. Resolution Authorizing the General Manager to Amend the Professional Services Agreement with Pacific EcoRisk Laboratory in the Amount of \$13,500 for Acute Toxicity Testing Services through FY 21/22, for a Total Contract Value of \$61,500**

(A resolution will be considered to approve the amendment.)

**RA9. Resolution Authorizing the General Manager to Issue a Purchase Order for the period January 2020 through June 2021 to Azyura in the amount of \$30,000 for Waterbits Licensing and Reporting Services**

(A resolution will be considered to approve the purchase order.)

**RA10. Adjournment**

(Any member of the public may address the Commission at the commencement of the meeting on any matter within the jurisdiction of the Commission. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Commission limit their presentation to three minutes. Non-English speakers using a translator will have a time limit of six minutes. Any member of the public desiring to provide comments to the Commission on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)

(In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in an Authority meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Administrative Assistant at the EBDA office at (510) 278-5910 or [kyambao@ebda.org](mailto:kyambao@ebda.org). Notification of at least 48 hours prior to the meeting or time when services are needed will assist the Authority staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.)

(In compliance with SB 343, related writings of open session items are available for public inspection at East Bay Dischargers Authority, 2651 Grant Avenue, San Lorenzo, CA 94580. For your convenience, agenda items are posted on the East Bay Dischargers Authority website located at <http://www.ebda.org>.)

**The next Regulatory Affairs Committee meeting is scheduled for  
Wednesday, January 15, 2019, at 9:00 a.m.**

## ITEM NO. RA4 STATUS REPORT – NPDES PERMIT

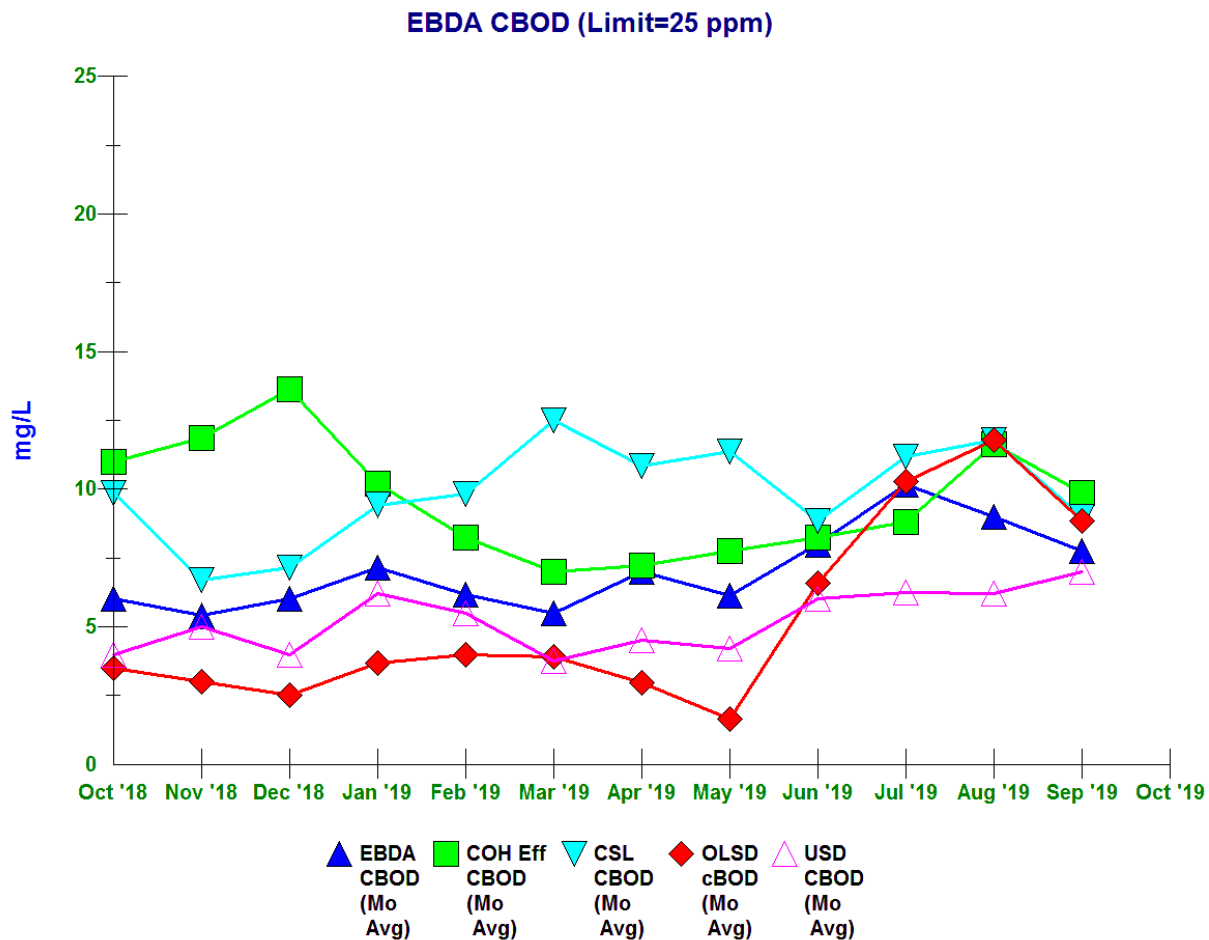
### Recommendation

For the Committee's information only; no action is required.

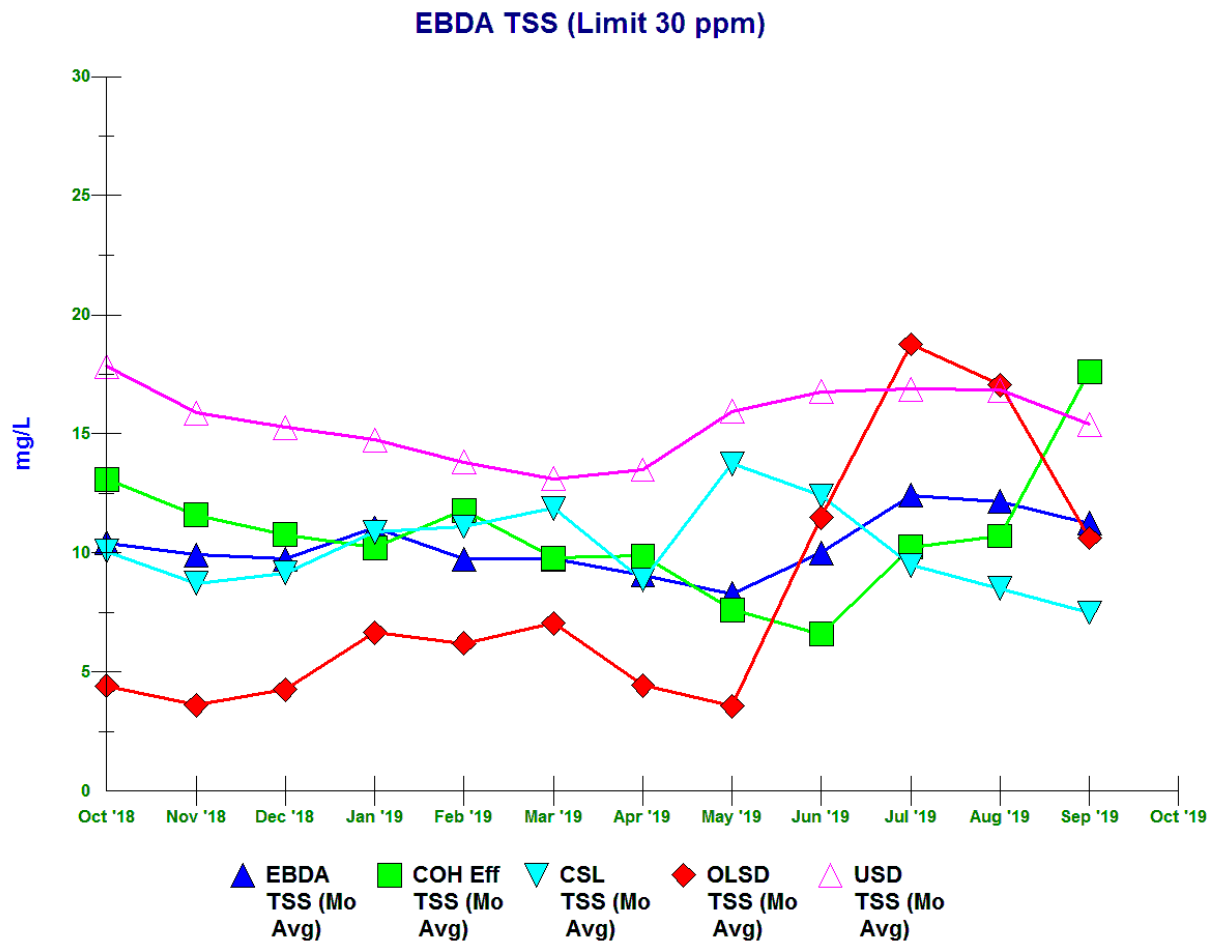
### Permit Compliance Issues

There were no NPDES permit violations in September and preliminary data from October are also free of permit exceedances. Member Agency CBOD and TSS performance are shown below. A table with bacterial indicators is also included.

As noted previously, bacterial regrowth tends to accelerate as the weather warms in the summer months, and staff kept chlorine dosing high to ensure that high bacteria results were not detected. Though the weather is cooling, staff is continuing to be vigilant to prevent future outbreaks.



EBDA CBOD



EBDA Eff TSS

## EBDA Bacterial Indicators

	FECAL	ENTERO
Date	MPN/ 100mL	MPN/ 100mL
Limit (Geomean)	500	240
Jan 2019, Geomean	<b>6</b>	<b>3</b>
Feb 2019, Geomean	<b>3</b>	<b>3</b>
Mar 2019, Geomean	<b>7</b>	<b>2</b>
April 2019, Geomean	<b>7</b>	< <b>2</b>
May 2019, Geomean	<b>14</b>	<b>2</b>
June 2019, Geomean	<b>16</b>	<b>3</b>
July 2019, Geomean	<b>9</b>	< <b>3</b>
August 2019, Geomean	<b>32</b>	< <b>3</b>
9/2/2019	15	6
9/3/2019	23	3
9/4/2019	7	4
9/9/2019	74	< 2
9/10/2019	4	3
9/11/2019	23	< 2
9/16/2019	28	51
9/17/2019	23	3
9/23/2019	4	2
9/24/2019	4	2
9/30/2019	4	< 2
Sept 2019, Geomean	<b>12</b>	<b>3</b>
10/1/2019	13	2
10/2/2019	4	2
10/7/2019	10	6
10/8/2019	33	3
10/9/2019	350	< 2
10/14/2019	33	2
10/15/2019	33	2
10/21/2019	360	< 2
10/22/2019	120	< 2
10/28/2019	13	2
10/29/2019	23	2
Oct 2019, Geomean	<b>35</b>	<b>2</b>

## ITEM NO. RA5 QUARTERLY REPORTING CHECKLIST

### Recommendation

For the Committee's information only; no action is required.

### Background

Authority staff maintains a checklist of all regulatory reporting and related tasks to ensure timely and complete reporting.

### Discussion

The following checklist is extracted from a complete list of routine regulatory activities addressed throughout the year. The following items were completed during the period of July 1 – October 31, 2019; there are no outstanding activities.

<i>Regulatory Authority</i>	<i>Required Action</i>	<i>Occurrence</i>	<i>Date</i>
			<i>Submitted</i>
Secretary of State	Statement of Facts/Roster of Public Agencies Filing (FY changes to Commission)	Annual	7/3/2019
County of Alameda, Clerk/Recorder	Statement of Facts/Roster of Public Agencies Filing (FY changes to Commission)	Annual	7/3/2019
Wells Fargo Business Payroll	Print Payroll Quarter-End Tax Returns	Quarterly	7/20/2019
State Water Resources Control Board	NPDES Quarterly (Apr-Jun) Reports	Quarterly	7/28/2019
State Water Resources Control Board	NPDES Semi-Annual (Jan-Jun) Reports	Semi-Annual	7/28/2019
CalPERS	Post Commission approved Compensation Plan to EBDA website	Annual	8/1/2019
Bureau of Labor Statistics	Report monthly employment figures	Monthly	10/12/2019
State Water Resources Control Board	NPDES monthly reports	Monthly	8/29/2019
Oro Loma Sanitary District	Lease Fees	Annual	8/31/2019
CalPERS	SSA Annual Information Request	Annual	9/3/2019
State of California Govt Code 53065.5	Annual Posting Reimbursement Report over 100\$ to EBDA Website	Annual	9/4/2019
Regional Water Quality Control Board	Recycled Water monthly reports	Monthly	9/28/2019
Department of Toxic Substances Control	EPA ID Number (CAL000072039) Verification Questionnaire and Manifest Fees Assessment	Annual	10/1/2019
Alliant Insurance Services, Inc	CSRMA Pooled Liability Program Renewal Application	Annual	10/9/2019
Bay Area Air Quality Management District	Renew <i>Permit to Operate</i> Plant #14528	Annual	10/15/2019
Bay Area Air Quality Management District	Pay renewal fee for <i>Permit to Operate</i> Plant #14528	Annual	10/17/2019

## ITEM NO. RA6 NUTRIENTS UPDATE

### Recommendation

For the Committee's information only; no action is required.

### Background

While the loads of nutrients such as nitrogen and phosphorus to San Francisco Bay are higher than other estuaries, the Bay has historically been very resilient, and negative impacts of nutrient enrichment such as eutrophication have not occurred. Over the last decade, concerning trends caused the scientific and regulatory community to question whether the Bay's resilience is weakening. Bay Area wastewater agencies, through the Bay Area Clean Water Agencies (BACWA), have participated in a positive collaboration with a wide variety of stakeholders to implement a Nutrient Management Strategy that focuses on conducting scientific research and modeling to determine the effects of nutrients on the Bay ecosystem and protective levels of nutrient loading going forward.

An initial Watershed Permit for nutrients was adopted in 2014 and required BACWA to begin reporting on nutrient loads and trends, conduct a study estimating the cost for each plant to optimize or upgrade for nutrient reduction, and provide funding to advance the science.

Earlier this year, BACWA worked closely with staff of the San Francisco Bay Regional Water Quality Control Board (Water Board) to negotiate a second Watershed Permit for nutrients. The new permit went into effect on July 1, 2019 and includes the following key elements:

- Influent and effluent monitoring and continued annual regional reporting.
- Increased funding for scientific research on the fate and effects of nutrients in the Bay. BACWA is contributing \$2.2M annually, of which EBDA will be responsible for \$273k per year.
- A regional assessment of the feasibility and cost for reducing nutrients through multi-benefit nature-based solutions, including wetlands and horizontal levees.
- A regional assessment of nutrient reductions that will be achieved through water recycling.
- Establishment of a baseline nutrient load based on current nitrogen discharges over the dry season. EBDA's baseline includes EBDA's current loads plus current loads to Hayward Marsh that may in the future be discharged through the EBDA outfall.
- Inclusion of load targets for 2024 that may be used as effluent limits if supported by scientific research. The targets are based on addition of a 15% buffer to the baseline for growth and variability. The Water Board is currently anticipating establishing load caps on a subembayment basis, meaning a cap for San Pablo Bay, Central Bay, South Bay, etc. EBDA discharges into the South Bay, though subembayment boundaries are still being refined based on scientific research.
- Recognition of agencies implementing early action projects ("early actors") that will reduce nutrient loads during this permit term, which includes Oro Loma and Hayward. The goal of the list is to express the Water Board's intent not to request additional nutrient reductions from those agencies undertaking early action projects until the end of the useful lives of those projects. By establishing a baseline, the permit also provides a framework for future credit trading.

## **Discussion**

While the five-year permit was only adopted a few months ago, work is already beginning in preparing for the next permit renewal. The existing permit sets a framework for regulation of nutrients going forward, but there are some complex issues that BACWA will need to work through before the next permit is adopted, and starting early will put the wastewater community in a much better position when negotiations on the next permit begin. Key challenges include the following:

### Early Actor Identification

The Watershed Permit lists eight early actors, but leaves the door open for others to be recognized. Questions that BACWA will need to grapple with include:

- Is the identification of early actors strictly a determination between the Water Board and the agency?
- Should a subembayment priority list be formal (i.e. you know where you stand)?
- Will all others in the subembayment be required to do upgrades across the board if further reductions beyond load caps are needed?

### Adjustments to Planning Level Targets (PLTs)

The Watershed Permit sets PLTs for all plants. Several plants provided anticipated factors that would impact nutrient loads (e.g. recycling, organic diversions, daytime worker population, etc.). For example, EBDA requested future consideration of decreased recycled water diversions from Hayward to Russel City Energy Center. Going forward, the most likely scenario is that as we approach 2024, each agency will negotiate with the Water Board if they feel their PLT should be adjusted. The result may be a significant delay for some agencies on the timing for meeting load caps. This prompts several questions:

- Will other plants in the subembayment have a stake in the granting of increases in PLTs?
- Should the negotiation be open to other interested parties or be just between the agency and the Water Board?

### Imposition of Load Caps

The Water Board has forecasted that their intent is to include load caps in the third Watershed Permit pending conclusions from scientific research. A key question is whether all subembayments will be treated the same and whether BACWA should take a position on differentiating amongst subembayments.

### Negotiation of Compliance Schedules

The Water Board has indicated that if an agency can demonstrate diligent planning but cannot meet a load cap by 2024, a compliance schedule could be negotiated, extending their timeline to comply. Going forward, an agency actively engaged in efforts to meet their PLT by 2024 but projecting they will exceed the PLT in 2024 will likely try to negotiate a compliance schedule. This raises the following questions:

- Will other agencies in the subembayment have a stake in the negotiation in terms of equitable treatment?
- Should the negotiation be open to other interested parties or be just between the agency and the Water Board?

- Should the compliance schedule be set forth in the third Watershed Permit?
- Should BACWA be involved in negotiation of compliance schedules?

#### Trading

The Watershed Permit recognizes the potential for a trading program, but Water Board staff has noted that they will not lead the development of a trading program but will react to concepts and proposals. Realistically, a trading program will take years to develop and require resources. Therefore, if there is a genuine interest in trading, work should start soon. Questions remain as to whether BACWA should play a leading role in the development of a trading program or whether the most likely participants should develop it on their own.

#### Continued Science Funding

The Watershed Permit currently requires \$2.2M/yr for science funding. Water Board staff has stated that a longer-term monitoring and modeling program will be needed. It's likely that the Water Board will expect BACWA to negotiate on behalf of its members for some level of continued funding for the ongoing monitoring and modeling efforts. Questions include:

- How will the level of funding be determined/negotiated?
- Will it continue to be based on nutrient load regardless of subembayment?
- Will all BACWA members continue to participate, even those who have taken early actions?

#### Progress on the Science Plan

The Science Manager has indicated that he will need a full five years to implement the planned program, which means expected answers will not likely be available before the current permit expires to use as a basis for negotiation of the next permit. Water Board staff has expressed support for extending the current permit for a year or more to maximize the scientific information on which to base the third watershed permit.

**ITEM NO. RA7 RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A FUNDING AGREEMENT WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS FOR THE TRANSFORMING SHORELINES PROJECT**

**Recommendation**

Approve the resolution authorizing the General Manager to enter into a funding agreement with the Association of Bay Area Governments (ABAG).

**Background**

Wetlands, horizontal levees, and other “Nature-Based Solutions” (NBS) have the potential to provide multiple benefits including water quality improvement through reduction of nutrients and contaminants of emerging concern, creation or restoration of habitat, and protection from sea level rise.

In June 2019, the San Francisco Estuary Partnership (SFEP), was awarded a grant from the EPA Region IX Water Quality Improvement Fund for the Transforming Shorelines Project. The project contains a number of components aimed at advancing NBS at wastewater treatment plants. Elements include:

- Establishment of the Transforming Shorelines Collaborative, a stakeholder group that will collaborate on challenges and opportunities associated with NBS projects around the Bay, including San Leandro, Hayward, Oro Loma, and others
- Development of a toolkit for NBS at wastewater treatment plants, including cost-benefit analysis and design guidelines
- Collaboration with San Leandro’s ongoing treatment wetlands pilot project
- Continued UC Berkeley research at the Oro Loma Horizontal Levee demonstration project, including study of reverse osmosis concentrate treatment
- A feasibility study for NBS at the Hayward Ponds
- Design and environmental permitting of the EBDA “First Mile” horizontal levee project

As a sub-grantee, EBDA will be responsible for leading, in close partnership with SFEP, implementation of the Hayward Ponds Study and the First Mile Project, both of which are described further below.

**Hayward Ponds Study**

This study will evaluate the feasibility of seasonally converting portions of the existing wet weather effluent storage ponds into a multi-benefit NBS shoreline infrastructure capable of removing nitrogen, heavy metals, and contaminants of emerging concern while maintaining the current storage function during wet weather flows. The study will compare and contrast multiple NBS strategies, including open water wetlands and horizontal levees. EBDA will be the financial agent for the project and will procure the consultant(s) and manage the project on behalf of the City. \$50,000 in grant funds have been allocated for the study, and Hayward has pledged to match with another \$50,000 in in-kind staff resources.

### First Mile Project

The “First Mile” project will build on the success of the Oro Loma Horizontal Levee demonstration project to develop concepts for a full-scale project. The project will include design as well as pursuit of permitting of a horizontal levee along the San Leandro or San Lorenzo Shoreline. As the name suggests, the idea for the “First Mile” project is that it will be approximately one mile long, and in addition to providing water quality and habitat-related benefits, the project will enhance flood protection to inland communities. Staff anticipates that there will be challenges in permitting the project, and so a primary goal of this effort is to identify those barriers to implementation and develop strategies for overcoming them. Through the Transforming Shorelines Collaborative that is also being established through the grant, staff will be working with project teams from the City of Palo Alto, West County Wastewater District, and others who are working through horizontal levee implementation in parallel to develop regional strategies for addressing implementation challenges.

EBDA staff will manage the design and permitting of the project, including procuring consultants. Staff will also lead community engagement, working with SFEP staff. \$600,000 of grant funding has been allocated to this project. Matching funds were provided by Oro Loma through their nutrient optimization project, so no cash match is expected from EBDA. EBDA staff time will be provided as an in-kind service.

One early challenge of the First Mile Project is project siting. Staff is currently evaluating two potential sites. One site runs north of the Oro Loma treatment plant along the San Leandro Shoreline between San Lorenzo Creek and Estudillo Canal. The other site is south of Oro Loma adjacent to Bockman Canal. As discussed with the Commission previously, residents of the Heron Bay Homeowners Association have expressed concerns with the northern alignment, and EBDA staff is working with them to understand and address those concerns. Land for the southern alignment is owned primarily by East Bay Regional Parks District, so staff has been working with them to determine feasibility of moving that site forward in the process. Staff is also coordinating with HASPA, whose Shoreline Master Plan includes the southern alignment as well as the Hayward Ponds. Staff hopes to have a site preliminarily selected by early 2020 and then move forward with consultant procurement.

### **Discussion**

Because of the evolving nature of the scope for these projects, particularly the First Mile, staff proposes to enter into a Funding Agreement with ABAG, SFEP’s fiscal agent. The Funding Agreement maximizes flexibility to continue defining the project and deliverables while providing a framework for flow of grant funds and documentation. Under the agreement, ABAG will reimburse EBDA for external project expenses, expected to total \$650,000 for the two projects.

As noted previously, work under the Transforming Shorelines Project is also being closely coordinated with the BACWA Regional NBS study under the Nutrients Watershed Permit (see Item No. RA6). The core project teams for Transforming Shorelines, BACWA, and a third project that San Francisco Estuary Institute is implementing – Phase 2 of the Adaptation Atlas released earlier this year – are meeting regularly to ensure that all regional NBS efforts are aligned.

## EAST BAY DISCHARGERS COMMISSION

EAST BAY DISCHARGERS AUTHORITY  
ALAMEDA COUNTY, CALIFORNIA

RESOLUTION NO. 19-42

INTRODUCED BY \_\_\_\_\_

### **RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A FUNDING AGREEMENT WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS FOR THE TRANSFORMING SHORELINES PROJECT**

**WHEREAS**, the Association of Bay Area Governments (ABAG) has received a grant from the United States Environmental Protection Agency for the Transforming Shorelines Project, a project to advance Nature Based Solutions for multiple benefits around the San Francisco Bay; and

**WHEREAS**, the East Bay Dischargers Authority (Authority) intends to take the lead on two sub-projects under Transforming Shorelines – the EBDA First Mile Project and the Hayward Feasibility Study Project; and

**WHEREAS**, the Authority, through these projects, has the opportunity to better understand opportunities and challenges associated with development of multi-benefit projects that may reduce nutrients and emerging contaminants, restore habitat, and protect against sea level rise; and

**WHEREAS**, the Authority wishes to enter into a Funding Agreement with ABAG to formalize the sub-grantee relationship; and

**WHEREAS**, the Funding Agreement provides a framework for the flow of funds and information under the grant.

**NOW, THEREFORE BE IT RESOLVED**, the Commission authorizes the General Manager to enter into a Funding Agreement on behalf of the Authority in the amount of \$650,000 for the Transforming Shorelines Project.

**SAN LORENZO, CALIFORNIA, NOVEMBER 21, 2019, ADOPTED BY THE FOLLOWING VOTE:**

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

\_\_\_\_\_  
**CHAIR**  
**EAST BAY DISCHARGERS COMMISSION**

**ATTEST:** \_\_\_\_\_  
**GENERAL MANAGER**  
**EAST BAY DISCHARGERS AUTHORITY**  
**EX OFFICIO SECRETARY**

**ITEM NO. RA8 RESOLUTION AUTHORIZING THE GENERAL MANAGER TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH PACIFIC ECORISK LABORATORY IN THE AMOUNT OF \$13,500 FOR ACUTE TOXICITY TESTING SERVICES THROUGH FY 21/22, FOR A TOTAL CONTRACT VALUE OF \$61,500**

**Recommendation**

Approve the resolution amending the Professional Services Agreement with Pacific EcoRisk Laboratory.

**Background**

EBDA's NPDES discharge permit requires quarterly testing of the effluent's acute and chronic toxicity to ensure that the discharge is not impacting the organisms living around the outfall. Tests are performed using live fathead minnows, and their survival and growth response are measured while exposed to a range of concentrations of effluent.

The Authority has used Pacific EcoRisk for bioassay testing services for the past eight years. Most recently, the Commission approved a contract with Pacific EcoRisk in June 2019 in the amount of \$48,000 for three fiscal years, ending in June 2022.

**Discussion**

As discussed at the Committee's September 2019 meeting, the result of the bioassay test performed by Pacific EcoRisk the first week of August 2019 was an acute toxicity survival rate of 47.5%. As noted in September, the result was not considered a violation because follow-up tests demonstrated that the cause of the poor survival was ammonia toxicity, for which an exception is provided in the permit.

Staff is requesting an amendment to Pacific EcoRisk's contract to address two cost items stemming from the August exceedance:

1. August Follow-up Testing: As described in September, two sets of follow-up tests were conducted in August to demonstrate that the exceedance was not a violation. The first was a Toxicity Identification Evaluation showing that ammonia was the proximate cause of the mortality. The second was a follow-up acute toxicity test required by the permit "if results of an acute bioassay test indicated a violation or threatened violation (e.g. the percentage of surviving test organisms is less than 70 percent)."
2. Standalone Acute Toxicity Testing: In the Authority's current permit, acute toxicity may be monitored concurrently with chronic toxicity, and therefore there is no requirement to run a separate test. For efficiency and cost-effectiveness, Pacific EcoRisk has therefore been extracting acute toxicity results from the chronic toxicity tests since the permit went into effect in 2017. One drawback of this approach is that the organisms used for the chronic test are younger and more sensitive than the organisms that would otherwise be used for the acute test. In response to the August excursion, Pacific EcoRisk recommended that the Authority consider returning to separate chronic and acute tests so that the older, more resilient fish can be used for the acute test, decreasing failure risk. Pacific EcoRisk provided the attached quote for separate acute testing for the remainder of this fiscal year. Staff recommends proceeding with the separate tests out of an abundance of caution.

The following table summarizes the costs for the elements described above.

Future Acute Testing			
	# Tests	Cost per Test	Total
FY 19/20	3	\$ 868	\$ 2,600
FY 20/21	4	\$ 894	\$ 3,600
FY 21/22	4	\$ 921	\$ 3,700
August Acute Follow-up Test			\$ 1,500
August Toxicity ID Eval			\$2,100
	Amendment Total		\$ 13,500
	Existing Contract		\$ 48,000
	New Total		\$ 61,500

## EAST BAY DISCHARGERS COMMISSION

EAST BAY DISCHARGERS AUTHORITY  
ALAMEDA COUNTY, CALIFORNIA

RESOLUTION NO. 19-43

INTRODUCED BY \_\_\_\_\_

**RESOLUTION AUTHORIZING THE GENERAL MANAGER TO AMEND THE  
PROFESSIONAL SERVICES AGREEMENT WITH PACIFIC ECORISK LABORATORY IN  
THE AMOUNT OF \$13,500 FOR ACUTE TOXICITY TESTING SERVICES THROUGH FY  
21/22, FOR A TOTAL CONTRACT VALUE OF \$61,500**

**WHEREAS**, the East Bay Dischargers Authority and its member agencies operate under a NPDES permit to discharge treated effluent to San Francisco Bay; and

**WHEREAS**, the Authority requires the services of a certified laboratory to conduct toxicity testing for NPDES permit compliance; and

**WHEREAS**, the Commission authorized a professional services agreement with Pacific EcoRisk to perform toxicity testing services on June 20, 2019; and

**WHEREAS**, the agreement assumed that acute toxicity results would be extracted from chronic toxicity tests; and

**WHEREAS**, it is in the Authority's interest to conduct separate acute toxicity test going forward and to compensate Pacific EcoRisk for follow-up testing and studies as may be required; and

**WHEREAS**, the Regulatory Affairs Committee has recommended authorization for the General Manager to amend the professional services agreement with Pacific EcoRisk for toxicity testing services; and

**NOW, THEREFORE BE IT RESOLVED**, the Commission of the East Bay Dischargers Authority authorizes the General Manager to amend the professional services agreement with Pacific EcoRisk in the amount of \$13,500 for FY 2019/2020, 2020/2021, and 2021/2022, for a total contract amount of \$61,500.

**SAN LORENZO, CALIFORNIA, NOVEMBER 21, 2019, ADOPTED BY THE FOLLOWING VOTE:**

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

\_\_\_\_\_  
**CHAIR**  
**EAST BAY DISCHARGERS COMMISSION**

**ATTEST:** \_\_\_\_\_  
**GENERAL MANAGER**  
**EAST BAY DISCHARGERS AUTHORITY**  
**EX OFFICIO SECRETARY**

**ITEM NO. RA9. RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ISSUE A PURCHASE ORDER FOR THE PERIOD JANUARY 2020 THROUGH JUNE 2021 TO AZYURA IN THE AMOUNT OF \$30,000 FOR WATERBITS LICENSING AND REPORTING SERVICES**

**Recommendation**

Adopt the resolution authorizing a purchase order for Azyura in the amount of \$30,000 for Waterbits licensing and SMR/eDMR reporting services for January 2020 through June 2021.

**Background**

EPA and the State Water Board have been requiring EBDA to submit its NPDES permit data electronically for the last several years. EBDA works with its member agencies to keep up to date a uniform laboratory database using Hach's Water Information Management Solution (Hach WIMS) software. While WIMS provides an effective way of storing the extensive data sets of EBDA and its member agencies, it is not well suited for combining the operations and agency laboratory data with the chemistry data provided by Caltest and the toxicity data provided by Pacific Ecorisk into required format for submittal through the California Information Water Quality System (CIWQS).

**Discussion**

For the last four years, EBDA has been using Azyura, a local woman-owned business, to combine data and convert it into the format required by CIWQS. While WIMS has the potential to do this, it is a much bulkier system and their technical experts are in the Midwest. Darlene Reddaway, Azyura's founder, is able to quickly respond to EBDA's needs, and the EBDA agency laboratory staff have found her to be quite responsive to meeting the Water Board's deadlines and requirements. She has also provided outputs in multiple formats to facilitate agency review. Finally, Darlene conducts data review, providing another set of eyes to make sure that data sets are complete and correct.

For these reasons, staff is proposing the attached \$30,000 purchase order to Azyura to continue to provide this service. The funding has been included in the EBDA budget for consultant support. Historically, this purchase order has been approved on a calendar year basis. In an effort to align with the fiscal year calendar, the proposed purchase order is for 18 months. Azyura's rate has not increased over last year's.

In the long term, it may be possible to shift these services to one of the member agencies. In particular, EBDA staff is working with San Leandro staff to evaluate incorporating EBDA's data management in its upcoming Laboratory Information Management System (LIMS) replacement project. This is a logical partnership since San Leandro's lab takes the lead on compliance sampling for EBDA's outfall. Staff will continue to explore this opportunity and evaluate whether it has the potential to replace WIMS or Azyura's services in the future.

November 7, 2019

**PROPOSAL TO EBDA FOR  
AZYURA WATERBITS HOSTING, REPORTING AND DATA MANAGEMENT  
SERVICES  
PERIOD JAN 2020 TO JUNE 2021**

**SERVICES TO BE PROVIDED FOR THE PERIOD JAN 2020 TO JUNE 2021**

**MONTHLY AND ONGOING SERVICES AND LICENSING \$22,500/18 MO**

Azyura validates, cleans, and stores CIWQS data in its Waterbits application.  
Azyura hosts the Waterbits application and provides all software and maintenance updates.  
Azyura generates all eSMR, eDMR, Annual Mercury Loading, Annual HDR Nutrient, and monthly Agency Reports.  
Azyura converts the data to WIMS or other applications formats.  
Azyura provides support on data inquiries necessary for any study.  
Azyura provides up to 5 more report templates for recurring reports

**AS NEEDED TRAINING, CALC MODULE AND OTHER SERVICES \$100/HR  
NOT TO EXCEED \$7500**

Provide support for writing SOP so that staff can generate reports to satisfy fallback plans.  
Other services, customizations, implementations, as needed.

EAST BAY DISCHARGERS COMMISSION  
EAST BAY DISCHARGERS AUTHORITY  
ALAMEDA COUNTY, CALIFORNIA

RESOLUTION NO. 19-44

INTRODUCED BY \_\_\_\_\_

**RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ISSUE A PURCHASE ORDER FOR THE PERIOD JANUARY 2020 THROUGH JUNE 2021 TO AZYURA IN THE AMOUNT OF \$30,000 FOR WATERBITS LICENSING AND REPORTING SERVICES**

**WHEREAS**, the East Bay Dischargers Authority requires the reporting services of Azyura to perform its monthly SMR/eDMR reporting; and

**WHEREAS**, Darlene Reddaway of Azyura is qualified to perform said services and has demonstrated competence through the completion of similar projects for EBDA; and

**WHEREAS**, the Regulatory Affairs Committee has determined that the proposal is acceptable and that Ms. Reddaway is well-qualified to perform the reporting.

**NOW, THEREFORE BE IT RESOLVED**, the Commission of the East Bay Dischargers Authority hereby accepts the proposal from Azyura for reporting services.

**BE IT FURTHER RESOLVED**, that the General Manager is hereby authorized to issue a purchase order for the period January 2020 through June 2021 to Azyura in the amount not to exceed \$30,000, unless additional services are required by the General Manager.

SAN LORENZO, CALIFORNIA, NOVEMBER 21, 2019, ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
CHAIR  
EAST BAY DISCHARGERS COMMISSION

ATTEST: \_\_\_\_\_  
GENERAL MANAGER  
EAST BAY DISCHARGERS AUTHORITY  
EX OFFICIO SECRETARY



EAST BAY DISCHARGERS AUTHORITY  
2651 Grant Avenue  
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FAX (510) 278-6547

*A Joint Powers Public Agency*

**ITEM NO. 18**

**OPERATIONS & MAINTENANCE COMMITTEE AGENDA**

**Tuesday, November 19, 2019**

**9:00 A.M.**

**East Bay Dischargers Authority  
2651 Grant Avenue, San Lorenzo, CA 94580**

**Committee Members: Cutter (Chair); Walters**

**OM1. Call to Order**

**OM2. Roll Call**

**OM3. Public Forum**

**OM4. EBDA Performance**

(The Committee will be updated on EBDA's NPDES report.)

**OM5. Status Report**

(The Committee will be updated on EBDA's O&M activities.)

**OM6. Renewal Replacement Fund Annual Recap FY 2018/2019**

(The Committee will review the annual recap of the Authority's Renewal Replacement Fund for FY 2018/2019 and ongoing work carried over from prior fiscal years.)

**OM7. Adjournment**

(Any member of the public may address the Commission at the commencement of the meeting on any matter within the jurisdiction of the Commission. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Commission limit their presentation to three minutes. Non-English speakers using a translator will have a time limit of six minutes. Any member of the public desiring to provide comments to the Commission on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)

(In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in an Authority meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Administrative Assistant at the EBDA office at (510) 278-5910 or [kyambao@ebda.org](mailto:kyambao@ebda.org). Notification of at least 48 hours prior to the meeting or time when services are needed will assist the Authority staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.)

(In compliance with SB 343, related writings of open session items are available for public inspection at East Bay Dischargers Authority, 2651 Grant Avenue, San Lorenzo, CA 94580. For your convenience, agenda items are posted on the East Bay Dischargers Authority website located at <http://www.ebda.org>.)

**The next O&M Committee meeting will be held  
Tuesday, December 17, 2019, at 9:00 a.m.**

**ITEM NO. OM4 EBDA PERFORMANCE**

The detailed package is included in the Regulatory Affairs Committee agenda. The NPDES report shows that EBDA continues to operate within the normal compliance range.

**Please see the Regulatory Affairs Committee agenda, Item No. RA4 for permit compliance data.**

**ITEM NO. OM5 STATUS REPORT**

**Alvarado Effluent Pump Station (AEPS)**

**Pump Cavitation Study & Station Optimization**

EBDA received the Draft Cavitation Study Project Memorandum and will provide comments to Carollo. After the comments are incorporated, the report will be sent to the MAC for review and a meeting will be scheduled with USD staff to review the memorandum.

**Effluent Pump No. 5 Motor Bearing**

On October 16, 2019, USD staff reported to EBDA that the Effluent Pump No. 5 upper motor bearing needed to be replaced. USD maintenance staff replaced the bearing and the pump was returned to service on October 24, 2019.

**Effluent Pump No. 6 Refurbishment**

On October 16, 2019, USD staff reported to EBDA that Effluent Pump No. 6 needed to be rebuilt. USD maintenance staff disassembled the pump and found impeller damage. EBDA is obtaining a quote to replace the impeller, and USD will be temporarily repairing the impeller and reassembling the pump so that it is available for wet weather. A new impeller has a lead time of 12 to 16 weeks.

**Hayward Effluent Pump Station (HEPS)**

**Motor Control Center (MCC) Replacement Project**

GSE Construction, Inc. (GSE) demolished the old pump station MCC and corrugated metal structure. Existing electrical pullboxes, bollards, and concrete slabs were also demolished in preparation for upcoming site paving.



Before Old MCC Demolition



After Old MCC Demolition

This month, GSE poured a new concrete slab around the HEPS Generator. The slab will support a new platform around the generator that will improve access for operations and maintenance activities.



New Concrete Slab Around Generator

Temporary fencing around the pump station was removed. A new chain link fence with barbed wire will be installed after the site is paved.

The grading and paving plan throughout the site is being revised. A contract change order for additional storm drains to improve site drainage is being added, along with additional paving to ease vehicle access to the north of the MCC building. EBDA will be receiving a credit to remove overlay of the existing asphalt to the south of the pump station. On November 13, 2019, the paving sub-contractor is scheduled start work on

the base material, and paving is scheduled to be completed by Thanksgiving. The final activities include installation of the permanent fence around the pump station and painting of the station piping. The project is expected to be substantially complete by the end of this year.

### **Oro Loma Effluent Pump Station (OLEPS)**

#### **Effluent Pump No. 1 Right Angle Gear Drive Shaft Seal & Motor Refurbishment**

In October, OLSD maintenance staff replaced the input shaft seal on the No. 1 Effluent Pump right angle gear drive. The seal had become hard and brittle and started leaking oil. During the shaft seal replacement, the motor was removed and sent to Vincent Electric for refurbishment. The cost to have Vincent Electric refurbish the motor was \$3,048. The pump was returned to service on October 10, 2019.

#### **Electrical Improvements**

EBDA received a Technical Memorandum from Beecher Engineering, Inc. (Beecher), EBDA's contract Electrical Engineer, indicating that OLSD has capacity to provide the required standby power to OLEPS. The OLSD standby power would only be used in the event of a PG&E power failure and a failure of the OLEPS emergency generator.

In October, the contractor working on OLSD's Nutrient Optimization Project started the installation of the two electrical conduits, a one-inch #1 water line, and a two-inch #4 water line from OLSD to OLEPS. One of the electrical conduits is for the OLEPS standby power, and the other is to replace the Skywest main electrical feed. The Skywest main electrical feed was hit by the contractor working on OLSD's Nutrient Optimization Project and was found to be in need of replacement. If EBDA is going to continue to operate the Skywest system for years to come, the main power feed will need to be replaced. Bringing a conduit under the asphalt from OLEPS to the OLSD wall at this time is cost-effective for Skywest and will reduce the cost of the backup power conduit for EBDA.

The #1 water line supplies water to the OLEPS safety shower and eyewash station and was also broken several times by the OLSD contractor. The #4 water line will be used in the event the OLEPS water system fails. The current contingency plan if the OLEPS water system fails is for OLSD staff to drag hoses from OLEPS to OLSD for the pump gear drive cooling water. The new #4 water line will eliminate that need. The #4 water will also be used to hose the OLEPS wet wells when they are taken down for maintenance activities.

### **San Leandro Effluent Pump Station (SLEPS)**

No change; all equipment is operational.

### **Skywest Pump Station**

#### **Recycled Water Production**

During the month of October 2019, the Skywest Recycled Water System produced 6.2 million gallons of recycled water.

### **Marina Dechlorination Facility (MDF)**

No change; all equipment is operational.

### **Force Main**

No change; all equipment is operational.

### **Operations Center**

#### **Cyber Security**

The first Quarterly Network Security Management & Coordination meeting was held on October 9, 2019. The meeting was attended by EBDA, OLSD, Woodard & Curran, Calcon (EBDA's SCADA consultant) and Cayuga Information Systems (EBDA's business IT consultant). On October 15, 2019, a meeting was held to demonstrate/discuss managed network monitoring services. EBDA, in partnership with OLSD, is in the process of implementing 24x7x365 real-time managed network monitoring services at a cost to EBDA of approximately \$250 per month. This is in addition to continued support from Woodard & Curran on cyber security upgrades.

#### **SCADA System Upgrade Project**

On October 17, 2019, the SCADA System Upgrade Project was completed. There are still SCADA issues related to cyber security that will be addressed in the next several months as part of the network security upgrade project.

### **Miscellaneous Items**

#### **Underground Service Alerts**

EBDA received twenty-six (26) Underground Service Alert (USA) tickets during the month of October 2019. Two required field verification.

### **Special Projects**

#### **PG&E Large Integrated Audit Program**

EBDA is participating in PG&E's Large Integrated Audit (LIA) program. The LIA Program is a PG&E-sponsored assessment of customer facilities, with a goal of an energy action plan that identifies and prioritizes potential energy and demand savings

from energy conservation, energy efficiency, time-of-use management, demand response, and self-generation measures. EBDA's study is being conducted by Alternative Energy Systems Consulting, Inc. A site visit/walk was conducted on October 10, 2019, and EBDA staff is currently gathering data to provide to the consultant for their analysis.

### **Transport System Seismic Reliability Plan**

Brown & Caldwell (BC) submitted a preliminary draft of the Transport System Seismic Reliability Plan. The draft permitting section had previously been forwarded to Kermani Consulting Group to be incorporated in EBDA's Disaster Cost Recovery Plan. Staff is reviewing the full Draft Transport System Seismic Reliability Plan and providing feedback to BC.

### **EBDA Facilities Electrical Evaluation**

Beecher Engineering, Inc. will provide a final draft of the EBDA Facilities Electrical Evaluation Report following the incorporation of the OLEPS Standby Power Assessment Report discussed above.

### **Disaster Cost Recovery Planning Services**

EBDA staff is continuing to work with Kermani Consulting Group (KCG) on disaster cost recovery planning. KCG delivered an updated draft of EBDA's Disaster Cost Recovery Plan for review, which incorporates staff's feedback on the initial July draft. Staff is in the process of reviewing the latest draft. Following refinement of the Plan, the project will conclude with an overview session for member agency staff, likely in early 2020, per the MAC's request.

### **Advanced Quantitative Precipitation Information (AQPI) Project**

As discussed previously, AQPI is a Bay Area regional project funded by the California Department of Water Resources (DWR) aimed at improving prediction of precipitation, streamflow, and storm surge through data gathering and model improvement. EBDA is part of a consortium of East Bay agencies working to install a permanent radar. The plan is for each of the participating agencies to approve a Memorandum of Understanding (MOU) with Sonoma Water as the contracting agency. The MOU would commit to funding the installation through the end of the grant in December 2021. EBDA staff is still waiting for all agencies to complete legal review on the MOU document, and then will bring the MOU to the Commission for consideration. Based on the most recent negotiation, the EBDA contribution to this two-year project is \$29,000, which is included in EBDA's FY2019/2020 budget. The current target is for the East Bay radar to be installed by January 2020. The application for lease of the site from American Tower is currently under development, and the X-band Radar is ready for deployment as soon as agreements and permits are in place.

Agenda Explanation  
East Bay Dischargers Authority  
O&M Agenda  
November 19, 2019

It is expected that a broader regional MOU or JPA will be developed for post-grant funding beyond 2021. EBDA staff is representing the East Bay agencies in a regional committee that is beginning to discuss the long-term funding and governance plan. The group is working on a Planning Agreement that staff would sign in 2019, documenting intent to work together toward a long-term agreement. The Planning Agreement would contain no funding commitments. The next meeting of the regional committee is scheduled for November 20.

**EAST BAY DISCHARGERS AUTHORITY**  
**MONTHLY OPERATION AND MAINTENANCE REPORT**  
**Oct-2019**

1. Summary sheets from the NPDES Report submitted to the RWQCB and EPA are attached for the month of: Sep-19
2. Number of violations reported in the above NPDES Report: **None to Report**
3. The violations included the following: **None Noted**
4. Preventive Maintenance for the month of: Sep-19

LOCATION	NO. TASKS SCHEDULED	NO. TASKS COMPLETED	# TASKS UNFINISHED	PERCENT COMPLETED
San Leandro Pump Station	3	3	0	100%
Oro Loma Pump Station	59	59	0	100%
Sky West Pump Station	12	12	0	100%
Hayward Pump Station	10	10	0	100%
Alvarado Pump Station	20	20	0	100%
Marina Dechlorination Facility	18	18	0	100%
EBDA Responsibility	14	14	0	100%
Force Main - USD	4	4	0	100%
Force Main - San Leandro	78	78	0	100%
Total	218	218	0	100%

5. Unscheduled Maintenance for the month of: Oct-19

LOCATION	NO. OF WORK ORDERS
San Leandro Pump Station	0
Oro Loma Pump Station	2
Hayward Pump Station	0
Alvarado Pump Station	2
Marina Dechlorination Facility	2
Skywest Pump Station	0
Force Main	0

6. Other Items of significance: Oct-19

- a. FM: Transport System Seismic Reliability Plan
- b. AEPS: Effluent Pump No. 5 Motor Bearing / Effluent Pump No. 6 Refurbishment
- c. OLEPS: Electrical Improvements / Effluent Pump No. 1 Shaft Seal & Motor Refurbishment
- d. MDF: No Items
- e. HEPS: MCC Replacement Project
- f. SLEPS: No Items

**ITEM NO. OM6 RENEWAL REPLACEMENT FUND ANNUAL RECAP FY 2018/2019**

In July 2018, the Commission authorized an expenditure of \$474,000 in Renewal Replacement Fund (RRF) project funds for FY 2018/2019, which included \$100,000 in contingency funds. For FY 2018/2019, the RRF total expenditures were \$1,791,558, which included projects authorized in FY 2018/2019, as well as several carry-over projects. The largest project expenditure in FY 2018/19 was \$1,566,827 for the HEPS MCC Project, bringing the total expenditure on that project through the fiscal year to \$2,198,788.

Additional detail on project expenditures is provided in the attached table. Projects authorized for FY 2018/19 were as follows:

**EBDA Facilities Electrical Evaluation**

Beecher Engineering, Inc. is conducting an electrical evaluation and providing recommendations for emergency back-up power options. See OM5 for a project status report.

**AEPS Pump Cavitation Study & Station Optimization**

Several of the AEPS effluent pumps experience cavitation. Cavitation is the formation of air bubbles or cavities inside the pump around the impeller. The imploding or collapsing of the air bubbles trigger shockwaves inside the pump that can cause significant damage to the impeller and the pump housing. Carollo Engineers, Inc. is performing a cavitation study of AEPS and an evaluation of pump sequencing. See OM5 for a project status report.

**OLEPS Diesel Engine Control & PAC/SCADA Programming Upgrade**

A major portion of this project was to upgrade the diesel engine controls. In light of the new JPA reduced flows at OLEPS, staff will evaluate the need for this portion of the project. This project also includes upgrades to the PLC & SCADA programming to optimize the pump station operation and add information from the OLEPS satellite PLCs to the SCADA system.

**OLEPS Paving Repair/Upgrade**

During FY 2018/19, OLSD was planning on starting a plant paving project and agreed to include the area next to the new Above Ground Diesel Storage Tank in the project. EBDA will be reimbursing OLSD for the work. OLSD delayed the project until the beginning of FY 2020/21. The funds spent on this project to date were for engineering and design.

### **OLEPS Effluent Pumps No. 1 & 4 Discharge Valve Actuators & Gear Drives**

The discharge valve actuator & gear drive replacement project was completed in September 2019. The funds spent as of June 2019 were for the purchase of the actuators and gear drives, and staff time.

### **Asset Management Plan (AMP) Update**

Phase 1 of the AMP Update is complete, and staff is evaluating the scope and timing of Phase 2.

### **EBDA Office Upgrade & Dry Rot Remediation**

This project includes upgrades to EBDA's administrative office. Remediation of dry rot will be the highest priority task. Staff is also evaluating other potential improvements including painting and flooring.

### **RRF Contingency Fund**

The purpose of the contingency fund is to provide additional funding for unidentified projects and/or equipment that may need to be replaced or refurbished during the fiscal year. Much of the smaller ancillary equipment and components that the Authority owns are operated with the intent to "run to failure". This is a common practice at wastewater facilities with these types of assets, which include fans, valves, actuators, and small pumps and motors. While preventive maintenance is completed on a regular basis, forecasting an exact date of failure is not possible. The criteria for "run to failure" are both that the equipment can be readily procured and that there is sufficient redundancy to meet system firm capacity. In some cases, staff will purchase critical items and have them on the shelf, thereby reducing system equipment downtime. The contingency fund is also used for unexpected projects that arise throughout the year. The contingency budget for FY 2018/19 was \$100,000. The contingency expenditures for FY 2018/19 were \$65,450. Each project undertaken is discussed in more detail below.

### **OLEPS Diesel Engines Air Intake Modifications**

The diesel engines that power OLEPS Effluent Pumps No. 2 & 3 are inside noise containment enclosures. The enclosures are metal structures with 4-inch thick insulated walls. The enclosures are equipped with large ventilation fans that draw in fresh air from the outside. The fresh air passes over the engines and the air is then vented outside the pump station. The diesel engines were experiencing high combustion air manifold temperature alarms. To stop the alarms, operators had been keeping the doors to the enclosures open. Peterson Caterpillar was consulted, and they recommended modifications to the diesel engine air intakes. The modifications consist of redirecting the air intakes and adding additional piping so that fresh air is drawn into the engines and not the hot air that is trapped near the ceiling of the enclosures. OLSD maintenance staff completed the modifications.

OLEPS Wet Well Bird Net

The installation of a bird net was completed over the OLEPS wet wells. OLSD staff initiated this project and contracted with Birds Away to complete the work. The net will prevent birds from nesting under the ledges of the wet wells, prevent nesting bird droppings from entering the wet wells, and prevent bird droppings from covering surfaces around the wet wells. The net has large zippers to allow for entry into the wet wells for maintenance activities and hatches to facilitate wet well sampling.

AEPS Effluent Pump No. 2 Rebuild

USD maintenance staff rebuilt AEPS No. 2 Effluent Pump.

MDF Replaced 4 Sump Pumps

CSL staff replaced the two sump pumps in the main vault (basement) and the two sump pumps in the SBS building.

EBDA Office Network Server Replacement

The office network server was replaced.

EBDA Network Security Upgrade

Phase 1 of EBDA's network security upgrade concluded with the completion of Woodard & Curran's IT/SCADA System Cybersecurity Vulnerability Assessment Report, the installation of additional network security hardware, and the implementation of quarterly network security management & coordination meetings.

## RRF FY 2018/2019 Summary

Updated as of: June 30, 2019

Project Name	2018/2019 Expenditures	Prior Years' Expenditures	Total Expenditures through 2018/2019	Percent Spent	Percent Complete	Budget Estimate	FY Project on List	Projected Completion Date	Notes
<b>Prior Years' Planned Projects</b>									
FM Manhole Coating Project				0%	0%	\$25,000	2016/2017	Postponed	
SLEPS Refurbish 4 Pumps		\$46,661	\$46,661	62%	50%	\$75,000	2016/2017	Postponed	Delayed rebuild of 2 pumps due to low run hours
HEPS MCC Project	\$1,566,827	\$631,961	\$2,198,788	72%	72%	\$3,050,000	2016/2017	January 2020	Budget based on current project cost estimate
FM Replace Valves & Misc. Equipt.				0%	0%	\$50,000	2017/2018	Postponed	
MDF Analyzer		\$616	\$616	1%	0%	\$75,000	2017/2018	Postponed	Pending result of chlorine permit modification
SCADA System Upgrade	\$14,677	\$78,933	\$93,610	94%	95%	\$100,000	2017/2018	October 2019	Includes \$11,115 for comm upgrade
Prior Years' Planned Project Subtotal	\$1,581,504	\$758,170	\$2,339,674			\$3,375,000			
<b>2018/2019 Planned Projects</b>									
Facilities Electrical Evaluation	\$24,301		\$24,301	101%	93%	\$24,000	2018/2019	January 2020	Overage due to staff time billed to project
AEPS Cavation Study & Station Opti.	\$13,667		\$13,667	39%	40%	\$35,000	2018/2019	January 2020	
OLEPS DE-PLC-SCADA	\$12,417	\$17,478	\$29,895	30%	30%	\$100,000	2018/2019	June 2021	
OLEPS Paving Repair/Upgrade	\$6,550		\$6,550	26%	22%	\$25,000	2018/2019	August 2020	Pending OLSD paving project
OLEPS Valve Actuators	\$32,729	\$310	\$33,039	55%	60%	\$60,000	2018/2019	September 2019	
Asset Management Plan Update	\$54,940		\$54,940	61%	50%	\$90,000	2018/2019	Completed	Phase 1 Complete, Phase 2 Postponed
EBDA Office Upgrade				0%	0%	\$40,000	2018/2019	June 2020	
2018/2019 Planned Project Subtotal	\$144,604	\$17,789	\$162,393			\$374,000			
<b>2018/2019 Contingency Projects</b>									
OLEPS Diesel Engines Air Intake Mods.	\$6,077		\$6,077	81%	100%	\$7,500		Completed	
OLEPS Wet Well Bird Net	\$11,748		\$11,748	98%	100%	\$12,000		Completed	
AEPS Pump #2 Rebuild	\$10,735		\$10,735	72%	100%	\$15,000		Completed	
MDF Replace 4 Sump Pumps	\$10,386		\$10,386	87%	100%	\$12,000		Completed	
EBDA Office Network Server	\$9,893		\$9,893	99%	100%	\$10,000		Completed	
EBDA Network Security Upgrade	\$16,611		\$16,611	111%	100%	\$15,000		Completed	Phase 1 Complete, Phase 2 FY 2019/2020
Unspent Contingency Budget						\$28,500			
2018/2019 Contingency Subtotal	\$65,450		\$65,450	65%	100%	\$100,000			
<b>2018/2019 Projects Total</b>									
	<b>\$210,054</b>		<b>\$227,843</b>			<b>\$474,000</b>			
<b>Total</b>									
	<b>\$1,791,558</b>		<b>\$2,567,517</b>			<b>\$3,849,000</b>			

**ITEM NO. 19 MOTION TO ACCEPT AMENDED COMMITTEE CALENDAR FOR FY 2019/2020**

**Recommendation**

Approve, by motion, the amended Committee calendar for FY 2019/2020.

**Discussion**

In October 2019, the Personnel Committee recommended sun-setting the Ad Hoc Committee now that negotiation of the Joint Powers Agreement has concluded. New Ad Hoc Committees may be formed as needed, for example, if one is required to advise staff on negotiation of the LAVWMA Agreement. The Committee further recommended reducing the frequency of Regulatory Affairs Committee meetings to every other month, alternating with Personnel.

An updated calendar reflecting these changes is attached. The meeting schedule will be re-evaluated prior to the start of FY 20/21 to determine if any changes are warranted.

**EAST BAY DISCHARGERS AUTHORITY**  
**Commission and Committee Meetings**  
**July 2019 - June 2020**

<b>Commission</b>	<b>Ad Hoc</b>	<b>Financial Management</b>	<b>MAC</b>	<b>O&amp;M</b>	<b>Personnel</b>	<b>Regulatory Affairs</b>
<b>Committee Members</b>	<b>Lathi &amp; Walters</b>	<b>Johnson &amp; Mendall</b>		<b>Walters &amp; Cutter</b>	<b>Lathi &amp; Mendall</b>	<b>Johnson &amp; Cutter</b>
<b>Alternate Committee Member</b>						
<b>Thursday @ 9:30 a.m.</b>	<b>Wednesday @ 2:00 p.m.</b>	<b>Monday @ 3:00 p.m.</b>	<b>Thursday @ 1:30 p.m.</b>	<b>Tuesday @ 9:00 a.m.</b>	<b>Tuesday @ 2:30 p.m.</b>	<b>Wednesday @ 9:00 a.m.</b>
July 18, 2019	July 17, 2019 (Wed 4:30 p.m.)	July 17, 2019 (Wed 3:30 p.m.)	July 11, 2019	July 15, 2019 (Mon 10:00 a.m.)		July 16, 2019 (Tues 8:00 a.m.)
August 15, 2019	August 14, 2019	August 12, 2019	August 8, 2019	August 13, 2019	August 13, 2019	August 14, 2019
September 19, 2019	September 18, 2019	September 16, 2019	September 12, 2019	September 17, 2019		September 18, 2019
October 17, 2019	October 16, 2019	October 14, 2019	October 10, 2019	October 15, 2019	October 15, 2019	October 16, 2019
November 21, 2019		November 18, 2019	November 14, 2019	November 19, 2019		November 20, 2019
December 19, 2019		December 16, 2019	December 12, 2019	December 17, 2019	December 16, 2019 (Mon 2:00 p.m.)	
January 16, 2020		January 13, 2020	January 9, 2020	January 14, 2020		January 15, 2020
February 20, 2020		February 17, 2020	February 13, 2020	February 18, 2020	February 18, 2020	
March 19, 2020		March 16, 2020	March 12, 2020	March 17, 2020		March 18, 2020
April 16, 2020		April 13, 2020	April 9, 2020	April 14, 2020	April 14, 2020	
May 21, 2020		May 18, 2020	May 14, 2020	May 19, 2020		May 20, 2020
June 18, 2020		June 15, 2020	June 11, 2020	June 16, 2020	June 16, 2020	

\*Monday, February 17, 2020 is Presidents' Day. The Committee will need to select another day to meet.

The Personnel and Regulatory Affairs Committees meet every other month, however, additional meetings may be scheduled as needed.

**ITEM NO. 20 ITEMS FROM THE COMMISSION AND STAFF**

The Commission and staff may comment on items of general interest.

**ITEM NO. 21 ADJOURNMENT**

**EAST BAY DISCHARGERS AUTHORITY**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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## **INTRODUCTORY SECTION**

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**EAST BAY DISCHARGERS AUTHORITY  
BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2019**

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**EAST BAY DISCHARGERS AUTHORITY  
BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2019**

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## **East Bay Dischargers Authority**

**Commission  
June 30, 2019**

<b><u>Member Agency and Representatives</u></b>	<b><u>Office</u></b>
Union Sanitary District Thomas Handley Jennifer Toy	Chair Alternate
City of San Leandro: Pauline Russo Cutter Pete Ballew	Vice-Chair Alternate
Oro Loma Sanitary District: Dan Walters Bob Glaze	Commissioner Alternate
Castro Valley Sanitary District: Ralph Johnson Dave Sadoff	Commissioner Alternate
City of Hayward: Al Mendall Sara Lamnin	Commissioner Alternate

### **Management Team**

Jacqueline T. Zipkin  
General Manager/Treasurer-Controller

Howard Cin  
Operations and Maintenance Manager

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Commission  
East Bay Dischargers Authority  
San Lorenzo, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the business-type activities and each major fund of the East Bay Dischargers Authority (Authority), California, as of and for the years ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and each major fund of the Authority as of June 30, 2019 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Report on Summarized Comparative Information***

We have previously audited the Authority's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Introductory Section and Supplementary Information Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Maze + Associates*

Pleasant Hill, California  
November 12, 2019

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## **East Bay Dischargers Authority**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019**

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The management's discussion and analysis of the East Bay Dischargers Authority's financial performance provides an overall review of the Authority's financial activities for the fiscal year ended June 30, 2019. The intent of the management's discussion and analysis is to look at the Authority's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Authority's financial performance.

#### **Key Financial Highlights**

- The Authority had total net position of \$30,787,261 at June 30, 2019.
- The Authority's total operating revenues were \$4,304,731 at June 30, 2019 and were comprised 83% from Member assessments.
- The Authority's total operating expenses were \$4,718,103 at June 30, 2019 and were comprised 20% from depreciation and 80% from operations and maintenance costs (excluding depreciation expense).

#### **Overview of the Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Authority as an entire operating entity.

The Statement of Net Position and Statement of Activities provide information about the activities of the Authority as a whole, which presents an aggregate view of the Authority's finances. Fund financial statements provide the next level of detail.

Supplementary information included at the end of the financial statements includes the Authority's cumulative history of expenditures from its inception of the Capital Projects and Planning and Special Studies Funds. Additional schedules detail the cumulative history of Sole-Use projects of the Capital Projects Fund, Joint-Use projects of the Capital Projects Fund and Sole-Use projects of the Planning and Special Studies Fund.

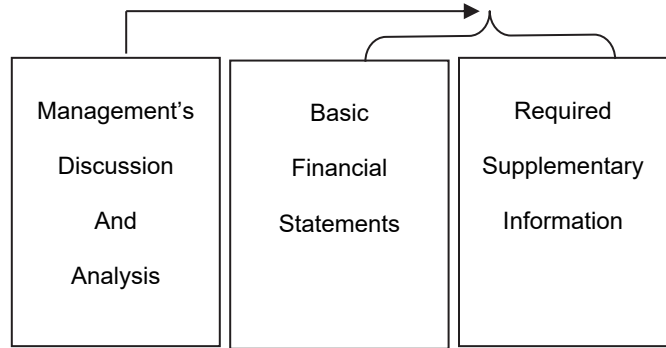
#### **Statement of Net Position and Statement of Activities**

While this report contains the funds used by the Authority to provide programs and activities, the view of the Authority as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies.

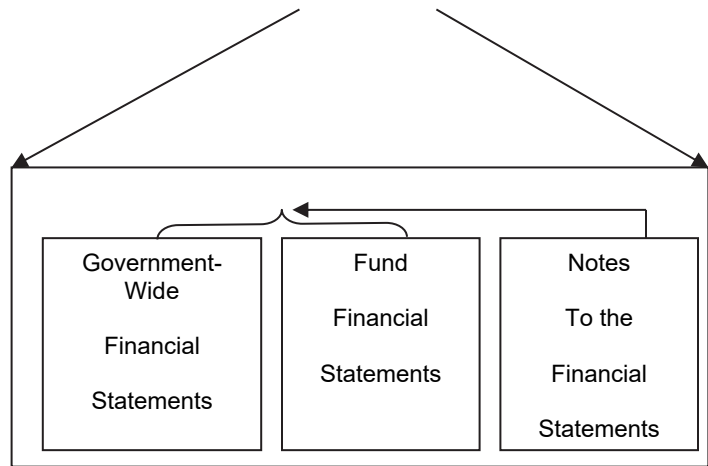
# East Bay Dischargers Authority

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Authority's budget for the fiscal year. The diagram presented here shows how the various parts of this annual financial report are arranged and related to one another.



The chart summarizes the major features of the Authority's financial statements, including the portion of the Authority's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.



Summary ↔ Detail

## East Bay Dischargers Authority

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

#### Major Features of the Government-Wide Fund Financial Statements

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary	Fiduciary
Scope	Entire Authority activities	N/A	The activities of the Authority that are proprietary in nature	N/A
Required financial statements	Statement of Net Position Statement of Activities		Statement of Net Position  Statement of Revenues, Expenses and Changes in Net Position	
Accounting basis and measurement focus	Accrual accounting and economic resources focus		Accrual accounting and economic resources focus	
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term		All assets and liabilities, both financial and capital, short-term and long-term	
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid		All revenues and expenses during the year, regardless of when cash is received or paid	

#### Fund Financial Statements

Fund financial reports provide detailed information about the Authority's funds. The Authority uses Enterprise funds to account for its activities. Enterprise funds utilize the full accrual basis of accounting. The full accrual basis of accounting is similar to accounting utilized by the private sector. The following describes the activities of the funds reported by the Authority:

**Fund 12 - Operation and Maintenance Effluent Disposal** - This fund covers all costs directly associated with the operation, maintenance and repair of the Joint Facilities including labor, materials, supplies, power, chemicals, utilities, professional or contractual services, research and monitoring, tools and equipment, to keep the facilities in proper operating condition and maintain its useful life, plus general administrative expenses, including depreciation, attributable to operation and maintenance activities.

**Fund 13 - Special Projects (Planning and Special Studies Costs)** - This fund covers those costs associated with advanced planning, facilities planning, feasibility studies, research and development, environmental evaluations and studies as related to the overall Joint Facilities or of general interest or benefit to all agencies.

**Fund 14 - Water Recycling (Reclamation/Reuse)** - This fund covers "Reclamation/Reuse" as approved by the Commission, including the Skywest Golf Course.

## East Bay Dischargers Authority

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Fund 31 - Renewal and Replacement Fund - This fund covers current replacement costs based on capital projects, valuation provided by an outside consultant, and changes in the San Francisco Bay Area Consumer Price Index. A 30-year list is maintained and updated annually.

Annual approval by the Commission authorizes replacement of specific items each year. Replacement costs include purchase, taxes, shipping, installation, programming, and design when applicable.

Fund 41 - Capital Projects/Grants - None at this time.

### Financial Analysis of the Authority as a Whole

The composition of the Authority's net position at June 30, 2019, is presented by category in the following table.

<b>Table 1 - Summary of Net Position</b>				
	2019	2018	Dollar Change	Percent Change
<b>Assets</b>				
Current Assets	4,515,791	5,668,636	(1,152,845)	-20.3%
Noncurrent Assets	28,818,876	27,947,158	871,718	3.1%
<b>Total Assets</b>	<b>33,334,667</b>	<b>33,615,794</b>	<b>(281,127)</b>	<b>-0.8%</b>
Deferred outflow of resources				
Pension related	218,171	402,785	(184,614)	-45.8%
OPEB related	57,097	97,873	(40,776)	-41.7%
<b>Liabilities</b>				
Current Liabilities	1,359,672	1,329,382	30,290	2.3%
Noncurrent Liabilities	1,372,246	1,512,122	(139,876)	-9.3%
<b>Total Liabilities</b>	<b>2,731,918</b>	<b>2,841,504</b>	<b>(109,586)</b>	<b>-3.9%</b>
Deferred inflow of resources				
Pension related	85,477	149,135	(63,658)	-42.7%
OPEB related	5,279	4,415	864	19.6%
<b>Net Position</b>				
Net Investment in Capital Assets	28,818,876	27,947,158	871,718	3.1%
Unrestricted	1,968,385	3,174,240	(1,205,855)	-38.0%
<b>Total Net Position</b>	<b>30,787,261</b>	<b>31,121,398</b>	<b>(334,137)</b>	<b>-1.1%</b>

## East Bay Dischargers Authority

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Table 2 shows the changes in net position for fiscal year 2019.

<b>Table 2 - Changes in Net Position</b>				
	2019	2018	Dollar Change	Percent Change
<b>Revenues</b>				
Program Revenues:				
Charges for Services	4,304,731	4,737,744	(433,013)	-9.1%
General Revenues/(Expenses):				
Interest Income	93,374	60,872	32,502	53.4%
LAVWMA Master Agreement	(14,139)	14,140	(28,279)	-200.0%
Total Revenues	4,383,966	4,812,756	(428,790)	-8.9%
<b>Program Expenses:</b>				
Discharge Services	4,718,103	4,998,897	(280,794)	-5.6%
Total Expenses	4,718,103	4,998,897	(280,794)	-5.6%
Changes in Net Position	(334,137)	(186,141)	(147,996)	79.5%

Interest earnings from cash in banks, LAIF and certificates of deposit increased by 53.4%. Discharge services decreased by 5.6% in the Enterprise fund.

### Financial Analysis of the Authority's Funds

The Authority's enterprise funds report a combined net position of \$30,787,261, which is a decrease from last year's total of \$31,121,398. Table 3 provides an analysis of the Authority's net position by fund and the total change from the prior year.

<b>Table 3 - Summary of Fund Net Position</b>			
Funds	2019	2018	Increase (Decrease)
Operations and Maintenance	27,758,416	26,911,300	847,116
Water Recycling	270,615	224,282	46,333
Renewal and Replacement	2,718,244	3,931,691	(1,213,447)
Planning and Special Studies	28,216	42,355	(14,139)
Capital Projects	11,770	11,770	-
Total Enterprise Fund Net Position	30,787,261	31,121,398	(334,137)

## East Bay Dischargers Authority

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

#### Capital Assets

Capital assets in Table 4 are reflected at June 30, 2019, net of depreciation. Net capital assets increased by 3.1% from 2018. The Authority uses \$3,000 as its capitalization threshold. Depreciation on each capitalized asset has been calculated using the straight-line method over applicable useful lives.

<b>Table 4 - Summary of Capital Assets Net of Depreciation</b>				
Capital Asset	2019	2018	Dollar Change	Percent Change
Land	10,161	10,161	-	0.0%
Permanent Easements	432,177	432,177	-	0.0%
Building and Structures	529,918	529,918	-	0.0%
Sewage and Disposal Facilities	19,627,756	17,956,621	1,671,135	9.3%
Data Acquisition System	552,039	510,858	41,181	8.1%
Water Recycling Facilities	766,680	747,709	18,971	2.5%
Subsurface Lines	40,111,305	40,111,305	-	0.0%
Office Equipment	213,425	134,183	79,242	59.1%
Field Equipment	71,054	71,054	-	0.0%
Automotive Equipment	19,718	19,718	-	0.0%
Accumulated Depreciation	(33,515,357)	(32,576,546)	(938,811)	2.9%
Net Capital Assets	28,818,876	27,947,158	871,718	3.1%

#### Factors Bearing on the Authority's Future

Significant economic factors affecting the Authority are as follows:

- The increasing age of the Authority's infrastructure will require increased capital spending from its Renewal and Replacement fund. A recent study of EBDA's subsurface lines showed that their useful life is longer than expected, likely another 20-50 years barring an earthquake or other uncontrollable event. EBDA has recently completed an update of its Asset Management Plan, which lays out required investments for asset renewal over the next 20 years. The estimated total restoration cost over 20 years is approximately \$11.3 million.
- The difficult long-term issues affecting CalPERS' investment performance will impact the Authority's long-term salary and benefits costs. EBDA is planning to mitigate this risk by making a discretionary payment in FY 19/20 to reach a target pension funding level of 95%, per a Pension Funding Policy recently adopted.
- EBDA's Joint Powers Agreement (JPA) is due to expire in January 2020. In October 2019, EBDA's Commission approved an extension of the current JPA through June 30, 2020, and an Amended and Restated JPA with an effective date of July 1, 2020. Both the extension and the Amended and Restated JPA must be approved by each Member Agency's governing body. As of November 5, 2019, Oro Loma Sanitary District's Board has approved the agreements, and the other four agencies have calendared approval for November and December. The Amended and Restated JPA will change certain elements of the structure for cost allocation among the Member Agencies.

## **East Bay Dischargers Authority**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019**

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#### **Contacting the Authority's Financial Management**

This financial report is designed to provide member agencies, citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the revenue it receives and the expenses it incurs. If you have any questions regarding this report or need additional financial information, contact:

Jacqueline T. Zipkin, General Manager  
East Bay Dischargers Authority  
2651 Grant Avenue  
San Lorenzo, CA 94580  
(510) 278-5910  
[jzipkin@ebda.org](mailto:jzipkin@ebda.org)

**East Bay Dischargers Authority**  
Statement of Net Position  
June 30, 2019

	Business-type Activities
<b>Assets</b>	
Current Assets:	
Cash and investments (Note 3)	\$4,230,567
Interest receivable	23,594
Accounts receivable	
Due from other governments:	
Other agencies	44,738
Inventory	32,127
Prepaid expenses	183,976
Deposits	789
Total Current Assets	<u>4,515,791</u>
Noncurrent Assets:	
Capital assets (Note 4):	
Land	10,161
Permanent easements	432,177
Buildings and structures	529,918
Sewage disposal facilities	19,627,756
Data acquisition system	552,039
Water recycling facilities	766,680
Subsurface lines	40,111,305
Office equipment	213,425
Field equipment	71,054
Automotive equipment	19,718
Less: accumulated depreciation	<u>(33,515,357)</u>
Total Capital Assets - Net	<u>28,818,876</u>
Total Noncurrent Assets - Net	<u>28,818,876</u>
<b>Total Assets</b>	<u><b>33,334,667</b></u>
<b>Deferred outflow of resources:</b>	
Pension related (Note 8)	218,171
OPEB related (Note 9)	57,097
<b>Total Deferred outflow of resources</b>	<u><b>275,268</b></u>
<b>Liabilities</b>	
Current Liabilities:	
Accrued claims payable	374,713
Member agencies	874,387
Other agencies	110,572
Total Current Liabilities:	<u>1,359,672</u>
Noncurrent Liabilities:	
Net pension liability (Note 8)	681,137
Net OPEB liability (Note 9)	667,283
Compensated absences (Note 5)	23,826
Total Noncurrent Liabilities	<u>1,372,246</u>
<b>Total Liabilities</b>	<u><b>2,731,918</b></u>
<b>Deferred inflow of resources:</b>	
Pension related (Note 8)	85,477
OPEB related (Note 9)	5,279
<b>Total Deferred outflow of resources</b>	<u><b>90,756</b></u>
<b>Net Position</b>	
Net Investment in Capital Assets	28,818,876
Unrestricted	1,968,385
<b>Total Net Position</b>	<u><u><b>\$30,787,261</b></u></u>

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2019

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	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Business-type activities:			
Discharge services	\$4,718,103	\$4,304,731	(\$413,372)
Total business-type activities	<u>\$4,718,103</u>	<u>\$4,304,731</u>	<u>(413,372)</u>
General revenues (expenses):			
Interest and investment earnings			93,374
LAVWMA Master Agreement			<u>(14,139)</u>
Total general revenues			<u>(14,139)</u>
Change in net position			(334,137)
Net position beginning			<u>31,121,398</u>
Net position ending			<u><u>\$30,787,261</u></u>

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
Proprietary Funds  
Statements of Net Position  
June 30, 2019  
With Comparative Totals as of June, 30 2018

	Business-type Activities - Enterprise Funds						
	Operations and Maintenance	Water Recycling	Renewal and Replacement	Planning and Special Studies	Capital Projects	Total June 30, 2019	Total June 30, 2018
<b>Assets</b>							
Current Assets:							
Cash and investments	\$1,069,933	\$102,237	\$2,687,149	\$359,478	\$11,770	\$4,230,567	\$5,497,297
Interest receivable			23,594			23,594	18,750
Accounts receivable							
Due from other governments:							
Other agencies		10,000	34,738			44,738	74,187
Due from other funds (Note 7)							
Inventory	32,127					32,127	29,002
Prepaid expenses	63,731			120,245		183,976	48,048
Deposits	789					789	1,352
<b>Total Current Assets</b>	<b>1,166,580</b>	<b>112,237</b>	<b>2,745,481</b>	<b>479,723</b>	<b>11,770</b>	<b>4,515,791</b>	<b>5,668,636</b>
Noncurrent Assets:							
Net OPEB asset (Note 9)							
Capital assets (Note 4):							
Land	10,161					10,161	10,161
Permanent easements	429,457	2,720				432,177	432,177
Buildings and structures	529,918					529,918	529,918
Sewage disposal facilities	19,627,756					19,627,756	17,956,621
Data acquisition system	552,039					552,039	510,858
Water recycling facilities		766,680				766,680	747,709
Subsurface lines	40,111,305					40,111,305	40,111,305
Office equipment	213,425					213,425	134,183
Field equipment	71,054					71,054	71,054
Automotive equipment	19,718					19,718	19,718
Less: accumulated depreciation	(32,911,787)	(603,570)				(33,515,357)	(32,576,546)
<b>Total Capital Assets - Net</b>	<b>28,653,046</b>	<b>165,830</b>				<b>28,818,876</b>	<b>27,947,158</b>
<b>Total Noncurrent Assets - Net</b>	<b>28,653,046</b>	<b>165,830</b>				<b>28,818,876</b>	<b>27,947,158</b>
<b>Total Assets</b>	<b>29,819,626</b>	<b>278,067</b>	<b>2,745,481</b>	<b>479,723</b>	<b>11,770</b>	<b>33,334,667</b>	<b>33,615,794</b>
<b>Deferred Outflow of Resources</b>							
Pension related (Note 8)	218,171					218,171	402,785
OPEB related (Note 9)	57,097					57,097	97,873
<b>Total Deferred Outflow     of Resources</b>	<b>275,268</b>					<b>275,268</b>	<b>500,658</b>
<b>Liabilities</b>							
Current Liabilities:							
Accrued claims payable	281,424	7,452	27,237	58,600		374,713	703,484
Due to other governments:							
Member agencies	506,447			367,940		874,387	551,799
Other agencies	85,605			24,967		110,572	74,099
<b>Total Current Liabilities:</b>	<b>873,476</b>	<b>7,452</b>	<b>27,237</b>	<b>451,507</b>		<b>1,359,672</b>	<b>1,329,382</b>
Noncurrent Liabilities:							
Net pension liability (Note 8)	681,137					681,137	799,111
Net OPEB liability (Note 9)	667,283					667,283	695,921
Compensated absences	23,826					23,826	17,090
<b>Total Noncurrent Liabilities</b>	<b>1,372,246</b>					<b>1,372,246</b>	<b>1,512,122</b>
<b>Total Liabilities</b>	<b>2,245,722</b>	<b>7,452</b>	<b>27,237</b>	<b>451,507</b>		<b>2,731,918</b>	<b>2,841,504</b>
<b>Deferred Inflow of Resources</b>							
Pension related (Note 8)	85,477					85,477	149,135
OPEB related (Note 9)	5,279					5,279	4,415
<b>Total Deferred Inflow     of Resources</b>	<b>90,756</b>					<b>90,756</b>	<b>153,550</b>
<b>Net Position</b>							
Net Investment in Capital Assets	28,653,046	165,830				28,818,876	27,947,158
Unrestricted	(894,630)	104,785	2,718,244	28,216	11,770	1,968,385	3,174,240
<b>Total Net Position</b>	<b>\$27,758,416</b>	<b>\$270,615</b>	<b>\$2,718,244</b>	<b>\$28,216</b>	<b>\$11,770</b>	<b>\$30,787,261</b>	<b>\$31,121,398</b>

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended June 30, 2019  
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds						
	Operations and Maintenance	Water Recycling	Renewal and Replacement	Planning and Special Studies	Capital Projects	Total June 30, 2019	Total June 30, 2018
Operating Revenues:							
Member assessments	\$2,381,381		\$450,000	\$734,990		\$3,566,371	\$3,917,148
LAVWMA assessments	405,905		34,737	158,102		598,744	682,251
Sale of reclaimed water		\$120,000				120,000	120,000
Other operating revenues	19,616					19,616	18,345
Total Operating Revenues	<u>2,806,902</u>	<u>120,000</u>	<u>484,737</u>	<u>893,092</u>		<u>4,304,731</u>	<u>4,737,744</u>
Operating Expenses:							
Personnel services	706,596	8,695		2,912		718,203	767,741
Depreciation	925,899	12,912				938,811	947,548
Professional services	309,089	5,719		204,408		519,216	798,650
Monitoring	134,805	7,603				142,408	170,079
Contract services	45,099			6,000		51,099	57,189
Operating supplies	230,540					230,540	182,276
Utilities	561,374	3,251				564,625	561,009
Insurance	45,249					45,249	43,118
Commissioners' compensation	39,630					39,630	38,142
Rent and lease	32,367			659,886		692,253	668,553
Repairs and maintenance	588,360	35,487				623,847	632,433
Dues	123,792			19,886		143,678	121,900
Travel and meetings	5,803					5,803	6,825
Other general administrative	2,741					2,741	3,434
Total Operating Expenses	<u>3,751,344</u>	<u>73,667</u>		<u>893,092</u>		<u>4,718,103</u>	<u>4,998,897</u>
Operating Income (Loss)	<u>(944,442)</u>	<u>46,333</u>	<u>484,737</u>			<u>(413,372)</u>	<u>(261,153)</u>
Nonoperating Revenues (Expenses)							
Interest income			93,374			93,374	60,872
LAVWMA master agreement revenue				4,558,909		4,558,909	425,388
LAVWMA master agreement expense				(4,573,048)		(4,573,048)	(411,248)
Total Nonoperating Revenues (Expenses)			<u>93,374</u>	<u>(14,139)</u>		<u>79,235</u>	<u>75,012</u>
Other Financing Sources (Uses)							
Transfers in (Note 7)	1,791,558					1,791,558	1,134,745
Transfers out (Note 7)			(1,791,558)			(1,791,558)	(1,134,745)
Total Other Financing Sources (Uses)	<u>1,791,558</u>		<u>(1,791,558)</u>				
Change in Net Position	847,116	46,333	(1,213,447)	(14,139)		(334,137)	(186,141)
Net Position Beginning	<u>\$26,911,300</u>	<u>\$224,282</u>	<u>\$3,931,691</u>	<u>\$42,355</u>	<u>\$11,770</u>	<u>31,121,398</u>	<u>32,033,650</u>
Prior period adjustment (Note 2Q)							(726,111)
Net Position Ending	<u>\$27,758,416</u>	<u>\$270,615</u>	<u>\$2,718,244</u>	<u>\$28,216</u>	<u>\$11,770</u>	<u>\$30,787,261</u>	<u>\$31,121,398</u>

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
Proprietary Funds  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2019  
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds						
	Operations and Maintenance	Water Recycling	Renewal and Replacement	Planning and Special Studies	Capital Projects	Total June 30, 2019	Total June 30, 2018
Cash Flows from Operating Activities:							
Cash received from members	\$2,501,054		\$450,000	\$937,905		\$3,888,959	\$4,533,085
Cash received from LAVWMA	429,652		74,186	170,828		674,666	729,259
Cash received from others	19,616	\$110,000				129,616	140,445
Cash payments for personnel services	(683,876)	(8,695)		(2,912)		(695,483)	(917,928)
Cash payments to suppliers for goods and services	(2,149,560)	(55,198)	(364,506)	(959,086)		(3,528,350)	(2,963,716)
Net Cash Provided (Used) by Operating Activities	116,886	46,107	159,680	146,735		469,408	1,521,145
Cash Flows from Capital and Related							
Financing Activities:							
Acquisition of capital assets	(1,791,558)	(18,971)				(1,810,529)	(1,134,744)
Net Cash Provided (Used) by Capital and Related							
Financing Activities	(1,791,558)	(18,971)				(1,810,529)	(1,134,744)
Cash Flows from Investing Activities:							
Interest on investments			88,530			88,530	52,883
Net Cash Provided (Used) by Investing Activities			88,530			88,530	52,883
Cash Flows from Non Capital and Related							
Financing Activities:							
Cash paid for interfund loans							
Cash received from interfund loans							
LAVWMA master agreement interest				(14,139)		(14,139)	14,140
Interfund transfers	1,791,558		(1,791,558)				
Net Cash Provided (Used) by Non Capital and							
Related Financing Activities	1,791,558		(1,791,558)	(14,139)		(14,139)	14,140
Net Increase (Decrease) in Cash and Cash Equivalents	116,886	27,136	(1,543,348)	132,596		(1,266,730)	453,424
Cash and Cash Equivalents Beginning	953,047	75,101	4,230,497	226,882	\$11,770	5,497,297	5,043,873
Cash and Cash Equivalents Ending	\$1,069,933	\$102,237	\$2,687,149	\$359,478	\$11,770	\$4,230,567	\$5,497,297

(Continued)

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
Proprietary Funds  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2019  
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds					Total June 30, 2019	Total June 30, 2018
	Operations and Maintenance	Water Recycling	Renewal and Replacement	Planning and Special Studies	Capital Projects		
Reconciliation of Operating Income (Loss) to Cash Flows Provided (Used) by Operating Activities:							
Operating Income (Loss)	(\$944,442)	\$46,333	\$484,737			(\$413,372)	(\$261,153)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation	925,899	12,912				938,811	947,548
(Increase) decrease in assets and deferred outflows of resources:							
Accounts receivable							2,100
Due from member agencies							
Due from other agencies		(10,000)	39,449			29,449	103,333
Inventory	(3,125)					(3,125)	(5,389)
Prepaid expenses	(17,469)					(135,928)	7,914
Deposits	563					563	118
Net OPEB Asset							81,474
Pension related deferred outflows of resources	184,614					184,614	(242,161)
OPEB related deferred outflows of resources	40,776					40,776	(97,873)
Increase (decrease) in liabilities and deferred inflows of resources:							
Accrued claims payable	(10,680)	(3,138)	(364,506)	49,553		(328,771)	317,249
Member agencies	119,673			202,915		322,588	494,070
Other agencies	23,747			12,726		36,473	65,542
Net pension liability	(117,974)					(117,974)	141,867
Net OPEB liability	(28,638)					(28,638)	(30,190)
Pension related deferred inflows of resources	(63,658)					(63,658)	45,859
OPEB related deferred inflows of resources	864					864	4,415
Compensated absences	6,736					6,736	(53,578)
Net Cash Provided (Used) by Operating Activities	\$116,886	\$46,107	\$159,680	\$146,735		\$469,408	\$1,521,145

The notes to the financial statements are an integral part of this statement.

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**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1 – SUMMARY OF ORGANIZATION**

East Bay Dischargers Authority (Authority) was formed on February 15, 1974, under a "joint exercise of powers agreement" entered into by the City of San Leandro, Oro Loma Sanitary District, Castro Valley Sanitary District, City of Hayward and Union Sanitary District (the Agencies). The Authority operates under a Commission consisting of a representative from each agency.

The purpose of the agreement is to provide for the "more efficient disposal of wastewater produced in each Agency, all to the economic and financial advantage of each Agency and otherwise for the benefit of each Agency; and, each of the Agencies is willing to plan with the other Agencies for joint wastewater facilities which will protect all the Agencies." Since the Authority's inception, it has administered numerous joint-use and sole-use grant funded construction and planning and special studies projects.

Legal title and all pertinent grant documents and conditions for sole-use facilities administered by the Authority under the grant program are transferred to the Owner-Agency upon completion of the project. Operation and maintenance of these sole-use facilities is the responsibility of the Owner-Agency.

Legal title and all pertinent grant documents and conditions for joint-use facilities remain with the Authority. Each Agency owns an undivided portion of the joint facilities used by it, equal to the percentage of project costs paid for it. Percentages are as defined by the Joint Exercise of Powers Agreement. Operations and maintenance of the completed joint-use facilities is the responsibility of the Authority.

The Authority operates under a National Pollutant Discharge Elimination System (NPDES) Permit No. CA 0037869 from the California Regional Water Quality Control Board to discharge up to 189.1 MGD of secondary treated wastewater to San Francisco Bay. It is the Authority's responsibility to ensure that all treatment of wastewater by each member agency is in compliance with the Federal Water Pollution Control Act (P.L. 92-500) and as amended by the Clean Water Act of 1986.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***A. Basis of Presentation and Accounting***

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is defined as an accounting entity with a self-balancing set of accounts recording the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Authority utilizes the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the enterprise are recorded on its statement of net position, and under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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Proprietary fund types distinguish operating revenues and expenses from non-operating items. The operating expenses of the Authority are charged to the member agencies. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Deferred outflow of resources is a consumption of net assets by the Authority that is applicable to a future reporting period. For example, prepaid items and deferred charges. Deferred inflow of resources is an acquisition of net assets by the Authority that is applicable to a future reporting period. For example, unearned revenue and advance collections.

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue.

***B. Statement of Net Position***

The statement of net position is designed to display the financial position of the Authority. The Authority's net position are classified into three categories as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.
- Restricted - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. The Authority had no restrictions as of June 30, 2019.
- Unrestricted - This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

***C. Statement of Revenues, Expenses, and Changes in Net Position***

The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income (loss). Revenues are reported by major source with operating revenues classified from the Authority's primary operating resources and all other revenue reported as non-operating revenue. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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***D. Budgets and Budgetary Accounting***

The Authority must adopt a budget prior to June 1 of each year for the following fiscal year. The budget for the fiscal year beginning July 1, 2018, was adopted by the Commission on June 21, 2018. Formal budgetary integration is employed as a management control device during the year.

***E. Cash and Cash Equivalents***

For the purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less.

***F. Investments***

If the difference between cost and fair value is deemed material and significant, investments are reported in the statement of net position at fair value. Changes in fair market value that occur during the fiscal year are recognized as investment income or loss reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The Authority participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, the structured notes and asset-backed securities are subject to market risk as to change in interest rates.

***G. Receivables***

Receivables include amounts due from member agencies and other agency assessments, other assessments and other resources. All receivables are current and reported net of an allowance for uncollectible accounts. The allowance for uncollectible accounts was zero as of June 30, 2019.

***H. Funding***

East Bay Dischargers Authority's capital projects and planning and special studies funds were funded by Federal, State, and Local agency grants and/or member agency contributions.

The eligible project's costs have been funded under the Clean Water Grants Program, which was administered by the Environmental Protection Agency (EPA) for the federal government and the State Water Resources Control Board (SWRCB) for the state government. The federal and state governments' share of the eligible projects costs were 75 percent and 12.5 percent, respectively.

The Authority's operations and maintenance is funded by the member agencies and other local agencies on the basis of formulas established in the Joint Powers Agreement and other service agreements.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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East Bay Dischargers Authority is also funded for the future replacement of certain joint-use facilities by the member agencies and local agencies. Each year the Authority calculates the annual contribution required for Renewal and Replacement based upon the method adopted by the Commission. Contributions for Renewal and Replacement are made in accordance with Resolution No. 90-11, dated May 17, 1990, and as amended annually by resolution.

***I. Inventories***

Inventories are valued at cost using a first in, first out (FIFO) method. Inventories are recorded as expenses when consumed rather than when purchased.

***J. Capital Assets***

Capital assets are defined by the Authority as assets with an initial, individual cost of \$3,000 or more and an estimated useful life of more than one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair value on the date received. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

Concrete and paving	40 years
Pavement	20 years
Structures	40 to 50 years
Mechanical and pump equipment	25 years
Electrical and plumbing	10 to 20 years
Piping-above ground	20 to 40 years
Subsurface lines	75 years
Motor control units	20 years
Heating, ventilating, and air-conditioning	20 years
Data acquisition system	5 years
Equipment and furnishings	5 to 20 years
Automotive equipment	8 years

***K. Compensated Absences***

**Vacation Leave** – All full-time regular employees other than temporary, provisional, or part-time employees shall earn vacation leave at the rate of 80 working hours per year from the date of employment. Employees shall not be permitted to take any vacation during the first six months of employment. Full time employees shall earn an additional eight (8) hours vacation leave allowance for each full year of continuous employment thereafter, up to a maximum of 160 working hours per year.

All part-time employees shall earn vacation leave at the rate of 8 working hours for each 200 hours worked from the date of employment, up to a maximum of 40 working hours per year.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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**Sick Leave** – Regular employees accrue sick leave at the rate of four (4) hours per payroll period, up to 96 hours per calendar year. Sick leave shall be cumulative without limit.

Part-time and Temporary Employees who work thirty (30) or more days within a year from the beginning of employment are entitled to paid sick leave. The Authority will grant three days of paid sick leave upon hire, and on January 1 of each calendar year. An employee may use paid sick leave beginning on the 90th day of employment.

The Authority's contract for retirement benefits provides that sick leave earned but unused upon the termination or death of any employee enrolled in the pension plan shall be applied to the employee's total service credit subject to the following specifications. Pursuant to GC§20965, the employee whose effective date of retirement is within four months of separation from employment shall receive credit toward his or her retirement equal to 0.004 years of service credit for each unused day (8 hours) of sick leave.

Upon the death of an employee prior to separation from employment, the employee's heir(s) or beneficiary(ies) shall receive compensation for sick leave earned but unused by the employee equal to 0.167% of the number of hours of sick leave, times the number of whole months of continuous employment, times the employee's hourly rate of pay at the time of death.

***L. Allocation of Costs***

Expenses are allocated to the various member agencies in accordance with the Joint Exercise of Powers Agreement.

***M. Comparative Data***

Comparative total data for the prior fiscal year has been presented in order to provide an understanding of the changes in the financial position, operations, and cash flows of the Authority.

***N. Accounting Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

***O. Subsequent Events***

Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through the date the financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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***P. Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***Q. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements***

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement, which became effective during the year ended June 30, 2019.

**GASB 83 - Certain Asset Retirement Obligations** – This Statement addresses accounting and financial reporting for certain asserts retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. GASB Statement No. 83 statement requires the current value of a government’s AROs to annually be adjusted for the effects of general inflation or deflation, and relevant factors that may significantly change the estimated asset retirement outlays. This statement also requires disclosure of information about the nature of a government’s AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. This Statement had no effect on the financial statements.

**GASB 88 - Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements** – The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. It requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement had no effect on the financial statements.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 3 – CASH AND INVESTMENTS</b>
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**A. Policies**

The Authority invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry system*.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit or first trust deed mortgage notes with a value of 150% of the Authority's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the Authority's name and places the Authority ahead of general creditors of the institution pledging the collateral.

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the Authority's case, fair value equals fair market value, since all Authority's investments are readily marketable.

**B. Classification**

The Authority's cash and investments consist of the following at June 30:

	2019	2018
Cash in banks	\$218,470	\$1,412,945
Local Agency Investment Fund (LAIF)	3,209,547	2,925,794
Certificate of Deposit	802,550	1,158,558
	<hr/>	<hr/>
Total Cash and Investments	<u>\$4,230,567</u>	<u>\$5,497,297</u>

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**C. *Investments Authorized by the California Government Code and the Authority's Investment Policy***

The Authority's Investment Policy and the California Government Code allow the Authority to invest in the following, provided the credit ratings of the issuers are acceptable to the Authority and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the Authority's Investment Policy where it is more restrictive that address interest rate risk, credit risk and concentration of credit risk:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years		100%	No Limit
United States Government Agency Obligations	5 years		100%	No Limit
State of California Obligations	5 years		100%	No Limit
Local Agency Obligations	5 years		100%	No Limit
Banker's Acceptances	180 days		40%	30%
Commercial Paper	270 days	A-1	25%	10%
United States Medium Term Corporate Notes	5 years	AA	30%	No Limit
Negotiable Certificates of Deposit	1 year	AA	30%	No Limit
			\$40 million	
Local Agency Investment Fund	n/a		per account	No Limit
Local Government Investment Pools	n/a	AAA	100%	No Limit
Money Market Mutual Funds	n/a		15%	10%
Insured savings or money market accounts	n/a		100%	No Limit

**D. *Local Agency Investment Fund***

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2019 and 2018, these investments matured in an average of 173 and 193 days, respectively.

**E. *Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value changes in market interest rates. The Authority generally manages its interest rate risk by holding investments to maturity.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity or earliest call dates, at June 30:

Type	12 Months or less	12-24 Months	2019	2018
Cash in bank	\$218,470		\$218,470	\$1,412,945
Local Agency Investment Fund (LAIF)	3,209,547		3,209,547	2,925,794
Certificate of Deposit	452,104	\$350,446	802,550	1,158,558
Total Cash and Investments	<u>\$3,880,121</u>	<u>\$350,446</u>	<u>\$4,230,567</u>	<u>\$5,497,297</u>

**F. Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the Authority's investments were invested in specific securities. All monies in the LAIF and Wells Fargo Advisors are not evidenced by specific securities; and therefore are not subject to custodial credit risk.

Bank balances are insured up to \$250,000 per bank by the Federal Deposit Insurance Company ("FDIC"). None of the Authority's deposits with financial institutions in excess of FDIC limits were held in uncollateralized accounts.

**G. Concentration Risk**

The Authority's investment policy contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. As of June 30, 2019, 76% of the Authority's cash was invested in LAIF, 5% was deposited in banks and 19% was invested in certificates of deposit. LAIF, cash in banks and certificates of deposit do not have maximum portfolio requirements under the California Government code.

**H. Fair Value Hierarchy**

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Cash in bank and certificates of deposit are measured at cost. The California Local Agency Investment Fund are external investment pools measured at fair value, and exempt in the fair value hierarchy under GASB 72.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 4 – CAPITAL ASSETS**

The Authority's capital assets consisted of the following as of June 30, 2019:

Capital Assets - Cost	Balance at June 30, 2018	Additions	Balance at June 30, 2019
Capital assets not being depreciated:			
Land	\$10,161		\$10,161
Permanent Easements	432,177		432,177
Total capital assets not being depreciated	442,338		442,338
Capital assets being depreciated:			
Building and Structures:			
Operations center	529,918		529,918
Sewage Disposal Facilities:			
San Leandro pump station	2,356,906		2,356,906
Oro Loma pump station	8,250,096	\$69,522	8,319,618
Marina Dechlorination Facility	2,828,571	10,386	2,838,957
Hayward pump station	1,600,596	1,566,827	3,167,423
Alvarado pump station	2,920,452	24,400	2,944,852
Data acquisition system	510,858	41,181	552,039
Water Recycling Facilities:			
Skywest Golf Course irrigation facilities	747,709	18,971	766,680
Subsurface Lines:			
Bay outfall	19,662,313		19,662,313
San Leandro to Marina forcemain	3,707,991		3,707,991
Marina to Oro Loma forcemain	5,515,909		5,515,909
Oro Loma to Hayward forcemain	2,748,322		2,748,322
Hayward to Alvarado forcemain	8,465,123		8,465,123
Seismic design	11,647		11,647
Office equipment	134,183	79,242	213,425
Field equipment	71,054		71,054
Automotive equipment	19,718		19,718
Total Capital Assets, Being Depreciated	60,081,366	1,810,529	61,891,895
Total Cost of Capital Assets	\$60,523,704	\$1,810,529	\$62,334,233

(Continued)

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 4 – CAPITAL ASSETS (Continued)**

Accumulated Depreciation	Balance at June 30, 2018	Additions	Balance at June 30, 2019
Building and Structures:			
Operations center	(\$442,569)	(\$11,377)	(\$453,946)
Sewage Disposal Facilities:			
San Leandro pump station	(1,092,294)	(55,848)	(1,148,142)
Oro Loma pump station	(5,169,564)	(161,447)	(5,331,011)
Marina Dechlorination Facility	(2,333,011)	(52,319)	(2,385,330)
Hayward pump station	(682,719)	(22,749)	(705,468)
Alvarado pump station	(1,925,700)	(64,234)	(1,989,934)
Data acquisition system	(400,836)	(16,511)	(417,347)
Water Recycling Facilities:			
Skywest Golf Course irrigation facilities	(590,658)	(12,912)	(603,570)
Subsurface Lines:			
Bay outfall	(9,680,631)	(261,892)	(9,942,523)
San Leandro to Marina forcemain	(1,832,806)	(49,616)	(1,882,422)
Marina to Oro Loma forcemain	(2,690,749)	(73,091)	(2,763,840)
Oro Loma to Hayward forcemain	(1,362,343)	(36,462)	(1,398,805)
Hayward to Alvarado forcemain	(4,170,992)	(116,861)	(4,287,853)
Seismic design	(9,786)	(466)	(10,252)
Office equipment	(101,116)	(3,026)	(104,142)
Field equipment	(71,054)		(71,054)
Automotive equipment	(19,718)		(19,718)
Total Accumulated Depreciation	(32,576,546)	(938,811)	(33,515,357)
Total Capital Assets Net of Accumulated Depreciation	\$27,947,158	\$871,718	\$28,818,876

**NOTE 5 – COMPENSATED ABSENCES**

The Authority's compensated absences consisted of the following as of June 30:

	2019	2018
Beginning Balance	\$17,090	\$70,668
Additions	57,810	(6,653)
Payments	(51,074)	(46,925)
Ending Balance	\$23,826	\$17,090
Current Portion	\$0	\$0
Non Current Portion	\$23,826	\$17,090

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 6 – OPERATING LEASE COMMITMENTS**

The Authority has a long-term operating lease on land, ending in the year 2020, with Oro Loma Sanitary District. Current payments on the lease are \$5,300 per year. Since the lease terms will be modified every 5th year, the future commitments are based on the land lease dated April 12, 1979 as amended on July 1, 2015. The total lease obligation as of June 30, 2019 was as follows:

Fiscal Year Ending June 30	Lease Obligation
2020	\$5,300
Total	\$5,300

**NOTE 7 – INTERFUND TRANSACTIONS**

**A. General**

Interfund transactions are reported as either services provided, reimbursements, or transfers. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**B. Interfund Transfers**

Interfund transfers consist of transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the year ended June 30, 2019 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount
Operations and Maintenance	Renewal and Replacement	\$1,791,558

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

**A. Plan Description**

The Authority contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system. PERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and Authority resolution. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained from CalPERS, 400 Q Street, Sacramento, CA 95811.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)</b>
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***B. Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

Benefit formula	2.5% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50-67
Monthly benefits, as a % of eligible compensation	2.00% to 2.50%
Required employee contribution rates	8.000%
Required employer contribution rates	10.609%

***Contributions*** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

**C. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2019, the Authority reported net pension liabilities for its proportionate shares of the net pension liability in the amount of \$681,137.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30 is as follows:

	2019	2018	Change Increase/(Decrease)
Percentage of Risk Pool Net Pension Liability	0.025490%	0.026520%	-0.001030%
Percentage of Plan (PERF C) Net Pension Liability	0.007070%	0.008058%	-0.000988%

For the year ended June 30, 2019, the Authority recognized pension expense of \$79,833. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$76,851	
Differences between actual and expected experience	26,134	\$8,893
Change in employer's proportion	5,438	21,985
Differences between the employer's contributions and the employer's proportionate share of contribution	28,729	35,568
Changes in assumptions	77,652	19,031
Net differences between projected and actual earnings on plan investments	3,367	
Total	\$218,171	\$85,477

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

The \$76,851 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2020	\$45,025
2021	28,439
2022	(11,495)
2023	(6,126)
Total	<u>\$55,843</u>

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plan
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(A)
Investment Rate of Return	7.15% (B)
Mortality	Derived using CalPERS Membership Data ( C )
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(A) Depending on age, service and type of employment

(B) Net of pension plan investment expenses, including inflation

(C) The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report based on CalPERS demographic data from 1997 to 2015 that can be found on the CalPERS website

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Discount Rate** – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	100%		

(a) In the CalPERS CAFR, Fixed Income is included in the Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)</b>
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***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the Authority’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>Miscellaneous Plan</u>
1% Decrease	6.15%
Net Pension Liability	\$1,263,554
Current Discount Rate	7.15%
Net Pension Liability	\$681,137
1% Increase	8.15%
Net Pension Liability	\$200,361

***Pension Plan Fiduciary Net Position*** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS**

**A. Plan Description**

The Authority's Retiree Healthcare Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Authority. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the Authority, its management employees, and unions representing Authority employees. As of June 30, 2019, the Authority has 2 active plan members and 7 inactive plan members currently receiving benefits.

<b>Full Retirement Benefit</b>	
Eligibility Age	50
Service Required	5 years in PERS
Benefit Amount	For the two current retirees, payment of any PERS Kaiser Premium for retiree and eligible dependents. For others, payment of \$473 monthly toward premiums or PERS Minimum if greater.
Benefit End	Paid for life
<b>PERS Minimum Benefit</b>	
Eligibility Age	50
Service Required	5 years in PERS
Benefit Amount	\$133 in 2018, \$136 in 2019. Indexed to the medical component of the Consumer price Index.
Benefit End	Paid for life
<b>Post-retirement Death Benefit</b>	Payment of one-party or two party Kaiser premium for eligible dependents for life of spouse or, while eligible, for children. Pay \$473 for retirees with that cap.
<b>Pre-retirement Death Benefit</b>	Same as post-retirement death benefit.
<b>Disability Benefit</b>	Same as Full Retirement Benefit shown above, at any age, as long as service requirement is met.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)</b>
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**B.     *Funding Policy***

There is no statutory requirement for the Authority to prefund its OPEB obligation. The Authority has currently chosen to fund the entire Annual Required Contribution (ARC). There are no employee contributions. For fiscal year ending June 30, 2019, the Authority paid \$57,097 for retiree healthcare plan benefits. The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC is equal to the normal cost plus a 30-year amortization of the unfunded actuarial liability.

**C.     *Net OPEB Liability***

***Actuarial Methods and Assumptions*** – The Authority's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 2019 that was rolled forward using standard update procedures to determine the net OPEB liability as of June 30, 2018, based on the following actuarial methods and assumptions:

Valuation Date	July 1, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount rate	6.00%
Inflation	2.75%
Payroll Growth	3.00%
Investment Rate of Return	6.00%
Healthcare Trend Rate	CalPERS medical premiums are assumed to increase 5% per year after 2018. The PEMHCA minimum contributions is assumed to increase 4% per year after 2018.
Mortality	2014 CalPERS OPEB Assumptions Model for "public agency miscellaneous"

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	57%	5.25%
Fixed income	27%	0.99%
Treasury securities	5%	0.45%
Real estate trusts	8%	4.50%
Commodities	3%	3.90%
Total	<u>100%</u>	

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that Authority's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**D. Changes in Net OPEB Liability**

The changes in the net OPEB liability follows:

	Increase (Decrease)	
	Total OPEB Liability	Plan Fiduciary Net Position
	Net OPEB Liability/(Asset)	
<b>Balance at June 30, 2017 (Measurement Date)</b>	\$844,771	\$148,850
<b>Changes in the year:</b>		
Service Cost	15,695	15,695
Interest on the total OPEB liability	49,626	49,626
Employer contributions		82,651
Net investment income		11,389
Administrative expenses		(81)
Benefits paid to retirees	(35,331)	(35,331)
<b>Net changes</b>	29,990	58,628
<b>Balance at June 30, 2018 (Measurement Date)</b>	\$874,761	\$207,478

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report. The benefit payments and refunds include implied subsidy benefit payments.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

***E. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates***

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current discount rate:

	1% Decrease (5.00%)	Current Discount (6.00%)	1% Increase (7.00%)
Net OPEB Liability (Asset)	\$769,185	\$667,283	\$583,890

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current healthcare cost trend rates:

	1% Decrease (4.00%)	Healthcare Cost Trend Rates Current Rate (5.00%)	1% Increase (6.00%)
Net OPEB Liability (Asset)	\$657,892	\$667,283	\$677,314

***F. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended June 30, 2019, the Authority recognized OPEB expense of \$54,877. At June 30, 2019, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contribution made subsequent to measurement date	\$57,097	-
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	\$5,279
Total	\$57,097	\$5,279

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

The \$57,097 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2020	(\$1,596)
2021	(1,596)
2022	(1,595)
2023	(492)
Total	(\$5,279)

**NOTE 10 – JOINT POWERS ASSOCIATION**

The Authority participates in a joint venture activity through a formally organized and separate entity, the Bay Area Clean Water Agencies (BACWA) established under the Joint Exercise of Powers Act of the State of California. As a separate legal entity, BACWA exercises full power and authority within the scope of the related Joint Powers Agreement including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the separate entity are not those of the Authority. BACWA was established by Central Contra Costa Sanitary District, East Bay Municipal Utility District, East Bay Dischargers Authority, the City and County of San Francisco, and the City of San Jose for the purpose of coordinating the water quality activities of the members, to jointly contract for consultant services that are of joint benefit and to interpret data collected by BACWA and by others, in order to assess the effects of pollution and other factors on the San Francisco Bay system. A summary of BACWA's June 30, 2019 and 2018 financial statements is as follows:

	2019	2018
Total Assets	\$4,814,772	\$4,167,957
Total Liabilities	774,871	188,737
Total Equity	4,039,901	3,979,220
Total Revenue	4,633,578	4,747,641
Total Expenditures	4,580,066	4,052,705

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 11 – SELF INSURANCE**

The Authority has limited pollution legal liability insurance coverage as provided by the California Sanitation Risk Management Authority (CSRMA). As of the audit date, the Authority had no claims. The possibility of an incurred but not reported claim is remote, as the Authority only discharges disinfected secondarily treated effluent. The Authority is exposed to various other risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. There were no settled claims in any of the past five fiscal years.

The following is a summary of the insurance policies in force carried by the Authority as of June 30, 2019:

	<u>Limits</u>	<u>Deductibles</u>
Excess Liability	\$10,000,000	\$100,000
General Liability	15,500,000	100,000
Pollution	25,000,000	75,000
Storage Tank Pollution	1,000,000	5,000

**NOTE 12 – LEASE OF ADDITIONAL CAPACITY**

The Authority signed an agreement with Livermore-Amador Valley Water Management Agency (LAVWMA) dated February 1, 1978, and as amended on March 26, 1981, June 20, 1985, and February 18, 1993. The purpose of the agreement was to allow LAVWMA to use the facilities of the Authority to discharge wastewater. The agreement provided for a reasonable method of allocating costs to LAVWMA that would be incurred as a result of the discharge rights. The term was for thirty years, with the right of renewal or early termination. The Authority signed an Interim Agreement with LAVWMA on March 18, 1998, to provide additional system discharge services.

The 1998 Interim Agreement provided for a capital buy-in fee of \$7,000,000. LAVWMA elected to defer making payments until July 1, 2001. The Interim Agreement provided that buy-in fees accrue interest from October 1, 1997 through June 30, 2001. The final buy-in fee was \$7,921,966. During the year, LAVWMA made an annual principal and interest payment of \$265,255 and \$170,925, respectively, totaling \$436,180 towards the buy-in fee.

On April 26, 2007, the Authority and LAVWMA signed a new Master Agreement that supersedes all previous agreements. The purpose of the Master Agreement was to incorporate all applicable items from the previous agreements into a single document. All the financial terms and conditions for the lease of additional capacity from the Interim Agreement have been incorporated into the Master Agreement.

On August 3, 2018, LAVWMA paid off the outstanding capital buy-in fee in the amount of \$4,122,725 which included principal of \$4,117,432 and interest of \$5,293.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>NOTE 13 – COMMITMENTS AND CONTINGENCIES</b>
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The Authority's Joint Powers Agreement (JPA) is due to expire in January 2020. In October 2019, the Authority's Commission approved an extension of the current JPA through June 30, 2020, and an Amended and Restated JPA with an effective date of July 1, 2020. Both the extension and the Amended and Restated JPA must be approved by each Member Agency's governing body to become effective. As of November 15, 2019, Oro Loma Sanitary District's Board has approved the agreements, and the other four agencies have calendared approval for November and December.

The Amended and Restated JPA will have a term of 20 years, with a process for negotiating the next extension or renewal beginning in year 15. Key changes in the Amended and Restated JPA include the following:

- Four of the five Member Agencies will be reducing their purchased capacity in the Authority's system, and their allocations of fixed O&M and certain capital costs will decrease accordingly.
- The cost allocation structure for capital costs associated with Authority's Transport System has been changed, with costs allocated to users of each segment of pipe after certain thresholds are exceeded.
- San Leandro will take ownership of the San Leandro Effluent Pump Station (SLEPS) and the pipeline from SLEPS to the Marina Dechlorination Facility, and in exchange, they will not pay capital or O&M costs for the other pump stations or the Transport System.
- The governance of the Authority will change, with actions now requiring a majority of members and a majority of capacity-weighted votes for approval.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**EAST BAY DISCHARGERS AUTHORITY**  
Cost-Sharing Multiple-Employer Defined Pension Plan  
Last 10 Years\*  
**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY AND RELATED RATIOS AS OF**  
**THE MEASUREMENT DATE**

Measurement Date	Miscellaneous Plan				
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.707000%	0.008058%	0.007595%	0.007341%	0.00416%
Plan's proportion share of the Net Pension Liability (Asset)	\$681,137	\$799,111	\$657,244	\$503,886	\$258,711
Plan's Covered Payroll	533,854	422,884	377,037	393,451	399,793
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	127.59%	188.97%	174.32%	128.07%	64.71%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	73.31%	74.06%	78.40%	79.82%

\*- Fiscal year 2015 was the 1st year of implementation

**EAST BAY DISCHARGERS AUTHORITY**  
Cost-Sharing Multiple Employer Defined Pension Plan  
Last 10 Years\*  
**SCHEDULE OF CONTRIBUTIONS**

	Miscellaneous Plan				
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarially determined contribution	\$76,851	\$72,580	\$55,390	\$43,419	\$37,170
Contributions in relation to the actuarially determined contributions	(76,851)	(172,580)	(55,390)	(143,419)	(37,170)
Contribution deficiency (excess)	\$0	(\$100,000)	\$0	(\$100,000)	\$0
Covered payroll	\$492,850	\$533,854	\$422,884	\$377,037	\$393,451
Contributions as a percentage of covered-employee payroll	15.59%	32.33%	13.10%	38.04%	9.45%

**Notes to Schedule**

Valuation date: 6/30/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	14 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	(1)
Investment rate of return	7.15% (2)
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

\* Fiscal year 2015 was the 1st year of implementation

# EAST BAY DISCHARGERS AUTHORITY

## Other Post-Employment Benefits (OPEB) Plan Last 10 Years\*

### Schedule of Changes in the Net OPEB Liability and Related Ratios

	2019	2018
<b>Total OPEB liability</b>		
Service cost	\$15,695	\$15,238
Interest	49,626	48,858
Differences between expected and actual experience	-	-
Change in assumptions	-	-
Benefit payments, including refunds of employee contributions	(35,331)	(67,246)
Changes of benefit terms	-	-
<b>Net change in total OPEB liability</b>	29,990	(3,150)
<b>Total OPEB liability - beginning</b>	844,771	847,921
<b>Total OPEB liability - ending (a)</b>	<u>\$874,761</u>	<u>\$844,771</u>
<b>OPEB fiduciary net position</b>		
Contributions - employer	\$82,651	\$80,635
Contributions - employee	-	-
Net investment income	11,389	12,876
Benefit payments, including refunds of employee contributions	(35,331)	(67,246)
Administrative expense	(81)	(64)
Other changes	-	-
<b>Net change in plan fiduciary net position</b>	58,628	26,201
<b>Plan fiduciary net position - beginning</b>	148,850	122,649
<b>Plan fiduciary net position - ending (b)</b>	<u>207,478</u>	<u>148,850</u>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<u>\$667,283</u>	<u>\$695,921</u>
Plan fiduciary net position as a percentage of the total OPEB liability	23.72%	17.62%
Covered payroll	<u>\$533,854</u>	<u>\$422,884</u>
Net OPEB liability as a percentage of covered payroll	<u>124.99%</u>	<u>164.57%</u>

\* Fiscal year 2018 was the first year of implementation.

## EAST BAY DISCHARGERS AUTHORITY

### Other Post-Employment Benefits (OPEB) Plan Last 10 Years\*

#### Schedule of Contributions

	2019	2018
Actuarial determined contribution	\$66,000	\$66,000
Contributions in relation to the actuarial determined contribution	57,097	97,873
Contributions deficiency (excess)	\$8,903	(\$31,873)
Covered Payroll	\$533,854	\$422,884
Contributions as a percentage of covered payroll	10.7%	23.1%

#### Methods and Assumptions used to determine contribution rates:

Valuation Date	July 1, 2017
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.75%
Payroll Growth	3.00%
Investment Rate of return	6.00%
Healthcare Trend Rate	5.00%

\*- Fiscal year 2018 was the first year of implementation

## **SUPPLEMENTARY INFORMATION**

**East Bay Dischargers Authority**  
Operations and Maintenance Fund  
Schedule of Expenses  
Budget vs. Actual  
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
<b>Operations and Maintenance Programs:</b>			
General and administration	\$1,048,532	\$986,661	\$61,871
Outfall and forcemains	182,394	141,397	40,997
San Leandro pump station	101,718	97,847	3,871
Marina Dechlorination Facility	479,676	391,128	88,548
Oro Loma pump station	483,915	375,409	108,506
Hayward pump station	127,394	128,424	(1,030)
Alvarado pump station	376,694	290,999	85,695
Bay and effluent monitoring	565,515	413,580	151,935
Subtotal	<u>\$3,365,838</u>	<u>2,825,445</u>	<u>\$540,393</u>
Depreciation Expense		<u>925,899</u>	
Total Expenses		<u><u>\$3,751,344</u></u>	

**East Bay Dischargers Authority**  
Operations and Maintenance Fund  
Schedule of General and Administrative Expenses  
Budget vs. Actual  
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
<b>General and Administrative Expenses:</b>			
Salaries	\$439,342	\$438,349	\$993
Employee benefits	212,989	225,156	(12,167)
Commissioners' compensation	45,000	39,630	5,370
Deferred compensation	13,401	13,179	222
Insurance	17,000	14,409	2,591
Memberships	14,000	24,425	(10,425)
Supplies	20,000	16,998	3,002
Contractual services	15,000	18,769	(3,769)
Professional services	220,000	158,679	61,321
Rental	7,300	5,840	1,460
Maintenance	25,000	11,312	13,688
Travel	18,000	5,803	12,197
Utilities	1,500	11,371	(9,871)
Other		2,741	(2,741)
Total Expenses	<u>\$1,048,532</u>	<u>\$986,661</u>	<u>\$61,871</u>

**East Bay Dischargers Authority**  
Water Recycling Fund  
Schedule of Expenses  
Budget vs. Actual  
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
<b>Water Recycling Programs:</b>			
Skywest Golf Course Irrigation	\$120,000	\$60,755	\$59,245
Subtotal	<u>\$120,000</u>	<u>60,755</u>	<u>\$59,245</u>
Depreciation Expense		<u>12,912</u>	
Total Expense		<u><u>\$73,667</u></u>	

**East Bay Dischargers Authority**  
**Planning and Special Studies Fund**  
**Schedule of Expenses**  
**Budget vs. Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
<b>Planning and Special Studies Fund:</b>			
LAVWMA Master Agreement:			
City of San Leandro	\$850,587	\$850,587	
Oro Loma Sanitary District	882,598	882,598	
Castro Valley Sanitary District	475,597	475,597	
City of Hayward	1,509,106	1,509,106	
Union Sanitary District	855,160	855,160	
NPDES Permit Fees	450,000	434,654	\$15,346
NPDES Testing-Member Agencies	99,000	68,650	30,350
JPA Evaluation Studies	200,000	77,372	122,628
Regional Monitoring Plan	280,000	118,565	161,435
Rents and Fees	107,000	106,667	
Transport System Evaluation	125,000	67,298	57,702
Hayward Pump/Ponds Foundation (WERF)	25,000	19,886	5,114
	<u>\$5,859,048</u>	<u>\$5,466,140</u>	<u>\$392,575</u>
Total Expenses	<u>\$5,859,048</u>	<u>\$5,466,140</u>	<u>\$392,575</u>

**East Bay Dischargers Authority**  
Schedule of Cumulative Expenditures  
Capital Projects and Planning and Special Studies Fund  
From inception to June 30, 2019

	Construction Fund					Planning and Special Studies Fund	Total
	Preliminary Engineering Step I	Final Design Step II	Construction Step III	Construction Preservation	Right-of-Way Acquisitions		
Cumulative Balance - June 30, 2018	\$1,793,555	\$6,446,495	\$131,368,161	\$108,686	\$1,428,899	\$24,774,576	\$165,920,372
Current year expenses						5,466,140	5,466,140
Cumulative Balance - June 30, 2019	1,793,555	6,446,495	131,368,161	108,686	1,428,899	30,240,716	171,386,512
Transfer of completed joint-use facilities to funds	(770,081)	(1,960,537)	(46,455,940)	(108,686)	(712,274)	(58,866)	(50,066,384)
Transfer of completed sole-use facilities to owner-agency	(901,554)	(3,844,269)	(84,746,231)		(716,625)		(90,208,679)
PreDischarge monitoring study expensed	(121,920)	(641,689)					(763,609)
Grants Close-Out Programs Expensed:							
Joint-use			(129,270)				(129,270)
Sole-use			(36,720)				(36,720)
Planning and Special Studies Programs Expensed:							
Joint-use						(27,773,341)	(27,773,341)
Sole-use						(2,408,509)	(2,408,509)
Total Construction In-Progress - June 30, 2019							

**East Bay Dischargers Authority**  
Schedule of Sole-Use Projects  
Capital Projects Fund  
For the Fiscal Year Ended June 30, 2019

**COMPLETED PROJECTS**

City of San Leandro:	
Treatment plant improvements	\$1,480,369
Secondary treatment improvements	6,216,527
Data Acquisition system	1,195
Completion contract	23,717
Site improvements at Marina Dechlorination Facility	15,466
Total San Leandro	<u>7,737,274</u>
Oro Loma/Castro Valley Sanitary Districts:	
Treatment plant improvements	1,183,182
Incinerator modifications	404,780
Dechlorination Facilities	76,321
Total Oro Loma/Castro Valley Sanitary Districts	<u>1,664,283</u>
City of Hayward:	
Treatment plant improvements	2,039,560
Sand filter	216,875
Innovative/alternative pilot study	184,413
Secondary treatment facilities - unit 1, fixed film reactor	6,064,511
Sludge drying beds	64,319
Oxidation ponds	842
Secondary treatment facilities - unit 2, wastewater plant	15,254,732
Total City of Hayward	<u>23,825,252</u>
Union Sanitary District:	
Dechlorination Facilities	140,235
Treatment plant	26,918,937
Rotating biological contactors modification	16,386
Alvarado to Newark force main	10,059,045
Newark to Irvington force main	13,311,800
Newark gravity sewer	224,495
Completion contracts	44,566
Newark pump station	3,039,602
Irvington pump station	2,072,808
Cathodic protection	112,138
Miscellaneous improvements	59,089
Demolition of Irvington treatment plant and miscellaneous improvements	647,388
Treatment plant expansion	1,477
Treatment plant odor control	283,904
Total Union Sanitary District	<u>56,931,870</u>
Skywest Golf Course Irrigation	<u>50,000</u>
Grants Close-Out Programs Expenses:	
City of San Leandro	5,492
City of Hayward	14,930
Union Sanitary District	16,298
Total Grants Close-Out Programs Expenses	<u>36,720</u>
<b>TOTAL CAPITAL PROJECTS</b>	<u><u>\$90,245,399</u></u>

**East Bay Dischargers Authority**  
Schedule of Joint-Use Projects  
Capital Projects Fund  
For the Fiscal Year Ended June 30, 2019

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COMPLETED PROJECTS:

Operations Center	\$456,205
Data acquisition system	405,827
Bay Outfall	19,475,150
San Leandro to Marina Forcemain	3,775,940
Marina to Oro Loma Forcemain	5,410,434
Oro Loma to Hayward Forcemain	2,760,721
Hayward to Alvarado Forcemain	8,656,375
San Leandro pump station	408,316
Oro Loma pump station	4,878,889
Hayward pump station	473,018
Union Sanitary District pump station	1,215,335
Marina Dechlorination Facility	1,139,870
Completion contracts	70,230
Site improvements at Marina Dechlorination Facility	121,240
Miscellaneous improvements	3,035
Systems modification	67,026
Cathodic protection	68,211
Skywest Golf Course Irrigation	619,712
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Total	50,005,534
	<hr/>
PreDischarge Monitoring Study Expensed	763,609
	<hr/>
Grants Close-Out Programs Expensed	129,270
	<hr/>
TOTAL	<u><u>\$50,898,413</u></u>

**East Bay Dischargers Authority**  
Schedule of Sole-Use Projects  
Planning and Special Studies Fund  
For the Fiscal Year Ended June 30, 2019

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City of San Leandro:	
NPDES testing	<u>\$436,499</u>
Oro Loma/Castro Valley Sanitary Districts:	
Energy optimization study	52,280
NPDES testing	414,034
OLSD project assistance	<u>10,261</u>
Total Oro Loma/Castro Valley Sanitary Districts	<u>476,575</u>
City of Hayward:	
Hayward project assistance	52,465
NPDES testing	434,902
Russell City Energy Center	<u>3,211</u>
Total City of Hayward	<u>490,578</u>
Union Sanitary District:	
NPDES testing	666,606
Treatment plant expansion	933
USD project assistance	<u>203,483</u>
Total Union Sanitary District	<u>871,022</u>
LAVWMA:	
LAVWMA project studies	<u>84,141</u>
DSRSD:	
DSRSD Antidegradation Analysis	<u>106,524</u>
TOTAL PLANNING AND SPECIAL STUDIES	<u><u>\$2,465,339</u></u>

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## **OTHER INDEPENDENT AUDITOR'S REPORT**

### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Commission  
East Bay Dischargers Authority  
San Lorenzo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the East Bay Dischargers Authority (Authority), California, as of and for the year ended June 30, 2019 and the related notes to the financial statements, and have issued our report thereon dated November 12, 2019. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 12, 2019 which is an integral part of our audit and should be read in conjunction with this report.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze + Associates*

Pleasant Hill, California  
November 12, 2019

**EAST BAY DISCHARGERS AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED JUNE 30, 2019**

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**EAST BAY DISCHARGERS AUTHORITY**  
**MEMORANDUM ON INTERNAL CONTROL**  
**AND**  
**REQUIRED COMMUNICATIONS**

**For The Year Ended June 30, 2019**

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## MEMORANDUM ON INTERNAL CONTROL

To the Commission  
East Bay Dischargers Authority  
San Lorenzo, California

In planning and performing our audit of the basic financial statements of the East Bay Dischargers Authority (Authority), California, as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, Commission, others within the organization, and agencies and pass-through entities requiring compliance with Government Auditing Standards, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze + Associates' in a cursive, stylized script.

Pleasant Hill, California  
November 12, 2019

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**MEMORANDUM ON INTERNAL CONTROL  
SCHEDULE OF OTHER MATTERS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

**EFFECTIVE FISCAL YEAR 2019/20:**

**GASB 84 – Fiduciary Activities**

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**MEMORANDUM ON INTERNAL CONTROL  
SCHEDULE OF OTHER MATTERS  
FOR THE YEAR ENDED JUNE 30, 2019**

**GASB 90 - Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61**

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

**MEMORANDUM ON INTERNAL CONTROL  
SCHEDULE OF OTHER MATTERS  
FOR THE YEAR ENDED JUNE 30, 2019**

**EFFECTIVE FISCAL YEAR 2020/21:**

**GASB 87 – Leases**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

**GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period**

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

**MEMORANDUM ON INTERNAL CONTROL  
SCHEDULE OF OTHER MATTERS  
FOR THE YEAR ENDED JUNE 30, 2019**

**EFFECTIVE FISCAL YEAR 2021/22:**

**GASB 91 - Conduit Debt Obligations**

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
  - (1) an issuer
  - (2) a third-party obligor, and
  - (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

**MEMORANDUM ON INTERNAL CONTROL  
SCHEDULE OF OTHER MATTERS  
FOR THE YEAR ENDED JUNE 30, 2019**

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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## REQUIRED COMMUNICATIONS

To the Commission  
East Bay Dischargers Authority  
San Lorenzo, California

We have audited the basic financial statements of the East Bay Dischargers Authority (Authority), for the year ended June 30, 2019. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

### **Significant Audit Findings**

#### ***Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are included in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year except as follows:

The following Governmental Accounting Standards Board (GASB) pronouncements became effective, but did not have a material effect on the financial statements:

#### **GASB 83 - *Certain Asset Retirement Obligations***

#### **GASB 88 – *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placement***

#### ***Unusual Transactions, Controversial or Emerging Areas***

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## ***Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Authority's financial statements were:

*Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension assets and liabilities and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Net OPEB Liabilities:* Management's estimate of the net OPEB Liabilities is disclosed in Note 9 to the financial statements and is based on actuarial study determined by a consultant, which is based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Fair Value of Investments:* As of June 30, 2019, the Authority held approximately \$4.2 million of cash and investments as measured by fair value as disclosed in Note 3 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2019. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2019.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 2 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimate of Compensated Absences:* Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 2K and Note 5 to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

## ***Disclosures***

The financial statement disclosures are neutral, consistent, and clear.

## ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the Authority's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Commissioners.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated November 12, 2019.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

We were engaged to report on the supplementary information which accompany the financial statements, but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

\*\*\*\*\*

This information is intended solely for the use of Commission and management and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Maze + Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
November 12, 2019