



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

A Joint Powers Public Agency

Pursuant to the Governor's Executive Order N-25-20 the Finance Meeting scheduled for July 14, 2020 at 10:30 a.m. will be telephonic. The dial-in number for the meeting is +1 669 900 6833 with meeting I.D. #837 6734 1818. Members of the public are encouraged to dial in to the meeting using the same number. <https://us02web.zoom.us/j/83767341818>

ITEM NO. 10

FINANCIAL MANAGEMENT COMMITTEE AGENDA

Tuesday, July 14, 2020

10:30 A.M.

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

Committee Members: Walters (Chair); Toy

FM1. Call to Order

FM2. Roll Call

FM3. Public Forum

FM4. List of Disbursements for June 2020

(The Committee will review the List of Disbursements for the month of June 2020.)

FM5. Preliminary Treasurer's Report for June 2020

(The Committee will review the Preliminary Treasurer's Report for the month of June 2020.)

FM6. Review of Draft Electronic Signature Policy

(The Committee will review a draft policy.)

FM7. Skywest Golf Course Recycled Water Service

(The Committee will discuss the current status of service and potential pricing changes.)

FM8. Resolution Authorizing Closure of the Authority's Construction Fund

(The Committee will consider approving closure of this fund.)

FM9. Resolution Approving the Authority's Brine Policy

(The Committee will consider approval of revisions to the Authority's Brine Policy.)

FM10. Motion Authorizing the General Manager to Sign a Non-Binding Brine Project Term Sheet with Cargill, Incorporated

(The Committee will consider approval of the Term Sheet.)

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
July 14, 2020

FM11. Adjournment

(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 (510) 278-5910 or jvillasenor@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 also posted on the East Bay Dischargers Authority website located at <http://www.ebda.org>.

(Any member of the public may address the Committee at the commencement of the meeting on any matter within the jurisdiction of the Committee. This should not relate to any item on the agenda. Each person addressing the Committee should 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 Committee on any agenda item should do so at the time the item is considered. Oral comments should be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available and are to be completed prior to speaking.)

**The next Financial Management Committee meeting is scheduled on
Tuesday, August 18, 2020 at 10:30 a.m.**

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
July 14, 2020

ITEM NO. FM4 LIST OF DISBURSEMENTS FOR JUNE 2020

The itemized List of Disbursements for the month of June 2020 totaled \$473,348.22

Reviewed and Approved by:

Dan Walters, Chair Date
Financial Management Committee

Jacqueline T. Zipkin Date
Treasurer

EAST BAY DISCHARGERS AUTHORITY
Cash Disbursement
April 2020

CHECKS (SORTED BY AMOUNT)

Check #	Check Date	Invoice #	Vendor Name	Description	Itemized Charges	Invoice Amount	Check Amount
24748	6/30/2020	06301	ORO LOMA SANITARY DISTRICT	O&M - MAY		65,083.00	65,083.00
24728	6/15/2020	377936	CITY OF SAN LEANDRO	O&M - APRIL 2020		36,475.56	64,686.44
24728	6/15/2020	377938	CITY OF SAN LEANDRO	O&M - MARCH 2020		28,210.88	
24737	6/15/2020	3020071	REGIONAL MONITORING PROGRAM	FOURTH QUARTERLY RMP CORE AND AMR YEAR 4		61,082.50	61,082.50
24730	6/15/2020	02581	UNION SANITARY DISTRICT	O&M - APRIL		32,649.12	32,649.12
24769	6/30/2020	249700	MILLER PIPELINE, LLC	FORCE MAIN WEKO-SEALS AND REPAIR SLEEVES		30,927.03	30,927.03
24749	6/30/2020	002586	UNION SANITARY DISTRICT	O&M - MAY		25,049.69	25,049.69
24733	6/15/2020	46740	CALCON	OLEPS ELECTRICAL UPGRADE		19,466.86	24,101.86
24733	6/15/2020	46676	CALCON	HEPS MCC PLC & SCADA SYSTEM UPGRADE		2,136.00	
24733	6/15/2020	46705	CALCON	COMMUNICATION SYSTEM UPGRADE		1,114.50	
24733	6/15/2020	46698	CALCON	MDF REPAIRED CHLOR/DECHLOR VALVES		844.50	
24733	6/15/2020	46704	CALCON	SLEPS PLC DATA ISSUE CORRECTED		540.00	
24762	6/30/2020	48587280	UNIVAR	SODIUM BISULFITE - DELIVERED 05/11/20		5,995.86	11,940.10
24762	6/30/2020	48622930	UNIVAR	SODIUM BISULFITE - DELIVERED 06/17/20		5,944.24	
24742	6/15/2020	48607768	UNIVAR	SODIUM BISULFITE - DELIVERED 06/03/20		5,612.36	11,173.10
24742	6/15/2020	48595280	UNIVAR	SODIUM BISULFITE - DELIVERED 05/21/20		5,560.74	
24741	6/15/2020	2020040447	MEYERS NAVE	LEGAL SERVICES - APRIL		6,500.66	6,500.66
24767	6/30/2020	023	CURRIE ENGINEERS	SKYWEST CONSTRUCTION MANAGEMENT PIPELINE REPAIR		1,967.25	5,160.00
24767	6/30/2020	026	CURRIE ENGINEERS	HEPS MCC CONSTRUCTION MANAGEMENT - JUNE		1,644.75	
24767	6/30/2020	025	CURRIE ENGINEERS	OLEPS CONSTRUCTION MANAGEMENT		1,064.25	
24767	6/30/2020	024	CURRIE ENGINEERS	HEPS MCC CONSTRUCTION MANAGEMENT - MAY		483.75	
24738	6/15/2020	16296	PACIFIC ECORISK	REISSUE CHECK		4,824.00	4,824.00
24757	6/30/2020	16574	PACIFIC ECORISK	TOXICITY TESTING		4,674.00	4,674.00
24740	6/15/2020	4246044555687620	US BANK	OFFICE WINDOWS	2,530.00	3,889.48	3,889.48
24740	6/15/2020	4246044555687620	US BANK	REMOTE DATA BACKUPS	426.00		
24740	6/15/2020	4246044555687620	US BANK	CALIFORNIA WATER ENVIRONMENT ASSOCIATION MEMBERSHIP	192.00		
24740	6/15/2020	4246044555687620	US BANK	OFFICE DEPOT	133.37		
24740	6/15/2020	4246044555687620	US BANK	OFFICE DEPOT	131.56		
24740	6/15/2020	4246044555687620	US BANK	OFFICE THERMOMETERS	113.59		
24740	6/15/2020	4246044555687620	US BANK	OFFICE DEPOT	103.50		
24740	6/15/2020	4246044555687620	US BANK	OFFICE DEPOT	86.41		
24740	6/15/2020	4246044555687620	US BANK	OFFICE DEPOT	54.14		
24740	6/15/2020	4246044555687620	US BANK	76 - GAS EBDA TRUCK	49.28		
24740	6/15/2020	4246044555687620	US BANK	76 - GAS EBDA TRUCK	47.07		
24740	6/15/2020	4246044555687620	US BANK	OFFICE GENERATOR PARTS	13.85		
24740	6/15/2020	4246044555687620	US BANK	OFFICE GENERATOR PARTS	12.00		
24740	6/15/2020	4246044555687620	US BANK	EAST BAY TIMES	9.95		
24740	6/15/2020	4246044555687620	US BANK	USPS	6.95		
24740	6/15/2020	4246044555687620	US BANK	APPLE CLOUD - CELL PHONE BACKUP	0.99		
24740	6/15/2020	4246044555687620	US BANK	OFFICE DEPOT REFUND	(21.18)		
24753	6/30/2020	Mar-20	DEBORAH QUINN	ACCOUNTING SERVICES - MARCH		3,243.75	3,243.75
24734	6/15/2020	Feb-20	DEBORAH QUINN	ACCOUNTING SERVICES - FEBRUARY		3,187.50	3,187.50
24747	6/30/2020	457-303166	VANTAGE POINT	ICMA DEFERRED COMPENSATION FOR PAY PERIOD ENDED 06/30/20		2,566.27	2,566.27
24726	6/15/2020	457-303166	VANTAGEPOINT	ICMA DEFERRED COMPENSATION FOR PAY PERIOD ENDED 06/15/20		2,566.26	2,566.26
24739	6/15/2020	520454	R-COMPUTER	COMPUTER SUPPLIES - UPS REPLACEMENT		2,184.91	2,184.91
24765	6/30/2020	611275	CALTEST	LAB TESTING SERVICES - MAY		1,842.80	1,842.80
24763	6/30/2020	1388510	CUMMINS SALES & SERVICE	EBDA OFFICE GENERATOR SERVICE CALL		1,775.40	1,775.40
24729	6/15/2020	52205712	CITY OF HAYWARD	BENEFIT PREMIUMS - JUNE		1,510.38	1,510.38

EAST BAY DISCHARGERS AUTHORITY
Cash Disbursement
April 2020

Check #	Check Date	Invoice #	Vendor Name	Description	Itemized Charges	Invoice Amount	Check Amount	
24760	6/30/2020	520566	R-COMPUTER	COMPUTER SUPPLIES - WIFI SECURITY UPGRADE		1,442.62	1,442.62	
24755	6/30/2020	603503	CORRPRO	SEMI - ANNUAL CATHODIC PROTECTION SURVEY OF FORCE MAINS		1,260.00	1,260.00	
24745	6/15/2020	1267889	HANSON BRIDGETT	LEGAL SERVICES - MAY		1,115.00	1,115.00	
24732	6/15/2020	1746192-19	SCIF	WORKERS COMPENSATION PREMIUM - JUNE		603.25	603.25	
24768	6/30/2020	S1948098.001	R&B COMPANY	FORCE MAIN REPAIR COUPLINGS		588.26	588.26	
24758	6/30/2020	8196	CAYUGA INFORMATION SYSTEMS	IT SERVICES - MAY		450.00	450.00	
24743	6/15/2020	EBD3060	ALPHA ANALYTICAL LABORATORIES	LAB SAMPLES - MAY		440.00	440.00	
24764	6/30/2020	20-May	EVERARDO OROZCO LANDSCAPE MANAGEMENT	LANDSCAPING SERVICES - MAY		350.00	350.00	
24756	6/30/2020	00013.10-3	LARRY WALKER	PROFESSIONAL SERVICES - MAY		332.50	332.50	
24731	6/15/2020	5102785910 914 3	AT&T	TELEPHONE SERVICE ADMIN BUILDING - MAY		288.95	288.95	
24735	6/15/2020	9855707639	VERIZON WIRELESS	CELLPHONES - MAY		191.40	191.40	
24750	6/30/2020	10110000001	EBMUD	WATER & SEWER AT MDF		189.08	189.08	
24759	6/30/2020	09846	TOWN & COUNTRY	JANITORIAL SERVICES - JUNE		165.00	165.00	
24736	6/15/2020	3103991926	PITNEY BOWES	POSTAGE MACHINE LEASE FEES		162.96	162.96	
24744	6/15/2020	01031	KRAFTIC INC.	REISSUE CHECK		150.00	150.00	
24761	6/30/2020	2/16/2005	BA MORRISON	HVAC MAINTENANCE		145.00	145.00	
24751	6/30/2020	5104830439	AT&T	TELEPHONE SERVICE AT MDF - JUNE		111.52	111.52	
24752	6/30/2020	7-043-80226	FEDEX	AGENDA MAILOUT - MAY		71.66	71.66	
24766	6/30/2020	3051369	CALTRONICS	COPIER USAGE - MAY - JUN		63.69	63.69	
24746	6/15/2020	37492825043	DIRECTV	AT&T BUNDLE DISCOUNT		34.89	34.89	
24754	6/30/2020	942039340-00001	VERIZON WIRELESS	MODEM FOR SCADA MAY - JUNE		22.70	22.70	
24727	6/15/2020	457-303166	VANTAGEPOINT	ICMA DEFERRED COMPENSATION CORRECTION FOR PAY PERIOD ENDED 04/30/20		15.89	38.24	
24727	6/15/2020	457-303166	VANTAGEPOINT	ICMA DEFERRED COMPENSATION CORRECTION FOR PAY PERIOD ENDED 04/15/20		12.35		
24727	6/15/2020	457-303166	VANTAGEPOINT	ICMA DEFERRED COMPENSATION CORRECTION FOR PAY PERIOD ENDED 03/31/20		10.00		
24277	6/15/2020	01031	KRAFTIC INC.	VOID CHECK		(150.00)	(150.00)	
24626	6/15/2020	16296	PACIFIC ECORISK	VOID CHECK		(4,824.00)	(4,824.00)	
TOTAL CHECK PAYMENTS							373,860.97	
ELECTRONIC PAYMENTS								
6/2/2020	5105948980-0	PACIFIC GAS & ELECTRIC	GAS AND ELECTRIC			33,467.63	33,467.63	
6/8/2020	05-2020-2	CALPERS	PENSION PAYMENT FOR PERIOD 05/16/20-05/31/20 - PEPRA			496.80	496.80	
6/8/2020	05-2020-2	CALPERS	PENSION PAYMENT FOR PERIOD 05/16/20-05/31/20 - CLASSIC			3,890.79	3,890.79	
6/9/2020	16044815	PERS HEALTH	HEALTH PREMIUMS - JUNE 2020			7,794.28	7,794.28	
6/17/2020	16055375	CALPERS	MONTHLY UNFUNDED LIABILITY - JUNE 2020			3,503.42	3,503.42	
6/17/2020	06-2020-1	CALPERS	PENSION PAYMENT FOR PERIOD 06/01/20-06/15/20 - PEPRA			496.80	496.80	
6/17/2020	06-2020-1	CALPERS	PENSION PAYMENT FOR PERIOD 06/01/20-06/15/20 - CLASSIC			4,055.06	4,055.06	
TOTAL ELECTRONIC PAYMENTS							53,704.78	
PAYROLL								
6/29/2020	6/30/2020	PAYROLL	06/16-30/2020			21,367.00	24,247.00	
6/29/2020	Jun-20	CUTTER, PAULINE RUSSO	DIRECT DEPOSIT			720.00		
6/29/2020	Jun-20	WALTERS, DAN	DIRECT DEPOSIT			480.00		
6/29/2020	Jun-20	LAMNIN, SARA	DIRECT DEPOSIT			480.00		
6/29/2020	Jun-20	JOHNSON, RALPH	DIRECT DEPOSIT			720.00		
6/29/2020	Jun-20	HANDLEY, THOMAS	DIRECT DEPOSIT			480.00		
6/12/2020	6/15/2020	PAYROLL	06/01-15/2020			21,426.22	21,426.22	
6/5/2020	5/31/2020	PAYROLL FEES	05/16-31/2020			60.25	60.25	
6/19/2020	6/15/2020	PAYROLL FEES	06/01-15/2020			49.00	49.00	
TOTAL PAYROLL							45,782.47	
TOTAL DISBURSEMENTS							473,348.22	

ITEM NO. FM5 PRELIMINARY TREASURER'S REPORT FOR JUNE 2020

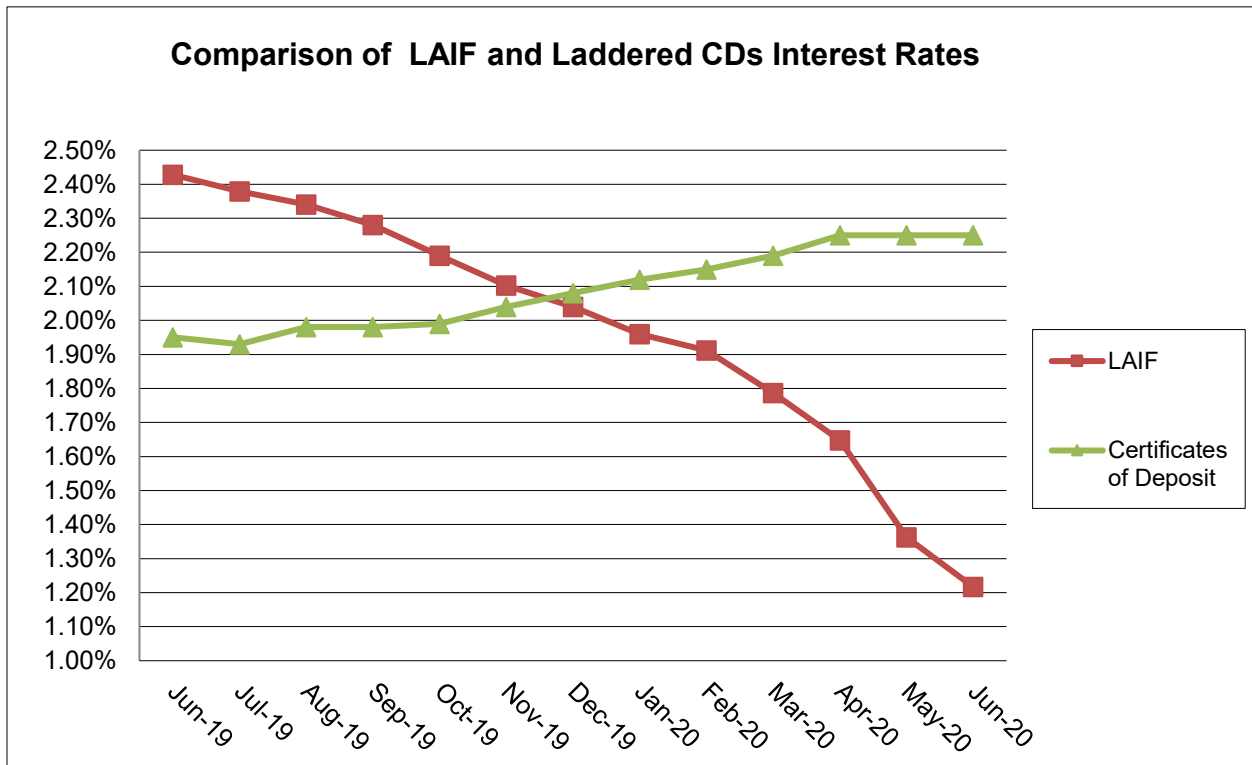
The beginning cash balance on June 1, 2020 was \$3,984,751.78. The ending cash balance on June 30, 2020 was \$ 3,517,505.06. Total receipts for the month were \$6,101.50, and disbursements were \$473,348.22.

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

Current market value of laddered CD investments is \$357,812.81 The average annual yield of the CDs is 2.25%.

EBDA's LAIF balance beginning June 1, 2020 was \$2,237,610.52. The ending balance on June 30, 2020 remained the same at \$2,237,610.52. The LAIF interest rate for period ending June 30, 2020 is 1.22%.

Approval is recommended.



EAST BAY DISCHARGERS AUTHORITY
PRELIMINARY
TREASURER'S REPORT
JUNE 30, 2020

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,256,951.56	5,911.39	311,058.37	951,804.58
13	PLANNING & SPECIAL STUDIES	310,262.00		62,530.00	247,732.00
14	RECLAMATION O & M (SKYWEST)	176,206.70		15,200.47	161,006.23
31	REPLACEMENT	2,229,562.02	190.11	84,559.38	2,145,192.75
41	CONSTRUCTION	11,769.50			11,769.50
	TOTALS	3,984,751.78	6,101.50	473,348.22	3,517,505.06

Jun-20

7/8/20

SUPPLEMENTAL TREASURERS REPORT

DATE	TRANSACTION	RECEIPT	DISBURSEMENT REGULAR	DISBURSEMENT PAYROLL	PAYROLL TRANSFER	LAIF TRANSFER	CD TRANSFER	CD INTEREST & EXPENSES	WELLS FARGO REGULAR CHECKING BALANCE	WELLS FARGO PAYROLL CHECKING BALANCE	LAIF BALANCE	WELLS FARGO CERTIFICATES OF DEPOSIT	TOTAL CASH
06/01/20	BALANCE								1,350,778.96	40,884.68	2,237,610.52	355,477.62	3,984,751.78
06/02/20	DEPOSIT	328.00							1,351,106.96	40,884.68	2,237,610.52	355,477.62	3,985,079.78
06/02/20	DEPOSIT	83.39							1,351,190.35	40,884.68	2,237,610.52	355,477.62	3,985,163.17
06/02/20	ELECTRONIC BILL PAY		33,467.63						1,317,722.72	40,884.68	2,237,610.52	355,477.62	3,951,695.54
06/05/20	PAYROLL FEES			60.25					1,317,722.72	40,824.43	2,237,610.52	355,477.62	3,951,635.29
06/08/20	ELECTRONIC BILL PAY		3,890.79						1,313,831.93	40,824.43	2,237,610.52	355,477.62	3,947,744.50
06/08/20	ELECTRONIC BILL PAY		496.80						1,313,335.13	40,824.43	2,237,610.52	355,477.62	3,947,247.70
06/09/20	ELECTRONIC BILL PAY		7,794.28						1,305,540.85	40,824.43	2,237,610.52	355,477.62	3,939,453.42
06/12/20	PAYROLL			21,426.22					1,305,540.85	19,398.21	2,237,610.52	355,477.62	3,918,027.20
06/15/20	DISBURSEMENT		221,380.90						1,084,159.95	19,398.21	2,237,610.52	355,477.62	3,696,646.30
06/19/20	VOID CHECK		(150.00)						1,084,309.95	19,398.21	2,237,610.52	355,477.62	3,696,796.30
06/19/20	VOID CHECK		(4,824.00)						1,089,133.95	19,398.21	2,237,610.52	355,477.62	3,701,620.30
06/17/20	ELECTRONIC BILL PAY		4,055.06						1,085,078.89	19,398.21	2,237,610.52	355,477.62	3,697,565.24
06/17/20	ELECTRONIC BILL PAY		496.80						1,084,582.09	19,398.21	2,237,610.52	355,477.62	3,697,068.44
06/17/20	ELECTRONIC BILL PAY		3,503.42						1,081,078.67	19,398.21	2,237,610.52	355,477.62	3,693,565.02
06/19/20	PAYROLL FEES			49.00					1,081,078.67	19,349.21	2,237,610.52	355,477.62	3,693,516.02
06/22/20	INTEREST	28.73						28.73	1,081,078.67	19,349.21	2,237,610.52	355,506.35	3,693,544.75
06/26/20	DEPOSIT	5,500.00							1,086,578.67	19,349.21	2,237,610.52	355,506.35	3,699,044.75
06/29/20	PAYROLL TRANSFER				20,000.00				1,066,578.67	39,349.21	2,237,610.52	355,506.35	3,699,044.75
06/29/20	PAYROLL			24,247.00					1,066,578.67	15,102.21	2,237,610.52	355,506.35	3,674,797.75
06/30/20	DISBURSEMENT		157,454.07						909,124.60	15,102.21	2,237,610.52	355,506.35	3,517,343.68
06/30/20	INTEREST	161.37						161.37	909,124.60	15,102.21	2,237,610.52	355,667.72	3,517,505.05
06/30/20	DIVIDEND	0.01						0.01	909,124.60	15,102.21	2,237,610.52	355,667.73	3,517,505.06
	TOTAL	6,101.50	427,565.75	45,782.47	20,000.00	-	-	190.11					
	CURRENT BALANCE								909,124.60	15,102.21	2,237,610.52	355,667.73	3,517,505.06

Reconciliation

① Per Bank Statement @06/30/20	\$ 1,134,145.55	
Less: Outstanding Checks	225,020.95	
	909,124.60	
② Per Bank Statement @ 06/30/20	\$ 15,102.21	
③ Per LAIF Statement @ 06/30/20	\$ 2,237,610.52	
④ Per Treasurer's Report @06/30/20	\$ 355,667.73	
Fair Market Value Increase/Decrease	2,145.08	
Per Investment Statement @06/30/20	\$ 357,812.81	

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	50,211.00
BARCLAYS BANK Total						50,211.00
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	1.98%	50,000	50,325.50
CAPITAL ONE BK USA NA Total						50,325.50
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	2.82%	50,000	51,247.00
CITIBANK NA Total						51,247.00
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	1.89%	100,000	100,216.00
COMENITY BANK Total						100,216.00
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	2.46%	50,000	50,720.50
MORGAN STANLEY BK NA	MORGAN STANLEY BK NA CD SALT LAKE CTY UT ACT/365 FDIC INSD CPN 2.800% DUE 04/05/21 DTD 04/05/18 FC 10/05/18 CUSIP 61747MS69	4/5/2018	4/5/2021	2.74%	50,000	51,023.50
MORGAN STANLEY BK NA Total						101,744.00
Grand Total						353,743.50
Average Estimated Annual Yield						2.25%
Cash & Sweep Balances						4,069.31
Snapshot Market Value on June 30th 2020						357,812.81

ITEM NO. FM6 REVIEW OF DRAFT ELECTRONIC SIGNATURE POLICY

Recommendation

Review draft policy and provide direction to staff.

Background

Current shelter-in-place orders in response to the COVID-19 pandemic have necessitated new ways of working and accelerated trends that had already begun, with more people working remotely and conducting business digitally. In order for the Authority to conduct business efficiently in a remote-work environment while still ensuring legal requirements are consistently met, staff is recommending that the Authority adopt an electronic signature policy.

Discussion

Staff has received a number of requests recently to electronically sign documents including contracts. These requests have prompted a review of legal requirements as well as best practices for issuance and acceptance of electronic signatures. The attached draft Policy outlines staff's proposed approach, including a summary of situations where an electronic signature is acceptable, and those where by code, it is not.

Following Committee review and input, staff will bring the Policy to the Commission for adoption. In parallel, staff is reviewing state-approved electronic signature services, including DocuSign, HelloSign, Adobe Sign, and others, and will select one that best meets the Authority's needs.

POLICY NUMBER: 3

NAME OF POLICY: Electronic Signature

LAST REVISED: DRAFT July 8, 2020

PREVIOUSLY REVISED: NA

PURPOSE: This Policy establishes the acceptable technologies and procedures for the use of electronic signatures in EBDA-related business.

EBDA recognizes the need to increase efficiency, reduce waste, and provide members of the public with convenient access to EBDA services. Advances in technology can assist EBDA in achieving these goals while providing security for document management. This policy balances the need for efficient services against the risks of unauthorized activities by providing the approved electronic signature method and guidelines for certain documents and transactions.

This Policy applies to EBDA's acceptance of electronic signatures from parties outside of EBDA, and the use of electronic signatures on documents executed on behalf of EBDA. It does not increase the scope of authority of EBDA's authorized signatories, rather it provides an alternative means to execute EBDA-related documents. These are minimum standards. Nothing in this policy prohibits an EBDA official or employee, with the consent of the of the EBDA General Manager, from requiring a wet signature or higher form of secure electronic signature if he or she believes it is prudent or necessary. The General Manager may accept or authorize the acceptance of an electronic signature when the circumstances surrounding the transaction address authentication and security concerns. This policy does not apply to electronic signatures accepted or utilized before the original effective date, and is intended to provide guidance for electronic signatures accepted thereafter. Any transaction must be analyzed under the facts and circumstances existing at the time a transaction was executed.

DEFINITIONS:

An "**electronic record**" is defined by California's Uniform Electronic Transactions Act ("UETA") (Civil Code section 1633.1, et seq.), as "a record created, generated, sent, communicated, received, or stored by electronic means." An electronic record generally contains information or a data file that was created and stored in digitized form through

the use of computers, machines, and software applications. The format of an electronic record does not change the fact that it is a record subject to applicable public records law, but its electronic form and its dependence on machines for creation and reference do change the way these records must be stored and managed.

An “**electronic signature**” is defined both in the federal Electronic Signatures in Global and National Commerce Act and the UETA. It is defined as “any sound, symbol, or process attached to or associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record.” (Civil Code section 1633.2(h).) It is the electronic equivalent of a handwritten, wet, or manual signature on paper, and therefore must have certain characteristics for evidentiary purposes. EBDA divides this broad scope of electronic signatures into categories of documents based upon the level of security needed both to ensure the proper person is conducting the transaction and that the technology for transmission of the signature is adequate.

Under California law, a “**digital signature**” is defined as “an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature.” Government Code section 16.5 states a digital signature shall have the same force and effect as a manual signature if and only if:

1. It is unique to the person using it.
2. It is capable of verification.
3. It is under the sole control of the person using it.
4. It is linked to data in such a manner that if the data are changed, the digital signature is invalidated, and
5. It conforms to regulations adopted by the Secretary of State.

Government Code section 16.5 also states that the use or acceptance of a digital signature is at the option of the parties to the transaction and nothing in the law requires a public entity to use or accept the submission of a document containing a digital signature.

For the purpose of this policy, “digital signature” and “electronic signature” shall have the same meaning.

An “**electronically signed record**” is a record, file, or document that has been electronically signed by means of an electronic signature and that is related to the conduct of the EBDA’s official business.

POLICY:

Requirements for Electronic Signatures

EBDA staff shall establish and maintain a software system to be used by EBDA staff for the purposes of requesting, collecting, and executing digital signatures and electronic records, consistent with the encryption standards established by, and selected from the “Approved List” of digital signature providers, authorized by the State of California.

For electronic signatures and records created and executed using EBDA's Digital Signature System, the criteria below shall be considered met:

1. **Intent to Sign**

Electronic signatures, i.e. not traditional wet ink signatures, are only valid and legally binding if both parties intend to sign and execute the agreement electronically.

2. **Consent of the Signing Party**

EBDA will accept electronic signatures when the parties:

- consent to the transaction,
- consent that the transaction be completed electronically, and
- consent to receive disclosures electronically.

3. **Documentation of Effect of Signature**

The Information Technology Department will maintain the security procedure and audit trails for various electronic signature technologies.

Routing of Electronically Signed Documents

Use of electronic signatures will not change who within EBDA must approve or execute a transaction, nor will it change the routing process for the transaction. Agreements and contracts will continue to require the attestation of the General Manager.

Signed Copies Provided to All Parties

When a document is electronically signed by all parties, EBDA will provide a copy of the electronically signed document to the other parties in an electronic format that is capable of being retained and printed by the other parties.

Storage and Archiving of Electronically Signed Documents

EBDA staff primarily responsible for execution of a transaction shall ensure that a fixed version of the final electronic document, and any supporting documentation, is executed and collected in a manner determined by the General Manager. EBDA staff is responsible for filing and maintaining electronic records in a manner that complies with EBDA's document retention schedule and policies.

For example, the following methods of electronically securing the final version of a document are acceptable, starting with the more secure methods: creating a final PDF that includes an encrypted signature which "breaks" if the document is modified; or saving a native file (Word Document) that is locked to prevent future changes. Storage and archive locations may include EBDA's electronic filing system, a networked drive, or other electronic system, as may be determined by the General Manager.

Classes of Documents Permitted by the General Manager

The security requirements for electronic signatures range from simple to complex, depending on the transaction. A list of the documents for which electronic signatures are approved by the General Manager is available below. This list is not intended to be an exhaustive list, nor does it impose electronic signature as a requirement for any particular transaction.

EBDA staff should work with the General Manager to determine if EBDA's Digital Signature System can be used for specific documents and with EBDA Legal Counsel to determine where applicable law permits an electronic signature be used. Any other document that, by law, requires a wet signature shall not be signed electronically.

A digital signature may be used or accepted on the following documents:

- i. Requests for proposal
- ii. Certificates and Permits (if permitted by law)
- iii. HR-related items, such as Employee Reviews and Personnel Action Forms
- iv. Commission/committee applications
- v. Legal filings such as Declarations
- vi. Service Agreements for Consulting & Professional Services
- vii. Financial Documents (if allowed by law)
- viii. Non-Professional Services Agreements
- ix. Internal and external Memoranda
- x. Letters and other correspondence

EBDA may accept an electronic signature form, and utilize the electronic signature software for the execution of documents for any other public entity, regulatory body, or non-profit public benefit corporation that has adopted electronic signature protocols acceptable to EBDA. Further, EBDA may accept any signature and execute any document using the digital signature technology with a certificate authority as approved by the California Secretary of State.

Classes of Documents for which Electronic Signatures are Prohibited

Civil Code section 1633.3 contains a list of transactions for which electronic signatures are not available. Any other document that, by law, requires a wet signature shall not be signed electronically.

A digital signature may not be used or accepted on the following documents:

- i. Documents or transactions that require a handwritten signature, including but not limited to transfers of interest in real property
- ii. Documents or transactions requiring a signature to be notarized or acknowledged
- iii. Unless the County Recorder issues an order or directive that otherwise permits electronic signatures, Documents that are to be recorded with the County Recorder (including but not limited to Deeds, Conditional Use Permits, and Regulatory Agreements)
- iv. Initiative petitions
- v. Authority Resolutions
- vi. Authority Minutes

ITEM NO. FM7 SKYWEST GOLF COURSE RECYCLED WATER SERVICE

Recommendation

Receive update on project status and provide direction to staff on any changes to recycled water pricing.

Background

EBDA has been providing recycled water to Skywest Golf Course, which is managed by Hayward Area Recreation and Park District (HARD), for irrigation since 1982. EBDA's goal is for Skywest revenues to meet expenses so that the member agencies are not subsidizing HARD. In May 2020, the Commission adopted Resolution 20-07 setting the FY 2020/2021 recycled water rate at \$10,000 per month, consistent with the last several years.

Discussion

Since the FY2020/2021 recycled water rate was adopted, EBDA staff learned that HARD has decided not to reopen the golf course, which has been closed in response to the county shelter-in-place order. In adopting its FY 2020/2021 budget on June 30, 2020, the HARD Board committed to provide weed abatement at the golf course through September 30, 2020 when their contract ends with the City of Hayward. During this period, they have requested only enough water to keep the ponds full for wildlife. They have not budgeted \$10,000 per month for recycled water. At the time of writing, HARD staff was still looking into what budget is available for the minimal water service. Staff is seeking direction on whether the Commission wishes to re-consider its adopted recycled water rate in light of HARD's budget and operational changes.

EBDA staff has also begun discussions with City of Hayward staff on recycled water needs when they take over property management in October. The City anticipates undertaking a master planning exercise to determine future land use for the area. Ultimately, the City may also extend its recycled water project to serve the location. However, the City will likely request to continue receiving recycled water from EBDA for an interim period. EBDA and City staff will continue to discuss recycled water requirements, timing, and pricing.

**ITEM NO. FM8 RESOLUTION AUTHORIZING CLOSURE OF THE AUTHORITY'S
CONSTRUCTION FUND**

Recommendation

Approve the resolution authorizing staff to close the Authority's Construction Fund and move the funds to the Renewal and Replacement Fund.

Background

The Authority was initially formed to oversee construction of wastewater infrastructure, including the pump stations and transport system still operated by the Authority, as well as infrastructure that was turned over to the Member Agencies. State and Federal grants, as well as funds contributed by the Member Agencies, were held by the agency to implement these construction projects. These funds were held in the Authority's Construction Fund, shown as Fund 41 on Authority Treasurer's Reports.

More recently, the Authority has used the Renewal and Replacement Fund (RRF) as its capital fund since new construction has ceased and current work is related to maintaining and extending the useful life of the Authority's existing facilities. The RRF is shown on Authority Treasurer's Reports as Fund 31.

Discussion

Staff is recommending closing Fund 41 and transferring the available funds into Fund 31. Staff does not anticipate any new construction and therefore does not expect to use the Construction Fund. Further, the balance in Fund 41 has been \$11,769.50 for over a decade. Closing this fund makes the Authority's books cleaner and reallocates the remaining funds to a place they can be reasonably used for capital projects. Staff recommends that the fund be closed retroactively as of June 30, 2020 in alignment with the end of the fiscal year. The closure and transfer will be noted in the fiscal year financial statement.

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

RESOLUTION NO. 20-20

INTRODUCED BY _____

**RESOLUTION AUTHORIZING CLOSURE OF THE AUTHORITY'S CONSTRUCTION
FUND**

WHEREAS, the East Bay Dischargers Authority (Authority) currently manages five funds: Operations & Maintenance (Fund 12), Planning and Special Studies (Fund 13), Reclamation Operations & Maintenance (Fund 14), Renewal & Replacement (Fund 31), and Construction (Fund 41); and

WHEREAS, the Construction Fund was created for management of funds associated with construction of new facilities; and

WHEREAS, the Authority does not anticipate constructing any new facilities in the foreseeable future; and

WHEREAS, the Authority uses as its capital fund the Renewal & Replacement Fund; and

WHEREAS, staff recommends closing the Construction Fund and transferring the \$11,769.50 to the Renewal & Replacement Fund; and

WHEREAS, the Managers Advisory Committee and the Financial Management Committee have reviewed and support this action.

NOW, THEREFORE, BE IT RESOLVED, the Commission of the Authority hereby authorizes the General Manager to close Fund 41 as of June 30, 2020 and transfer all remaining funds to Fund 31.

SAN LORENZO, CALIFORNIA, JULY 16, 2020, ADOPTED BY THE FOLLOWING VOTE:

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

**CHAIR
EAST BAY DISCHARGERS COMMISSION**

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

ITEM NO. FM9 RESOLUTION APPROVING THE AUTHORITY'S BRINE POLICY

Recommendation

Adopt the resolution approving revisions to the Authority's Brine Policy.

Background

In 2005, the Commission adopted Resolution 05-01 Adopting a Policy for Disposal of Brine in the East Bay Dischargers Authority's System. At the time, the Authority was contemplating accepting brine from a Zone 7 Water Agency demineralization project. The agreement with Zone 7 was not ultimately executed, and brine from the project was discharged through LAVWMA to EBDA under permit from Dublin San Ramon Services District.

It is expected that over the coming years, the need for sustainable brine discharge options will increase as the region initiates more demineralization and water recycling projects to address water scarcity. In addition, as discussed over the past several months, the Authority is currently negotiating terms for accepting brine from a salt processing facility. Authority staff and the MAC are therefore recommending that the Authority's Brine Policy be updated to reflect current conditions and opportunities.

Per the Amended and Restated Joint Powers Agreement (JPA), the Brine Policy must be approved unanimously by the Commission.

Discussion

An updated draft of the Brine Policy was reviewed by the Committee in June 2020. At the Committee's recommendation, the purpose has been expanded to include protection of the Bay.

Based on the recommendation of the MAC, the Policy states that revenue from brine projects will be allocated to the Member Agencies on a case-by-case basis to be determined in the future. Any revenue collected prior to agreement on the allocation would be held by the Authority.

Resolving the question of revenue allocation for a given project will take time and thoughtful dialogue. In order to expeditiously move forward with the specific brine project discussed in Item No. FM10, the MAC recommends that the Commission agree through adoption of this policy to enter into that dialogue. To the extent that the Member Agencies ultimately agree on an allocation that they view as universally acceptable for future projects, this Policy can later be updated to incorporate it.

POLICY NUMBER: 2

NAME OF POLICY: Brine

LAST REVISED: July 16, 2020

PREVIOUSLY REVISED: April 21, 2005

PURPOSE: The purpose of the Brine Policy is to ensure that any disposal of brine through the Authority's outfall system is protective of the Authority's infrastructure and permit compliance, and of San Francisco Bay, and that there is an equitable distribution of access for brine disposal for all Member Agencies and fair distribution of any revenue associated with such disposal.

DEFINITION: For the purposes of this policy, brine is defined as a liquid material containing more than double the typical concentration of salt in municipal wastewater. The source of brine may be the byproduct of tertiary treatment such as reverse osmosis concentrate, concentrated Bay water, or other material.

POLICY: Consistent with its Recycled Water Policy, the Authority aims to support water recycling as a component of a resilient water supply for Bay Area residents. The Authority supports use of its force main and outfall system as a sustainable mechanism for management and disposal of brine, in service of supporting water recycling and other climate resilient projects.

It is the policy of the Authority to accept brine disposal directly into the Authority's force main and outfall system, or into a system connected to the Authority's force main and outfall system, provided that the following conditions are met:

1. The addition of brine will not cause significant degradation of effluent quality or result in permit violations of either the Authority or its Member Agencies.
 - a. Brine must be routinely monitored for key regulated constituents to ensure that there are no negative impacts of the brine on the Authority's combined effluent.
 - b. Water quality and NPDES permit compliance issues must be addressed and resolved at no cost to the Authority.

2. The addition of brine will not negatively impact the Member Agencies' or the Authority's infrastructure.
3. For brine that is generated by an entity other than a Member Agency, a formal agreement must be unanimously approved by the Authority's Commission. The agreement will generally include the following:
 - a. Provision for the Authority to unilaterally discontinue accepting brine into the Authority's system when continued acceptance of brine is not in the best interests of the Authority. Specific conditions around such discontinuation will be outlined in the agreement.
 - b. Indemnification of the Authority against liability resulting from such disposal.

Discharge of Agency-generated brine does not require approval by the Commission and does not require any payment to the Authority. Any discharge of Agency-generated brine to the system downstream of secondary treatment must be consistent with conditions 1 and 2 above.

On a case-by-case basis each time a non-Agency generated brine project is proposed, the Commission shall determine how net revenue (including capacity fees, flow-based charges, and any other revenue associated with the project) will be allocated among the Member Agencies. The Commission has not pre-determined any particular allocation scheme, nor ruled any out. Approval of the revenue allocation scheme(s) by the Commission shall be unanimous. Any revenue collected prior to an allocation scheme being approved shall be held by the Authority until such approval.

Section 23(b) of the Amended and Restated JPA is provided here for reference:

(b) Disposal of Brine.

The Authority and the Agencies acknowledge that use of the Authority's Bay Outfall may provide an environmentally beneficial and cost-effective method of disposing of brine. The Agencies desire that both volume and pollutant loading capacity in the Facilities be available for disposal of brine generated from an Agency's production of recycled water.

(1) Non-Agency Generated Brine

Any project or activity that results in utilization of the Facilities to dispose of brine generated outside the Authority's boundaries or from source water not already treated by an Agency will be conducted in accordance with the Authority's Brine Policy,

as it may be updated from time to time, and any other relevant Policies and Procedures. The Brine Policy will include a provision that the Commission unanimously approve any agreement that results in utilization of the Facilities for disposal of such brine, including any agreement to which the Authority may not be a party. Such approval will not be unreasonably withheld. The purpose of such approval is, among other things, to ensure that acceptance of brine from non-Agency sources does not limit an Agency's right to a share of capacity, both volume and pollutant loading, in the Authority Facilities to develop recycled water projects and dispose of brine. Such agreements may also provide for the Authority to receive appropriate revenue from disposal of brine, assurances that the discharge will not lead to effluent violations, and appropriate indemnification against liability resulting from such disposal.

(2) Agency-generated Brine that is not Treated Through an Agency's Full Secondary Treatment Process

Utilization of the Facilities to discharge brine that is generated by an Agency that is not treated through an Agency's full secondary treatment process will be conducted in accordance with the Authority's Brine Policy, as it may be updated from time to time, and any other relevant Policies and Procedures. The Brine Policy will provide a framework that encourages development of recycled water while addressing the possible impacts of Agency brine discharges on other Agencies, the Facilities, and the Authority's regulatory compliance. The requirement for Commission approval in subsection 23(b)(1) does not apply to brine generated by an Agency.

(3) Agency-generated Brine Treated through an Agency's Full Secondary Treatment Process

Brine generated by an Agency that is treated through an Agency's full secondary treatment process will not be subject to approval by the Authority. The requirement for Commission approval in subsection 23(b)(1) does not apply to wastewater treated by an Agency.

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

RESOLUTION NO. 20-21

INTRODUCED BY _____

RESOLUTION APPROVING THE AUTHORITY'S BRINE POLICY

WHEREAS, in 2005, the Commission adopted Resolution 05-01 Adopting a Policy for Disposal of Brine in the East Bay Dischargers Authority's System; and

WHEREAS, as a result of increased water recycling and other measures related to climate adaptation, the Authority expects the need for sustainable brine management solutions to increase in the coming years; and

WHEREAS, the Commission continues to support use of the Authority's system for sustainable discharge of brine for the protection of San Francisco Bay; and

WHEREAS, a Brine Policy is necessary to ensure that such discharges are protective of the Authority's and Member Agencies' infrastructure and that costs and revenues are allocated fairly; and

WHEREAS, the Brine Policy has been updated to reflect Section 23 of the Amended and Restated Joint Powers Agreement, which lays out guidelines for the Authority's Brine Policy; and

WHEREAS, the Managers Advisory Committee and the Financial Management Committee have reviewed and recommend approval of the Policy.

NOW, THEREFORE, BE IT RESOLVED, the Commission of the Authority hereby adopts the attached Brine Policy.

SAN LORENZO, CALIFORNIA, JULY 16, 2020, ADOPTED BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSENT:
ABSTAIN:

CHAIR
EAST BAY DISCHARGERS COMMISSION

ATTEST: _____
GENERAL MANAGER
EAST BAY DISCHARGERS AUTHORITY
EX OFFICIO SECRETARY

ITEM NO. FM10 MOTION AUTHORIZING THE GENERAL MANAGER TO SIGN A NON-BINDING BRINE PROJECT TERM SHEET WITH CARGILL, INCORPORATED

Recommendation

Approve a motion authorizing the General Manager to sign a Non-Binding Term Sheet with Cargill, Incorporated for a project to discharge mixed-sea-salt brine through the Authority's system.

Background

As discussed in Item No. FM9, the Authority's system provides a sustainable option for discharge of brine to the San Francisco Bay. Authority staff has been evaluating a proposed project to discharge sea salt brine through the system. Staff briefed the Regulatory Affairs Committee on the project in March 2020 and the Financial Management Committee in June 2020.

Discussion

Authority staff has been approached by Cargill, Incorporated (Cargill), a large agribusiness that operates salt ponds in Newark, regarding a potential discharge of brine through the EBDA system. The brine would be composed of sea salts remaining after salt production, which would be dissolved in with Bay water. The Newark facility is the largest solar sea salt production facility in the country. It takes in Bay water and runs it through a series of evaporation ponds, recovering commercial products and generating residual mixed sea salts. In anticipation of sea level rise, Cargill wishes to proactively accelerate harvest in the mixed sea salt ponds, and they have determined that discharge of residual sea salts to the EBDA system is the most sustainable and cost-effective method to do so.

The project would involve construction of a pipeline from the Newark facility to the EBDA system just north/downstream of USD. It is anticipated that brine would be discharged from the pipeline into the EBDA system at an average rate ranging from 0.86 million gallons per day (MGD) to 2 MGD, as the accelerated salt harvesting and removal project is completed. The expectation is that the discharge would be ceased temporarily for operational reasons, for example during wet weather.

Compensation

In exchange for use of EBDA's system, Cargill would pay a \$5M capacity charge and flow-based fees of approximately \$1.4M/yr (assuming 0.86 MGD) escalated based on the consumer price index. Use of this revenue and/or allocation among the EBDA Member Agencies has not yet been determined; discussions are ongoing.

Due Diligence

Staff has been working with the MAC and Cargill to consider potential issues and impacts to the Authority. This due diligence work will ramp up upon execution of the Term Sheet and will be completed prior to execution of a long-term agreement.

Issues being investigated include the following:

- Regulatory Issues:
 - Toxicity – Because of the salt addition from the brine, the Authority would likely need to change from the freshwater species it currently uses to test for effluent toxicity. Cargill recently commissioned tests of marine species using a blend of the Authority’s effluent and the brine, as well as 100% effluent. The tests were conducted by Pacific EcoRisk, the same lab that the Authority uses for routine toxicity testing, and were done in such a way that they could serve as a portion of the required sensitive species screening that the Authority would have to conduct upon permit renewal or a change such as the addition of brine. Preliminary results look positive, with similar toxicity in the brine blend and 100% effluent.
 - Priority pollutants – As the source water for the salt is Bay water, and no additional materials are added during the process, it is unlikely that the brine would contain pollutants at concentrations of concern. In order to confirm this hypothesis, a priority pollutant analysis was conducted by Caltest, the lab the Authority uses for compliance analyses. Results to date show that the brine: effluent blend does not contain pollutants at levels that would cause EBDA to exceed its current effluent limits, nor would it trigger new limits.

Cargill has retained EOA, a local consulting firm with expertise in water quality regulatory issues. Their analysis is being led by Dr. Tom Hall of EOA, who has also been the Authority’s primary consultant for NPDES permitting for many years, and whose expertise is valued by Authority staff. In order to ensure the Authority’s interests are protected and there are no regulatory surprises, staff has also retained Larry Walker Associates (LWA), another local consulting firm with extensive expertise in water quality regulatory issues, to review project information and advise on regulatory issues. LWA recently advised Delta Diablo, a sanitation district, on regulatory issues as it negotiated an agreement with the City of Antioch for brine disposal through Delta Diablo’s system.

- Infrastructure Issues:

Staff is evaluating a proposal from Brown & Caldwell, the consulting firm that performed the Authority’s recent Transport System Condition Assessment, to evaluate the potential for sedimentation and corrosion in the system as a result of brine addition. In the Term Sheet, Cargill is committing to address these potential sedimentation impacts, but work is needed to assess the likelihood and thresholds for action. Brown & Caldwell would also assess impacts of the brine on dechlorination effectiveness resulting from changed water chemistry.

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
July 14, 2020

Cargill is committing in the Term Sheet to cover EBDA's costs for the due diligence phase, which are expected to include LWA and Brown & Caldwell's work outlined above, as well as scope for Meyers Nave to weigh in on legal issues and EBDA staff time.

California Environmental Quality Act (CEQA)

Per the Term Sheet, staff is recommending that EBDA be the lead agency for CEQA approval. Cargill will reimburse EBDA for associated efforts. Cargill's consultant, AECOM, has begun work on the Initial Study.

Stakeholder Outreach

Cargill has put together a thoughtful approach to stakeholder engagement to ensure that the project addresses any issues and concerns and can thereby move forward with stakeholder support. That effort has included development of the attached one-page flyer describing the project. Cargill has also met with Alameda County labor leaders, with the intent of developing a project labor agreement.

Authority and Cargill staff had a preliminary discussion with Regional Water Quality Control Board (Water Board) staff about the project on June 25. Based on the discussion, Water Board staff indicated that not only did they not see any red flags, they also did not see any yellow flags on the project. Authority staff will continue to work with Water Board staff going forward to ensure that the project is addressed smoothly in the Authority's permit reissuance.

Authority and Cargill staff are scheduled to meet with BayKeeper staff on July 15 to seek their input on the project. Cargill has also been in contact with leaders at the Bay Conservation and Development Commission (BCDC), who will be approving Cargill's facility permit renewal, which is currently moving forward.

Future plans include outreach to additional governmental, non-governmental organizations, elected officials, and other interested parties. Staff will keep the Commission apprised of outreach activities and opportunities for engagement.

Next Steps

Following execution of the Term Sheet, Cargill and Authority staff will proceed with due diligence, begin the CEQA process, and initiate negotiation of a long-term agreement. Per the terms of the new JPA, any agreement between the Authority and the company would be subject to unanimous approval by the Commission and would need to be consistent with the Authority's Brine Policy (see Item No. FM9).

East Bay Dischargers Authority – Cargill, Incorporated
Brine Project
Non-Binding Term Sheet

1. Introduction

The East Bay Dischargers Authority (“EBDA”) manages the discharge of the treated wastewater of five local agencies, as well as treated wastewater from the Livermore Amador Valley Water Management Agency, through a deep water combined outfall into San Francisco Bay.

Cargill, Incorporated (“Cargill”) operates a solar salt facility in Newark, CA, that collects and evaporates San Francisco Bay water through a series of solar evaporation ponds to produce two primary types of commercial products: crystalline salt (sodium chloride) and liquid bittern (concentrated magnesium chloride brine). Mixed sea salts (“MSS”) are naturally occurring salts in sea/Bay water that remain after these commercial salt products have been harvested. Cargill is considering a project to enhance recovery of additional MSS product value. After capturing commercial product, the residual MSS brine could be dissolved in Bay water and transferred through a new pipeline to the EBDA Wastewater System, connecting north of Union Sanitary District’s Alvarado Treatment Facility in Union City. Cargill expects the proposed project to have a duration of approximately 15 to 20 years. Cargill also anticipates value in maintaining a brine discharge to EBDA beyond the project, for as long as their Newark solar salt facility remains operational.

EBDA and Cargill are in discussions for a possible agreement under which Cargill would discharge the MSS brine solution into the EBDA system pursuant to EBDA’s NPDES Permit No. CA0037869 (effective July 1, 2017 – June 30, 2022) and EBDA’s Amended and Restated Joint Powers Agreement (“JPA”) (effective July 1, 2020 – June 30, 2040) and Brine Policy. This non-binding term sheet sets forth certain key terms to be discussed for inclusion in an agreement between EBDA and Cargill. Any such agreement will be approved unanimously by EBDA’s Commission. This term sheet is for discussion purposes only and either party may terminate such discussions at any time in the terminating party’s sole discretion.

2. Term

The definitive agreement would have an initial term through the expiration of the current JPA on June 30, 2040. The parties may develop an approach in the definitive agreement to provide for renewal terms of this agreement beyond 2040, recognizing that the agreement may need to be revised pending the renewal of EBDA’s JPA.

At the latter of the expiration of the agreement, or the point at which Cargill determines it no longer requires use of the pipeline, the definitive agreement could contain a right of first refusal for EBDA to purchase or retain ownership of the pipeline.

East Bay Dischargers Authority – Cargill, Incorporated
Brine Project
Non-Binding Term Sheet

3. Brine Discharge Rates

Cargill anticipates designing its system for brine discharge rates of 0.9 to 1.8 million gallons per day. The definitive agreement would contain upper limits on discharge rates and concentrations to be determined by further analysis of higher ratios of MSS brine blends in EBDA effluent to confirm full compliance with EBDA effluent criteria. This discharge could be interruptible to accommodate short-term constraints on the volumetric or constituent capacity of the EBDA system. Cargill should have the option to recover lost volume by discharging at higher rates when constraints on the EBDA system are resolved.

4. Brine Discharge Fee & Costs

The proposed fee structure for Cargill's discharge into the EBDA system is based on the current fee structure for discharges to the Union Sanitary District:

- A Capacity Fee of \$5 million, made as a series of milestone payments:
 - \$1 million shall be due upon mutual agreement to initiate CEQA;
 - \$1 million shall be due upon full CEQA approval;
 - the other milestones to be agreed.
- Flow-Based Fees of \$4,370 (December 2020 dollars) per million gallons of brine solution discharged, with annual cost of living adjustments based on the December to December CPI-U for San Francisco-Oakland-Hayward.

The definitive agreement would also set forth the allocation of costs between the parties, including the following:

- Project Development:
 - Cargill would pay all reasonable fees and costs, including EBDA labor and consultant costs, related to its direct permitting and regulatory approvals of the pipeline conveyance system it will construct to connect the brine solution effluent with the System.
 - EBDA would serve as the CEQA lead agency, with the assistance of qualified contractor selected by EBDA, in consultation with Cargill, and retained and paid for by Cargill.
 - Cargill would pay EBDA labor and consultant costs associated with EBDA's evaluation of NPDES, stakeholder, and other project development issues during the due diligence phase.
 - Cargill would pay all costs related to designing, constructing and connecting the brine pipeline to the System.
- Project Operation:
 - Cargill would be responsible for any additional monitoring and reporting costs it agrees to perform related to its brine discharge prior to outfall into the System.
 - Cargill would be responsible for operations and maintenance costs associated with delivery of brine to the System.

East Bay Dischargers Authority – Cargill, Incorporated
Brine Project
Non-Binding Term Sheet

All Project Development costs due to EBDA shall be paid in full whether or not the project ultimately is approved and constructed. A milestone schedule for payments will be established by the parties.

5. NPDES Compliance

Analysis of representative samples of the MSS brine solution proposed for discharge via the EBDA system are being conducted to evaluate the physical and chemical composition of the solution, as well as toxicity. All analyses conducted to date on the MSS brine and various blends of the brine with EBDA effluent have shown that addition of the brine would not cause a noncompliance with current regulatory limits for the EBDA effluent relative to their NPDES discharge permit. Cargill will conduct additional analyses during a due diligence phase as necessary or required by EBDA, with consideration for issues including but not limited to priority pollutants, Total Suspended Solids (TSS), toxicity, and nutrients. The parties recognize that if permit requirements or regulatory interpretations change, the agreement may need to be reopened and relevant provisions revised. Treatment of the MSS brine may be required prior to discharge to EBDA if regulations or permit requirements become more stringent.

6. Sedimentation

Questions about the potential risk of brine inducing sedimentation, plugging, or localized corrosion in the EBDA conveyance system should be further evaluated during the due diligence phase. Cargill is committed to remediating sedimentation or localized (within 100' of the point of connection) corrosion if it occurs.

CARGILL, INCORPORATED

EAST BAY DISCHARGERS AUTHORITY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Cargill South Bay Stewardship Project

Cargill Solar Salt – Water, Sun, and Wind

Cargill manages a working landscape of over 12,000 acres (20 square miles) of salt ponds and land in the San Francisco Bay Area – the only major solar sea salt facility in the United States. Californians use Cargill sea salts in many commercial products, including salt pellets in water softeners to improve water quality; Diamond Crystal sea salt in restaurants and at home to accentuate the natural flavor of food; and dust management product, produced from mixed sea salts, to keep dust on the ground and out of the air at some of California’s renowned wineries.

Environmental Stewardship

Cargill and its predecessors have been stewards of the Newark salt ponds for more than 70 years, contributing to the Bay Area’s environmental, economic and social prosperity. Since acquiring the ponds, Cargill has reduced its operational footprint and transferred over 40,000 acres of salt ponds to public agencies for marshland restoration.

Climate change – and the accompanying sea level rise – is an issue that impacts everyone, especially for the nine counties and over 40 cities that have shoreline along the San Francisco Bay. Cargill’s sea salts in production are managed within a vast network of ponds separated from the Bay by a system of berms. *Mixed sea salts* are what remains after most of the sodium chloride has been harvested from sea water. Cargill manages an inventory of mixed sea salts in ponds in its Newark facility. The ponds where the mixed sea salts are stored and harvested are adjacent to the Bay and could be impacted in the future by significant storms and King Tides coupled with sea level rise.

Cargill will continue to protect its ponds with its system of berms; and put into action an updated long-term resiliency plan.

As sea levels rise, communities, businesses and ecosystems in and around the Bay Area must adapt. Cargill is taking a proactive approach to protecting the Bay for future generations through enhanced processing and accelerating the removal of its inventory of mixed sea salts. Significantly reducing the mixed sea salt inventory in ponds adjacent to the Bay will make Cargill’s Newark facility more resilient and better prepared for the impact of sea level rise.

What Cargill Proposes

As Cargill continues to harvest mixed sea salt products, it proposes to work with the East Bay Dischargers Authority (EBDA) to build a pipeline from the Newark facility to EBDA’s conveyance system. The remaining mixed sea salts will be transferred through the pipeline and blended with treated wastewater to responsibly return the sea salts back to the Bay through EBDA’s deep-water outfall.

EBDA’s conveyance system was chosen after a thorough evaluation of alternatives and was determined to be the most environmentally preferable option. The pipeline will be routed to be mindful of people, property and the environment.

Removing the mixed sea salts from their existing location will allow Cargill to complete the safe and sustainable processing of commercial product – a necessary first step in the potential conversion of refuge land to marshland. Cargill will continue to engage with public agencies and other stakeholders to ensure the success of this project and the protection of the San Francisco Bay.