



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, February 20, 2020

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

- | | |
|---------------|---|
| MOTION | 5. Commission Meeting Minutes of January 16, 2020 |
| | 6. List of Disbursements for January 2020 – See Item FM4 |
| | 7. Treasurer’s Report for January 2020 – See Item FM5 |

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

- | | |
|--------------------|--|
| INFORMATION | 8. General Manager’s Report
(The General Manager will report on EBDA issues.) |
| INFORMATION | 9. Report From the Managers Advisory Committee
(The General Manager will report on the meeting.) |
| MOTION | 10. Report From the Financial Management Committee
(The General Manager will report on the meeting.) |
| MOTION | 11. Report From the Operations & Maintenance Committee
(The General Manager will report on the meeting.) |
| INFORMATION | 12. Items From the Commission and Staff
(The Commission and staff may address items of general interest.) |
| | 13. Adjournment |

Agenda Explanation
East Bay Dischargers Authority
Commission Agenda
February 20, 2020

(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. 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 Commission meeting will be held
Thursday, March 19, 2020 at 9:30 a.m.**

GLOSSARY OF ACRONYMS

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

GLOSSARY OF ACRONYMS

O&M	Operations & Maintenance	SRF	State Revolving Fund
OLEPS	Oro Loma Effluent Pump Station	SSMP	Sewer System Management Plan
OLSD	Oro Loma Sanitary District	SSO	Sanitary Sewer Overflow
OMB	Office of Management and Budget	SWRCB	State Water Resources Control Board
P	Phosphorous	TDS	Total Dissolved Solids
PAHs	Polynuclear Aromatic Hydrocarbons	TMDL	Total Maximum Daily Load
PCBs	Poly Chlorinated Biphenyls	TN	Total Nitrogen
PLC	Programmable Logic Controller	TP	Total Phosphorus
PFAS	Per and Polyflouroalkyl Substances	TRC	Total Residual Chlorine
POTW	Publicly Owned Treatment Works	TSO	Time Schedule Order
PPCPs	Pharmaceutical and Personal Care Products	TSS	Total Suspended Solids
QA/QC	Quality Assurance / Quality Control	USD	Union Sanitary District
Region IX	Western Region of EPA (CA, AZ, NV & HI)	UV	Ultraviolet Treatment
ReNUWit	Re-Inventing the Nation's Urban Water Infrastructure engineering research center	VFD	Variable Frequency Drive
RFP	Request For Proposals	VOCs	Volatile Organic Compounds
RFQ	Request For Qualifications	WAS	Waste Activated Sludge
RMP	Regional Monitoring Program	WDR	Waste Discharge Requirements
RO	Reverse Osmosis	WEF	Water Environment Federation
RWB	Regional Water Board	WET	Whole Effluent Toxicity or Waste Extraction Test
RWQCB	Regional Water Quality Control Board	WIN	Water Infrastructure Network
SBS	Sodium Bisulfite	WLA	Waste Load Allocation (point sources)
SCADA	Supervisory Control and Data Acquisition	WPCF	Water Pollution Control Facility
SCAP	Southern California Alliance of POTWs	WQBEL	Water Quality Based Effluent Limitation
SEP	Supplementary Environmental Project	WQS	Water Quality Standards
SFEI	San Francisco Estuary Institute	WRDA	Water Resource Development Act
SIP	State Implementation Policy (CTR/NTR criteria)	WRF	Water Research Foundation
SLEPS	San Leandro Effluent Pump Station	WWTP	Wastewater Treatment Plant
		WWWIFA	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 January 16, 2020

Item No. 6 List of Disbursements for January 2020 – See Item FM4

Item No. 7 Treasurer’s Report for January 2020 – See Item FM5

Recommendation

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

ITEM NO. 5 COMMISSION MEETING MINUTES OF JANUARY 16, 2020

**EAST BAY DISCHARGERS AUTHORITY
COMMISSION MEETING MINUTES**

January 16, 2020

1. Call to Order

Chair Cutter called the meeting to order at 9:30 A.M. on Thursday, January 16, 2020, at the Oro Loma Sanitary District Boardroom, 2655 Grant Avenue, San Lorenzo, CA 94580.

2. Pledge of Allegiance

3. Roll Call

PRESENT:	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

PRESENT:	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
	Sara Lamnin	City of Hayward
	Justin Jenson	City of San Leandro
	Jason Warner	Oro Loma Sanitary District
	Roland Williams	Castro Valley Sanitary District

4. Public Forum

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 December 19, 2019

6. List of Disbursements for December 2019

7. Treasurer's Report for December 2019

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

REGULAR CALENDAR

8. General Manager's Report

The General Manager (GM) reported that EBDA will continue to electronically send Commission Agenda packets but will only mail paper packets to parties that request them. The GM then reviewed potential funding opportunities contained in a pending bill that would put a bond on the November 2020 ballot for climate resilience and wildfire protection projects. The GM also reported on her attendance at the BACWA Annual Meeting, highlighting breakthroughs on the Basin Plan Amendment for Total Residual Chlorine. If approved, the Amendment would remove the requirement to meet an instantaneous 0.0 mg/L chlorine residual limit, which would result in less dechlorinating chemicals released into the Bay and also save agency funds.

Lastly, the GM reported that she will distribute a formal rating sheet for her annual review. Comments will be compiled and used for her evaluation at the next Commission Meeting during closed session.

9. Report from the Managers Advisory Committee (MAC)

The MAC met on January 9, 2020. One point of discussion was the approach to capital payments approved in last year's RRF Resolution. Line items include San Leandro's electrical upgrade project, refurbishing two SLEPS pumps, and the purchase of couplings for faster response to a transport system failure. The MAC supported staff's recommendation that EBDA pay San Leandro the pre-approved amounts for the electrical upgrade, pumps, and coupling purchase. The GM will bring them forward for the Commission's consideration.

10. Report from the Financial Management Committee

The Financial Management Committee met on January 13, 2020, where they reviewed the List of Disbursements and Treasurer's Report for December. The GM noted that EBDA transferred funds from its Local Agency Investment Funds (LAIF) account to address short-term cash constraints. The Committee also reviewed and gave feedback on EBDA's website rebuild, which the GM reviewed for the Commission, requesting any comments or feedback on the site be submitted within the next few weeks. The Finance Committee also reviewed next steps for the LAVWMA agreement.

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

11. Report from the Regulatory Affairs Committee

The Regulatory Affairs Committee met on January 15, 2020. The GM reviewed the NPDES Status Report, referencing graphs and tables showing compliance for CBOD, TSS and bacteria limits. The GM provided an update on engaging independent consulting experts on bacterial regrowth, noting a meeting is taking place in the coming week to discuss developing a scope for managing bacteria system-wide.

The GM reviewed an update from the Nutrient Management Strategy Science Program included in the agenda, which gives an update on the state of the science upon completion of the first five years of study and the start of the next five-year program. The document highlights current data on nutrients in the various regions of the Bay, noting regions for concern and further study.

Lastly, the GM recapped the California Water Resilience Portfolio Draft, released by Governor Newsom's administration, which outlines a climate-resilient water portfolio for the state. Comments to the draft are due February 7th and the GM plans to submit feedback as part of collaborative comment letters with the AQPI project and CASA.

Commissioner Handley 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).

12. Report from the Operations and Maintenance Committee (O&M)

The Operations and Maintenance Committee met on January 14, 2020, and discussed the status of the EBDA facilities. The O&M Manager provided an update on current projects. For AEPS, Pump No. 6's temporarily repaired impeller was installed, and the Variable Frequency Drive (VFD) failed after installation. A purchase order was issued for a new impeller, and a resolution will be brought to the Commission for the VFD repair. At HEPS, the O&M manager reviewed recently completed fencing, and current painting projects. At OLEPS, the underground portion of the conduit and water line installation was completed prior to the start of paving and the paving between OLEPS and OLSD was completed. The O&M Manager reviewed for the Commission an annual recap of recycled water use at Skywest, and reported there will be a quarterly Cyber Security meeting later in the day.

For the AQPI project, the GM attended a ribbon-cutting ceremony for the first permanent X-band radar installation at the Penitencia Water Treatment Plant at Santa Clara Valley Water District. A regional Planning Agreement was signed which commits the participating agencies to outline an operational plan and work on increasing media attention with the intention of securing additional funding post-grant. The goal is to have a regional O&M agreement by July 2020. On January 24th, there will be a user training session for the participating agencies conducted by NOAA on how to view and download the data from the radar system. An upcoming project will be finding a site for installation of a C-band radar, which enhances and completes the regional radar system.

Commissioner Walters 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).

13. Resolution Authorizing the General Manager to Enter into a Cooperative Agreement to Provide Funding for Shared Temporary Deployment of Precipitation Forecasting System with Sonoma County Water Agency

Commissioner Walters moved to adopt the Resolution authorizing the GM to enter into a cooperative agreement with Sonoma County Water Agency. The motion was seconded by Commissioner Handley and carried unanimously, 5-0 by roll call vote.

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

14. Resolution Approving Amendments to the Personnel Policy.

Commissioner Mendall moved to adopt the Resolution approving amendments to the Personnel Policy. The motion was seconded by Commissioner Handley and carried unanimously, 5-0 by roll call vote.

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

15. Resolution of Appreciation for Al Mendall

The Commission thanked Commissioner Mendall for his many individual contributions and his aid with successfully negotiating and adopting the JPA renewal.

Commissioner Handley moved to adopt the Resolution of Appreciation for Al Mendall. The motion was seconded by Commissioner Johnson and carried unanimously, 5-0 by roll call vote.

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

16. Items from Commission and Staff

The Commission relayed there will be an alternate for the coming month.

17. Adjournment

With no further business, Chair Cutter adjourned the meeting at 10:29 A.M.

Jacqueline Zipkin
General Manager

ITEM NO. 8 GENERAL MANAGER'S REPORT

The General Manager will discuss items of interest concerning EBDA.

ITEM NO. 9 REPORT FROM THE MANAGERS ADVISORY COMMITTEE

**MANAGERS ADVISORY COMMITTEE
AGENDA**

Thursday, February 13, 2020

1:30 P.M.

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

- 1. Brine Policy**
- 2. Brine Project**
- 3. EBDA Commission Package**
 - Finance
 - O&M
- 4. FY 20/21 Budget Considerations**
- 5. WEKO Seals**
- 6. Debrief AQPI and Disaster Cost Recovery Trainings**
- 7. Mentoring Programs**
- 8. EBDA Managers Round Robin**
- 9. LAVWMA Agreement**



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ITEM NO. 10

**FINANCIAL MANAGEMENT COMMITTEE
AGENDA**

Wednesday, February 19, 2020

10:30 a.m.

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

Committee Members: Lamnin (Chair); Johnson

FM1. Call to Order

FM2. Roll Call

FM3. Public Forum

FM4. List of Disbursements for January 2020

(The Committee will review the List of Disbursements.)

FM5. Treasurer's Report for January 2020

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

FM6. Second Quarter Expense Summary, FY 2019/20

(The Committee will review the second quarter expenses for fiscal year 2019/20.)

FM7. FY 2020-21 Budget Assumptions for Wages and Benefits

(The Committee will consider staff's wage and benefit budget recommendations.)

FM8. Review of the Authority's Investment Policy and Strategy

(The Committee will review the Policy and Strategy to determine whether changes are warranted.)

FM9. State Controller's Special District Financial Transactions Report FY 2018/19

(The Committee will review the financial transactions report submitted to the State Controller's Office for fiscal year 2018/19.)

FM10. Pooled Liability Program Renewal

(The Committee will be updated on EBDA's pooled liability insurance costs.)

FM11. Pension Trust Considerations

(The Committee will consider the advantages and disadvantages of initiating a pension trust for the Authority.)

FM12. LAVWMA Negotiation Key Issues

(The Committee will discuss key issues for negotiation of the extension to the LAVWMA Agreement.)

FM13. Adjournment

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
February 19, 2020

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**The next Financial Management Committee meeting will be held
Monday, March 16, 2020 at 3:00 p.m.**

ITEM NO. FM4 LIST OF DISBURSEMENTS FOR JANUARY 2020

The itemized List of Disbursements for the month of January 2020 totaled \$232,197.80

Reviewed and Approved by:

Sara Lamnin, Chair	Date
Financial Management Committee	

Jacqueline T. Zipkin	Date
Treasurer	

EAST BAY DISCHARGERS AUTHORITY
Cash Disbursement
January 2020

CHECKS (SORTED BY AMOUNT)

Check #	Check Date	Invoice #	Vendor Name	Description	Itemized Charges	Invoice Amount	Check Amount
24553	1/16/2020	06539	CSRMA	POOLED LIABILITY INSURANCE		35,374.00	35,374.00
24546	1/16/2020	02545	UNION SANITARY DISTRICT	O&M - NOVEMBER		33,577.01	33,577.01
24560	1/16/2020	1252786	HANSON BRIDGETT	LEGAL SERVICES - OCTOBER		30,370.00	30,440.00
24560	1/16/2020	1255361	HANSON BRIDGETT	LEGAL SERVICES - NOVEMBER		70.00	
24565	1/31/2020	344869	CITY OF HAYWARD	O&M SECOND QUARTER FY 2019/20		26,336.02	26,336.02
24564	1/31/2020	06249	ORO LOMA SANITARY DISTRICT	O&M - DECEMBER		11,672.43	11,672.43
24557	1/16/2020	SJ979212	UNIVAR	SODIUM BISULFITE - DELIVERY 12/27/19		6,003.19	6,003.19
24541	1/16/2020	OCT-DEC	KARL ROYER	QUARTERLY RETIREE MEDICAL REIMBURSEMENT - OCT- DEC		3,190.50	3,190.50
24549	1/16/2020	45823	CALCON	AEPS COMMUNICATION ISSUES - REPLACED PLC		1,394.32	3,153.92
24549	1/16/2020	45822	CALCON	SCADA SERVICE - HISTORIAN, REPORTS, NETWORK SECURITY - NOVEMBER		1,074.80	
24549	1/16/2020	45821	CALCON	SLEPS VFD FAN, MDF METER VAULT		684.80	
24559	1/16/2020	43578	COMPUTER COURAGE	WEBSITE DEVELOPMENT - DECEMBER		2,863.35	2,863.35
24556	1/16/2020	55687627	USBANK	OFFICE DEPOT	433.11	2,730.91	2,730.91
24556	1/16/2020	55687627	USBANK	FORMS FULFILLMENT CENTER - REORDER CHECKS	423.46		
24556	1/16/2020	55687627	USBANK	REMOTE DATA BACKUPS	405.00		
24556	1/16/2020	55687627	USBANK	USD CONSTRUCTION MANAGEMENT TRAINING COST	286.26		
24556	1/16/2020	55687627	USBANK	SOUTHWEST - CSMFO CONFERENCE	233.96		
24556	1/16/2020	55687627	USBANK	THE CITIZENS HOTEL - CASA STRATEGIC PLANNING - SACRAMENTO	231.23		
24556	1/16/2020	55687627	USBANK	SOUTHWEST - CASA	137.98		
24556	1/16/2020	55687627	USBANK	MALWAREBYTES - VIRUS PROTECTION	124.99		
24556	1/16/2020	55687627	USBANK	OFFICE DEPOT	108.87		
24556	1/16/2020	55687627	USBANK	INTERMEDIA	86.41		
24556	1/16/2020	55687627	USBANK	LYFT	42.49		
24556	1/16/2020	55687627	USBANK	MALWAREBYTES - VIRUS PROTECTION	39.99		
24556	1/16/2020	55687627	USBANK	LYFT	34.21		
24556	1/16/2020	55687627	USBANK	OFFICE DEPOT	19.63		
24556	1/16/2020	55687627	USBANK	PACIFIC RENAISSANCE - PARKING OAKLAND	16.00		
24556	1/16/2020	55687627	USBANK	OFFICE DEPOT	15.73		
24556	1/16/2020	55687627	USBANK	IMPARK - BERKELEY	15.00		
24556	1/16/2020	55687627	USBANK	IMPARK - BERKELEY	15.00		
24556	1/16/2020	55687627	USBANK	LYFT	15.00		
24556	1/16/2020	55687627	USBANK	DUNKIN DONUTS - COMMISSION MEETING	13.99		
24556	1/16/2020	55687627	USBANK	PACIFIC RENAISSANCE - PARKING OAKLAND	12.00		
24556	1/16/2020	55687627	USBANK	EAST BAY TIMES	9.95		
24556	1/16/2020	55687627	USBANK	USPS	6.15		
24556	1/16/2020	55687627	USBANK	OFFICE DEPOT	3.51		
24556	1/16/2020	55687627	USBANK	APPLE CLOUD DATA BACKUP	0.99		
24570	1/31/2020	S1950622.001	SAN LEANDRO ELECTRIC SUPPLY	HEPS MCC LIGHTING		2,561.28	2,592.97
24570	1/31/2020	S1950666.001	SAN LEANDRO ELECTRIC SUPPLY	SAFETY EQUIPMENT FOR MDF		31.69	
24545	1/16/2020	457-303166	VANTAGE POINT TRANSFER AGENTS	ICMA DEFERRED COMPENSATION FOR PAY PERIOD ENDED 01/15/20		2,233.09	2,233.09
24562	1/31/2020	457-303166	VANTAGE POINT	ICMA DEFERRED COMPENSATION FOR PAY PERIOD ENDED 01/31/20		2,233.09	2,233.09
24542	1/16/2020	OCT-DEC	CHARLES WEIR	QUARTERLY RETIREE MEDICAL REIMBURSEMENT - OCT- DEC		1,856.97	1,856.97
24558	1/16/2020	20006	NORTH BAY PENSIONS	ACTUARIAL SERVICES FY 18/19		1,800.00	1,800.00
24568	1/31/2020	SW240163771	PETERSON POWER SYSTEMS	STARTER & BATTERIES		1,650.22	1,650.22

EAST BAY DISCHARGERS AUTHORITY
Cash Disbursement
January 2020

Check #	Check Date	Invoice #	Vendor Name	Description	Itemized Charges	Invoice Amount	Check Amount
24554	1/16/2020	S15631	CRANE WORKS	ANNUAL INSPECTION		1,240.00	1,240.00
24573	1/31/2020	606568	CALTEST	LAB TESTING SERVICES - DECEMBER		864.90	864.90
24555	1/16/2020	08152	CAYUGA INFORMATION SYSTEMS	IT SERVICES - DECEMBER		855.00	855.00
24563	1/31/2020	375740	CITY OF SAN LEANDRO	CUPA ANNUAL HAZARDOUS WASTE FEE		676.00	676.00
24548	1/16/2020	1746192-19	SCIF	WORKERS COMPENSATION PREMIUM - JANUARY		603.25	603.25
24572	1/31/2020	188623982	ORKIN	QUARTERLY PEST CONTROL MDF		290.00	510.00
24572	1/31/2020	195355211	ORKIN	QUARTERLY PEST CONTROL SLEPS		220.00	
24547	1/16/2020	5102785910	AT&T	AT&T PHONE SERVICE ADMIN BUILDING		300.57	300.57
24543	1/16/2020	19-Dec	JACQUELINE ZIPKIN	EXPENSE & MILEAGE REIMBURSEMENT - DECEMBER		184.44	252.25
24543	1/16/2020	19-Nov	JACQUELINE ZIPKIN	EXPENSE & MILEAGE REIMBURSEMENT - NOVEMBER		67.81	
24551	1/16/2020	9845354960	VERIZON WIRELESS	CELLPHONES - DECEMBER		191.85	191.85
24571	1/31/2020	07214	TOWN & COUNTRY	JANITORIAL SERVICES - JANUARY		165.00	165.00
24566	1/31/2020	44777800001	EBMUD	WATER & SEWER EBDA ADMIN BUILDING		107.68	107.68
24567	1/31/2020	5104830439	AT&T	TELEPHONE SERVICES AT MDF - JANUARY		106.20	106.20
24574	1/31/2020	2955270	CALTRONICS	COPIER USAGE - DECEMBER - JANUARY		93.68	93.68
24552	1/16/2020	1014691513	PITNEY BOWES	INK REFILL POSTAGE METER		88.21	88.21
24544	1/16/2020	19-Dec	KALENA YAMBAO	PAYROLL REIMBURSEMENT		61.29	61.29
24561	1/16/2020	37051884813	DIRECT TV	AT&T BUNDLE DISCOUNT		34.89	34.89
24550	1/16/2020	6-893-91819	FEDEX	SHIP LAWMMA AGREEMENT		25.86	25.86
24569	1/31/2020	9846128418	VERIZON WIRELES	MODEM FOR SCADA - 12/11-01/10/20		22.70	22.70
TOTAL CHECK PAYMENTS							173,907.00
ELECTRONIC PAYMENTS							
	1/2/2020	15898957	PERS HEALTH	HEALTH PREMIUMS - JANUARY 2020		7,794.28	7,794.28
	1/24/2020	15908541	CALPERS	MONTHLY UNFUNDED LIABILITY - JANUARY 2020		3,503.42	3,503.42
	1/27/2020	12-2019-2	CALPERS	PENSION PAYMENT FOR PERIOD 12/16/19-12/31/19 - CLASSIC		3,358.46	3,358.46
	1/7/2020	12-2019-1	CALPERS	PENSION PAYMENT FOR PERIOD 12/01/19-12/15/19 - CLASSIC		3,240.17	3,240.17
	1/7/2020	12-2019-1	CALPERS	PENSION PAYMENT FOR PERIOD 12/01/19-12/15/19 - PEPRA		496.80	496.80
	1/27/2020	12-2019-2	CALPERS	PENSION PAYMENT FOR PERIOD 12/16/19-12/31/19 - PEPRA		496.80	496.80
TOTAL ELECTRONIC PAYMENTS							18,889.93
PAYROLL							
	1/2/2020	12/31/2019	PAYROLL TAXES	12/01-15-2019 & 12/16-31/2019 - PAYROLL CORRECTION		29.13	29.13
	1/3/2020	12/31/2019	PAYROLL FEES	12/16-31/2019		60.25	60.25
	1/10/2020	1/15/2020	PAYROLL FEES	01/01-15/2020		49.00	49.00
	1/24/2020	1/31/2020	PAYROLL FEES	01/16-31/2020		49.00	49.00
	1/14/2020	1/15/2020	PAYROLL	01/01-15/2020		18,307.65	18,307.65
	1/30/2020	1/31/2020	PAYROLL	01/16-31/2020		18,265.84	20,905.84
	1/31/2020	Jan-20	CUTTER, PAULINE RUSSO	DIRECT DEPOSIT		720.00	
	1/31/2020	Jan-20	HANDLEY, THOMAS	DIRECT DEPOSIT		240.00	
	1/31/2020	Jan-20	MENDALL, AL	DIRECT DEPOSIT		480.00	
	1/31/2020	Jan-20	JOHNSON, RALPH	DIRECT DEPOSIT		720.00	
	1/31/2020	Jan-20	WALTERS, DAN	DIRECT DEPOSIT		480.00	
TOTAL PAYROLL							39,400.87
TOTAL DISBURSEMENTS							232,197.80

ITEM NO. FM5 TREASURER'S REPORT FOR JANUARY 2020

The beginning cash balance on January 1, 2020 was \$3,721,139.92. The ending cash balance on January 31, 2020 was \$ 4,096,776.70. Total receipts for the month were \$607,834.58 and disbursements were \$232,197.80.

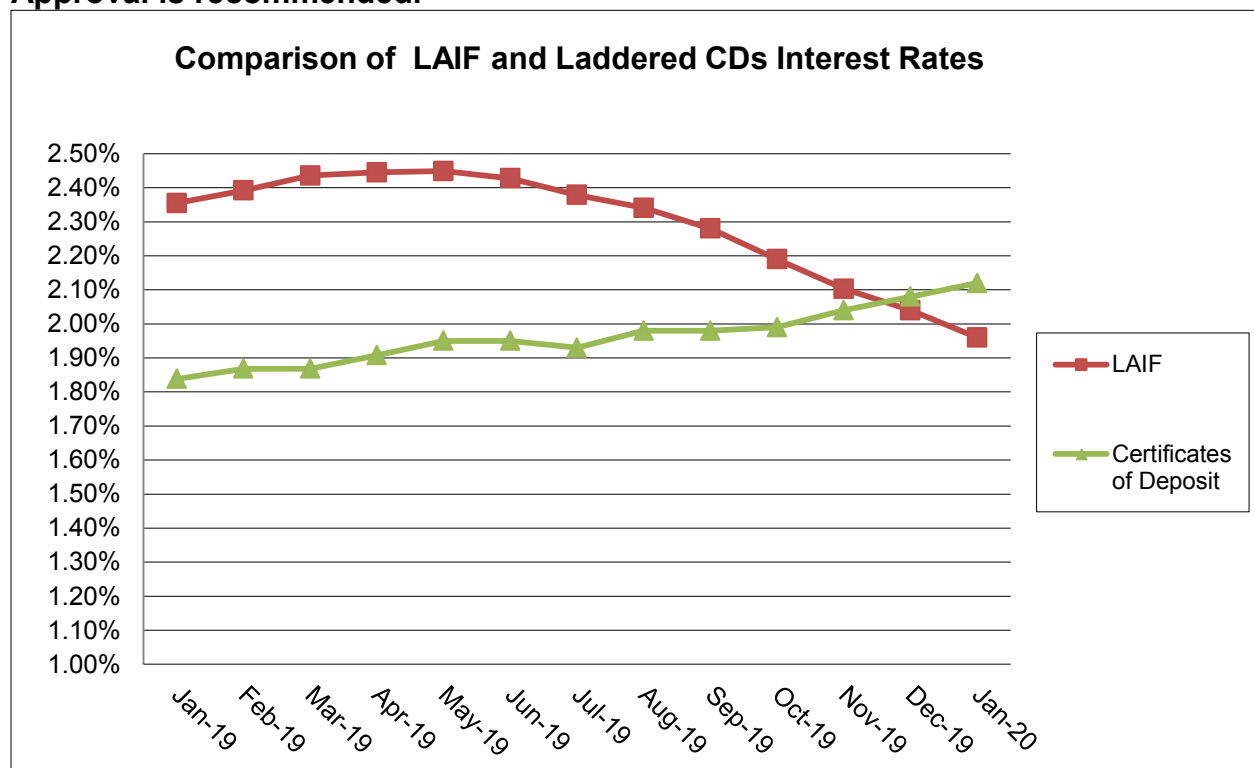
EBDA currently has a three-pronged investment approach that includes laddered CDs, Local Agency Investment Fund (LAIF), and a Wells Fargo savings account. As directed by the Financial Management Committee, funds are currently being transferred to savings and/or LAIF as CDs mature. Staff will continue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

Current market value of laddered CD investments total \$553,056.31. One CD matured in January in the amount of \$50,445.89 and the balance will be transferred to savings this month. The average annual yield of the CDs is 2.12%.

EBDA's LAIF balance beginning January 1, 2020 was \$2,516,827.82. The ending balance on January 31, 2020 was \$2,534,855.79. The LAIF account was credited \$18,027.97 in interest earned for the quarter ending January 31, 2020. The LAIF interest rate for period ending January 31, 2020 is 1.96%.

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
JANUARY 31, 2020

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,169,194.26	529,319.44	187,627.55	1,510,886.15
13	PLANNING & SPECIAL STUDIES	56,045.01	49,768.25	33,303.35	72,509.91
14	RECLAMATION O & M (SKYWEST)	142,393.91	10,000.00	987.56	151,406.35
31	REPLACEMENT	2,341,737.24	18,746.89	10,279.34	2,350,204.79
41	CONSTRUCTION	11,769.50			11,769.50
	TOTALS	3,721,139.92	607,834.58	232,197.80	4,096,776.70

SUPPLEMENTAL TREASURERS REPORT

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
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	50,103.50
BARCLAYS BANK Total						50,103.50
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	50,139.00
CAPITAL ONE BK USA NA Total						50,139.00
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	2.85%	50,000	50,806.50
CITIBANK NA Total						50,806.50
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	99,970.00
COMENITY BANK Total						99,970.00
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	50,013.50
DISCOVER BANK Total						50,013.50
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	3,003.60
GOLDMAN SACHS BK USA Total						3,003.60
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	50,021.50
KEY BANK NA Total						50,021.50
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	47,004.70
LAKESIDE BANK Total						47,004.70
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	50,437.00

CD PORTFOLIO

Institution	Description	Purchase Date	Maturity Date	Estimated Annual Yield	Quantity	Current Market Value
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	2.76%	50,000	50,671.50
MORGAN STANLEY BK NA Total						101,108.50
Grand Total						502,170.80
Average Estimated Annual Yield				2.12%		
Snapshot Market Value on January 31st 2020 (Includes matured untransferred CD)						553,056.31

ITEM NO. FM6 SECOND QUARTER EXPENSE SUMMARY, FY 2019/20

Recommendation

The Committee is asked to review and recommend approval of the Second Quarter Expense Summary.

Background

The Second 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 second quarter, EBDA's spending is very close to budget, at 51% spent. Higher chemical costs to address high fecal coliform values were more than offset by the lack of wet weather, resulting in the O&M Fund being 6% under budget. The Special Projects fund appears over budget at 68% spent, but that is because certain annual fees (i.e. Nutrient Surcharge and Water Research Foundation) were paid in the first quarter and other special projects (i.e. JPA Legal Support and Website Update) are nearly complete. The Special Projects Fund is expected to revert back to budget by year end.

East Bay Dischargers Authority

EXPENSE SUMMARY BY PROGRAM

FY 2019/20 THROUGH DECEMBER 31, 2019 (50% of YEAR)

	YTD Expenses	Budget	Variance	% of Budget	Last FY Q2 Expenses	Explanations for Variance Over 10%
O&M EFFLUENT DISPOSAL						
General Administration	\$472,307.50	\$1,204,602	(\$732,295)	39%	\$490,148	Under budget due to salary savings associated with Administrative Assistant's medical leave.
Outfall & Force mains	\$59,164.00	\$181,181	(\$122,017)	33%	\$72,646	Under budget due to operational efficiencies and certain maintenance activities deferred to after the wet season.
San Leandro Pump Station	\$44,085.14	\$110,636	(\$66,551)	40%	\$45,956	
Marina Dechlor Facility	\$197,685.83	\$479,771	(\$282,085)	41%	\$186,402	
Oro Loma Pump Station	\$199,165.96	\$480,726	(\$281,560)	41%	\$147,648	
Hayward Pump Station	\$62,741.13	\$142,181	(\$79,440)	44%	\$64,365	
Alvarado Pump Station	\$146,617.69	\$358,181	(\$211,563)	41%	\$141,981	
Bay & Effluent Monitoring	\$334,620.11	\$500,090	(\$165,470)	67%	\$293,493	BACWA annual dues (\$102k) were paid in first quarter.
TOTAL O&M EFFLUENT DISPOSAL	\$1,516,387	\$3,457,368	(\$1,940,981)	44%	\$1,442,640	
SPECIAL PROJECTS						
NPDES Permit Fees	\$492,846.00	\$500,000	(\$7,154)	99%	\$434,654	Annual dues were paid in second quarter.
Regional Monitoring Program	\$122,165.00	\$280,000	(\$157,835)	44%	\$118,565	
Nutrient Surcharge	\$273,461.00	\$273,000	\$461	100%	\$106,667	Annual fee was paid in first quarter.
Water Environment Research Foundation	\$22,276.92	\$25,000	(\$2,723)	89%	\$19,780	Annual dues were paid in first quarter.
Transport System Evaluation	\$11,759.32	\$70,000	(\$58,241)	17%	\$34,434	Some of the seismic evaluation work was completed in FY 18/19.
JPA Evaluation Studies	\$0.00	\$50,000	(\$50,000)	0%	\$0	Studies were not identified.
JPA Legal Support	\$88,675.00	\$150,000	(\$61,325)	59%	\$0	Of the total \$150k contract for legal support, a significant portion was incurred in FY18/19.
Website Update	\$17,768.70	\$20,000	(\$2,231)	89%	\$0	Project is nearing completion.
AQPI	\$0.00	\$29,000	(\$29,000)	0%	\$0	One-time payment will be made in third quarter.
Disaster Cost Recovery Plan Implementation	\$7,075.00	\$50,000	(\$42,925)	14%	\$0	Invoices have only been received through August.
Operator Training Modules	\$0.00	\$32,000	(\$32,000)	0%	\$0	EBDA has not yet been billed for project.
NPDES Testing - CSL	\$2,408.00	\$16,500	(\$14,092)	15%	\$6,181	Agencies are being billed directly for testing beginning in September 2019.
NPDES Testing - OLS	\$2,169.10	\$15,500	(\$13,331)	14%	\$7,351	Agencies are being billed directly for testing beginning in September 2019.
NPDES Testing - HAY	\$5,044.10	\$18,500	(\$13,456)	27%	\$11,795	Agencies are being billed directly for testing beginning in September 2019.
NPDES Testing - USD	\$4,551.00	\$18,500	(\$13,949)	25%	\$8,232	Agencies are being billed directly for testing beginning in September 2019.
TOTAL SPECIAL PROJECTS	\$1,050,199	\$1,548,000	(\$497,801)	68%	\$747,659	
WATER RECYCLING						
Skywest Golf Course	\$27,259.90	\$80,000	(\$52,740)	34%	\$56,149	Under budget as a result of optimization of operations and deferral of capital projects.
TOTAL WATER RECYCLING	\$27,260	\$80,000	(\$52,740)	34%	\$56,149	
TOTAL PROGRAMS	\$2,593,846	\$5,085,368	(\$2,491,522)	51%	\$2,246,448	

East Bay Dischargers Authority

EXPENSE SUMMARY BY ACCOUNT

FY 2019/20 THROUGH DECEMBER 31, 2019 (50% OF YEAR)

	YTD Expenses	Budget	Variance	% of Budget	Last FY Expenses	Explanations for Variance Over 10%
4010 - Salary	\$208,072.87	\$546,019	(\$337,946)	38%	\$234,867	Under budget due to the Administrative Assistant's (AA) medical leave. The temporary AA was billed via contract for the first two quarters.
4020 - Benefits	\$113,594.27	\$285,649	(172,055)	40%	\$125,484	
4030 - Commissioner Compensation	\$18,720.00	\$45,000	(26,280)	42%	\$17,550	
4070 - Insurance	\$12,076.00	\$54,000	(41,924)	22%	\$9,598	Pooled liability payment (\$35k) will be made in third quarter.
4080 - Memberships & Subscriptions	\$136,618.40	\$171,550	(34,932)	80%	\$133,630	BACWA dues, which are EBDA's largest membership expense (\$102k) were paid in the first quarter.
4100 - Supplies, Variable	\$122,409.43	\$274,000	(151,591)	45%	\$103,446	
4100 - Supplies, Fixed	\$5,164.90	\$24,000	(18,835)	22%	\$5,256	Significant spending on supplies for office and facilities has not been required.
4110 - Contract Services	\$24,474.83	\$76,000	(51,525)	32%	\$23,441	Some maintenance activities have been deferred until after the wet season.
4120 - Professional Services	\$367,322.72	\$905,750	(538,427)	41%	\$279,963	
4140 - Rents & Fees	\$896,610.00	\$1,105,400	(208,790)	81%	\$669,283	NPDES Permit Fee (\$491k) and Nutrient Surcharge (\$273k) have been paid for the year.
4141 - NPDES Fines	\$0.00	\$9,000	(9,000)	0%	\$0	No violations have occurred. These funds are contingency.
4150 - Maintenance & Repair	\$300,348.70	\$752,500	(452,151)	40%	\$327,388	
4160 - Monitoring	\$79,396.78	\$170,000	(90,603)	47%	\$69,018	
4170 - Travel	\$5,163.25	\$18,000	(12,837)	29%	\$3,241	Several conferences will be occurring in the following quarters.
4190 - Utility, Fixed	\$7,113.18	\$21,500	(14,387)	33%	\$8,341	Savings due to bundling of phone plans.
4191 - Utility, Variable (PG&E)	\$296,700.82	\$627,000	(330,299)	47%	\$234,570	
4200 - Acquisitions & Other	\$60.25	\$0	60	-	\$1,374	
TOTAL ALL ACCOUNTS	\$2,593,846	\$5,085,368	(\$2,491,522)	51%	\$2,246,448	

ITEM NO. FM7 FY 2020-21 BUDGET ASSUMPTIONS FOR WAGES AND BENEFITS

Recommendation

The Committee may provide guidance/approval to staff on wages and benefit assumptions.

Background

Each year's budget makes a number of assumptions on wages and benefits. The proposed assumptions for FY2020-21 are summarized below for the Committee's input.

Discussion

1. **Salary.** As shown in the table below, data from the BLS Urban CPI for San Francisco-Oakland-Hayward exhibits significant variability. Staff recommends setting the cost-of-living adjustment (COLA) at 2.5% based on EBDA's history of using a December to December comparison.

Table A. San Francisco-Oakland-Hayward, CA, CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2015		2016		2017		2018		2019	
	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month
February	1.0	2.5	0.9	3.0	0.8	3.4	1.4	3.6	0.5	3.5
April	1.1	2.4	0.7	2.7	1.1	3.8	0.8	3.2	1.2	4.0
June	0.6	2.3	0.6	2.7	0.3	3.5	0.9	3.9	0.2	3.2
August	0.3	2.6	0.7	3.1	0.2	3.0	0.6	4.3	0.1	2.7
October	0.4	2.6	0.9	3.6	0.6	2.7	0.7	4.4	1.0	3.0
December	-0.3	3.2	-0.3	3.5	-0.1	2.9	0.1	4.5	-0.5	2.5

2. **Medical** premium rates are estimated to increase 5% based on the National Health Expenditure projections for 2018-2027.
3. **PEMHCA.** The Authority's fixed contribution under the Public Employees' Medical and Hospital Care Act (PEMHCA) is \$473 per month for each annuitant. The PEMHCA rate was last updated in 2018, and the Commission may consider increasing it up to 3% annually.
4. **Dental** rates are established on a calendar year basis by the provider so will remain flat through 2020. Budget assumes a 1.6% increase in 2021.
5. **Vision** rates will remain flat through 2020. Budget assumes a 2.75% increase in 2021.
6. **Disability** insurance includes Long & Short-Term effective January 1, 2018. Premiums are unchanged.
7. **CalPERS** annual valuation reports indicate the FY20/21 Employer Normal Cost Rates for the classic and PEPPA plans will be 12.361% and 7.732% respectively. EBDA pays 0% of the Employee contribution rate.
8. **Deferred Compensation** employer contribution expenditures are assumed to increase 2.5%, commensurate with salary increases.

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
February 19, 2020

9. **Workers Comp** rates are based on classification rates multiplied by all discount modifiers effective 2/14/19 from the CDI website. Rates are expected to be flat relative to this year.

ITEM NO. FM8 REVIEW OF THE AUTHORITY'S INVESTMENT STRATEGY

Recommendation

The Committee is asked to review the Authority's Investment Policy and Strategy and provide guidance to staff.

Background

In March 2019, the Commission adopted a new Investment Policy, updating a policy and procedure previously adopted in 2013. The Policy lays out the overall guidelines for the Authority's investments, consistent with relevant government codes. Staff had assistance from PFM Asset Management, LLC in updating the Policy.

At the same time, the Commission adopted a new Investment Strategy, which had not previously existed. The Strategy provides more detail on the specific investments the Authority should be making at this time and gives direction to staff on how to invest the Authority's funds within the broader framework of the Policy. The Strategy was also developed with input from PFM, who analyzed the Authority's cash flows and recommended options for investment strategies.

The adopted Investment Policy and Investment Strategy are attached for reference. Staff is bringing these documents to the Committee for an annual review.

Discussion

Staff is recommending a few minor editorial changes to the Policy at this time. The Policy incorporates by reference relevant sections of California Government Code that govern public agency investments. The Policy had said that those sections were to be attached, but staff recommends removing the attachments on the grounds that the references are sufficient. Staff does recommend attaching Figure 1 of the Local Agency Investment Guidelines, which is a helpful summary of the requirements in the Government Code. This document was updated in 2019, so the reference in the Policy has been updated accordingly.

Staff is not recommending any updates to the Strategy at this time. Market conditions have not changed significantly since the document was adopted. In addition, as part of the JPA negotiation, the Authority's Renewal and Replacement Fund was drawn down somewhat, so there is an increased need to keep remaining funds liquid to ensure that payments can be made for ongoing projects. Later this year, the Committee will review a Reserve Policy and consider whether to build back up the Authority's funds.

If the Committee concurs with the recommendation not to make changes, the Policy and Strategy will be brought back to the Committee for review next year.

POLICY NUMBER: 1.1

NAME OF POLICY: Finance - Investments

LAST REVISED: ~~2/12/20~~3/21/2019

PREVIOUSLY REVISED: ~~3/21/2019~~05/16/2013

PURPOSE: All financial assets, including special revenue funds, capital project funds, internal service funds and other funds that may be created from time to time, shall be administered in accordance with the provisions of this Policy and are accounted for in the Annual Financial Report. This Investment Policy is used to guide Authority staff in investment decisions and transactions.

POLICY: It is the policy of East Bay Dischargers Authority (Authority) to invest public funds in a manner which prioritizes security over investment return, while meeting the daily cash flow demands of the Authority, and conforming to California Government Code Sections 53601 through 53686 and other statutes governing the investment of public funds.

DETAILED DISCUSSION:

A. OBJECTIVES:

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the East Bay Dischargers Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the East Bay Dischargers Authority to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. (CGC 53600.5)

B. STANDARD OF CARE:

- **Prudence:** All investments shall be made within the policy framework of liquidity, safety, and investment return, with the judgment and care a person of prudence and intelligence would, under the circumstances then prevailing, exercise in the management of his/her affairs.
- **Ethics and Conflict of Interest:** District officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers and employee involved in the investment process shall abide by CGC Section 109, et seq. and the California Political Reform Act.
- **Delegation of Authority:** The authority to manage investment programs is granted to the Investment Committee which is comprised of the two members of the Financial Management Committee appointed by the Commission, and the General Manager/Treasurer. The responsibility for the operation and day-to-day maintenance of the investment program is delegated to the Authority's General Manager/Treasurer. The General Manager/Treasurer shall file with the Authority an official bond in the amount of \$250,000. The Authority shall pay the cost of said bonds.

C. PROCEDURES:

The General Manager/Treasurer shall establish written procedures and a system of internal controls for the operation of the investment program consistent with this investment policy to be incorporated into the Authority's Financial Management System Policy and Procedures Manual. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Financial Management Committee. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The General Manager/Treasurer is a trustee and a fiduciary subject to the prudent investor standard. (CGC 53600.3)

D. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS:

The General Manager/Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization that are authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the General Manager/Treasurer shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations and familiar with the Government Code restrictions on public agency investments and have a substantial experience with other public agency investments.

Before engaging in investment transactions with a broker/dealer, the General Manager/Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Authority's account with that firm has reviewed the Authority's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Authority that are appropriate under the terms and conditions of the Investment Policy.

E. AUTHORIZED AND SUITABLE INVESTMENTS:

The allowable investment instruments applicable to all local agencies, including the East Bay Dischargers Authority, are shown in the documents listed below and included by reference in this investment policy. ~~The following documents are attached and included at the end of this Section:~~

~~Figure 1, Chapter II. Fund Management, Local Agency Investment Guidelines 2007, California Debt and Investment Advisory Commission.~~

- California Government Code Section 5920-5924
- California Government Code Section 16429.1-16429.4
- California Government Code Section 53500-53505
- California Government Code Section 53600-53609
- California Government Code Section 53630-53686

See CGC 53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities.

The following table summarizes allowable investments, and is attached and included at the end of this Policy:

Figure 1, Chapter II. Fund Management, Local Agency Investment Guidelines 201907, California Debt and Investment Advisory Commission.

F. PROHIBITED INVESTMENTS:

Under the provisions of CGC 53601.6 and 53631.5, the Authority shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

G. COLLATERALIZATION:

All certificates of deposits and repurchase agreements must be collateralized by U. S. Treasury Obligations. Collateral must be held by a third party and valued on a monthly basis. The percentage of collateralization on Repurchase Agreements will adhere to the amount required under CGC 53601(i)(2).

H. DIVERSIFICATIONS:

It is the policy of the Authority to diversify its investment portfolio. With the exception of funds invested in LAIF, United State Treasury Bills, notes, and bonds, the Authority will diversify its investments by security type and, within each type, by institution. Invested assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification shall be determined and revised periodically by the Treasurer in consultation with the Financial Management Committee. In establishing specific diversification strategies, the following guidelines shall apply:

- 1) Portfolio maturities shall be matched against projected liabilities to avoid an over concentration in a specific series of maturities.
- 2) Maturities selected shall provide for stability and liquidity.
- 3) Disbursement and payroll dates shall be covered by the scheduled maturity of specific investments, marketable U. S. Treasury Bills or Notes or other cash equivalent instruments, such as money market mutual funds.

I. PERFORMANCE STANDARDS:

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the Authority. The Authority shall establish a performance benchmark. Benchmarks may change over time based on changes in market conditions, investment preferences, or cash flow requirements.

J. INTERNAL CONTROLS:

The Authority shall establish a set of internal controls which shall be documented in writing. The internal controls will be reviewed by the Authority and with the independent auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, and unanticipated changes in financial markets or imprudent actions by officers or employees of the Authority.

K. SAFEKEEPING & CUSTODY:

All security transactions entered into by the Authority shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Authority by book entry, physical delivery or by third party custodial agreement. (CGC 53601) The Treasurer shall deposit securities in which the Authority holds funds in a safe deposit box in the name of East Bay Dischargers Authority.

L. REPORTING:

The Treasurer shall submit to the Commission a monthly report. The report shall include a complete description of the portfolio, the type of investment, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed by third party contractors. The report will also include the source of the portfolio valuation. In the case of funds invested in The Local Agency Investment Fund (LAIF), FDIC Insured accounts or county investment pools, current statements from those institutions will satisfy the above reporting requirement. The report will also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Authority will meet its expenditure obligations for the next six months. [CGC 53646(b)]. The Treasurer shall maintain a complete and timely record of all investment transactions.

M. INVESTMENT POLICY ADOPTION:

The Investment Policy shall be adopted by resolution of the East Bay Dischargers Authority. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Commission.

GLOSSARY:

ASK PRICE: The price at which a seller offers to sell a security to a buyer.

ASSET-BACKED SECURITIES: Bonds created from various types of consumer debt.

Returns on these securities come from customer payments on their outstanding loans. The primary types of asset-backed securities are mortgages, home equity loans, auto loans, leases, credit card receivables and student loans.

BANKERS' ACCEPTANCE: A letter of credit issued in a foreign trade transaction which allows exporters to receive payment prior to importation of their goods. Banks provide short-term financing to facilitate the transaction and may sell the obligation to a third party. Bankers' Acceptances are secured by the issuer of the bill, while the underlying goods also serve as collateral.

BANK DEPOSITS: Collateral in the form of currency that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID PRICE: The price at which a buyer offers to purchase a security from the seller.

BOND: A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate called a coupon payment. Bonds are used by companies, municipalities, states and the U.S. government to finance a variety of projects and operating activities.

BROKER: A broker aligns buyers and sellers of securities and receives a commission when a sale occurs. Brokers generally do not hold inventory or make a market for securities.

CALIFORNIA LOCAL AGENCY OBLIGATIONS: Bonds that are issued by a California county, Authority, Authority and county, including a chartered Authority or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

CD (CERTIFICATE OF DEPOSIT): Time deposits issued by a bank, savings or federal credit union, or state-licensed branch of a foreign bank. Negotiable Certificates of Deposits rely on the credit rating of the issuing entity.

COLLATERAL: Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZATION: Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

COMMERCIAL PAPER: Short-term unsecured promissory note issued by a company or financial institution. Commercial paper is issued at a discount and matures at face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more nationally recognized statistical rating organizations (NRSROs).

COUNTY POOLED INVESTMENT FUNDS: The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder, expressed as a percentage of the bond's face value.

CREDIT RISK: Credit risk is the likelihood that an issuer will be unable to make scheduled payments of interest or principal on an outstanding obligation.

CUSTODIAN: An agent such as a broker or a bank that stores a customer's investments for safekeeping. The custodian does not have fiduciary responsibilities.

DEALER: A dealer, as opposed to a broker, acts as a principal in security transactions, selling securities from, and buying securities for his/her own position.

DEFAULT: To default is to fail to repay principal or make timely interest payments on a bond or other debt investment security, or failure to fulfill the terms of a note or contract.

DELIVERY VERSUS PAYMENT (DVP): A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: The weighted average time to maturity of a bond where the weights are the present values of future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates.

FIDUCIARY: An individual who holds something in trust for another and bears liability for its safekeeping.

FLOATING RATE INVESTMENTS: Notes whose interest rate is adjusted according to the interest rates of other financial instruments. These instruments provide protection against rising or falling interest rates, but may pay lower yield than fixed rate notes.

FUTURES: Commodities, which are sold in the present time and are to be delivered at a future date.

INTEREST ONLY STRIPS: Securities with cash flow based entirely on the monthly interest payments received from a mortgage, Treasury, or bond payment. No principal is included in these types of securities.

INVERSE FLOATING RATE INVESTMENTS: Variable-rate notes (such as inverse floating rate notes) whose coupon and value increase as interest rates decrease.

INVESTMENT PROGRAM: The process of modern portfolio management. The process includes establishing investment policy, analysis of the economic and capital markets environment, portfolio monitoring and rebalancing, and measuring performance.

LIQUIDITY: The ease with which investments can be converted to cash at their present market value. Liquidity is significantly affected by the number of buyers and sellers trading a given security and the number of units of the security available for trading.

LOCAL AGENCY BONDS: These bonds are issued by a county, Authority, Authority and county, including a chartered Authority or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to state and local government entities and certain non-profit organizations in California in which organization pools their funds for investment. LAIF is managed by the State Treasurer's Office.

MARKET RISK: Market risk is the risk that investments will change in value based on changes in general market prices.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract which includes provisions specific to the governmental agency that is signed by an authorized officer with each counterparty. A master agreement will often specify details to the nature of transactions, the relationship of the parties to the agreement, parameters pertaining to the ownership and custody of collateral, and remedies in the event of default by either party.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES (MTN): Unsecured, investment-grade senior debt securities of major corporations that are sold either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MORTGAGE-BACKED SECURITIES: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the real estate assets are used to pay interest and principal on the bonds.

MORTGAGE PASS-THROUGH SECURITIES: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUTUAL FUNDS: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. **Money market mutual funds** invest exclusively in short-term (1-day to 1-year) debt obligations such as Treasury bills, certificates of deposit, and commercial paper. The principal objective is the preservation of capital and generation of current income.

OFFER: The price asked by a seller of securities. See Ask Price and Bid Price.

OPTION: A contract that provides the right or obligation, depending on the buyer or seller's position within the contract, to buy or to sell a specific amount of a specific security within a predetermined time period at a specified price. A call option provides the right to buy the underlying security. A put option provides the right to sell the underlying security. The seller of the contracts is called the writer.

PORTFOLIO: A collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRINCIPAL ONLY STRIPS: Securities with cash flow based entirely on the principal payments received from an obligation.

RANGE NOTES: A range note is a bond that pays interest if a specified interest rate remains above or below a certain level and/or remains within a certain range.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price.

REPURCHASE AGREEMENT (RP, Repo): A contractual transaction between an investor and an issuing financial institution (bank or securities dealer). The investor exchanges cash for temporary ownership or control of collateral securities, with an agreement between the parties that on a future date, the financial institution will repurchase the securities.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held by the bank in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION (SEC): A federal government agency comprised of five commissioners appointed by the President and approved by the Senate. The SEC was established to protect the individual investor from fraud and malpractice in the marketplace. The Commission oversees and regulates the activities of registered investment advisers, stock and bond markets, broker/dealers, and mutual funds.

STATE OBLIGATIONS: Registered treasury notes or bonds of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 United States.

STRIPS: Bonds, usually issued by the U.S. Treasury, whose two components, interest and repayment of principal, are separated and sold individually as zero-coupon bonds. Strips are an acronym for Separate Trading of Registered Interest and Principal of Securities.

SUPRANATIONALS: International financial institutions that are generally established by agreements among nations, with member nations contributing capital and participating in management. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction, and renewable energy around the globe.

TRUSTEE: An individual or organization, which holds or manages and invests assets for the benefit of another. The trustee is legally obliged to make all trust-related decisions with the trustee's interests in mind, and may be liable for damages in the event of not doing so.

U.S. AGENCY OBLIGATIONS: Federal agency or United States government-sponsored enterprise obligations (GSEs), participations, or other instruments. The obligations are issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Issuers include: Fannie Mae, Farmer Mac, Federal Farm Credit Banks, Freddie Mac, Federal Home Loan Banks, Financing Corporation, Tennessee Valley Authority, Resolution Trust Funding Corporation, World Bank, Inter-American Development Bank, and PEFCO.

U.S. TREASURY OBLIGATIONS (TREASURIES): Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills: All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury Bills (T-bills). The Treasury currently issues 3-month and 6-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth cash flows.

Treasury Notes: All securities issued with initial maturities of 2- to 10-years are called Treasury Notes (T-notes), and pay interest semi-annually.

Treasury Bonds: All securities issued with initial maturities greater than 10-years are called Treasury Bonds (T-bonds). Like Treasury Notes, they pay interest semi-annually.

WAL: Weighted Average Life: The average life of all the securities that comprise a portfolio, typically expressed in days or years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. Yield does not include capital gains.

Income Yield is obtained by dividing the current dollar income by the current market price for the security.

Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

ZERO-COUPON BOND: A bond on which interest is not payable until maturity (or earlier redemption), but compounds periodically to accumulate to a stated maturity amount. Zero-coupon bonds are typically issued at a discount and repaid at par upon maturity.

FIGURE 1

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2019)^A APPLICABLE TO ALL LOCAL AGENCIES^B

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM REMAINING MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MINIMUM QUALITY REQUIREMENTS	GOVERNMENT CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations: CA and Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% ^E	None	53601(g)
Commercial Paper: Non-pooled Funds ^F	270 days or less	25% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(C)
Commercial Paper: Pooled Funds ^I	270 days or less	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^J	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	30% ^K	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	30% ^K	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M	53601(j)
Medium-term Notes ^N	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20% ^O	Multiple ^{P,Q}	53601(l) and 53601.6(b)
Collateralized Bank Deposits ^R	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-through and Asset Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple ^S	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund ^T	N/A	None	None	16340
Supranational Obligations ^U	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)

TABLE OF NOTES FOR FIGURE 1

A	<i>Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, and 53635.8.</i>	M	<i>spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.</i>
B	<i>Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.</i>	N	
C	<i>Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.</i>	O	<i>Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.</i>
D		P	
E		Q	
F		R	<i>"Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."</i>
G		S	
H	<i>Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.</i>	T	<i>No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.</i>
I		U	
J	<i>No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.</i>		<i>A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.</i>
K	<i>Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.</i>		<i>A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.</i>
L	<i>Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.</i>		<i>Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.</i>
	<i>Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.</i>		<i>A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).</i>
	<i>Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).</i>		<i>Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.</i>
	<i>No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).</i>		<i>Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.</i>
	<i>No more than 30 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(i)).</i>		
	<i>Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or</i>		

East Bay Dischargers Authority Investment Strategy

Last Updated: March 21, 2019

In the interest of prudent investment of EBDA's funds, and to preserve the primary investment objectives of safety, liquidity and yield, EBDA adopts the following strategy:

- Within the framework of California Government Code Section 53601-53606 detailing allowable investments, EBDA will invest its idle long-term funds in CDs, California's Local Agency Investment Fund (LAIF), and California Asset Management Program (CAMP).
- Staff may select which of the above instruments in which to invest and in what quantities, as long as there is less than a 50 basis point (0.5%) differential between the instruments. If the differential is higher, staff shall direct funds to the instrument with higher returns.
- Individual securities such as CDs will have a maturity of no longer than three (3) years and be FDIC insured.
- The portfolio mix will be adjusted as needed to react to changes in liquidity requirements, market changes, and legal constraints.

This strategy will be evaluated and reviewed at least annually for cost-effectiveness. Guidance on permissible investment instruments, standards of care for invested funds, and the role of staff in the investment program are located in EBDA's Investment Policy.

**ITEM NO. FM9 STATE CONTROLLER'S OFFICE SPECIAL DISTRICTS FINANCIAL
TRANSACTIONS REPORT**

Recommendation

This report is for the Committee's information only, and no action is needed.

Background

The Special Districts Financial Transactions Report (FTR) is required to be submitted each year to the State Controller's Office (SCO) by January 31. The report is prepared in conformance with requirements set by the SCO and submitted electronically.

While these reports are consistent with the Authority's audited financial statements and provide no new information, they are attached for the Committee's review and knowledge that they have been submitted.

SPECIAL DISTRICTS FINANCIAL TRANSACTIONS REPORT COVER PAGE

Special District of East Bay Dischargers Authority

Reporting Year: 2019

ID Number: 12500108500

Certification:

I hereby certify that, to the best of my knowledge and belief, the report forms fairly reflect the financial transactions of the special district in accordance with the requirements as prescribed by the California State Controller.

Special District Fiscal Officer


Signature

General Manager
Title

Jacqueline Zipkin
Name (Please Print)

1/24/20
Date

Per Government Code section 53891(a), this report is due within seven months after the close of the fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.

Please complete, sign, and mail this cover page to either address below:

Mailing Address:
State Controller's Office
Local Government Programs and Services Division
Local Government Reporting Section
P.O. Box 942850
Sacramento, CA 94250

Express Mailing Address:
State Controller's Office
Local Government Programs and Services Division
Local Government Reporting Section
3301 C Street, Suite 700
Sacramento, CA 95816

The Financial Transactions Report was successfully submitted to the State Controller's Office on 1/23/2020 10:47:24 PM

Special District of East Bay Dischargers Authority
Special Districts Financial Transactions Report
General Information

Fiscal Year: 2019**District Mailing Address**

Street 1 2651 Grant Avenue ☐ Has Address Changed?

Street 2

City San Lorenzo State CA Zip 94580

Email juanita@ebda.org

Members of the Governing Body

	First Name	M. I.	Last Name	Title
Member 1	Thomas		Handley	Chair
Member 2	Pauline		Cutter	Vice-Chair
Member 3	Dan		Walters	Commissioner
Member 4	Ralph		Johnson	Commissioner
Member 5	Al		Mendall	Commissioner
Member				

District Fiscal Officers

	First Name	M. I.	Last Name	Title	Email
Official 1	Jacqueline	T	Zipkin	Fiscal Officer / General Manager	jzipkin@ebda.org
Officials					

Report Prepared By

First Name Deborah M. I. A Last Name Quinn

Telephone (510) 278-5910 Email dquinn@ebda.org

Independent Auditor

Firm Name Maze and Associates

First Name David M. I. Last Name Alvey

Telephone (925) 930-0902

1. Is this district a component unit of a City, County, or Special District (Choose one)? If "Yes", answer question 2. ☐ Yes ☒ No

2. Is this district a blended component unit (BCU) or a discretely presented component unit (DPCU) of a City, County, or Special District (Choose one)? Refer to the Financial Transactions Report (FTR) instructions for definitions of these terms. If the district is a BCU, answer questions 3 - 5.

☐ BCU ☐ DPCU

3. Is financial data of this BCU included in the financial statements or Comprehensive Annual Financial Report (CAFR) of a City, County, or Special District (Choose one)?

☐ City ☐ County ☐ Special District

4. In which City, County, or Special District financial statements or CAFR is the financial data of this BCU included?

Special District of East Bay Dischargers Authority
Special Districts Financial Transactions Report
Sewer Enterprise Fund
Statement of Revenues, Expenses, and Change in Fund Net Position

Fiscal Year: 2019**Operating Revenues**

R01.	Service Charges	4,165,115
R02.	Permit and Inspection Fees	
R03.	Connection Fees	
R04.	Standby and Availability Charges	
R05.	Service-Type Assessments	
R06.	Service Penalties	
R07.	Other Operating Revenues	139,616
R08.	Total Operating Revenues	\$4,304,731

Operating Expenses

R09.	Transmission	
R10.	Treatment and Disposal	2,792,631
R11.	Taxes	
R12.	Personnel Services	
R13.	Contractual Services	
R14.	Materials and Supplies	
R15.	General and Administrative Expenses	986,661
R16.	Depreciation and Amortization Expenses	938,811
R17.	Other Operating Expenses	
R18.	Total Operating Expenses	\$4,718,103
R19.	Operating Income (Loss)	\$-413,372

Nonoperating Revenues

R20.	Investment Earnings	93,374
R21.	Rents, Leases, and Franchises	
	Taxes and Assessments	
SD22.	Current Secured and Unsecured (1%)	
SD23.	Voter-Approved Taxes	
SD24.	Pass-through Property Taxes (ABX1 26)	
SD25.	Property Assessments	
SD26.	Special Assessments	
SD27.	Special Taxes	
SD28.	Prior-Year Taxes and Assessments	
SD29.	Penalties and Cost of Delinquent Taxes and Assessments	

	Intergovernmental – Federal	
R30.	Aid for Construction	
R31.	Other Intergovernmental – Federal	
	Intergovernmental – State	
R32.	Aid for Construction	
SD33.	Homeowners Property Tax Relief	
SD34.	Timber Yield	
R35.	In-Lieu Taxes	
R36.	Other Intergovernmental – State	
R37.	Intergovernmental – County	
R38.	Intergovernmental – Other	
R39.	Gain on Disposal of Capital Assets	
R40.	Other Nonoperating Revenues	4,558,909
R41.	Total Nonoperating Revenues	\$4,652,283
	Nonoperating Expenses	
R42.	Interest Expense	
R43.	Loss on Disposal of Capital Assets	
R44.	Other Nonoperating Expenses	4,573,048
R45.	Total Nonoperating Expenses	\$4,573,048
R46.	Income (Loss) Before Capital Contributions, Transfers, and Special and Extraordinary Items	\$-334,137
	Capital Contributions	
R47.	Federal	
R48.	State	
R49.	Connection Fees (Capital)	
R50.	County	
R51.	Other Government	
R52.	Other Capital Contributions	
R53.	Total Capital Contributions	\$0
R54.	Transfers In	1,791,558
R55.	Transfers Out	-1,791,558
	Special and Extraordinary Items	
R55.5	Special Item	
R55.6	Extraordinary Item	
R55.7	Total Special and Extraordinary Items	\$0
R56.	Change in Net Position	\$-334,137

R57.	Net Position (Deficit), Beginning of Fiscal Year	\$31,121,398
R58.	Adjustment	
R59.	Reason for Adjustment	
R60.	Net Position (Deficit), End of Fiscal Year	\$30,787,261
	Net Position (Deficit)	
R61.	Net Investment in Capital Assets	28,818,876
R62.	Restricted	
R63.	Unrestricted	1,968,385
R64.	Total Net Position (Deficit)	\$30,787,261

Special District of East Bay Dischargers Authority
Special Districts Financial Transactions Report
Statement of Net Position
Proprietary Funds

Form has been completed.

Fiscal Year: 2019

	Enterprise	Internal Service
Assets		
Current Assets		
Cash and Investments		
R01. Unrestricted	4,230,567	
R02. Restricted		
R03. Accounts Receivable (net)		
R04. Taxes Receivable		
R05. Interest Receivable (net)	23,594	
R06. Due from Other Funds		
R07. Due from Other Governments	44,738	
R08. Inventories	32,127	
R09. Prepaid Items	183,976	
R10. Other Current Assets 1	789	
R11. Other Current Assets 2		
R12. Total Current Assets	\$4,515,791	\$0
Noncurrent Assets		
R13. Cash and Investments, Restricted		
R14. Investments		
R15. Loans, Notes, and Contracts Receivable		
Capital Assets		
R16. Land	442,338	
R17. Buildings and Improvements	20,924,354	
R18. Equipment	856,236	
R18.5 Infrastructure	40,111,305	
R19. Intangible Assets – Amortizable		
R20. Construction in Progress		
R21. Intangible Assets – Nonamortizable		
R22. Other Capital Assets		
R23. Less: Accumulated Depreciation/Amortization	-33,515,357	
R23.5 Net Pension Asset		
R23.6 Net OPEB Asset		
R24. Other Noncurrent Assets 1		
R25. Other Noncurrent Assets 2		
R26. Total Noncurrent Assets	\$28,818,876	\$0
R27. Total Assets	\$33,334,667	\$0

Deferred Outflows of Resources

R28.	Related to Pensions	218,171	
R28.5	Related to OPEB	57,097	
R28.6	Related to Debt Refunding		
R29.	Other Deferred Outflows of Resources		
R30.	Total Deferred Outflows of Resources	\$275,268	\$0
R31.	Total Assets and Deferred Outflows of Resources	\$33,609,935	\$0

Liabilities

Current Liabilities

R32.	Accounts Payable	1,359,672	
R33.	Contracts and Retainage Payable		
R34.	Interest Payable		
R35.	Due to Other Funds		
R36.	Due to Other Governments		
R37.	Deposits and Advances		
R38.	Accrued Compensated Absences	23,826	
R39.	Long-Term Debt, Due Within One Year	0	0
R40.	Other Long-Term Liabilities, Due Within One Year		
R41.	Other Current Liabilities 1		
R42.	Other Current Liabilities 2		
R43.	Total Current Liabilities	\$1,383,498	\$0

Noncurrent Liabilities

R44.	Deposits and Advances, Net of Current Portion		
R45.	Compensated Absences, Net of Current Portion		
R46.	General Obligation Bonds		
R47.	Revenue Bonds		
R48.	Certificates of Participation		
R49.	Other Bonds		
R50.	Loans (Other Long-Term Debt)		
R51.	Notes (Other Long-Term Debt)		
R52.	Other (Other Long-Term Debt)		
R53.	Construction Financing – Federal		
R54.	Construction Financing – State		
R55.	Lease Principal		
R56.	Net Pension Liability	681,137	
R57.	Net OPEB Liability	667,283	
R58.	Other Noncurrent Liabilities 1		
R59.	Other Noncurrent Liabilities 2		
R60.	Total Noncurrent Liabilities	\$1,348,420	\$0
R61.	Total Liabilities		

		\$2,731,918	\$0
Deferred Inflows of Resources			
R62.	Related to Pensions	85,477	
R62.5	Related to OPEB	5,279	
R62.6	Related to Debt Refunding		
R63.	Other Deferred Inflows of Resources		
R64.	Total Deferred Inflows of Resources	\$90,756	\$0
R65.	Total Liabilities and Deferred Inflows of Resources	\$2,822,674	\$0
R66.	Total Net Position (Deficit)	\$30,787,261	\$0
Net Position (Deficit)			
R67.	Net Investment in Capital Assets	28,818,876	
R68.	Restricted		
R69.	Unrestricted	1,968,385	
R70.	Total Net Position (Deficit)	\$30,787,261	\$0
R71.	Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	\$33,609,935	\$0

Special District of East Bay Dischargers Authority
Special District Financial Transactions Report
Footnotes

Fiscal Year: 2019		
FORM DESC	FIELD NAME	FOOTNOTES
SewerEnterpriseFund	(R07)OtherOperatingRevenues	Sale of reclaimed water \$120,000 Other Operating Revenues of \$19,616
SewerEnterpriseFund	(R40)OtherNonoperatingRevenues	LAVWMA master agreement revenue \$4,558,909
SewerEnterpriseFund	(R44)OtherNonoperatingExpenses	LAVWMA master agreement expense \$4,573,048
SewerEnterpriseFund	(R54)TransfersIn	Operations and Maintenance fund \$1,791,558
SewerEnterpriseFund	(R55)TransfersOut	Renewal and Replacement fund \$1,791,558
ProprietaryFunds	(R01)Entpr-Unrestricted	Decrease due to capital improvement project at the Hayward MCC
ProprietaryFunds	(R10)Entpr-OtherCurrentAssets1	Workers' compensation deposit held by State Compensation Insurance Fund @ 06/30/2019
ProprietaryFunds	(R12)Entpr-TotalCurrentAssets	Decrease in unrestricted cash and investments due to capital improvement project

Total Footnote: 8

ITEM NO. FM10 POOLED LIABILITY PROGRAM UPDATE

Recommendation

This information is for the Committee's information only, and no action is required.

Background

EBDA has been a long-term participant in the California Sanitation Risk Management Authority (CSRMA). The renewal premium for the Pooled Liability Program (PLP) was \$33,706, which is a major portion of EBDA's insurance costs. In fiscal year 2018/2019, EBDA's overall insurance premiums totaled \$45,247.00. The Authority's deductible and coverage limits under the PLP are outlined below in Table 2.

For the past several years, an annual dividend representing favorable loss experience among its members has been distributed by CSRMA. It is anticipated that the CSRMA Executive Board will distribute a dividend of \$1,292,953 to its membership. EBDA's portion of the total dividend is \$10,620.

Table 1. EBDA Insurance Premiums and Dividends

Calendar Year	Premium Paid	% +/-	Dividend
2015	\$29,577	-4.63%	\$11,696
2016	\$28,853	-2.45%	\$8,993
2017	\$29,957	3.83%	\$9,842
2018	\$32,941	9.96%	\$9,357
2019	\$33,706	2.32%	\$10,620

Table 2. EBDA Deductibles and Coverage

Deductibles:	\$100,000	per occurrence, combined for Bodily Injury, Property Damage and Personal Injury
	\$2,500	per occurrence for Public Entity Errors & Omissions other than Employment Related Practices
	\$25,000	per occurrence for Employment Related Practices
	\$2,500	per occurrence for Automobile Medical Payments
	\$250,000	per occurrence for Dam Failure
Maximum Coverage Limits:	\$15,500,000	per occurrence, combined for Bodily Injury, Property Damage, Personal Injury and/or Public Entity Errors & Omissions
	\$15,500,000	per occurrence for Employment Related Practices
	\$25,000	per occurrence for Automobile Medical Payments
	\$500,000	per occurrence for Dam Failure
Excess Liability:	\$10,000,000	per occurrence, combined for Bodily Injury, Property Damage and Personal Injury
	\$50,000,000	Pool annual aggregate, combined for Bodily Injury, Property Damage, Personal Injury and/or Public Entity Errors & Omissions

ITEM NO. FM11 PENSION TRUST CONSIDERATIONS

Recommendation

The Committee is asked to provide guidance to staff on initiation of a pension trust.

Background

Authority employees are entitled to pensions through CalPERS, and accordingly, the Authority has outstanding pension liability. In 2019, the Authority adopted Policy 1.6 Finance - Pension Funding, setting a pension funded ratio target of 95%. In December 2019, the Commission approved Resolution 19-45, authorizing the General Manager to make a lump sum contribution in FY 19-20 to the Authority's pension fund to reach this target.

The Authority currently utilizes a California Employers' Retiree Benefit Trust (CERBT), a Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB). In 2019, CalPERS launched the California Employers' Pension Prefunding Trust (CEPPT), a Section 115 trust for prefunding pension obligations. Details are available at www.calpers.ca.gov/ceppt. The Committee directed staff to review the advantages and disadvantages to the Authority of opening a CEPPT fund.

Discussion

As noted above, the Authority plans to reach a target of 95% funded for pension liabilities as of this fiscal year. The remaining unfunded accrued liability will be approximately \$252k. The expectation is that the Authority will remain at a 95% funded target by making discretionary payments when necessary.

Unlike for OPEB, where the only means of prefunding is through a trust or similar account, for pension, the Authority can make discretionary payments directly to CalPERS. One reason to invest in a trust rather than directly in CalPERS is the risk of overfunding. However, this risk is mitigated by the Authority's strategy to target 95% funding rather than 100%. Another reason some agencies are considering a trust is because it enables them to maintain control over their funds rather than relying on CalPERS to accurately track contributions. EBDA has not experienced any recordkeeping errors, and the Authority's balance is relatively small.

The expected net rate of return for the CEPPT is 4.0% or 5.0%, depending on the investment strategy selected. The asset allocation of the trust's portfolio is designed with a focus on relatively short timeframes, with an emphasis on a portfolio strategy for short- and medium-term investments. One of CEPPT's selling points is their lower volatility relative to CalPERS' portfolio in the short-term.

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
February 19, 2020

Given the Authority's high funded ratio, we are able to focus on longer-term returns. CalPERS assumes a 7% long-term rate of return. The lower rate of return for the trust means that if the Authority invested in the trust instead of in CalPERS, its future liability would likely be higher.

While some are still considering it, no EBDA Member Agencies are currently planning to invest in a CEPPT. For the reasons outlined here, staff does not recommend that EBDA invest in a pension trust at this time.

ITEM NO. FM12 LAVWMA NEGOTIATION KEY ISSUES

Recommendation

Provide input to staff on key issues related to negotiation of the Livermore-Amador Valley Water Management Agency (LAVWMA) agreement extension.

Background

EBDA entered into a Master Agreement with LAVWMA in April 2007 (the “Agreement”). The Agreement allows LAVWMA to discharge through EBDA’s system and lays out the conditions for such discharge. The Agreement was set to expire on January 1, 2020 concurrent with the expiration of the EBDA Joint Powers Agreement (JPA). In October 2019, the Commission adopted Resolution 19-38 extending the existing Agreement through June 30, 2020 to allow time for negotiation of new terms following JPA approval.

Discussion

The MAC has continued discussing terms for the Agreement, and negotiations with LAVWMA will commence shortly. At this meeting, staff will provide an update to the Committee on the MAC’s recommended terms and seek Committee input.



EAST BAY DISCHARGERS AUTHORITY
2651 Grant Avenue
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(510) 278-5910
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A Joint Powers Public Agency

ITEM NO. 11

OPERATIONS & MAINTENANCE COMMITTEE AGENDA

Tuesday, February 18, 2020

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 NPDES 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. 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. 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, March 17, 2020, at 9:00 a.m.**

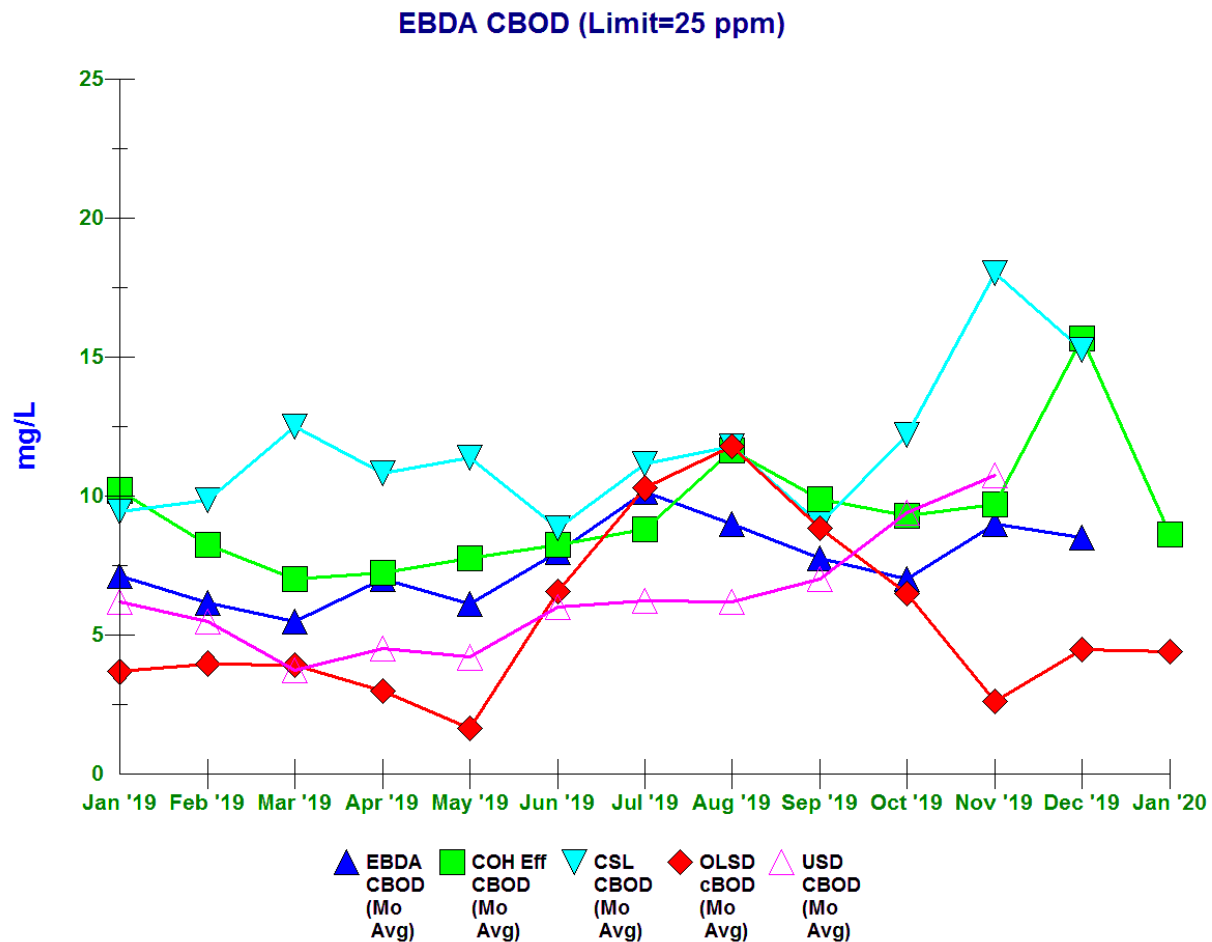
ITEM NO. OM4 EBDA NPDES PERFORMANCE

Recommendation

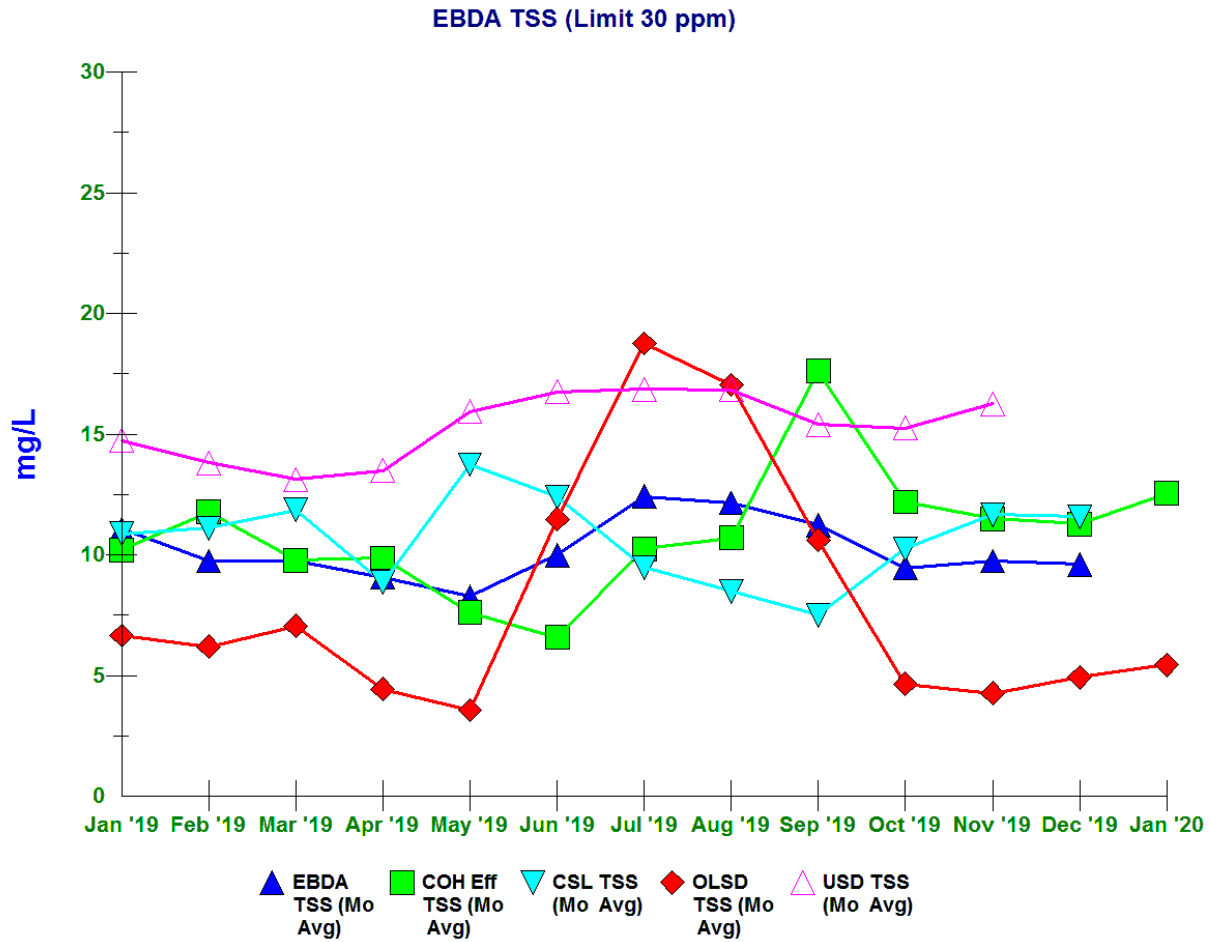
For the Committee's information only; no action is required.

Permit Compliance Issues

There were no NPDES permit violations in December and preliminary data from January are also free of permit exceedances. Member Agency CBOD and TSS performance are shown below. A table with bacterial indicators is also included. Following anomalous fecal coliform detections in November and December, results in January were back to expected levels for the lower temperature season.



EBDA CBOD



EBDA EFF TSS

EBDA Bacterial Indicators

	FECAL	ENTERO
Date	MPN/ 100mL	MPN/ 100mL
Limit (90th Percentile)	1100	
Limit (Geomean)	500	240
Feb 2019, Geomean	3	3
Mar 2019, Geomean	7	2
April 2019, Geomean	7	< 2
May 2019, Geomean	14	2
June 2019, Geomean	16	3
July 2019, Geomean	9	< 3
August 2019, Geomean	32	< 3
Sept 2019, Geomean	12	3
Oct 2019, Geomean	35	2
Nov 2019, Geomean	32	2
12/2/2019	17	< 2
12/3/2019	11	2
12/4/2019	8	< 2
12/9/2019	65	2
12/10/2019	5400	2
12/16/2019	17	4
12/17/2019	11	< 2
12/23/2019	2	< 2
12/24/2019	8	< 2
12/30/2019	2	< 2
12/31/2019	22	< 2
Dec 2019, Geomean	18	< 2
1/6/2020	3	< 2
1/7/2020	4	< 2
1/8/2020	2	2
1/13/2020	4	< 2
1/14/2020	11	2
1/15/2020	13	< 2
1/20/2020	3	< 2
1/21/2020	110	3
1/22/2020	4	4
1/27/2020	9	< 2
1/28/2020	4	< 2
January 2020 geomean	7	< 2

ITEM NO. OM5 STATUS REPORT

Alvarado Effluent Pump Station (AEPS)

Pump Cavitation Study & Station Optimization

On December 9, 2019, EBDA staff provided comments to Carollo Engineers, Inc. (Carollo) on the Draft Cavitation Study Project Memorandum. After Carollo incorporates staff comments, it will be sent to the MAC for review and a meeting will be scheduled with USD staff to review the memorandum.

Effluent Pump No. 6 Refurbishment

On February 3, 2020, the refurbished Variable Frequency Drive (VFD) was installed and Rockwell Automation Field Service completed commissioning. The pump is operational and EBDA would like to thank USD's maintenance staff for their work on the pump's impeller and VFD.

Hayward Effluent Pump Station (HEPS)

Motor Control Center (MCC) Replacement Project

In January, the installation of perimeter fencing with barbed wire was completed around the pump station and MCC building. The painting of the piping and the generator fuel tank was also completed. Upcoming work on the site includes installation of the new stairs into the MCC building and the new platform around the generator. The contractor also started working on the punch list, which is a list of small items that need to be corrected before the project is completed.



New HEPS Fence

Oro Loma Effluent Pump Station (OLEPS)

Emergency Generator Starter Failure

On Sunday February 9, 2020, at approximately 15:10 hours, due to high winds, OLEPS experienced a PG&E power failure. The OLEPS generator starter failed and the generator did not start. To reduce flows to OLEPS while it was without power, the HEPS pumps were turned off and COH's flow was diverted to the Hayward Ponds, USD reduced their flow by approximately 13 MGD, and OLSD was asked to divert their flow to their equalization basin. OLSD operations staff connected one their portable generators at OLEPS and the station was on emergency power at approximately 15:30 hours. The level at OLEPS came within 2 or 3 inches of discharging via the emergency bypass, which would have been a NPDES permit violation. OLSD maintenance staff was called in and replaced the generator starter with one that EBDA had in stock. EBDA would like to thank OLSD's operations staff for their quick response in connecting the portable generator, OLSD's maintenance staff for repairing the generator, and all of the Member Agencies' staff that assisted in reducing the flow to OLEPS and preventing a permit violation.

Electrical Improvements

The next phase of the OLEPS emergency power project includes installing a breaker in OLSD's new blower building, installing new conduits inside OLEPS, and installing wires in the conduits to connect the redundant source of emergency power from OLSD. EBDA is in the process of obtaining a quote from OLSD's Nutrient Optimization Project electrical subcontractor for the work. The recent incident described above further underscores the need for this project to ensure consistent power to OLEPS.

San Leandro Effluent Pump Station (SLEPS)

No change; all equipment is operational.

Skywest Pump Station

Recycled Water Production

During the month of January 2020, due to wet weather, the Skywest Recycled Water System did not produce any recycled water.

Marina Dechlorination Facility (MDF)

No change; all equipment is operational.

Force Main

Transport System Repair Couplings & Seals

As part of the draft Transport System Seismic Reliability Plan, Brown & Caldwell (BC) included a recommended emergency spare parts inventory list. After discussions with the MAC, staff is obtaining quotes for the following items:

1. One 48-Inch Encapsulating Coupling
2. One 60-Inch Encapsulating Coupling
3. Five 48-Inch Internal Seals
4. Five 60-Inch Internal Seals
5. Three 96-Inch Internal Seals

The internal seals are WEKO-Seals manufactured by Miller Pipeline, and a promotional video outlining their use is available at the following link: <https://youtu.be/h4BgblQPFVw>

As discussed last month with the Commission, the plan is for EBDA to purchase the 60-Inch encapsulating coupling and the 48-Inch, 60-Inch & 96-Inch internal seals. EBDA will credit the City of San Leandro for the cost of the 48-Inch encapsulating coupling. The total cost of the 48-Inch, 60-Inch & 96-Inch WEKO-Seals is approximately \$21,000.

Procurement of these items prior to the effective date of the new JPA was agreed to in the JPA Term Sheet and added to the Renewal and Replacement Fund (RRF) project list for FY 2019/2020. The items will be discussed at the MAC and a Resolution will be brought to the Commission in the coming months.

Operations Center

Cyber Security

The most recent quarterly Network Security Management & Coordination meeting was held on January 16, 2020. EBDA staff, Woodard & Curran, Calcon (EBDA's SCADA consultant) and Cayuga Information Systems (EBDA's business IT consultant) continue to work to improve the security of EBDA's SCADA and business networks.

Miscellaneous Items

Underground Service Alerts

EBDA received twenty-seven (27) Underground Service Alert (USA) tickets during the month of January 2020. Two required field verification.

Wet Weather

During the month of January 2020, there were no significant rain events that required the operation of an OLEPS diesel pump or discharge to the Hayward Ponds.

The largest single day rainfall for the month of January 2020 was as follows:

Date	Oakland	Hayward	Livermore
1/17/2020	1.12	0.79	0.70

Total rainfall for the month of January 2020 was as follows:

Oakland	Hayward	Livermore
1.74	1.40	0.96

Special Projects

LAVWMA San Leandro Sample Station (SLSS) PLC Upgrade

In January, the EBDA Programmable Logic Controller (PLC) was upgraded at LAVWMA's SLSS. This upgrade, in conjunction with LAVWMA's recently completed upgrade of their PLC at the SLSS, will allow EBDA to display additional LAVWMA data on the EBDA SCADA system. The additional data, such as pump run status and basin levels, will prove valuable during wet weather and possibly for use with chlorine dosing at OLEPS.

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. (AESC). On December 18, 2019, EBDA staff provided AESC with the data that they requested. Staff is awaiting AESC's analysis.

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.

Disaster Cost Recovery Planning Services

EBDA staff is continuing to work with Kermani Consulting Group (KCG) on disaster cost recovery planning. In November, staff provided feedback on KCG's second draft plan. KCG is in the process of finalizing the plan. A training session for Member Agencies was conducted on February 5, 2020 and was attended by 18 staff.

Advanced Quantitative Precipitation Information (AQPI) Project

The regional AQPI project to improve prediction of rainfall events in the Bay Area continues to move forward. The Cooperative Agreement for installation of the X-band radar in the East Bay has been approved by EBMUD and EBDA, and the other East Bay agencies are slated to approve it in February. The project is still on target for a mid-March installation at Rocky Ridge. This will improve precipitation data collection and modeling for the East Bay.

A Users Group meeting with NOAA scientists was held at EBMUD on January 24. The meeting, which was attended by staff from several EBDA Member Agencies, was aimed at walking agency staff through how to access current data and models and gathering information on data locations and formats that would be most helpful to participants.

Planning is also underway on a regional partnership agreement to fund the O&M of the system beyond 2021, when the original Department of Water Resources grant concludes. EBDA and San Francisco Public Utilities Commission entered into a Planning Agreement on January 15, 2020, committing the agencies to work together on joint publicity for the project, advocacy for additional funding, and development of a long-term cost-sharing agreement. Six additional water and flood control agencies are expected to sign the Planning Agreement in the next month.

As part of the joint regional advocacy efforts, the AQPI partner agencies submitted the attached comment letter on the state's Water Resilience Portfolio Draft, recommending that the state add provisions for future funding of AQPI.



February 06, 2020

The Honorable Wade Crowfoot
Secretary for Natural Resources
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

The Honorable Jared Blumenfeld
Secretary for Environmental Protection
1001 I Street
Sacramento, CA 95814

The Honorable Karen Ross
Secretary of Food and Agriculture
1220 N Street
Sacramento, CA 95814

The Honorable Keely Bosler
Finance Director
915 L Street
Sacramento, CA 95814

Ms. Nancy Vogel
Governor's Water Portfolio Program Director
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Re: SF Bay AQPI Local Planning Partners Comments: 2020 Water Resilience Portfolio Draft

Dear Secretaries Crowfoot, Blumenfeld, Ross, and Directors Bosler and Vogel:

On behalf of the undersigned organizations who together form the SF Bay Advanced Quantitative Precipitation Information (AQPI) System Local Partner Agency Committee (LPAC), we write to express our support of and provide comments to the 2020 Water Resilience Portfolio Draft (Portfolio). The AQPI LPAC consists of Sonoma Water, San Francisco Public Utilities Commission, Santa Clara Valley Water District, and a group of East Bay agencies including East Bay Municipal Utility District, East Bay Dischargers Authority, Alameda County Flood Control & Water Conservation District, Alameda County Water District, and Contra Costa County Flood Control & Water Conservation District. We appreciate the effort you and the Administration have undertaken in preparing the Portfolio Draft. The draft provides a thorough suite of recommendations to guide California's water future in the face of climate change.

The AQPI System was funded in 2016 by a grant from the California Department of Water Resources (DWR) and awarded to Sonoma Water. The National Oceanic and Atmospheric Administration (NOAA) is building the AQPI System and delivering the AQPI end-product to

the LPAC agencies. When completed the AQPI System will provide X-Band and C-Band radar and information systems that will increase the accuracy of weather forecasting and response systems throughout the Bay Area. Improved forecasting will assist water managers, reservoir operators, wastewater managers, and flood and emergency responders in a variety of ways. Improvements include more timely response to extreme water events, ability to secure water supplies while mitigating flood risk, and reduction of potential water quality impacts to the Bay from storm runoff and sewer overflows.

The draft Portfolio provides vulnerability ratings for each of the 10 hydrologic regions of California. Of the four coastal hydrologic regions, the San Francisco Region is the only coastal region to have a 4 out of 4 rating for flood risk, which is on par with hydrologic regions of the Sacramento Valley and San Joaquin Valley. The San Francisco Region's flood risk, population density (6.9 million), diversity of ecologically important habitats, and status as an economic powerhouse for both California and the nation, makes it the ideal location to implement innovative approaches like the AQPI system which will ensure water resources are more resilient to the impacts of climate change.

While there are many noteworthy strategies proposed in the Portfolio to address flooding and to anticipate weather and climate change, the Portfolio does not include specific examples of emerging systems that deliver on these strategies and the state's commitment to sustaining these systems. We respectfully recommend the following language be included in the final version of the Portfolio to recognize the need for continued investment in the AQPI System (proposed modifications noted in italics):

27.4 Change recommendation: *Support and fund the development, utilization, and operation of emerging technologies and partnerships, such as the SF Bay Advanced Quantitative Precipitation Information System, to better estimate and forecast the severity of future flood and drought conditions, including atmospheric rivers, and seasonal snowpack and runoff that generate most of California's water supply.*

27.5. Add additional recommendation: *"Fund the development, operations, and maintenance of systems that utilize emerging technologies and local, state and federal partnerships that improve near term forecasting (0-6 hours) that mitigates flooding and secures water supplies, better informs emergency responders, and avoids potential water quality impacts, such as the SF Bay Advanced Quantitative Precipitation Information System."*

The LPAC agencies, DWR staff, and NOAA view AQPI as a critical pilot program that can provide immense resilience benefits to the SF Bay Area's constituents, water supply, and environment. We look forward to working with you to build a California that is more resilient to the impacts climate change will have on California's water systems. We appreciate your

consideration of our recommendations and comments and encourage you to evaluate their ability to strengthen the Water Resilience Portfolio. Thank you again for your effort and leadership to prepare California's water resources for a future impacted by climate change.

Sincerely,



Alexander R. Coate
General Manager
East Bay Municipal Utility District



Jacqueline T. Zipkin
General Manager
East Bay Dischargers Authority



Steven R. Ritchie
Assistant General Manager, Water
San Francisco Public Utilities Commission



Norma J. Camacho
Chief Executive Officer
Santa Clara Valley Water District



Robert Shaver
General Manager
Alameda County Water District



Grant Davis
General Manager
Sonoma County Water Agency

EAST BAY DISCHARGERS AUTHORITY
MONTHLY OPERATION AND MAINTENANCE REPORT
Jan-2020

1. Summary sheets from the NPDES Report submitted to the RWQCB and EPA are attached for the month of: Dec-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: Dec-19

LOCATION	NO. TASKS SCHEDULED	NO. TASKS COMPLETED	# TASKS UNFINISHED	PERCENT COMPLETED
San Leandro Pump Station	11	11	0	100%
Oro Loma Pump Station	37	37	0	100%
Sky West Pump Station	13	13	0	100%
Hayward Pump Station	15	15	0	100%
Alvarado Pump Station	45	45	0	100%
Marina Dechlorination Facility	40	40	0	100%
EBDA Responsibility	57	57	0	100%
Force Main - USD	4	4	0	100%
Force Main - San Leandro	55	55	0	100%
Total	277	277	0	100%

5. Unscheduled Maintenance for the month of: Jan-20

LOCATION	NO. OF WORK ORDERS
San Leandro Pump Station	1
Oro Loma Pump Station	2
Hayward Pump Station	1
Alvarado Pump Station	0
Marina Dechlorination Facility	1
Skywest Pump Station	0
Force Main	0

6. Other Items of significance: Jan-20

- a. FM: Transport System Repair Couplings & Seals
- b. AEPS: Effluent Pump No. 6 VFD Repair
- c. OLEPS: Electrical Improvements
- d. MDF: No Items
- e. HEPS: MCC Replacement Project
- f. SLEPS: No Items

ITEM NO. 12 ITEMS FROM THE COMMISSION AND STAFF

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

ITEM NO. 13 ADJOURNMENT