



COMMISSION MEETING AGENDA

Thursday, November 16, 2023

4:00 P.M.

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

This meeting will be teleconferenced from the following locations:
OMNI Hotel at CNN Center Lobby, 100 CNN Center, Atlanta, GA; and
Wynn Hotel Lobby, 3131 S. Las Vegas Boulevard, Las Vegas, NV

Teleconference link: <https://us02web.zoom.us/j/89796898677>
Call-in: 1(669) 900-6833 and enter Webinar ID number: 897 9689 8677

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

CONSENT CALENDAR

- MOTION
5. Commission Meeting Minutes of October 19, 2023
 6. List of Disbursements for October 2023 – See Item FM4
 7. Treasurer’s Report for October 2023 – See Item No. FM5
 8. Final Adjusted Treasurer’s Reports for June, July, August, and September 2023 – See Item No. FM6

REGULAR CALENDAR

- MOTION
9. Motion to Accept the Audited Basic Financial Statements for Fiscal Year Ending June 30, 2023 – See Item No. FM7
(The Commission will consider the motion.)
- INFORMATION
10. General Manager’s Report
(The General Manager will report on EBDA issues.)
- INFORMATION
11. Report from the Managers Advisory Committee
(The General Manager will report on Managers Advisory Committee activities.)
- INFORMATION
12. Report from the Regulatory Affairs Committee
(The General Manager will report on the meeting.)
- INFORMATION
13. Report from the Financial Management Committee
(The General Manager will report on the meeting.)

- INFORMATION 14. Report from the Operations & Maintenance Committee**
(The Operations & Maintenance and General Managers will report on the meeting.)
- MOTION 15. Motion Approving Revisions to the Authority's Commissioner Compensation Policy**
(The Commission will consider the motion.)
- INFORMATION 16. Items from the Commission and Staff**
(The Commission and staff may address items of general interest.)
- 17. 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 Administration Manager at the EBDA office at (510) 278-5910 or juanita@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>.

**Next Scheduled Commission meeting is
Thursday, December 21, 2023 at 4:00 p.m.**

GLOSSARY OF ACRONYMS

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

GLOSSARY OF ACRONYMS

O&M	Operations & Maintenance	SSMP	Sewer System Management Plan
OLEPS	Oro Loma Effluent Pump Station	SSO	Sanitary Sewer Overflow
OLSD	Oro Loma Sanitary District	SWRCB	State Water Resources Control Board
OMB	Office of Management and Budget	TDS	Total Dissolved Solids
P	Phosphorous	TIN	Total Inorganic Nitrogen
PAHs	Polynuclear Aromatic Hydrocarbons	TMDL	Total Maximum Daily Load
PCBs	Polychlorinated Biphenyls	TP	Total Phosphorus
PLC	Programmable Logic Controller	TRC	Total Residual Chlorine
PFAS	Per and Polyfluoroalkyl Substances	TSO	Time Schedule Order
POTW	Publicly Owned Treatment Works	TSS	Total Suspended Solids
QA/QC	Quality Assurance / Quality Control	UEPS	Union Effluent Pump Station
Region IX	Western Region of EPA (CA, AZ, NV & HI)	USD	Union Sanitary District
ReNUWit	Re-Inventing the Nation's Urban Water Infrastructure Engineering Research Center	UV	Ultraviolet Treatment
RFP	Request For Proposals	VFD	Variable Frequency Drive
RFQ	Request For Qualifications	VOCs	Volatile Organic Compounds
RMP	Regional Monitoring Program	WAS	Waste Activated Sludge
RO	Reverse Osmosis	WDR	Waste Discharge Requirements
RRF	Renewal and Replacement Fund	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
SFEP	San Francisco Estuary Partnership	WRF	Water Research Foundation
SLEPS	San Leandro Effluent Pump Station	WWTP	Wastewater Treatment Plant
SRF	State Revolving Fund	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 October 19, 2023
- Item No. 6 List of Disbursements for October 2023 – See Item No. FM4
- Item No. 7 Treasurer’s Report for October 2023 – See Item No. FM5
- Item No. 8 Final Adjusted Treasurer’s Reports for June, July, August, and September 2023 – See Item No. FM6

Recommendation

Approve Consent Calendar

ITEM NO. 5 COMMISSION MEETING MINUTES OF OCTOBER 19, 2023

Motion to allow a member of the Commission to participate remotely pursuant to AB 2449

Commissioner Simon requested to participate in today's meeting remotely pursuant to AB 2449 on the basis of "emergency circumstances" as pursuant to Government Code section 54954.2 (b)(4), which allows the Commission to consider a request for remote appearance at the start of the meeting for an emergency circumstance if the request does not allow sufficient time to place the proposed action on the posted agenda. The request for remote appearance, and subsequent vote, was consistent with government code and EBDA's Rules of the Commission. Commissioner Simon disclosed that no individuals over the age of 18 were present at the remote location.

Commissioner Azevedo moved to approve the motion. The item was seconded by Commissioner Andrews and carried with the following roll call vote:

Ayes: Andrews, Azevedo, Lathi
Noes: McGowan
Absent: None
Abstain: Simon

1. Call to Order

Chair Lathi called the meeting to order at 4:00 P.M. on Thursday, October 19, 2023 at the Oro Loma Sanitary District, 2655 Grant Avenue, San Lorenzo, CA 94580.

2. Pledge of Allegiance

3. Roll Call

Present:	Angela Andrews	City of Hayward
	Fred Simon	Oro Loma Sanitary District (remote)
	Timothy McGowan	Castro Valley Sanitary District
	Bryan Azevedo	City of San Leandro
	Anjali Lathi	Union Sanitary District

Absent: None

Attendees:	Jacqueline Zipkin	East Bay Dischargers Authority
	Howard Cin	East Bay Dischargers Authority
	Juanita Villasenor	East Bay Dischargers Authority
	Eric Casher	Legal Counsel
	David Donovan	City of Hayward
	Hayes Morehouse	City of San Leandro
	Ramya Sankar	City of San Leandro
	Jimmy Dang	Oro Loma Sanitary District
	Paul Eldredge	Union Sanitary District
	Roland Williams	Castro Valley Sanitary District
	Tracy Fuller	Regional Government Services

4. Public Forum

No members of the public were present.

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

5. Commission Meeting Minutes of September 21, 2023

6. List of Disbursements for September 2023

7. Preliminary Treasurer's Report for September 2023

Commissioner Andrews moved to approve the Consent Calendar. The motion was seconded by Commissioner Azevedo and carried with the following roll call vote:

Ayes: Andrews, Simon, McGowan, Azevedo, Lathi
Noes: None
Absent: None
Abstain: None

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

8. General Manager's Report

The General Manager (GM) discussed the addition of a Strategic Plan Linkage section to the staff reports. This will illustrate how topic aligns with the Authority's Strategic Plan. The GM noted she will be attending a CASA regulatory planning retreat, engaging the regulators' key board members and staff. The GM updated the Commission on nature-based nitrogen removal research. Lastly, the GM reported that there was an administrative correction to the hourly rate in the approved employment agreement.

9. Report from the Managers Advisory Committee

The GM reported on the October 10 meeting of the Managers Advisory Committee (MAC). The MAC discussed office upgrades at the administration building and chlorine dosing at member agency plants.

10. Report from the Financial Management Committee

The GM reported on the October 16 meeting of the Financial Management Committee. The Committee reviewed the Lists of Disbursements and Preliminary Treasurer's Reports and recommended approval. The GM reviewed the FY 2022/2023 year-end closing statements.

11. Motion to Approve Updates to the Authority's Purchasing Policy

The Commission directed staff to track contract amounts for future consideration of increasing the GM's signature authority. Commissioner Andrews moved to approve the item. The motion was seconded by Commissioner McGowan and carried unanimously 5-0, by roll call vote.

Ayes: Andrews, Simon, McGowan, Azevedo, Lathi
Noes: None
Absent: None

Abstain: None

12. Report from the Operations and Maintenance Committee

The Operations and Maintenance (O&M) Manager reported on the October 17, 2023 meeting. The O&M Manager provided updates on current activities, including the Emergency Outfall Upgrade and Wet Well Sluice Gate repairs and maintenance at the Oro Loma Effluent Pump Station (OLEPS). The GM updated the Commission on the Cargill brine project and the Advanced Quantitative Precipitation Information (AQPI) project. The Committee reviewed and recommended approval of the change order with Peterson Caterpillar for diesel engine repair and maintenance.

13. Motion Authorizing the General Manager to Execute a Change Order to the Purchase Order with Peterson Caterpillar for Diesel Engine Repair and Maintenance in the Amount of \$74,245 for a Total Purchase Order Value of \$99,244

Commissioner Azevedo moved to approve the item. The motion was seconded by Commissioner Andrews and carried unanimously 5-0, by roll call vote.

Ayes: Andrews, Simon, McGowan, Azevedo, Lathi
Noes: None
Absent: None
Abstain: None

14. Report from the Personnel Committee

The General Manager reported on the October 17, 2023 meeting. The Committee reviewed Brown Act regulations and the Commissioner Compensation Policy. The Committee recommended increasing the Commissioner's compensation rate to \$300 per day of service. The updated Policy will be brought to the Commission in November for approval. Lastly, the Committee discussed the agreement with Regional Government Services (RGS) and recommended approval.

15. Motion Authorizing the General Manager to Execute an Agreement with Regional Government Services Authority for Finance and Administrative Services in an Amount Not to Exceed \$136,528

Commissioner Azevedo moved to approve the item. The motion was seconded by Commissioner Andrews and carried unanimously 5-0, by roll call vote.

Ayes: Andrews, Simon, McGowan, Azevedo, Lathi
Noes: None
Absent: None
Abstain: None

16. Items from Commission and Staff

Nothing to report from Commission and Staff.

17. Adjournment

Chair Lathi adjourned the meeting at 5:15 p.m.

ITEM NO. 10 GENERAL MANAGER'S REPORT

The General Manager will discuss items of interest to EBDA.

ITEM NO. 11 REPORT FROM THE MANAGERS ADVISORY COMMITTEE

**MANAGERS ADVISORY COMMITTEE
AGENDA**

**Monday, November 6, 2023
2:00 P.M.**

Via Zoom

- 1. Remote/Hybrid Commission Meeting Participation**
- 2. Bacteria Management**
- 3. Nutrients Watershed Permit Negotiation**
- 4. Cargill Brine Project**
- 5. EBDA Commission Agenda**
- 6. Managers Information Sharing**

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

A Joint Powers Public Agency

ITEM NO. 12

REGULATORY AFFAIRS COMMITTEE AGENDA

Monday, November 13, 2023

12:00 P.M.

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

**This meeting will be teleconferenced from the following location:
the Guest Parking Area Located on Ocaso Camino, West of and Closest to the
Intersection of Paseo Padre Parkway**

**Teleconference link: <https://us02web.zoom.us/j/87152748706>
Call-in: 1(669) 900-6833 and enter Meeting ID number: 871 5274 8706**

Committee Members: Andrews (Chair); Lathi

- RA1. Call to Order**
- RA2. Roll Call**
- RA3. Public Forum**
- RA4. EBDA NPDES Compliance – See Item No. OM4**
(The Committee will review NPDES Permit compliance data.)
- RA5. Update on Total Residual Chlorine Effluent Limit**
(The Committee will receive a report on the blanket permit amendment.)
- RA6. EPA PFAS Reporting Rule**
(The Committee will review the rule adding PFAS to Toxics Release Inventory reporting)
- RA7. Update on Shoreline Nature-based Solutions Projects**
(The Committee will receive an update on multi-benefit shoreline projects.)
- RA8. Rescheduling January Meeting**
(The Committee will discuss rescheduling the meeting from the Martin Luther King, Jr. holiday.)
- RA9. Adjournment**

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Agenda Explanation
East Bay Dischargers Authority
Regulatory Affairs Committee
November 13, 2023

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**Next Scheduled Regulatory Affairs Committee meeting
Week of January 15, 2024 – date and time to be determined**

ITEM NO. RA5 UPDATE ON TOTAL RESIDUAL CHLORINE EFFLUENT LIMIT

Recommendation

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

Background

EBDA's National Pollutant Discharge Elimination System (NPDES) Permit, as with all NPDES permits for discharge to San Francisco Bay, contains a limit on total residual chlorine of 0.0 mg/L as an instantaneous maximum. To ensure consistent compliance with this limit, EBDA adds an excess of dechlorinating agent, sodium bisulfite (SBS). By detecting SBS in the effluent, EBDA can demonstrate at all times that chlorine cannot be present. While this approach ensures consistent compliance with permit requirements, it results in significant unnecessary SBS discharges to the Bay. With chemical costs continuing to rise, this use of extra SBS without clear environmental benefit diverts resources from higher priority investments.

For the past decade, the Bay Area Clean Water Agencies (BACWA) has been working with the San Francisco Bay Regional Water Quality Control Board (Water Board) on an approach to revising total residual chlorine discharge limits to prevent SBS overdosing while continuing to protect environmental health. In 2020, the Water Board adopted an amendment to the Basin Plan, the document governing water quality standards for the region, that removed the 0.0 mg/L instantaneous maximum standard and replaced it with an EPA-established water quality-based criterion of 0.013 mg/L as a one-hour average. Prior to implementing the new criterion in permits, EPA Region IX needed to approve the Basin Plan Amendment. Unfortunately, EPA Region IX determined that they were unable to approve the Basin Plan Amendment due to concerns raised by other federal agencies that the new standard would not be sufficiently protective of endangered species.

Undeterred by EPA's lack of approval of the Basin Plan Amendment, Water Board staff continued to think creatively about ways to implement protective yet practical effluent limits for total residual chlorine. To that end, they developed a new Order amending all NPDES permits in the region to revise chlorine limits that uses the Basin Plan's narrative toxicity objective to support use of the 0.013 mg/L one-hour average standard. To satisfy the concerns of EPA Region IX and the federal species agencies, the blanket permit amendment also requires dischargers to establish an operational control plan that targets 0.0 mg/L chlorine at the point where their discharge enters the Bay.

Discussion

On November 8, the Water Board unanimously approved the blanket permit amendment. The amendment will take effect on January 1, 2024. Because EBDA discharges to the deepest part of the Bay, EBDA's new effluent limit is calculated with a dilution factor of 74:1, making it 0.98 mg/L over a one-hour average. With potential future introduction of brine from Cargill, the buoyancy of the effluent and hence the dilution factor would change slightly, bringing the effluent limit to 0.94 mg/L. Staff expects that either limit will be met

without utilizing SBS for large portions of the year. Staff plans to do some pilot testing to establish a set point for chlorine residual at the compliance monitoring point at the Marina Dechlorination Facility that will ensure that chlorine residual is zero by the time it travels seven miles through the outfall to the Bay discharge location.

ITEM NO. RA6 EPA PFAS REPORTING RULE

Recommendation

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

Strategic Plan Linkage

5. **Regulatory Compliance:** Proactively meet or exceed regulatory requirements for protection of the environment and public health.
 - e. Track and share scientific and regulatory developments related to emerging contaminants, and advocate for source control.

Background

Per- and polyfluoroalkyl substances (PFAS) are a large group of human-made substances that are very resistant to heat, water, and oil. PFAS have been used extensively in surface coating and protectant formulations. Common PFAS-containing products are non-stick cookware, cardboard/paper food packaging, water-resistant clothing, carpets, and fire-fighting foam. All PFAS are persistent in the environment, can accumulate within the human body, and have demonstrated toxicity at relatively low concentrations. PFOA and PFOS, two of the most common PFAS compounds, were found in the blood of nearly all people tested in several national surveys.

As a result of public attention on the issue of PFAS, there is a lot of activity at the national, state, and local levels on regulations, legislation, and research. The Regulatory Affairs Committee's [April 2023 Staff Report](#) contained a summary of recent developments. An [article](#) on the topic written by CASA staff in Western City Magazine was also shared in September.

Discussion

As noted at last month's Commission meeting, the California Association of Sanitation Agencies (CASA)'s efforts to support legislation related to PFAS source control over the past two years have been met with vetoes by Governor Newsom. In 2022, CASA sponsored AB 2247, which would have required disclosure of PFAS in commercial products. The Governor [vetoed](#) the bill on the basis of the cost for the Department of Toxic Substances Control (DTSC) to implement the program. In 2023, the Governor vetoed CASA's co-sponsored bill AB 727 which aimed to ban PFAS in cleaning products, along with two other PFAS bills – AB 246 and AB 1423 – which would have banned PFAS in feminine hygiene products and artificial turf, respectively. The Governor [explained](#) that while he agreed with the objective of the bills, he was concerned about the lack of enforcement and regulatory oversight. He further directed DTSC to “engage with the author and the Legislature and consider alternative approaches to regulating the use of these harmful chemicals in consumer products.”

While these California legislative efforts have been stymied, efforts have continued at the federal level to implement EPA's [PFAS Strategic Road Map](#). On October 20, 2023, EPA finalized a [rule](#) that improves reporting on PFAS to the Toxics Release Inventory (TRI). This rule essentially accomplishes what CASA was envisioning with AB 2247, requiring extensive disclosure and reporting by manufacturers of products containing PFAS.

TRI data is reported to EPA annually by facilities in industry sectors such as manufacturing, metal mining, electric power generation, chemical manufacturing and hazardous waste treatment, as well as federal facilities that manufacture, process, or otherwise use notable quantities of [TRI-listed chemicals](#). The data include quantities of chemicals that were released into the environment or otherwise managed as waste. The 2020 National Defense Authorization Act initially added 172 PFAS to the list of chemicals covered by TRI. However, the thresholds for reporting were sufficiently high that many uses of PFAS qualified for a "de minimus" exemption. By designating PFAS as "chemicals of special concern" for TRI-reporting purposes, this rule eliminates that exemption and requires facilities to report on PFAS regardless of their concentration in mixtures, since many PFAS are used in low concentrations. As a result of removing this reporting exemption, industry sectors such as manufacturing, metal mining, and chemical manufacturing will no longer be able to avoid disclosing the quantities of PFAS they manage or release into the environment.

The wastewater community views this type of reporting and disclosure as an important first step to understanding sources of PFAS to the environment. By understanding these sources, future action can be taken to regulate manufacturing and use of these chemicals and prevent them from making their way into wastewater treatment plant influent and other pathways to the environment.

ITEM NO. RA7 UPDATE ON SHORELINE NATURE-BASED SHORELINE PROJECTS

Recommendation

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

Strategic Plan Linkage

6. **Resilience:** Champion resilience for communities and the environment through regional leadership and advancing priority programs to support the Member Agencies in achieving their sustainability goals.
 - b. Advance concepts for shoreline adaptation and climate resilience.

Background

A recent [study](#) by the Bay Conservation and Development Commission (BCDC) estimated the cost for the Bay Area to adapt to rising sea levels to be \$110 Billion. EBDA and its Member Agencies' infrastructure, along with the communities we serve, are at risk from a rising Bay and associated groundwater rise, as exemplified by this [article](#) profiling issues in San Leandro. At the same time, the cost for Bay Area wastewater treatment plants to reduce nutrients to prevent further algal blooms could be on the order of \$13 Billion.

These staggering costs to deal with imminent challenges are driving a focus on multi-benefit projects. Wetlands, horizontal levees, and other "Nature-based Solutions" (NbS) have the potential to provide water quality improvement through reduction of nutrients and contaminants of emerging concern, creation or restoration of habitat, and protection from sea level rise. The Authority has been engaged in several parallel projects that seek to advance NbS concepts along the East Bay shoreline. This report summarizes the status of current and planned efforts, along with recent legislation requiring adaptation planning in the Bay Area.

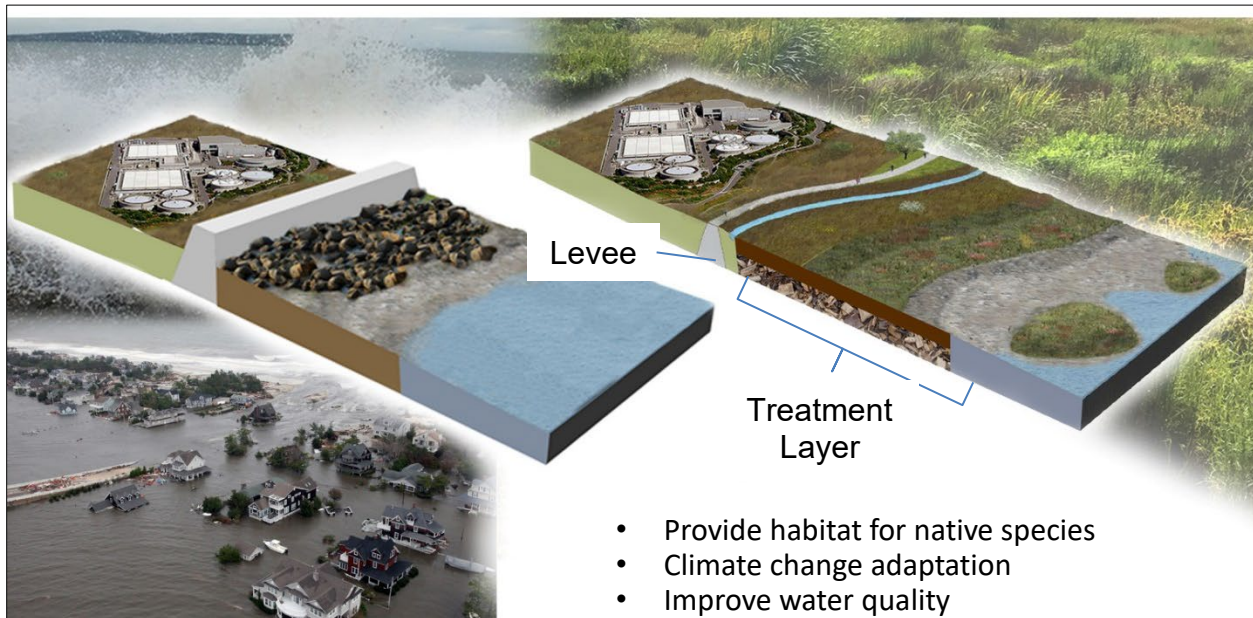
Discussion

[Oro Loma Horizontal Levee Demonstration](#)

In 2015, Oro Loma and Castro Valley Sanitary Districts constructed the Oro Loma Horizontal Levee demonstration project, a "living laboratory" to test the water quality improvement benefits of horizontal levees. A horizontal levee is a gently sloped, vegetated shoreline feature that protects against sea level rise and storm surge, while providing subsurface wastewater polishing and creating upland habitat transition zones for sensitive species (see graphical depiction on the next page). For the past eight years, researchers from U.C. Berkeley, under the leadership of Professor David Sedlak, have worked to understand the effectiveness and mechanisms of water quality improvement through the treatment layer of the horizontal levee. The attached memo summarizes findings to date.

In the summer of 2023, the Oro Loma and U.C. Berkeley team, in partnership with the

San Francisco Estuary Partnership (SFEP), Santa Clara Valley Water District, and other stakeholders, reconfigured several cells at the demonstration site to test the effects of slope and subsurface media on treatment efficacy. Current efforts include examining removal of per- and polyfluoroalkyl substances (PFAS) and other constituents from reverse osmosis concentrate.



Credit: Angela Stiegler

[First Mile Horizontal Levee Project](#)

The “First Mile” Horizontal Levee Project was conceived to scale up the concepts tested at the Oro Loma Horizontal Levee Demonstration to an approximately one-mile stretch of shoreline immediately south of the Oro Loma/Castro Valley Wastewater Treatment Plant. The First Mile would be built on land managed by the East Bay Regional Park District (EBRPD) in an area called Oro Loma Marsh, between Bockman Canal and Sulphur Creek. To compensate for fill that would be placed in the existing marsh to build the horizontal levee, the project will also encompass restoration of areas known as Frank’s East and Frank’s West, owned by the Hayward Area Recreation District (HARD). Both the First Mile Horizontal Levee and restoration of the Frank’s wetlands are projects envisioned by the [Hayward Regional Shoreline Adaptation Master Plan](#) adopted in 2021 by the Hayward Area Shoreline Planning Agency (HASPA).

The EBDA Commission approved Resolution 19-42 authorizing the General Manager to enter into a funding agreement with the Association of Bay Area Governments/San Francisco Estuary Partnership passing through \$650,000 in EPA grant funds for EBDA to lead development of the First Mile project conceptual design. EBDA’s design consultant, ESA, is working on finalizing a 30% design package for the First Mile Horizontal Levee, as well as a conceptual restoration plan for Frank’s wetlands. EBDA’s consultant, Nate Kauffman, is also working on renderings of the future project that can

be used in public communications. These visuals will be shared with the Commission and project stakeholders early next year.

EBDA staff is working closely with SFEP, along with EBRPD, HARD, and other stakeholders to develop a strategy for stakeholder engagement on the First Mile project. This will likely include a design charrette in early 2024 to seek input and creative ideas on project elements. Staff is also continuing to work with an inter-agency team to explore regulatory pathways for nature-based shoreline resilience projects, and reduce barriers to project permitting.

To fund the next phase of work on the First Mile, EBDA partnered with SFEP on a grant application to the EPA Water Quality Improvement Fund (WQIF), the same grant program that funded the current First Mile scope. Staff expects to be notified in December whether the application was successful. If awarded, the grant would fund final design and permitting of the First Mile project, getting it to a place where it's "shovel ready." In addition to the First Mile scope, the grant application also includes funding for HASPA to develop a Hayward Regional Shoreline Adaptation Implementation Plan that outlines phasing and responsibilities for executing the Master Plan. Lastly, it includes support for a HASPA governance evaluation and vision to build on HASPA's recent efforts to renew and expand its Joint Powers Agreement and position HASPA and its members and stakeholders to deliver the Master Plan projects.

Hayward Nature-based Solutions Development

After completing initial feasibility studies, the City of Hayward recently received an EPA WQIF grant to further develop potential nature-based solutions at the Hayward Water Pollution Control Facility. Under this grant, which kicked off this summer, Hayward will further develop concepts around treatment wetlands in the existing oxidation ponds, and/or a horizontal levee at the outboard side of the ponds. These projects would ensure continued use of the ponds in winter for wet weather storage, while providing summer nutrient removal and potentially flood protection and habitat enhancement. The projects would complement Hayward's plant upgrade project, currently in design.

San Leandro Treatment Wetland

Under a grant from the San Francisco Bay Restoration Authority, funded by Measure AA, the City of San Leandro has designed and permitted this project to convert a 4.3-acre storage basin into a multi-benefit treatment wetland. The project is slated for construction next summer.

To further build on the treatment wetland concept, San Leandro also submitted a grant application to this year's EPA WQIF. If successful, the next phase would explore development of a larger treatment wetland on a parcel owned by the City south of Estudillo Canal.

Regional Shoreline Adaptation Plan and SB 272

In recognition of the significant challenge of adapting the San Francisco Bay shoreline to sea level rise, and the distributed nature of governance along the shoreline, BCDC is currently developing a [Regional Shoreline Adaptation Plan](#) (RSAP). As described in the attached fact sheet, the RSAP will include regional guidelines, sub-regional shoreline plans, and an online regional adaptation map. BCDC's process is in line with recently passed legislation, [SB 272](#): Sea Level Rise Adaptation and Planning (Laird, 2023). SB 272 requires local governments along the Bay shoreline to develop sub-regional shoreline resiliency plans by 2034, using guidelines that BCDC plans to develop by end of 2024. Projects and strategies contained within plans approved by BCDC will be prioritized for State funding.

EBDA and its Member Agencies are in a good position to comply with SB 272. The HASPA Master Plan provides a model for sub-regional planning and can be adapted as needed to conform to BCDC guidelines. To the north, San Leandro is participating in the [Oakland Alameda Adaptation Committee](#)'s efforts to develop collaborative adaptation strategies. San Leandro is also currently developing its own City Sea Level Rise Adaptation Plan, and Union Sanitary District completed a Sea Level Rise study earlier this year. These efforts, coordinated with EBDA and other stakeholders, will ensure that the East Bay shoreline is prepared to adapt to sea level rise and that critical wastewater infrastructure is protected.

San Francisco Estuary Partnership Transforming Shorelines Project

Oro Loma Outdoor Laboratory Implementation of Additional Strategies



Overview

The Oro Loma Experimental Horizontal Levee was designed and built in 2015-2016 to demonstrate the capability of horizontal levees to remove nutrients, specifically nitrogen and phosphorus, from wastewater effluent. Since its initial conception, the scope of research at the horizontal levee has expanded to examine reduction of trace contaminant concentrations in addition to nutrients in both wastewater effluent and reverse osmosis concentrate (ROC). During the scope of the grant, a team of UC Berkeley researchers, led by Dr. David Sedlak, conducted water quality monitoring to quantify the performance of the horizontal levee and provide recommendations for future designs. Many of these findings have been published in peer-reviewed journals (see Scientific Publications section below).

Monitoring results demonstrate that the project is meeting performance goals and providing the intended benefits. The wet-weather equalization basin and ecotone slope were operational and actively maintained by Oro Loma Sanitary District (OLSD) throughout the project. The UC Berkeley team continues to monitor the water quality performance of the ecotone slope with respect to nutrients and important water quality indicators as well as contaminants of emerging concern. Results are informing a redesign of a portion of the horizontal levee to implement recommendations and pursue new research questions that have emerged through the past 5 years of research under this grant.

Monitoring Results

Water quality monitoring has examined the fate of trace organic contaminants, trace metals, nitrogen, and phosphorus within the horizontal levee. In order to characterize processes occurring in the subsurface, such as evapotranspiration and microbial metabolism, additional water quality parameters are also monitored. These general water quality parameters include pH, dissolved organic carbon (DOC), electrical conductivity, chloride, and sulfate.

Among the monitored contaminants, the aim is to reduce concentrations in wastewater effluent and ROC to levels that are acceptable for discharge into San Francisco Bay. The monitored trace metals (nickel and copper) are regulated contaminants that must meet discharge criteria limits. Discharge to

the lower South Bay, where the project is located, is subject to limits set out in wastewater treatment plant discharge permits. Initial analysis of porewater indicates that cells receiving wastewater effluent and ROC exhibit removal of approximately 90% of influent copper with effluent concentrations (< 1 ppb) well below the discharge criteria limit. Nutrients, trace organic contaminants, and general water quality parameters are not currently regulated for discharge into the Bay. Performance of the horizontal levee was compared to more cost-intensive engineering solutions like nitrification/denitrification retrofits (82% removal) or coagulation processes (86% removal) for nitrogen and phosphorus respectively (Cloern et al., 2020). The removal of trace organic contaminants was compared to reported values during conventional (primary and secondary) wastewater treatment. If the horizontal levee could outperform other, more expensive engineering nutrient removal solutions while removing additional trace organic contaminants and reducing metal concentrations to below the discharge limits, then the implementation of this technology would be increasingly feasible.

Results of monitoring are promising, and several findings from water quality and ecological monitoring are being used to inform the design and implementation of other horizontal levees. For example, nitrate-N is completely removed within the first ~20% of the ecotone slope provided that water is flowing underground. Trace organic compounds (e.g., pharmaceuticals, urban use pesticides) are also well removed within this zone. Initial experiments in a sub-section of the ecotone indicated that these same contaminants are removed from reverse osmosis concentrate (ROC) produced by a potable water reuse demonstration facility.

Qualitative vegetation monitoring results indicate that the dense planting regime and nutrient-rich wastewater promoted plant health and native plant success. However, some non-native plants (*C. selloana* - pampas grass) were established on unplanted clay berms that separate the experimental treatments. Some of these plants were removed manually during maintenance operations.

During 2020-2021, one cell was reconfigured to test out the use of ROC at the site. Monitoring of this cell is ongoing, in partnership with Santa Clara Valley Water District. Porewater samples were collected from both the ROC cell and an identically constructed cell that was still receiving wastewater. Monitoring results indicate partial removal of nitrate and trace organic contaminants from the ROC. Although rates of removal are slower than those observed in the cell that receives conventional wastewater effluent, the mass removal (i.e., mass of nitrate and trace organics removed per square meter of the wetland) is higher in the ROC-receiving wetland due to the higher inlet concentrations.

Recommendations

The research team engaged with OLSD, a design team, and other partners to plan reconfiguration of additional cells that enable exploration of new research questions that resulted from the findings described above.



The finding that nitrate-N removal occurs in the first 20% of the ecotone slope indicates that a steeper slope may allow equal treatment and less costly construction. Therefore, the team proposes to test a 15:1 slope for comparison with the 30:1 slope used in the original design. This updated design will be informative to other projects that are challenged with a lack of space to accommodate a 30:1 slope. A 15:1 slope may also be advantageous if resource agencies continue to require mitigation for the installation of these natural systems.

Similarly, successful nitrate-N removal indicates that the horizontal levee may be able to accommodate increased flow. This question is of interest to other projects looking to scale up the horizontal levee design to fulfill greater wastewater treatment needs. Recommendations for accommodating increased flow include increasing the thickness of the gravel layer.

While the success of copper removal highlights the feasibility of horizontal levees, initial analysis of porewater suggests that the influent nickel in the ROC receiving cell was not removed. Under some conditions, nickel concentrations in the effluent were higher than those in the ROC or influent water (i.e., about 30 ppb). One potential explanation for this outcome is the potential leaching of nickel from the gravel used in this project. However, additional research is needed to fully understand nickel mobilization in the subsurface. Therefore, careful consideration must be taken when selecting materials for future projects to prevent potential metal leaching and ensure project sustainability.

An additional goal of the reconstruction is the treatment of per- and polyfluorinated alkyl substances (PFAS) from wastewater and ROC. To accomplish this goal, the subsurface of the reconstructed horizontal levee will include additions of activated carbon and a PFAS-specific geomedia. Removal of PFAS from wastewater sources is a growing concern as these compounds are becoming increasingly regulated and monitored in drinking water and waste streams. Monitoring of PFAS will begin in the reconstructed cells receiving both wastewater and ROC. This monitoring will aid in quantifying the ability of these systems to remove PFAS from a variety of waste streams via sorption processes.

Given promising treatment of ROC in the one recently reconfigured cell, the upcoming reconfiguration will provide a means of conducting additional research on ROC treatment, including testing of different substrate materials. Recommendations include testing PFAS-selective resin. If this material or the activated carbon exhibits sufficient retention of PFAS it may offer a means of preventing PFAS discharges while these materials are phased out of production.

Scientific Publications

Stiegler, A. N.; Cecchetti, A. R.; Sedlak, D. L. Plant Uptake of Trace Organic Contaminants in Effluent-Dominated Streams: An Overlooked Terrestrial Exposure Pathway. *Environmental Science and Technology Letters* 2022, 9, 11, 929–936.

Cecchetti, A. R.; Stiegler, A. N.; Gonthier, E. A.; Bandaru, S. R. S.; Fakra, S. C.; Alvarez-Cohen, L.; Sedlak, D. L. Fate of Dissolved Nitrogen in a Horizontal Levee: Seasonal Fluctuations in Nitrate Removal Processes. *Environmental Science and Technology* 2022, 56, 4, 2770-2782.

Cecchetti, A. R.; Systema, A.; Stiegler, A. N.; Dawson, T. E.; Sedlak, D. L. Use of stable nitrogen isotopes to track plant uptake of nitrogen in a nature-based treatment system. *Water Research X* 2020, 9, 100070.

Cecchetti, A. R.; Stiegler, A. N.; Graham, K.; Sedlak, D. L. The Horizontal Levee: A Multi-Benefit Nature-Based Treatment System That Improves Water Quality And Protects Coastal Levees From The Effects Of Sea Level Rise. *Water Research X* 2020, 7, 100052.

Regional Shoreline Adaptation Plan

An implementing project of **BAY ADAPT**



WHAT IS THE REGIONAL SHORELINE ADAPTATION PLAN?

Rising sea levels from climate change are already encroaching along our shorelines and will only accelerate in the coming decades. The impacts of sea level rise – and resources to plan and prepare for them – are unevenly distributed across the nine-county Bay Area. If everyone “goes it alone,” we risk maladaptation - catastrophic consequences such as unintentional flooding of our neighbors, leaving behind communities most at risk and with the least resources to adapt, and missing out on opportunities to find shared solutions that benefit both local communities and the region as a whole.

The Regional Shoreline Adaptation Plan (RSAP) will set the region on a path towards more coordinated and consistent local adaptation planning that advances our shared goals together. The Shoreline Plan will be collaboratively developed and include:

Regional Guidelines

Sub-Regional Shoreline Plans

Online Regional Adaptation Map

Following adoption of the Vision and Regional Guidelines by BCDC's Commission by the end of 2024, BCDC will support cities and counties to develop sub-regional shoreline plans that are consistent with the guidelines to ensure that the region is prepared for sea level rise both locally and in alignment with the region.

WHAT WILL THE RSAP DO?

- Adaptation that **coordinates** with neighboring jurisdictions
- Priority resources to **frontline communities**
- Long-term **health of wetlands**
- Strategy for **adaptation implementation** based on risk
- Common **standards and methods** for plans, policies, and science
- **Pipeline of funding** that reduces burdens on jurisdictions
- Track and measuring progress towards a **collective vision**



The San Francisco shoreline. Photo by SF Baykeeper, Cole Burchiel, and LightHawk.

WHO IS BCDC?

The San Francisco Bay Conservation and Development Commission (“BCDC”) is a California State regulatory and planning agency in the nine-county San Francisco Bay Area with a mission to **protect and enhance the resources of the San Francisco Bay and ensure its responsible and productive use for this and future generations.**

www.bcdc.ca.gov

WHAT IS BAY ADAPT?

Bay Adapt: Regional Strategy for a Rising Bay is a BCDC-led initiative that brings together partners across the San Francisco Bay Area to establish regional agreement on the actions necessary to protect people and the natural and built environment from rising sea levels. The **Joint Platform** was adopted by BCDC in 2021 and has been endorsed by 55 cities and counties, regional, state, and federal agencies, non-profit organizations and more.

www.BayAdapt.org



Palo Alto Baylands Nature Preserve. Photo by Stanislav Sedov, CC BY 2.0.

WHAT IS SB 272?

SB 272: Sea Level Rise Adaptation and Planning (Laird, 2023) requires local governments along the San Francisco Bay shoreline to develop “subregional shoreline resiliency plans.”

It requires BCDC to develop subregional resilience plan guidelines by end of 2024, which will be built on Bay Adapt’s Guiding Principles, and developed in coordination with the California Coastal Commission, the Ocean Protection Council, and the California Sea Level Rise State and Regional Support Collaborative, for use by local governments as they develop plans. Subregional plans must be submitted to BCDC for review and approval by January 1, 2034.

The bill also includes an important carrot: Projects and strategies contained within approved plans by BCDC or CCC will be prioritized for State funding.

HOW ARE WE ALIGNED?

Bay Adapt, The Regional Shoreline Adaptation Plan, and SB 272 are **aligned**, **on track** and **linked to funding**.

BENEFITS OF SB 272

REGIONAL PREPARATION

The RSAP and SB 272 will establish common, regionwide standards and support for plans that transcend jurisdictions and issue areas.

COORDINATION

The RSAP and SB 272 will compel communities to prepare adaptation plans that prioritize disadvantaged communities, science and critical infrastructure – without endangering their neighbors, habitat, or infrastructure.

PRIORITIES & FUNDING

The RSAP and SB 272 will help us plan where and when to make smart investments that prioritize at-risk, low-income communities, natural areas, and the critical infrastructure, and links those plans to state funds to implement them.

ALIGNED

BCDC’s Regional Shoreline Adaptation Plan mirrors the basic blueprint of SB 272.

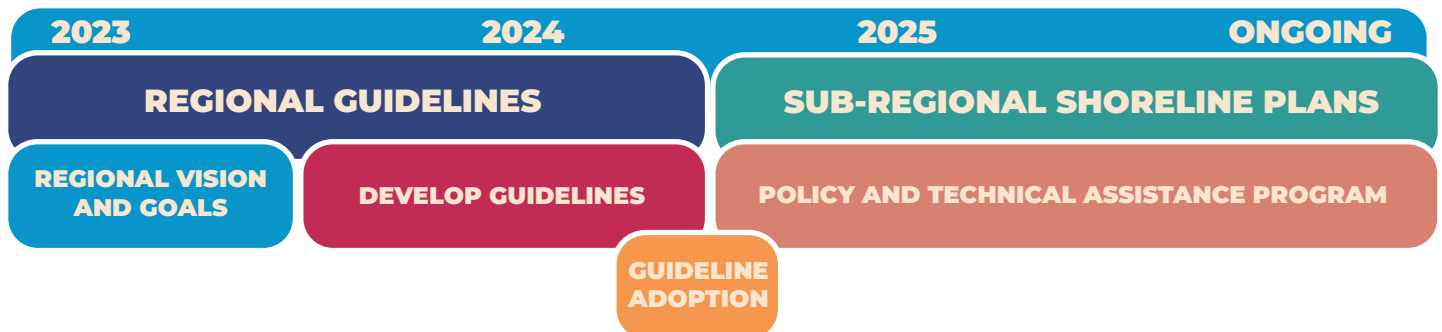
ON TRACK

BCDC is on track to develop Guidelines by end of 2024, in alignment with SB 272 requirements.

LINKED TO FUNDING

Grant funding for developing plans will be available starting at the end of 2023 from the Ocean Protection Council.

PROJECT TIMELINE



For additional questions, please contact the Project Manager of the Shoreline Plan, Jaclyn Mandoske at jaclyn.mandoske@bcdcc.ca.gov. This work is supported with grant funds provided by the Ocean Protection Council and the State Coastal Conservancy.

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ITEM NO. 13

FINANCIAL MANAGEMENT COMMITTEE AGENDA

Wednesday, November 15, 2023

8:00 A.M.

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

**This meeting will be teleconferenced from the following location:
Starbucks, 8780 W Charleston Blvd, Las Vegas, NV**

**Teleconference link: <https://us02web.zoom.us/j/82977876968>
Call-in: 1(669) 900-6833 and enter Meeting ID number: 829 7787 6968**

Committee Members: Simon (Chair); Andrews

FM1. Call to Order

FM2. Roll Call

FM3. Public Forum

FM4. Disbursements for October 2023
(The Committee will review the Lists of Disbursements.)

FM5. Treasurer's Report for October 2023
(The Committee will review the Treasurer's Report.)

FM6. Final Adjusted Treasurer's Reports for June, July, August, and September 2023
(The Committee will review the final adjusted Treasurer's Reports.)

FM7. Motion to Accept the Audited Basic Financial Statements for Fiscal Year Ending June 30, 2023
(The Committee will consider the motion.)

FM8. Adjournment

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.

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
November 15, 2023

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 Juanita Villasenor at juanita@ebda.org or (510) 278-5910. 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>.

<p>Next Scheduled Financial Management Committee is Wednesday, December 20, 2023 at 8:00 a.m.</p>
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ITEM NO. FM4 DISBURSEMENTS FOR OCTOBER 2023

Disbursements for the month of October totaled \$433,291.43.

Reviewed and Approved by:

Fred Simon, Chair Date
Financial Management Committee

Jacqueline T. Zipkin Date
Treasurer

EAST BAY DISCHARGERS AUTHORITY
List of Disbursements
October 2023

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
26252	10/17/2023	002998	UNION SANITARY DISTRICT	O&M - JUL	49,736.31	87,877.74
26252	10/17/2023	003000	UNION SANITARY DISTRICT	O&M - AUG	38,141.43	
26250	10/17/2023	6849	ORO LOMA SANITARY DISTRICT	O&M - AUG	35,879.31	35,879.31
26284	10/31/2023	1029-23	AFFORDABLE PAINTING SERVICE INC	ADMIN OFFICE UPGRADE	35,146.00	35,146.00
26249	10/17/2023	393812	CITY OF SAN LEANDRO	O&M - AUG	32,064.18	32,064.18
26278	10/31/2023	51515770	UNIVAR	SODIUM BISULFITE - DELIVERED 9/29/2023	9,883.08	29,443.24
26278	10/31/2023	51576112	UNIVAR	SODIUM BISULFITE - DELIVERED 10/23/2023	9,784.20	
26278	10/31/2023	51550181	UNIVAR	SODIUM BISULFITE - DELIVERED 10/11/2023	9,775.96	
26271	10/31/2023	6852	ORO LOMA SANITARY DISTRICT	O&M - SEP	19,762.21	19,762.21
26263	10/17/2023	189205	ENVIRONMENTAL SCIENCE ASSOCIATES	FIRST MILE PROJECT WORK ORDER NO. 3	13,393.75	13,393.75
26260	10/17/2023	209166	MEYERS NAVE	LEGAL SERVICES - BRINE PROJECT	10,456.70	12,089.76
26260	10/17/2023	209165	MEYERS NAVE	LEGAL SERVICES - AUG	1,633.06	
26273	10/31/2023	7561	CASA	MEMBERSHIP RENEWAL	9,735.00	9,735.00
26275	10/31/2023	Jul-23	DEBORAH QUINN	ACCOUNTING SERVICES - JUL	4,449.88	4,449.88
26247	10/17/2023	JUL-SEP 2023	KARL D. ROYER	QUARTERLY HEALTH PREMIUM REIMBURSEMENT - LOST CHECK	3,976.44	3,976.44
26269	10/31/2023	JUL-SEP 2023	KARL D. ROYER	QUARTERLY HEALTH PREMIUM REIMBURSEMENT	3,976.44	3,976.44
26281	10/31/2023	23-020-101	SOTIRIOS L KOLLIAS	OFFICE UPGRADE PROJECT	3,620.00	3,620.00
26283	10/31/2023	406.1	DCM CONSULTING, INC	GEOTECHNICAL/TRENCHLESS EVALUATION	3,525.00	3,525.00
26274	10/31/2023	54930	CALCON	OPS CENTER: OFFICE HEALTH AND SAFETY	1,279.30	2,907.90
26274	10/31/2023	54931	CALCON	OPS CENTER: NETWORK SECURITY MEETING AND OFFICE UPGRADE	969.30	
26274	10/31/2023	54932	CALCON	OLEPS: PLC AND SCADA PROGRAMMING	659.30	
26262	10/17/2023	11497159	BROWN & CALDWELL	ENGINEERING SERVICES - BRINE ASSESSMENT	2,365.51	2,365.51
26259	10/17/2023	4246-0445-5568-7627	US BANK	PURCHASING CARD EXPENSES	2,245.22	2,245.22
26256	10/17/2023	FB42066	CAROLLO ENGINEERS	ENGINEERING SERVICES - WORK ORDER NO. 2	1,615.50	1,762.50
26256	10/17/2023	FB42060	CAROLLO ENGINEERS	ENGINEERING SERVICES - WORK ORDER NO. 4	147.00	
26277	10/31/2023	6483	CSDA	CSDA MEMBERSHIP RENEWAL	1,740.00	1,740.00
26282	10/31/2023	28686	FOSTER & FOSTER	ACTUARIAL SERVICES FOR GASB 75 REPORTING	1,700.00	1,700.00
26251	10/17/2023	52205704	CITY OF HAYWARD	BENEFIT PREMIUMS - OCT	1,370.05	1,370.05
26253	10/17/2023	1001649286	STATE COMPENSATION INSURANCE FUND	WORKERS COMPENSATION	878.00	878.00
26264	10/17/2023	712918	CALTEST	LAB TESTING SERVICES	726.70	726.70
26261	10/17/2023	42154	BA MORRISON	HVAC SERVICE - HEPS	405.00	690.00
26261	10/17/2023	42164	BA MORRISON	HVAC SERVICE - ADMIN	285.00	
26270	10/31/2023	Oct-23	TIMOTHY MCGOWAN	COMMISSIONER COMPENSATION	480.00	480.00
26258	10/17/2023	8413	CAYUGA INFORMATION SYSTEMS	IT SERVICES	472.50	472.50

EAST BAY DISCHARGERS AUTHORITY

List of Disbursements

October 2023

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
26257	10/17/2023	20099537	ZASIO ENTERPRISES, INC	RECORDS MANAGEMENT SOFTWARE ANNUAL RENEWAL	415.00	415.00
26268	10/17/2023	9867	MBC CUSTODIAL SERVICES INC	JANITORIAL SERVICES	130.00	260.00
26268	10/17/2023	9908	MBC CUSTODIAL SERVICES INC	JANITORIAL SERVICES	130.00	
26280	10/31/2023	10110000001	EBMUD	WATER & SEWER, MDF	246.55	246.55
26276	10/31/2023	249925867	ORKIN	PEST CONTROL SERVICES - MDF	232.99	232.99
26272	10/31/2023	5104830439	AT&T	TELEPHONE SERVICE - MDF	232.05	232.05
26267	10/17/2023	CD_000669703	RINGCENTRAL INC	DIGITAL PHONE SERVICE	210.56	210.56
26248	10/17/2023	JUL-SEP 2023	CHARLES V. WEIR	QUARTERLY HEALTH PREMIUM REIMBURSEMENT	193.50	193.50
26265	10/17/2023	54357	COMPUTER COURAGE	WEBSITE HOSTING	150.00	150.00
26266	10/17/2023	20210105.02-19	ASCENT ENVIRONMENTAL, INC	CONSULTING SERVICES - CARGILL CEQA	130.14	130.14
26279	10/31/2023	3905152	CALTRONICS	COPIER USAGE AND MAINTENANCE	119.24	119.24
26255	10/17/2023	9945744329	VERIZON WIRELESS	WIRELESS PHONE SERVICES	103.04	103.04
26254	10/17/2023	J146	TG'S BACKFLOW SERVICE	TEST & INSPECT BACKFLOW ASSEMBLY @ MDF	85.00	85.00
					314,655.40	314,655.40
10/03/2023		5105948980-0	PG&E	ADMIN OFFICE UPGRADE	44,794.54	44,794.54
10/11/2023		100000017293713	CALPERS	HEALTH PREMIUMS - OCT	7,630.03	7,630.03
10/03/2023		100000017230510	CALPERS	PENSION CONTRIBUTION, CLASSIC 09/16 - 30/2023	5,697.08	5,697.08
10/17/2023		100000017289192	CALPERS	PENSION CONTRIBUTION, CLASSIC 10/01 - 15/2023	5,710.87	5,710.87
10/03/2023		6453271	MISSION SQUARE	DEFERRED COMPENSATION 09/30/2023	2,134.48	2,134.48
10/04/2023		2310149174	INTERMEDIA.NET	EMAIL EXCHANGE HOSTING SERVICE	99.40	99.40
10/17/2023		6144865	MISSION SQUARE	DEFERRED COMPENSATION 10/15/2023	2,134.47	2,134.47
				TOTAL ELECTRONIC PAYMENTS	68,200.87	68,200.87
				PAYROLL		
10/30/2023			ADP, LLC	PAYROLL PERIOD: 10/16-31/2023	26,421.63	26,421.63
10/12/2023			ADP, LLC	PAYROLL PERIOD: 10/01-15/2023	23,843.61	23,843.61
10/06/2023			ADP, LLC	PAYROLL FEES, 08/16-31/2023	92.06	92.06
10/20/2023			ADP, LLC	PAYROLL FEES, 09/01-15/2023	77.86	77.86
				TOTAL PAYROLL	50,435.16	50,435.16
				TOTAL DISBURSEMENTS	433,291.43	433,291.43

ITEM NO. FM5 TREASURER'S REPORT FOR OCTOBER 2023

The cash balance as of October 31, 2023 is \$4,990,741.62. EBDA's LAIF balance is \$2,362,936.88, and the average monthly effective yield for October is 3.670%. EBDA's CAMP balance is \$1,512,085.01, and CAMP's 7-day yield is 5.57%.

Approval is recommended.

**EAST BAY DISCHARGERS AUTHORITY
TREASURER'S REPORT
October 31, 2023**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,473,263.51	412,636.58	358,662.62	1,527,237.47
13	PLANNING & SPECIAL STUDIES	624,134.43	126,874.27	13,393.75	737,614.95
14	RECLAMATION O & M (SKYWEST)	65,427.05	9,000.00	5,397.53	69,029.52
15	BRINE ACCEPTANCE	(68,056.86)	23,513.95	13,452.35	(57,995.26)
31	RENEWAL & REPLACEMENT	2,601,012.69	156,227.43	42,385.18	2,714,854.94
TOTALS		4,695,780.82	728,252.23	433,291.43	4,990,741.62

Oct-23

11/9/2023

SUPPLEMENTAL TREASURER'S REPORT

DATE	TRANSACTION	RECEIPT	DISBURSEMENT CHECKING	DISBURSEMENT PAYROLL	PAYROLL TRANSFER	LAIF	CAMP	WELLS FARGO CHECKING BALANCE	WELLS FARGO PAYROLL BALANCE	LAIF BALANCE	CAMP BALANCE	TOTAL CASH
09/30/23	BALANCE							821,527.78	27,208.58	2,341,823.30	1,505,221.16	4,695,780.82
10/02/23	DIVIDENDS	6,863.85					6,863.85	821,527.78	27,208.58	2,341,823.30	1,512,085.01	4,702,644.67
10/02/23	DEPOSIT - COH	620,387.00						1,441,914.78	27,208.58	2,341,823.30	1,512,085.01	5,323,031.67
10/03/23	ELECTRONIC BILL PAY		44,794.54					1,397,120.24	27,208.58	2,341,823.30	1,512,085.01	5,278,237.13
10/03/23	ELECTRONIC BILL PAY		5,697.08					1,391,423.16	27,208.58	2,341,823.30	1,512,085.01	5,272,540.05
10/03/23	ELECTRONIC BILL PAY		2,134.48					1,389,288.68	27,208.58	2,341,823.30	1,512,085.01	5,270,405.57
10/04/23	ELECTRONIC BILL PAY		99.40					1,389,189.28	27,208.58	2,341,823.30	1,512,085.01	5,270,306.17
10/05/23	DEPOSIT - CARGILL	35,046.04						1,424,235.32	27,208.58	2,341,823.30	1,512,085.01	5,305,352.21
10/06/23	PAYROLL FEES			92.06				1,424,235.32	27,116.52	2,341,823.30	1,512,085.01	5,305,260.15
10/11/23	PAYROLL TRANSFER				150,000.00			1,274,235.32	177,116.52	2,341,823.30	1,512,085.01	5,305,260.15
10/11/23	ELECTRONIC BILL PAY		7,630.03					1,266,605.29	177,116.52	2,341,823.30	1,512,085.01	5,297,630.12
10/12/23	PAYROLL			23,843.61				1,266,605.29	153,272.91	2,341,823.30	1,512,085.01	5,273,786.51
10/13/23	INTEREST	21,113.58				21,113.58		1,266,605.29	153,272.91	2,362,936.88	1,512,085.01	5,294,900.09
10/17/23	DISBURSEMENT		197,338.90					1,069,266.39	153,272.91	2,362,936.88	1,512,085.01	5,097,561.19
10/17/23	ELECTRONIC BILL PAY		5,710.87					1,063,555.52	153,272.91	2,362,936.88	1,512,085.01	5,091,850.32
10/17/23	ELECTRONIC BILL PAY		2,134.47					1,061,421.05	153,272.91	2,362,936.88	1,512,085.01	5,089,715.85
10/19/23	DEPOSIT - OLSD	35,841.76						1,097,262.81	153,272.91	2,362,936.88	1,512,085.01	5,125,557.61
10/20/23	PAYROLL FEES			77.86				1,097,262.81	153,195.05	2,362,936.88	1,512,085.01	5,125,479.75
10/30/23	DEPOSIT - COH	9,000.00						1,106,262.81	153,195.05	2,362,936.88	1,512,085.01	5,134,479.75
10/30/23	PAYROLL			26,421.63				1,106,262.81	126,773.42	2,362,936.88	1,512,085.01	5,108,058.12
10/31/23	DISBURSEMENT		117,316.50					988,946.31	126,773.42	2,362,936.88	1,512,085.01	4,990,741.62
	TOTAL CURRENT BALANCE	728,252.23	382,856.27	50,435.16	150,000.00	21,113.58	6,863.85	988,946.31	126,773.42	2,362,936.88	1,512,085.01	4,990,741.62

Reconciliation - 10/31/2023

① Bank Statement Balance	\$ 1,112,084.30
Less: Outstanding Checks	123,137.99
	\$ 988,946.31
② Payroll Bank Statement	\$ 126,773.42
③ LAIF Statement	\$ 2,362,936.88
④ CAMP Statement	\$ 1,519,221.31
Less: Accrual Income Dividend	7,136.30
	\$ 1,512,085.01

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

ITEM NO. FM6 FINAL ADJUSTED TREASURER'S REPORTS FOR JUNE, JULY, AUGUST, AND SEPTEMBER 2023

Recommendation

Approve the Final Adjusted Treasurer's Reports for June, July, August, and September 2023.

Background

The Final Adjusted Treasurer's Reports for June through September 2023 are attached for the Committee's review. Preliminary reports were presented previously. Changes occur through the course of reviewing all accounts in preparation for the annual financial audit.

**EAST BAY DISCHARGERS AUTHORITY
FINAL (ADJUSTED)
TREASURER'S REPORT
June 30, 2023**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	525,687.77	481,968.26	251,822.44	755,833.59
13	PLANNING & SPECIAL STUDIES	414,848.16		47,960.65	366,887.51
14	RECLAMATION O & M (SKYWEST)	76,040.10		14,928.51	61,111.59
15	BRINE ACCEPTANCE	(249,122.63)	40,038.25	107,284.02	(316,368.40)
31	RENEWAL & REPLACEMENT	2,679,426.11	2,332.54	646,766.52	2,034,992.13
TOTALS		3,446,879.51	524,339.05	1,068,762.14	2,902,456.42

**EAST BAY DISCHARGERS AUTHORITY
FINAL (ADJUSTED)
TREASURER'S REPORT
July 31, 2023**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	755,833.59	300,631.50	274,573.15	781,891.94
13	PLANNING & SPECIAL STUDIES	366,887.51	59,567.50	40,380.52	386,074.49
14	RECLAMATION O & M (SKYWEST)	61,111.59	-	637.00	60,474.59
15	BRINE ACCEPTANCE	(316,368.40)	212,307.94	53,222.33	(157,282.79)
31	RENEWAL & REPLACEMENT	2,034,992.13	187,910.12	37,095.00	2,185,807.25
TOTALS		2,902,456.42	760,417.06	405,908.00	3,256,965.48

**EAST BAY DISCHARGERS AUTHORITY
FINAL (ADJUSTED)
TREASURER'S REPORT
August 31, 2023**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	781,891.94	1,377,900.98	287,448.45	1,872,344.47
13	PLANNING & SPECIAL STUDIES	386,074.49	457,555.50	11,557.50	832,072.49
14	RECLAMATION O & M (SKYWEST)	60,474.59	-	4,047.54	56,427.05
15	BRINE ACCEPTANCE	(157,282.79)	76,244.41	23,168.39	(104,206.77)
31	RENEWAL & REPLACEMENT	2,185,807.25	460,471.16	40,791.79	2,605,486.62
TOTALS		3,256,965.48	2,372,172.05	367,013.67	5,262,123.86

**EAST BAY DISCHARGERS AUTHORITY
FINAL (ADJUSTED)
TREASURER'S REPORT
September 30, 2023**

FUND	DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	1,872,344.47	1,403.00	400,483.96	1,473,263.51
13	PLANNING & SPECIAL STUDIES	832,072.49	47,407.69	255,345.75	624,134.43
14	RECLAMATION O & M (SKYWEST)	56,427.05	9,000.00	-	65,427.05
15	BRINE ACCEPTANCE	(104,206.77)	45,389.88	9,239.97	(68,056.86)
31	RENEWAL & REPLACEMENT	2,605,486.62	-	4,473.93	2,601,012.69
TOTALS		5,262,123.86	103,200.57	669,543.61	4,695,780.82

ITEM NO. FM7 MOTION TO ACCEPT THE AUDITED BASIC FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2023

Recommendation

Accept, by motion, the audited basic financial statements for fiscal year ending June 30, 2023.

Background

Consistent with the Authority's Audit Policy, each year, a financial audit be performed by an independent public accounting firm. The audit consists of review of EBDA's financial records and procedures in accordance with Generally Accepted Accounting Principles (GAAP).

Discussion

The Authority's audited basic financial statements for the fiscal year ending June 30, 2023 are attached as a separate document for the Committee's review and full Commission acceptance. No deficiencies in internal controls considered to be material weaknesses were identified during the audit.

In compliance with the Authority's Audit Policy, the Authority changed auditing firms in Fiscal Year 2020/2021. Following a Request for Proposals process, staff selected Cropper Accountancy to perform the Authority's audits for the next several years. The Commission approved Cropper's contract in June 2021.

John Cropper, Managing Shareholder at Cropper Accountancy, conducted the field work along with his colleagues. Mr. Cropper will participate in the November 15 Financial Management Committee meeting. Mr. Cropper will also present the audited financial statements to the Commission at the Thursday, November 16 meeting.

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



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

A Joint Powers Public Agency

ITEM NO. 14

OPERATIONS & MAINTENANCE COMMITTEE AGENDA

Tuesday, November 14, 2023

1:30 P.M.

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

Committee Members: Johnson (Chair); Lathi

OM1. Call to Order

OM2. Roll Call

OM3. Public Forum

OM4. EBDA Permit Compliance

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

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, contact Juanita Villasenor at juanita@ebda.org or (510) 278-5910. 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>.

**Next Scheduled Operations and Maintenance Committee is
Tuesday, December 19, 2023, at 2:00 p.m.**

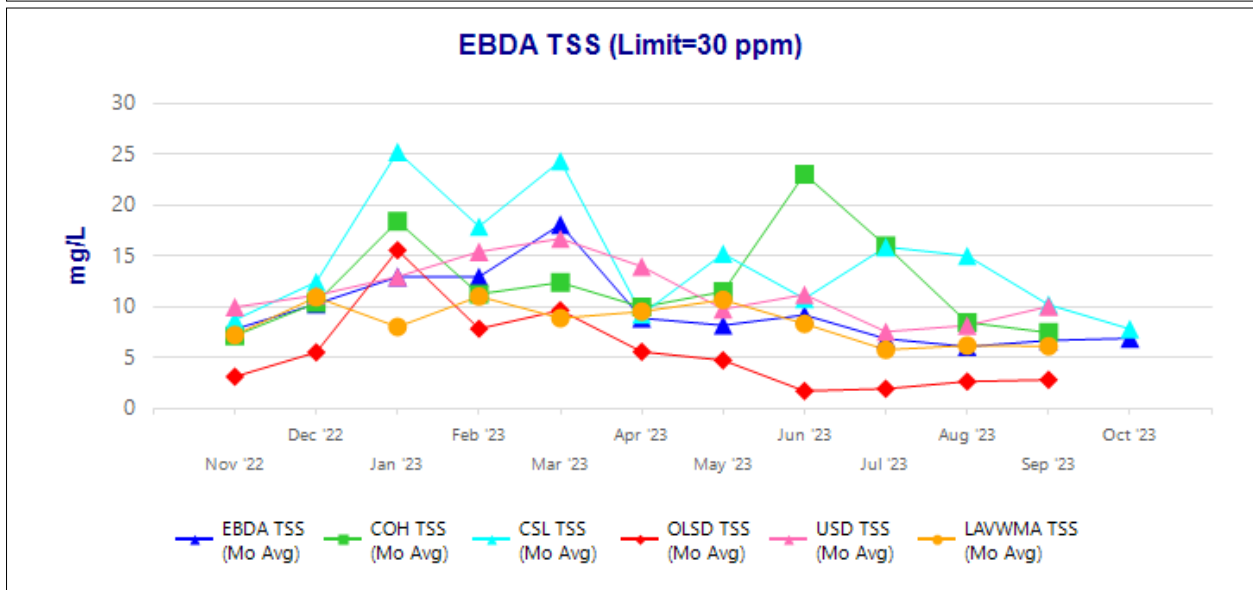
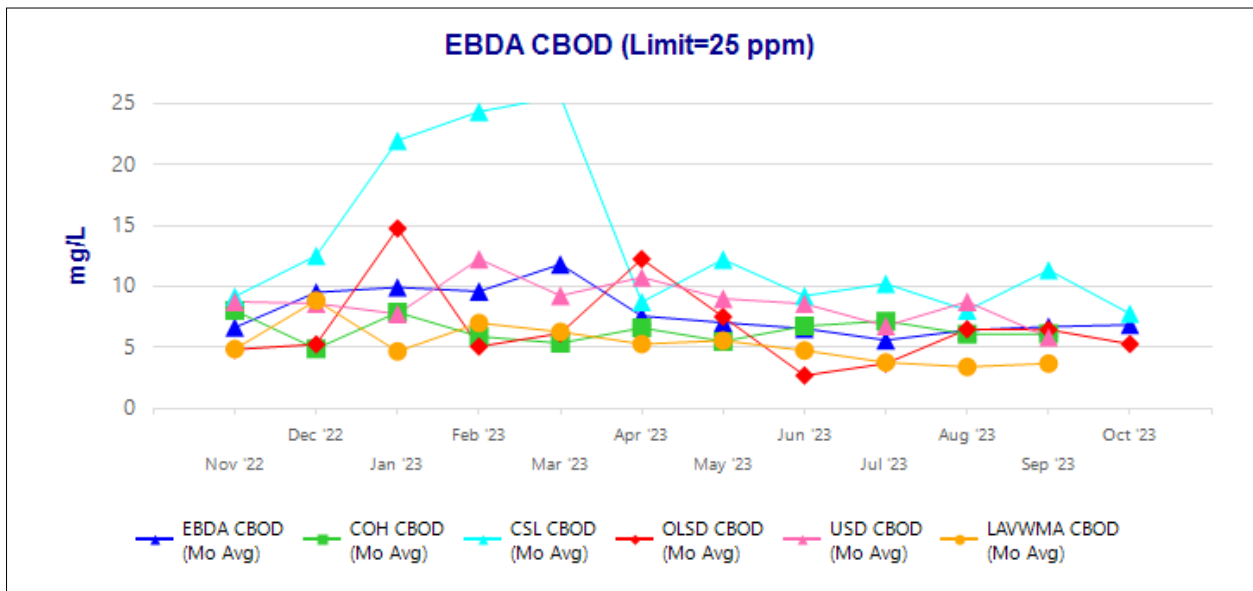
ITEM NO. OM4 EBDA PERMIT COMPLIANCE

Recommendation

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

Discussion

There were no NPDES permit violations in September, and preliminary data from October are also free of permit exceedances. Member Agency CBOD and TSS performance are shown below. A table with bacterial indicators is also included. Staff notes that the spike observed in CBOD at San Leandro in the Spring of 2023 was primarily the result of repeated non-compliant discharges to the plant by an industrial discharger.



EBDA Bacterial Indicators

Date	FECAL	ENTERO
	MPN/ 100mL	MPN/ 100mL
Limit (90th Percentile)	1100	1100
Limit (Geomean)	500	280
November 2022 Geomean	6	6
December 2022 Geomean	21	9
January 2023 Geomean	12	14
February 2023 Geomean	4	2
March 2023 Geomean	3	2
April 2023 Geomean	10	7
May 2023 Geomean	15	122
June 2023 Geomean	8	83
July 2023 Geomean	7	18
August 2023 Geomean	17	5
9/4/2023	540	6
9/5/2023	17	< 2
9/6/2023	NA	< 2
9/11/2023	33	6
9/12/2023	17	6
9/18/2023	79	2
9/19/2023	33	6
9/20/2023	NA	4
9/25/2023	13	6
9/26/2023	140	6
September 2023 Geomean	47	4
10/2/2023	23	6
10/3/2023	79	2
10/9/2023	110	2
10/10/2023	2	< 2
10/16/2023	4	2
10/17/2023	4	< 2
10/23/2023	4	< 2
10/24/2023	540	6
10/30/2023	13	4
10/31/2023	23	6
October 2023 Geomean	18	3

ITEM NO. OM5 STATUS REPORT

Union Effluent Pump Station (UEPS)

No change; all equipment is operational.

Hayward Effluent Pump Station (HEPS)

Effluent Pump Replacement Project

On November 3, EBDA received the factory performance testing results for the new HEPS pumps. The results are currently under review, and the manufacturer is planning to ship the pumps in December. EBDA will install the pumps in phases, beginning when they arrive.

Oro Loma Effluent Pump Station (OLEPS)

Wet Well Preventative Maintenance Activities

During the weeks of October 23 and October 30, staff coordinated with the OLSD Operations and Maintenance Departments to isolate and pump down the North and South Wet Wells at OLEPS to facilitate preventative maintenance activities.

While the wet wells were pumped down, the OLSD Maintenance Department performed confined space entries to inspect the heat exchangers on the No. 2 and 3 Effluent Pumps. The heat exchangers were found to be in good condition. Staff would like to thank the OLSD Operations and Maintenance Departments for their assistance completing these preventative maintenance activities.

Emergency Outfall Upgrade

This project will remove the existing lumber weir and replace it with a new permanent weir at an increased height, increasing system detention time and delaying or preventing an unanticipated bypass in the event of a catastrophic failure at OLEPS. The new stainless steel weir is currently being fabricated. Once the weir is fabricated, it will be installed, weather permitting.

Wet Well Sluice Gate Repairs and Preventative Maintenance

During the week of August 28, the OLEPS North Wet Well was isolated and pumped down. On August 31, GSE Construction Co., Inc. (GSE) entered the North Wet Well and removed the broken guide-bearing and the bent shaft on the North Wet Well Influent Gate. EBDA had a new guide-bearing and shaft fabricated, and GSE installed the new parts on October 25. OLSD Maintenance Staff also replaced the bearings and refurbished the North Wet Well Influent Gate actuator. On November 27, a crane is scheduled to assist in an inspection of the newly installed guide-bearing. This inspection will ensure that the guide-bearing is operating properly. While the initial intent had been to clean the remaining OLEPS Sluice Gates this Fall, because it took so long to fabricate the new shaft, that cleaning has been postponed until after the wet weather.

Skywest Pump Station

Recycled Water Production

During the month of October 2023, the Skywest Recycled Water System operated for two days and produced 1.1 million gallons of recycled water.

Marina Dechlorination Facility (MDF)

External Painting & Rust Repair

On October 16, exterior painting started at MDF. This project includes external painting of the trim, doors, and other metal surfaces on the exterior of the MDF buildings, as well as the stucco. The brick walls, including the whale mural, will not be painted, and internal painting of the SBS Building will be completed next fiscal year.



MDF New Exterior Paint



MDF New Exterior Paint

Force Main

No change; all equipment is operational.

Operations Center

EBDA Administration Building Improvements

The interior painting and flooring at EBDA's Administration Building was completed on October 24. As shown in the photo below, the new flooring and paint have greatly improved the look of the EBDA office. As described last month, during the floor replacement, dry rot was found in one area and mold was found in another area. The dry rot was repaired and the mold was removed. The evidence of mold prompted staff to engage contractors to evaluate air flow in the crawl space under the EBDA office building and to assess the ongoing presence of mold. This work is proceeding under a new project - Office Health & Safety Improvements (see next section).



EBDA Office New Paint & Flooring

Office Health & Safety Improvements

On October 13, B.A. Morrison, EBDA's HVAC contractor, inspected the EBDA office building and recommended the installation of additional vents and a fan that is controlled automatically with a moisture sensor for the crawl space. B.A. Morrison is scheduled to come to the office on November 9 to develop a quote for the recommended work.

In parallel, on the recommendation of Commissioner Lathi, EBDA staff contacted RestCon Environmental (RestCon) to evaluate the EBDA office for mold. RestCon is scheduled to inspect the EBDA office building on November 10.

Miscellaneous Items

Underground Service Alerts

EBDA received fourteen (14) Underground Service Alert (USA) tickets during the month of October 2023. Four required an Electronic Positive Response (EPR) and calls/emails to the excavators, and of the four, three required field verification.

Special Projects

Roof Replacement Projects

The Administration Building, the MDF Sodium Bisulfite (SBS) Building, and the OLEPS roofs are all complete. The roofing contractor is currently working on punch list items and a final inspection will be scheduled once the items are completed.

On November 8, an inspection of all three roofs is scheduled. There are at least four outstanding items that the roofing contractor still needs to complete.

Cargill Brine Project

As discussed at previous Commission Meetings, following certification of the Final Environmental Impact Report (EIR) for the proposed project, Cargill informed EBDA staff that they have made the decision to re-evaluate the “Bayside” pipeline route. Cargill is continuing to refine the route and expects it to be very similar to the Bayside alternative outlined in the EIR. Since Cargill is entirely re-engineering the pipeline and route, EBDA staff has requested they take another look at connecting at or after MDF instead of OLEPS, which would alleviate EBDA’s concerns about corrosion. Cargill and their engineering consultants conducted a site visit to MDF with EBDA staff in early August, and they are working on engineering concepts. Cargill expects to make a decision on this extension in Spring 2024.

Cargill’s preliminary schedule shows revised CEQA analysis in 2025, and construction beginning sometime between 2027 and 2029 depending on permitting, with operation commencing between 2031 and 2033. In the interim, staff will continue at a measured pace negotiating the operating agreement between Cargill and EBDA.

Advanced Quantitative Precipitation Information (AQPI) Project

The regional AQPI project continues to move forward with a goal of improving prediction of rainfall events in the Bay Area. Following a series of delays, the East Bay radar was installed at Rocky Ridge in December 2022. EBDA members can access regional data through AQPI’s data portal. Program Management of AQPI is shifting from Colorado State University to the Center for Western Weather and Water Extremes (CW3E) at Scripps Institution of Oceanography, UC San Diego. CW3E will be developing an updated website and data management tools, which they expect to make available before the 2024-2025 wet season. Sonoma Water and the AQPI team will also be seeking local funding to install a C-Band radar to complete the regional system. More information on the cost-share proposal will be provided in the coming months.

ITEM NO. 15 MOTION APPROVING REVISIONS TO THE AUTHORITY’S COMMISSIONER COMPENSATION POLICY

Recommendation

Approve the motion revising the policy.

Strategic Plan Linkage

- 4. **Sustained Organization:** Sustain a functional, productive, resilient organization to ensure EBDA can strive to achieve its Mission and Vision.

Background

Per the Sanitary District Act of 1923, Commissioners may receive compensation for each day of service in an amount adopted by the Commission. In December 2020, the Commission adopted the Authority’s Commissioner Compensation Policy, which governs the daily compensation rate and the activities that are eligible for compensation. The Policy was most recently updated in May 2023. At that time, some changes were made to eligibility, but not to the compensation rate.

In November 2018, the Commission adopted a rate of \$240 per day of service, which has been in effect since January 2019. Since the Commission did not make adjustments in subsequent years (2020-2023), it may approve an increase of up to five percent (5%) for each year a compensation rate increase was not taken, up to a maximum of \$306. Per the Sanitary District Act, Commissioners are paid per day of service to the Authority, not per meeting, and Commissioner compensation is limited to no more than six (6) days of service in a calendar month.

Discussion

Because the Policy was reviewed and revised recently, staff is not recommending any changes other than to the daily compensation rate. Based on a recommendation from the Personnel Committee, at the October 2023 Commission Meeting, the Commission directed staff to return with a revised Policy increasing the daily rate to \$300. The increase would take effect sixty (60) days from adoption, January 16, 2024. The proposed revised Policy is attached in redline and clean formats.

For reference, the table below includes current rates for EBDA’s sanitary district members and other local agencies.

Agency	Board Compensation Rate
West County Wastewater District	\$400
Oro Loma Sanitary District	\$265
Castro Valley Sanitary District	\$250
East Bay Dischargers Authority	\$240
Union Sanitary District	\$212.10
Central Contra Costa Sanitary District	\$200
Dublin San Ramon Services District	\$195

Agenda Explanation
East Bay Dischargers Authority
Commission Agenda
November 16, 2023

Fairfield Suisun Sewer District	\$172.99
Delta Diablo	\$170

West County Wastewater District's compensation was increased to this rate in June 2023. Prior to this increase, West County's rate was \$265.35, which had been in effect since January 2006.

POLICY NUMBER:	5
NAME OF POLICY:	Commissioner Compensation
LAST REVISED:	May 18, 2023 <u>November 16, 2023</u>
PREVIOUSLY REVISED:	<u>May 18, 2023</u> December 17, 2020
PURPOSE:	The purpose of this Policy is to prescribe the manner in which Authority Commissioners may be compensated and/or reimbursed for actual and necessary expenses related to official business of the Authority as well as for attendance at professional, educational, or vocational meetings.

POLICY: It is the policy of the Authority to provide fair and appropriate compensation for Commissioners performing their official duties.

Per the Sanitary District Act of 1923, Health and Safety Code sections 6400 et seq. Health and Safety Code section 6489(a) provides that board members may receive compensation not to exceed one hundred dollars (\$100) “for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incident thereto.” Health and Safety Code section 6489(b) provides that the board may adopt by ordinance an increased amount of compensation received by board members above the amount of one hundred dollars (\$100) per day.

On this basis, Commissioners shall be paid per day, not per meeting. Effective January 1, ~~2019~~2024, the current daily compensation rate is ~~\$240~~\$300 for each day of service (~~Resolution 18-40~~). This compensation rate shall be reviewed once each calendar year in October and may be adjusted by up to 5% annually effective January 1 by action of the Commission. The Authority shall compensate Commissioners for up to six (6) days of service per month.

The following activities shall be considered Commission service eligible for compensation:

- Attendance at Authority Commission Meetings, Committee Meetings, or other Commission workshops or meetings subject to the Brown Act
- Representing the Authority at meetings or events at the request of Authority staff or Commission

- Meetings with legislators while representing the Authority
- Attendance at an Authority tour or special training
- Meetings with the General Manager regarding the Commission agenda or other business within the subject matter jurisdiction of the Authority

For the events above, Commissioners shall be entitled to the daily service stipend as well as reimbursement for associated travel costs.

For other activities, including conferences, meetings, and professional development, Commissioners shall be compensated by their home agencies. Commissioners may seek exceptions whereby the Authority provides compensation by requesting pre-approval by the Commission. The Commission may consider pre-approving compensation for these and any other activities on a case-by-case basis.

For additional clarity, the following activities are ineligible for compensation:

- Attendance at meeting of a Standing, Liaison, Ad Hoc, or Advisory Committee of the Board on which the Commissioner does not serve
- Attendance at any meeting solely with Authority staff other than those identified above
- Internal Authority events, including groundbreakings, ribbon cuttings, dedications, and anniversary celebrations
- Social gatherings such as retired Commissioner dinners and pre-conference activities and nonpartisan welcoming or retirement events for staff of local agencies and organizations
- Any activity for which a Commissioner is representing their home agency and/or receives compensation from another agency

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Per the Sanitary District Act of 1923, Health and Safety Code sections 6400 et seq. Health and Safety Code section 6489(a) provides that board members may receive compensation not to exceed one hundred dollars (\$100) “for each day’s attendance at meetings of the board or for each day’s service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incident thereto.” Health and Safety Code section 6489(b) provides that the board may adopt by ordinance an increased amount of compensation received by board members above the amount of one hundred dollars (\$100) per day.

On this basis, Commissioners shall be paid per day, not per meeting. Effective January 1, 2024, the current daily compensation rate is \$300 for each day of service. This compensation rate shall be reviewed once each calendar year in October and may be adjusted by up to 5% annually effective January 1 by action of the Commission. The Authority shall compensate Commissioners for up to six (6) days of service per month.

The following activities shall be considered Commission service eligible for compensation:

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- Social gatherings such as retired Commissioner dinners and pre-conference activities and nonpartisan welcoming or retirement events for staff of local agencies and organizations
- Any activity for which a Commissioner is representing their home agency and/or receives compensation from another agency

ITEM NO. 16 ITEMS FROM THE COMMISSION AND STAFF

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

ITEM NO. 17 ADJOURNMENT

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EAST BAY DISCHARGERS AUTHORITY
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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EAST BAY DISCHARGERS AUTHORITY
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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East Bay Dischargers Authority

Commission

June 30, 2023

<u>Member Agency and Representatives</u>	<u>Office</u>
City of Hayward Angela Andrews Julie Roche	Chair Alternate
Union Sanitary District Anjali Lathi Thomas Handley	Vice Chair Alternate
Oro Loma Sanitary District Fred Simon Shelia Young	Commissioner Alternate
Castro Valley Sanitary District Ralph Johnson Dave Sadoff	Commissioner Alternate
City of San Leandro Bryan Azevedo Pete Ballew	Commissioner Alternate

Management Team

Jacqueline T. Zipkin
General Manager/Treasurer-Controller

Howard Cin
Operations and Maintenance Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
East Bay Dischargers Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the East Bay Dischargers Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the East Bay Dischargers Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the East Bay Dischargers Authority, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the East Bay Dischargers Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the East Bay Dischargers Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override

of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the East Bay Dischargers Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the East Bay Dischargers Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension's Schedule of the District's Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of Changes in Net OPEB Liability & Related Ratios, Schedule of the District's OPEB Contributions, and all other schedules presented in the required supplementary information area of the report (as shown in the table of contents) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Bay Dischargers Authority's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2023, on our consideration of the East Bay Dischargers Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the East Bay Dischargers Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering East Bay Dischargers Authority's internal control over financial reporting and compliance.


CROPPER ACCOUNTANCY CORPORATION
Walnut Creek, California
November 7, 2023

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East Bay Dischargers Authority

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

This section of the Authority's Independent Audit Report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2023. It is intended to serve as an overview to the Authority's required financial statements. Please read it in conjunction with Authority's financial statements and accompanying notes, which follow this section.

ORGANIZATION AND BUSINESS

The East Bay Dischargers Authority (Authority) is a joint powers agency that discharges the treated effluent of approximately one million Alameda County residents through a deep-water outfall to the San Francisco Bay for the protection of public health and the environment. The Authority's Member Agencies – City of San Leandro, Oro Loma Sanitary District, Castro Valley Sanitary District, City of Hayward, and Union Sanitary District – first entered into a Joint Exercise of Powers Agreement on February 15, 1974. The Agreement was amended and supplemented at several points over the years, and most recently was amended and restated effective July 1, 2020. The Authority is governed by a Commission consisting of one official appointed by each Member Agency. The Authority owns and operates three pump stations, a transport pipeline, a dechlorination facility, and an outfall and diffuser system.

Per an Amended and Restated Master Agreement dated July 1, 2021, the Authority conveys treated effluent from the Livermore-Amador Valley Water Management Agency, a joint powers agency made up of the Cities of Livermore and Pleasanton, and the Dublin San Ramon Services District.

KEY FINANCIAL HIGHLIGHTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

- The Authority had a total net position of \$27,355,753 at June 30, 2023, reflecting a decrease of \$979,578 (-3.5%) from the prior year net position of \$28,335,331.
- The Authority's total operating revenues were \$5,680,327 at June 30, 2023 and were comprised 80% from Member assessments.
- The Authority's total operating expenses were \$6,338,202 at June 30, 2023 and were comprised 14% from depreciation and 86% from operations and maintenance costs (excluding depreciation expense).

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report includes the Management's Discussion and Analysis report, the Independent Auditors' report and the Basic Financial Statements of the Authority. The financial statements also include notes that explain the information in the financial statements in more detail.

East Bay Dischargers Authority

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

BASIC FINANCIAL STATEMENTS

The Financial Statements of the Authority report information about the Authority's accounting methods which is similar to those used by private sector companies. These statements have been prepared and audited using generally accepted accounting standards. These required statements offer short-term and long-term financial information about the Authority's activities and are often used to assess the financial position and health of the organization.

The Statement of Net Position includes all of the Authority's assets, deferred outflow of resources, liabilities, and deferred inflow of resources, and provides information about the nature and amounts of investments in resources and obligations to creditors. It also provides the basis for evaluating the capital structure of the Authority.

The Statement of Revenues, Expenses and Changes in Net Position accounts for all revenues and expenses during the reporting period. This statement reflects the result of Authority operations over the past year as well as non-operating revenues, expenses, and contributed capital.

The Statement of Cash Flows provides information on the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operational, capital, and investing activities. It also identifies the sources and uses for the cash and changes in the cash balances.

FINANCIAL ANALYSIS OF THE AUTHORITY

One of the most important questions asked about Authority finances is whether the Authority's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority as well as related changes. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) is one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position is one of many indicators to ascertain if its financial health is improving or deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.

East Bay Dischargers Authority

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

STATEMENT OF NET POSITION ANALYSIS

The composition of the Authority's net position at June 30, 2023, is presented by category in the following table.

Table 1 - Summary of Net Position				
	2023	2022	Dollar Change	Percent Change
Assets				
Current Assets	4,067,647	4,478,870	(411,223)	-9.2%
Noncurrent Assets	24,086,832	24,846,291	(759,459)	-3.1%
Total Assets	28,154,479	29,325,161	(1,170,682)	-4.0%
Deferred outflow of resources:				
Pension related	911,869	851,151	60,718	7.1%
OPEB related	33,135	32,072	1,063	3.3%
Liabilities				
Current Liabilities	735,325	1,137,474	(402,149)	-35.4%
Noncurrent Liabilities	656,917	100,815	556,102	551.6%
Total Liabilities	1,392,242	1,238,289	153,953	12.4%
Deferred inflow of resources:				
Pension related	287,973	411,286	(123,313)	-30.0%
OPEB related	63,515	223,478	(159,963)	-71.6%
Net Position				
Net Investment in Capital Assets	24,086,832	24,334,663	(247,831)	-1.0%
Restricted	67,951	-	67,951	
Unrestricted	3,200,970	4,000,668	(799,698)	-20.0%
Total Net Position	27,355,753	28,335,331	(979,578)	-3.5%

East Bay Dischargers Authority

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

The following table shows the changes in net position for fiscal year 2023.

Table 2 - Changes in Net Position				
	2023	2022	Dollar Change	Percent Change
Revenues				
Operating Revenues:				
Charges for Services	5,680,327	5,060,722	619,605	12.2%
Nonoperating Revenues:				
Interest Income	70,197	12,882	57,315	444.9%
Gain (loss) on disposal of fixed assets	9,100	-	9,100	
Cargill Other Revenue	827,675	774,507	53,168	6.9%
Zone 7 Brine (DSRSD)	20,000	80,000	(60,000)	
OLSD Outreach Support Revenue	-	1,896	(1,896)	
Federal Grant Revenue	106,356	167,474	(61,118)	-36.5%
Total Revenues	6,713,655	6,097,481	616,174	10.1%
Expenses				
Operating Expenses:				
Discharge Services	6,338,202	4,226,628	2,111,574	49.9%
Nonoperating Expenses:				
UEPS Capital Costs	420,000	420,000	-	
Cargill Other Expense	746,143	693,594	52,549	7.5%
Cargill Project Management	81,532	80,913	619	
Bruce Wolfe Memorial	1,000	1,000	-	
OLSD Outreach Support Revenue	-	1,455	(1,455)	-100.0%
Federal Grant Expense	106,356	167,474	(61,118)	-36.4%
Total Expenses	7,693,233	5,591,064	2,102,169	37.5%
Changes in Net Position	(979,578)	506,417	(1,485,995)	293.4%

Interest earnings from cash in banks and LAIF increased by 444.9%. Discharge services increased by 49.9% in the Proprietary funds.

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

The Authority's Statements of Net Position reports a combined net position of \$27,355,753, which is a decrease from last year's total of \$28,355,331. Table 3 provides an analysis of the Authority's net position by fund and the total change from the prior year.

East Bay Dischargers Authority

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

Table 3 - Summary of Funds Net Position			
Funds	2023	2022	Increase (Decrease)
Operations and Maintenance	24,398,780	25,332,836	(934,056)
Water Recycling	181,604	190,343	(8,739)
Renewal and Replacement	2,243,419	2,300,201	(56,782)
Planning and Special Studies	431,950	431,951	(1)
Brine Acceptance	100,000	80,000	20,000
Capital Projects	-	-	-
Total Proprietary Funds Net Position	27,355,753	28,335,331	(979,578)

CAPITAL ASSETS

The Authority's investment in capital assets for FY2022/2023 totaled \$24,086,832 net of accumulated depreciation. This investment in capital assets includes land, right-to-use lease, permanent easements, building and structures, sewage and disposal facilities, data acquisition system, water recycling facilities, subsurface lines, office equipment, field equipment, and automotive equipment.

Table 4 - Summary of Capital Assets Net of Depreciation				
Capital Asset	2023	2022	Dollar Change	Percent Change
Land	10,161	10,161	-	0.0%
Right-to-use lease	12,900	19,350	(6,450)	-33.3%
Permanent Easements	432,178	432,178	-	0.0%
Building and Structures	724,966	536,047	188,919	35.2%
Sewage and Disposal Facilities	18,939,689	18,480,479	459,210	2.5%
Data Acquisition System	602,924	602,924	-	0.0%
Water Recycling Facilities	766,680	766,680	-	0.0%
Subsurface Lines	36,369,660	36,369,660	-	0.0%
Office Equipment	214,980	214,980	-	0.0%
Field Equipment	71,054	71,054	-	0.0%
Automotive Equipment	-	19,718	(19,718)	-100.0%
Accumulated Depreciation	(34,058,360)	(33,188,568)	(869,792)	2.6%
Total Capital Assets Net	24,086,832	24,334,663	(247,831)	-1.0%

ECONOMIC FACTORS & OUTLOOK FOR THE FUTURE

The Authority's Commission adopts an annual budget, which serves as the Authority's approved financial plan, and operational guide. The Authority's operations and capital projects are fully funded by the Member Agencies and LAVWMA. The approved budget is used as a key control device that establishes amounts by line-item accounts, identifies projects for operations and capital activities and monitors expenses to ensure that approved spending levels have not been exceeded.

East Bay Dischargers Authority

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

Significant economic factors affecting the Authority are as follows:

- An Amended and Restated Joint Powers Agreement (JPA) for the Authority was adopted in October 2019 and went into effect on July 1, 2020. The new JPA modified the allocation of costs among the Member Agencies. The new JPA also modified Member Agencies' financial responsibilities in the event of a failure of the transport system, for example as a result of an earthquake. Finally, under the new JPA, ownership of the San Leandro Effluent Pump Station, pipeline, and associated assets were transferred to the City of San Leandro, and an alternate approach to funding and managing capital projects at the Union Effluent Pump Station (formerly Alvarado Effluent Pump Station) has taken effect.
- The Authority also executed an Amended and Restated Master Agreement with the Livermore-Amador Valley Water Management Agency (LAVWMA). The new agreement, which went into effect on July 1, 2021, extends LAVWMA's authorization to discharge through the Authority's system through June 30, 2040 and increases LAVWMA's share of O&M and certain capital costs. On June 5, 2021, the Authority also signed a related agreement with Dublin-San Ramon Services District permitting and providing the Authority with compensation for the long-term discharge of brine from the Zone 7 Water Agency.
- The increasing age of the Authority's infrastructure will require increased capital spending from its Renewal and Replacement fund. A recent study of EBDA's subsurface lines showed that their useful life is longer than expected, likely another 20-50 years, barring an earthquake or other uncontrollable event. EBDA completed an update of its Asset Management Plan, which lays out required investments for the renewal of assets over the next 20 years. The estimated total investment cost over 20 years is approximately \$11.3 million.
- The difficult issues affecting CalPERS' investment performance will impact the Authority's long-term salary and benefit costs. EBDA mitigated much of that risk by making additional discretionary payments to its CERBT and pension funds in FY 2019/2020, but additional payments may still be necessary in the future to maintain the Authority's target funding goals, depending on performance.
- The Authority is currently negotiating a long-term agreement with Cargill, Inc. regarding the discharge of mixed sea salt brine from Cargill's solar salt facility in Newark through the Authority's system. The agreement, which would likely take effect in 2025 or 2026, would provide terms through which the Authority would be protected from any deleterious effects of the brine on the Authority, and would spell out compensation terms. Per a Term Sheet approved by the Authority and Cargill in July 2020, Cargill would pay the Authority a capacity fee as well as ongoing use fees.

East Bay Dischargers Authority

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

CONTACTING THE AUTHORITY

This financial report is designed to provide the public, our JPA members, and creditors with a general overview of the Authority's finances and demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

General Manager
East Bay Dischargers Authority
2651 Grant Avenue
San Lorenzo, CA 94580
(510) 278-5910

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East Bay Dischargers Authority
Statements of Net Position
As of June 30, 2023 and 2022

	Total June 30, 2023	Total June 30, 2022
Assets		
Current Assets:		
Cash and investments (Note 3)	\$ 2,902,459	\$ 3,730,966
Interest receivable	21,410	7,038
Accounts receivable	580,625	400,908
Due from other governments:		
Member Agencies	37,100	857
Other agencies	315,130	137,061
Inventory	162,952	152,627
Prepaid expenses	45,680	44,687
Deposits	2,291	4,726
Total Current Assets	4,067,647	4,478,870
Noncurrent Assets:		
Capital assets (Note 4):		
Land	10,161	10,161
Right-to-use lease asset	12,900	19,350
Permanent easements	432,178	432,178
Buildings and structures	724,966	536,047
Sewage disposal facilities	18,939,689	18,480,479
Data acquisition system	602,924	602,924
Water recycling facilities	766,680	766,680
Subsurface lines	36,369,660	36,369,660
Office equipment	214,980	214,980
Field equipment	71,054	71,054
Automotive equipment	-	19,718
Less: accumulated depreciation	(34,058,360)	(33,188,568)
Total Capital Assets - Net	24,086,832	24,334,663
Other noncurrent assets		
Net Pension Asset	-	414,993
Net OPEB Asset	-	96,635
Total Other Noncurrent Assets	-	511,628
Total Noncurrent Assets - Net	24,086,832	24,846,291
Total Assets	28,154,479	29,325,161
Deferred Outflow of Resources		
Pension related (Note 8)	911,869	851,151
OPEB related (Note 9)	33,135	32,072
Total Deferred Outflow of Resources	945,004	883,223

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

East Bay Dischargers Authority
Statements of Net Position
As of June 30, 2023 and 2022

	<u>Total</u> <u>June 30, 2023</u>	<u>Total</u> <u>June 30, 2022</u>
Liabilities		
Current Liabilities:		
Accrued claims payable	409,030	406,646
Current portion of right-to-use lease liability	6,450	6,450
Due to other governments:		
Member agencies	245,114	581,593
Other agencies	74,731	142,785
Total Current Liabilities	735,325	1,137,474
Noncurrent Liabilities:		
Right-to-use lease liability	6,450	12,900
Net pension liability (Note 8)	473,485	-
Net OPEB liability (Note 9)	74,625	-
Compensated absences	102,357	87,915
Total Noncurrent Liabilities	656,917	100,815
Total Liabilities	1,392,242	1,238,289
Deferred Inflow of Resources		
Pension related (Note 8)	287,973	411,286
OPEB related (Note 9)	63,515	223,478
Total Deferred Inflow of Resources	351,488	634,764
Net Position		
Net Investment in Capital Assets	24,086,832	24,334,663
Restricted	67,951	-
Unrestricted	3,200,970	4,000,668
Total Net Position	\$ 27,355,753	\$ 28,335,331

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

East Bay Dischargers Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

	Total June 30, 2023	Total June 30, 2022
Operating Revenues:		
Member assessments	\$ 4,554,964	\$ 4,190,855
LAVWMA assessments	1,086,347	824,993
Sale of reclaimed water	36,000	36,000
Other operating revenues	3,016	8,874
Total Operating Revenues	<u>5,680,327</u>	<u>5,060,722</u>
Operating Expenses:		
Personnel services	1,509,333	(295,827)
Depreciation	889,510	919,901
Professional services	304,837	402,709
Monitoring	520,828	161,509
Contract services	43,209	74,457
Operating supplies	467,053	273,370
Utilities	850,352	679,913
Insurance	78,531	65,582
Commissioners' compensation	31,440	28,800
Rents and fees	877,726	1,183,826
Repairs and maintenance	608,256	579,712
Dues	148,046	148,332
Travel and meetings	6,878	1,837
Other general administrative	2,203	2,507
Total Operating Expenses	<u>6,338,202</u>	<u>4,226,628</u>
Operating Income (Loss)	<u>(657,875)</u>	<u>834,094</u>
Nonoperating Revenues (Expenses):		
Interest income	70,197	12,882
Gain (loss) on disposal of fixed assets	9,100	-
UEPS Capital Costs	(420,000)	(420,000)
Cargill other revenue	827,675	774,507
Cargill other expense	(746,143)	(693,594)
Cargill project management	(81,532)	(80,913)
Zone 7 Brine (DSRSD)	20,000	80,000
Bruce Wolfe Memorial	(1,000)	(1,000)
OLSD Outreach Support revenue	-	1,896
OLSD Outreach Support expense	-	(1,455)
Federal grant revenue	106,356	167,474
Federal grant expense	(106,356)	(167,474)
Total Nonoperating Revenues (Expenses)	<u>(321,703)</u>	<u>(327,677)</u>
Other Financing Sources (Uses):		
Transfers in (Note 7)	648,129	78,668
Transfers out (Note 7)	(648,129)	(78,668)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Change in Net Position	<u>(979,578)</u>	<u>506,417</u>
Net Position Beginning, as previously stated	28,335,331	28,248,914
Prior period adjustment (Note 2)	-	(420,000)
Net Position Beginning, as restated	<u>28,335,331</u>	<u>27,828,914</u>
Net Position Ending	<u>\$ 27,355,753</u>	<u>\$ 28,335,331</u>

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

East Bay Dischargers Authority
Statement of Cash Flows
For the Fiscal Years Ended June 30, 2023 and 2022

	<u>Total</u> <u>June 30, 2023</u>	<u>Total</u> <u>June 30, 2022</u>
Cash Flows from Operating Activities:		
Cash received from members	\$ 4,191,242	\$ 3,621,328
Cash received from LAVWMA	871,217	904,894
Cash received from others	20,916	72,295
Cash payments for personnel services	(776,102)	(707,886)
Cash payments to suppliers for goods and services	<u>(3,980,959)</u>	<u>(3,467,098)</u>
Net Cash Provided (Used) by Operating Activities	<u>326,314</u>	<u>423,533</u>
Cash Flows from Capital and Related Financing Activities:		
Gain (loss) on sale of capital assets	9,100	-
UEPS capital costs	(420,000)	-
Acquisition of capital assets	<u>(648,129)</u>	<u>(78,668)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,059,029)</u>	<u>(78,668)</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>55,825</u>	<u>7,687</u>
Net Cash Provided (Used) by Investing Activities	<u>55,825</u>	<u>7,687</u>
Cash Flows from Non Capital and Related Financing Activities		
Cargill	(170,617)	(92,786)
Zone 7 Brine	20,000	80,000
Oro Loma Sanitary District outreach support	-	440
Bruce Wolfe Memorial	<u>(1,000)</u>	<u>(1,000)</u>
Net Cash Provided (Used) by Non Capital and Related Financing Activities	<u>(151,617)</u>	<u>(13,346)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(828,507)	339,206
Cash and Cash Equivalents Beginning	<u>3,730,966</u>	<u>3,391,760</u>
Cash and Cash Equivalents Ending	<u>\$ 2,902,459</u>	<u>\$ 3,730,966</u>

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

East Bay Dischargers Authority
Statement of Cash Flows
For the Fiscal Years Ended June 30, 2023 and 2022

	<u>Total</u> <u>June 30, 2023</u>	<u>Total</u> <u>June 30, 2022</u>
Reconciliation of Operating Income (Loss) to Cash Flows Provided by (Used In) Operating Activities:		
Operating Income (Loss)	\$ (657,875)	\$ 834,094
Adjustments to reconcile operating income (loss) to net cash provided		
Non Cash Revenue	-	(420,000)
Depreciation	889,510	919,901
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(9,100)	421
Due from other agencies	(178,069)	53,704
Due from member agencies	(36,243)	26,524
Inventory	(10,325)	2,942
Prepaid expenses	(993)	58,678
Deposits	2,435	(4,726)
Lease asset	-	(19,350)
Pension related deferred outflows of resources	(60,718)	(323,915)
OPEB related deferred outflows of resources	(1,063)	(144)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accrued claims payable	2,384	43,971
Right-to-use lease liability	-	19,350
Member agencies	(336,479)	(149,052)
Other agencies	(68,054)	61,302
Net pension liability	888,478	(647,374)
Net OPEB liability	171,260	(186,979)
Pension related deferred inflows of resources	(123,313)	(20,290)
OPEB related deferred inflows of resources	(159,963)	153,462
Compensated absences	<u>14,442</u>	<u>21,014</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 326,314</u>	<u>\$ 423,533</u>

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

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**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF ORGANIZATION

East Bay Dischargers Authority (Authority) was formed on February 15, 1974, under a "joint exercise of powers agreement" entered into by the City of San Leandro, Oro Loma Sanitary District, Castro Valley Sanitary District, City of Hayward and Union Sanitary District (the Agencies). An Amended and Restated Joint Exercise of Powers Agreement went into effect on July 1, 2020. The Authority operates under a Commission consisting of a representative from each agency.

The purpose of the agreement is to provide for the "more efficient disposal of wastewater produced in each Agency, all to the economic and financial advantage of each Agency and otherwise for the benefit of each Agency; and, each of the Agencies is willing to plan with the other Agencies for joint wastewater facilities which will protect all the Agencies."

Legal title and all pertinent grant documents and conditions for the Authority's facilities remain with the Authority. Each Agency owns an undivided portion of the facilities, equal to the percentage of capacity they use in the system. Percentages are as defined by the Amended and Restated Joint Exercise of Powers Agreement. Operations and maintenance of the facilities is the responsibility of the Authority.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

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

Proprietary fund types distinguish operating revenues and expenses from non-operating items. The operating expenses of the Authority are charged to the member agencies. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

is an acquisition of net assets by the Authority that is applicable to a future reporting period. For example, unearned revenue and advance collections.

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

Statement of Net Position

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.
- Restricted – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. Consistent with Resolution 23-07, the Authority has restricted unspent funds of \$67,951 for ongoing special projects.
- Unrestricted – This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Statement of Revenues, Expenses, and Changes in Net Position

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

Budgets and Budgetary Accounting

The Authority must adopt a budget prior to June 1 of each year for the following fiscal year. The budget for the fiscal year beginning July 1, 2022, was adopted by the Commission on May 19, 2022. Formal budgetary integration is employed as a management control device during the year.

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Cash and Cash Equivalents

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

Investments

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

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

Receivables

Receivables include amounts due from member agencies and other agency assessments, other assessments and other resources. All receivables are current and reported net of an allowance for uncollectible accounts. The allowance for uncollectible accounts was zero as of June 30, 2023.

Funding

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

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

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

East Bay Dischargers Authority is also funded for the future replacement of certain joint-use facilities by the member agencies and local agencies. Each year the Authority calculates the annual contribution required for Renewal and Replacement based upon the method adopted by the Commission. Contributions for Renewal and Replacement are made in accordance with the Amended and Restated Joint Exercise of Powers Agreement dated January 1, 2020.

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Inventories

Inventories are valued at cost using a first in, first out (FIFO) method.

Capital Assets

Capital assets are defined by the Authority as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair value on the date received. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

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

Compensated Absences

Vacation Leave – All full-time employees shall earn vacation leave at the rate of 80 working hours per year from the date of employment. Full-time employees shall earn an additional eight (8) hours vacation leave allowance for each full year of continuous employment thereafter, up to a maximum of 160 working hours per year. All eligible employees shall be permitted to accumulate unused vacation at a rate of 2 ½ times their annual vacation allowance. Part-time employees shall earn vacation leave proportionate to their scheduled work hours.

Sick Leave – Employees who work thirty (30) days or more within a year shall receive sick leave in accordance with the Healthy Workplace, Healthy Families Act of 2014. Regular and temporary full-time employees accrue sick leave at the rate of four (4) hours per payroll period, up to 96 hours per calendar year. Part-time employees shall accrue sick leave proportionate to their scheduled work hours, with a minimum of 24 hours per year. Sick leave shall be cumulative without limit.

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

CalPERS' sick leave credit benefit is included in the Authority's pension contract. An employee whose effective date of retirement is within four months of separation from employment shall be credited with 0.004 year of service credit for each unused day of sick leave.

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

Allocation of Costs

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

Comparative Data

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

Accounting Estimates

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

Subsequent Events

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

Fair Value Measurements

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority’s California Public Employees’ Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 and the Required Supplementary Information section for detailed disclosures.

Other Post-Employment Benefits (OPEB)

The Authority established a California Employers' Retiree Benefit Trust (CERBT) to prefund OPEB liabilities in May 2011. EBDA made discretionary payments to its CERBT to meet the target funding goal of 80%. Based on a biennial actuarial valuation performed by an independent actuary, funding is above 100%. In FY 2020/2021 the Authority began requesting reimbursements from the CERBT for OPEB payments made during the fiscal year.

For purposes of measuring the net OPEB liability and deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority’s California Employers' Retiree Benefit Trust (CERBT) Fund (the Fund), held by California Public Employees’ Retirement System (CalPERS) and additions to/deductions from the Fund’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

The Authority’s OPEB valuations follow standards established by GASB Statement No. 75. See Note 9 and the Required Supplementary Information section for detailed disclosures.

Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Implemented New Accounting Pronouncements

GASB Statement No. 91, Conduit Debt Obligations – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

Implementation of this pronouncement did not have an impact on the Authority's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPP.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

The Authority has determined that the implementation of this pronouncement did not have a material impact on the financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

(4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal year 2023), and all reporting periods thereafter.

The Authority has determined the implementation of this pronouncement did not have a material impact on the financial statements.

GASB Statement No. 99, *Omnibus 2022* – The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 (fiscal year 2024), and all reporting periods thereafter.

The Authority has determined that the implementation of this pronouncement did not have a material impact on the financial statements.

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Upcoming New Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62* – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI and SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 (fiscal year 2024). The Authority has not yet determined whether the implementation of this pronouncement will have a material impact on the financial statements.

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 (fiscal year 2025), and all reporting periods thereafter. The Authority has not yet determined whether the implementation of this pronouncement will have a material impact on the financial statements.

3. CASH AND INVESTMENTS

Policies

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

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

Classification

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

	2023	2022
Cash in banks	\$ 582,046	\$466,376
Local Agency Investment Fund	2,320,413	3,264,589
Total Cash and Investments	\$2,902,459	\$3,730,965

Investments Authorized by the California Government Code and the Authority’s Investment Policy

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

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	5 years		100%	No Limit
United States Government Agency Obligations	5 years		100%	No Limit
State of California Obligations	5 years		100%	No Limit
Local Agency Obligations	5 years		100%	No Limit
Banker's Acceptances	180 days		40%	30%
Commercial Paper	270 days	A-1	25%	10%
United States Medium Term Corporate Notes	5 years	A	30%	No Limit
Negotiable Certificates of Deposit	5 years		30%	No Limit
Local Agency Investment Fund	n/a		\$75 million per account	No Limit
Money Market Mutual Funds	n/a		20%	No Limit
Insured savings or money market accounts	n/a		100%	No Limit

Local Agency Investment Fund

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2023 and 2022, these investments matured in an average of 260 and 311 days, respectively.

Interest Rate Risk

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

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

Type	12 Months or less	2023	2022	2023 Concentration
Cash in bank	\$ 582,046	\$ 582,046	\$466,376	20.05%
Local Agency Investment Fund (LAIF)	2,320,413	2,320,413	3,264,589	79.95%
Total Cash and Investments	<u>\$2,902,459</u>	<u>\$2,902,459</u>	<u>\$3,730,965</u>	100.00%

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Credit Risk

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

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

Concentration Risk

The Authority's investment policy contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. As of June 30, 2023, 79.95% of the Authority's cash was invested in LAIF and 20.05% was deposited in banks. The Authority held no investments in certificates of deposit at June 30, 2023. LAIF, cash in banks and certificates of deposit do not have maximum portfolio requirements under the California Government code.

Fair Value Hierarchy

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

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

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**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. CAPITAL ASSETS

<u>Capital Assets - Cost</u>	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2023</u>
Capital assets not being depreciated:				
Land	\$ 10,161	\$ -	\$ -	\$ 10,161
Land - Right of Use	19,350		(6,450)	12,900
Permanent easements	432,177			432,177
Total capital assets not being depreciated:	<u>461,688</u>	<u>-</u>	<u>(6,450)</u>	<u>455,238</u>
Capital assets being depreciated:				
Buildings and structures:				
Operations center	536,047	188,919		724,966
Sewage disposal Facilities:				
San Leandro pump station	-			-
Oro Loma pump station	8,557,944	347,972		8,905,916
Marina dechlorination facility	2,847,402	87,821		2,935,223
Hayward pump station	4,061,654	23,417		4,085,071
Union pump station	3,013,481			3,013,481
Data acquisition system	602,923			602,923
Water recycling facilities:				
Skywest golf course irrigation facilities	766,680			766,680
Subsurface lines:				
Bay outfall	19,662,313			19,662,313
San Leandro to Marina force main	-			-
Marina to Oro Loma force main	5,507,298			5,507,298
Oro Loma to Hayward force main	2,748,322			2,748,322
Hayward to Alvarado force main	8,440,080			8,440,080
Seismic design	11,647			11,647
Office equipment	214,980			214,980
Field equipment	71,054			71,054
Automotive equipment	19,718		(19,718)	-
Total capital assets being depreciated:	<u>57,061,543</u>	<u>648,129</u>	<u>(19,718)</u>	<u>57,689,954</u>
Total cost of capital assets	<u>\$ 57,523,231</u>	<u>\$ 648,129</u>	<u>\$ (26,168)</u>	<u>\$ 58,145,192</u>

<u>Accumulated Depreciation</u>	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2023</u>
Buildings and structures:				
Operations center	\$ (480,405)	\$ (3,355)	\$ -	\$ (483,760)
Sewage disposal Facilities:				
San Leandro pump station	-			-
Oro Loma pump station	(5,824,956)	(166,035)		(5,990,991)
Marina dechlorination facility	(2,545,624)	(31,414)		(2,577,038)
Hayward pump station	(921,483)	(93,440)		(1,014,923)
Union pump station	(2,171,711)	(50,952)		(2,222,663)
Data acquisition system	(501,353)	(30,926)		(532,279)
Water recycling facilities:				
Skywest golf course irrigation facilities	(642,306)	(12,907)		(655,213)
Subsurface lines:				
Bay outfall	(10,728,126)	(261,829)		(10,989,955)
San Leandro to Marina force main	-			-
Marina to Oro Loma force main	(2,982,639)	(72,352)		(3,054,991)
Oro Loma to Hayward force main	(1,508,191)	(36,462)		(1,544,653)
Hayward to Alvarado force main	(4,626,544)	(115,280)		(4,741,824)
Seismic design	(11,647)			(11,647)
Office equipment	(152,811)	(14,558)		(167,369)
Field equipment	(71,054)			(71,054)
Automotive equipment	(19,718)		19,718	-
Total accumulated depreciation:	<u>\$ (33,188,568)</u>	<u>\$ (889,510)</u>	<u>\$ 19,718</u>	<u>\$ (34,058,360)</u>
Total capital assets, net of accumulated depreciation	<u>\$ 24,334,663</u>	<u>\$ (241,381)</u>	<u>\$ (6,450)</u>	<u>\$ 24,086,832</u>

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

5. COMPENSATED ABSENCES

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

	2023	2022
Beginning balance	\$ 87,913	\$ 66,901
Additions	14,444	21,012
Payments	-	-
Ending balance	\$ 102,357	\$ 87,913
Current portion	\$ 0	\$ 0
Non Current portion	\$ 102,357	\$ 87,913

6. LEASES

The Authority has a long-term operating lease, ending on June 30, 2025, with Oro Loma Sanitary District. Current payments on the lease are \$6,450 per year. Since the lease terms will be modified every 5th year, the future commitments are based on the lease dated April 12, 1979 as amended on January 1, 2020. The total lease obligation as of June 30, 2023 was as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Lease</u> <u>Obligation</u>
2024	6,450
2025	6,450
Total	\$ 12,900

The right-of-use land lease is on the schedule of capital assets, as well as on the statement of net assets.

7. INTERFUND TRANSACTIONS

General

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

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Interfund Transfers

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

Interfund transfers for the year ended June 30, 2023 were as follows:

Fund Receiving Transfer	Fund Making Transfers	Amount
Operations and Maintenance	Renewal and Replacement	\$ 648,129

8. DEFINED BENEFIT PENSION PLAN

Plan Description

The Authority contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and Authority resolution. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be found on CalPERS' website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, age at retirement, and final compensation. Members are eligible to retire at an earlier age with statutorily reduced benefits. Disability retirement is available to vested members. The cost of living adjustments for each plan are applied as specified by Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

Plan Information	Tier 1	Tier 2 (PEPRA)
Date of Employment	Before 12/31/2012	On or after 01/01/2013
Benefit formula	2.5% at 55	2.0% at 62
Benefit vesting formula	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 – 67	52 – 67
Monthly benefits as a % of eligible compensation	2.0% to 2.50%	1.0% to 2.50%
Required employee contribution rates	8.000%	6.750%
Required employer contribution rates	12.21%	7.47%

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

As of June 30, 2023, the Authority reported net pension liabilities for its proportionate shares of the net pension liability in the amount of \$473,485.

The Authority’s net share for the Plan is measured as a proportionate share of the CalPERS’ total pension plan as of June 30, 2022. The total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority’s proportionate share of the net pension liability for the Plan as of June 30 is as follows:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Percentage of Risk Pool Net Pension Liability	0.01012%	-0.02186%	-0.03198%
Percentage of Plan (PERF C) Net Pension Liability	0.00410%	-0.00767%	0.01177%

For the year ended June 30, 2023, the Authority recognized actuarial pension expense (income) of \$808,217. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,508	(6,368)
Changes of assumptions	48,518	-
Net differences between projected and actual earnings on plan investments	86,730	-
Change in employer’s proportion	551,203	(110,900)
Differences between the employer’s contributions and the employer’s proportionate share of contributions	112,140	(170,705)
Pension contributions subsequent to measurement date	103,770	-
Total	<u>\$ 911,869</u>	<u>\$ (287,973)</u>

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

The \$103,770 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ending June 30:	Deferred Outflows/(Inflows) of Resources
2024	183,511
2025	173,550
2026	110,018
2027	53,047
2028	-
Thereafter	-

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	Varies by entry age and service
Mortality	Derived using CalPERS’ membership data for all funds. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 – 10^{1,2}</u>
Global equity – cap-weighted	30.00%	4.45%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Authority’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

<u>5.90%</u> <u>(1% Decrease)</u>	<u>6.90%</u> <u>(Current Discount Rate)</u>	<u>7.90%</u> <u>(1% Increase)</u>
\$ 1,169,691	\$ 473,485	\$ (99,320)

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

9. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The Authority’s Retiree Healthcare Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Authority. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements and

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

memorandums of understanding between the Authority, its management employees, and unions representing Authority employees. As of June 30, 2023, the Authority has four (4) active plan members, two (2) plan members are not participating in the healthcare plan and six (6) inactive plan members are currently receiving benefits.

Full Retirement Benefit	
Eligibility Age	50
Service Required	5 years in CalPERS
Benefit Amount	\$487 paid toward monthly premiums or CalPERS minimum if greater. Two retirees are reimbursed for CalPERS health premiums for the retiree and their eligible dependents.
Benefit End	Paid for life
CalPERS Minimum Benefit	
Eligibility Age	50
Service Required	5 years in CalPERS
Benefit Amount	\$149 in 2022, \$151 in 2023. Indexed to the medical component of the Consumer Price Index.
Benefit End	Paid for life
Post-retirement Death Benefit	\$487 paid toward monthly premiums for surviving family members that are eligible for continued health benefit coverage provided they qualify for a monthly survivor check, were eligible dependents at the time of the annuitant's death, and continue to qualify as eligible family members.
Disability Benefit	Same as Full Retirement Benefit shown above, at any age, service requirement must be met.

Funding Policy

There is no statutory requirement for the Authority to prefund its OPEB obligation. The Authority has currently chosen to fund the entire Annual Required Contribution (ARC) and to target a funded ratio of 80%. There are no employee contributions. For fiscal year ending June 30, 2023, the Authority paid \$49,770 for retiree healthcare plan benefits. The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC is equal to the normal cost plus a 30-year amortization of the unfunded actuarial liability.

Net OPEB Liability

Actuarial Methods and Assumptions – The Authority's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

actuarial valuation dated June 30, 2022 that was rolled forward using standard update procedures to determine the net OPEB liability as of June 30, 2023, based on the following actuarial methods and assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-age normal
Actuarial assumptions	
Discount rate	6.00%
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.00%
Healthcare trend rate	CalPERS medical premiums are assumed to increase 5% per year.
Mortality	2017 CalPERS OPEB Valuation

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Range</u>	<u>Benchmark</u>
Global Equity	59%	± 5%	MSCI AII County World Index IMI (net)
Fixed income	25%	± 5%	Bloomberg Barclays Long Liability Index
TIPS*	5%	± 3%	Bloomberg Barclays US TIPS Index, Series L
REITs	8%	± 5%	FTSE EPRA NAREIT Developed Liquid Index (net)
Commodities	3%	± 3%	S&P GCSI Total Return Index
Total	<u>100%</u>		

*Treasury Inflation-Protected Securities

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

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net OPEB Liability

The changes in the net OPEB liability follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2021 (Measurement Date)	784,870	881,505	(96,635)
Changes for the year			
Service Cost	8,822		8,822
Interest	45,184		45,184
Differences between expected and actual experience	-		-
Assumption changes	-		-
Benefit changes	-	144	(144)
Contributions – employer		-	-
Net investment income		(117,029)	117,029
Benefit payments	(63,622)	(63,622)	-
Administrative expense		(369)	369
Net changes	(9,616)	(180,876)	171,260
Balances at June 30, 2022 (Measurement Date)	775,254	700,629	74,625

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

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

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

	5.00% (1% Decrease)	6.00% (Current Discount Rate)	7.00% (1% Increase)
Net OPEB Liability (Asset)	\$ 178,468	\$ 74,625	\$ (9,980)

The following presents the net OPEB liability of the Authority, as well as what the Authority’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

point lower (4.00%) or 1-percentage-point higher (6.00%) than the current healthcare cost trend rates:

	4.00% (1% Decrease)	5.00% (Current Discount Rate)	6.00% (1% Increase)
Net OPEB Liability (Asset)	\$ 23,141	\$ 74,625	\$ 135,868

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Authority recognized actuarial OPEB expense of (\$21,514). At June 30, 2023, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	60,032
Changes of assumptions	-	3,483
Net difference between projected and actual earnings on OPEB plan investments	32,955	-
Employer contributions made subsequent to the measurement date	180	-
Total	33,135	63,515

The deferred outflows of resources related to employer contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

	Deferred Outflows/(Inflows) of Resources
Fiscal year ending June 30:	
2024	(22,511)
2025	(16,657)
2026	(4,485)
2027	(27,453)
2028	(6,528)
Thereafter	(7,832)

10. JOINT POWERS ASSOCIATION

The Authority participates in a joint venture activity through a formally organized and separate entity, the Bay Area Clean Water Agencies (BACWA), established under the Joint Exercise of Powers Act of the State of California. As a separate legal entity, BACWA exercises full power and authority within

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

the scope of the related Joint Powers Agreement including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the separate entity are not those of the Authority. BACWA was established by Central Contra Costa Sanitary District, East Bay Municipal Utility District, East Bay Dischargers Authority, the City and County of San Francisco, and the City of San Jose for the purpose of coordinating the water quality activities of the members, to jointly contract for consultant services that are of joint benefit and to interpret data collected by BACWA and by others, in order to assess the effects of pollution and other factors on the San Francisco Bay system. A summary of BACWA's June 30, 2023 and 2022 (the most recently available) financial statements is as follows:

	2023	2022
Total assets	\$ 3,394,489	\$ 3,513,115
Total liabilities	97,127	210,564
Total equity	3,297,362	3,302,551
Total revenue	3,080,655	4,376,123
Total expenditures	3,138,434	4,293,818

11. SELF INSURANCE

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

The following is a summary of the insurance policies in force carried by the Authority as of June 30, 2023:

	Limits	Deductibles
General liability	\$ 15,750,000	\$ 100,000
Excess liability	10,000,000	100,000
Pollution	25,000,000	250,000
Storage tank pollution	1,000,000	5,000

12. LEASE OF ADDITIONAL CAPACITY

The Authority signed an agreement with Livermore-Amador Valley Water Management Agency (LAVWMA) dated February 1, 1978, and as amended on March 26, 1981, June 20, 1985, February 18, 1993, and March 18, 1998. The purpose of the agreement is to allow LAVWMA to use the facilities of the Authority to discharge wastewater. The agreement provides for a reasonable method of allocating costs to LAVWMA that are incurred as a result of the discharge rights. The 1998 Agreement also included a capital buy-in fee of \$7,000,000, which LAVWMA paid in full as of August 3, 2018.

**EAST BAY DISCHARGERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

On April 26, 2007, the Authority and LAVWMA signed a new Master Agreement that supersedes all previous agreements. The purpose of the Master Agreement was to incorporate all applicable items from the previous agreements into a single document.

The Authority and LAVWMA entered into a new Amended and Restated Master Agreement that supersedes all previous agreements, effective July 1, 2021. The Amended and Restated Master Agreement amends the fixed cost percentage that LAVWMA is responsible for and extends the term to June 30, 2040 so that it expires coincident with the Authority's Amended and Restated Joint Exercise of Powers Agreement.

13. COMMITMENTS AND CONTINGENCIES

The Authority has no pending claims or litigation. Per the Amended and Restated Joint Powers Agreement effective July 1, 2020, the Authority committed to pay Union Sanitary District \$420,000 per year in fiscal years from 2020/21 through 2029/30 for capital costs associated with the Union Effluent Pump Station.

As of June 30, 2023, the Authority had approximately \$73,000 in outstanding contractual obligations to consultants assisting with technical work in support of the Cargill Brine Project. Cargill, Inc. has committed to reimbursing the Authority for these costs.

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REQUIRED SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF
 THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

Measurement Date	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Plan's proportionate share of the Net Pension Liability (Asset)	0.00410%	-0.00767%	0.00214%	0.00771%	0.70700%	0.00806%	0.007595%	0.007340%	0.00416%
Plan's proportion share of the Net Pension Liability (Asset)	\$ 473,485	\$ (414,993)	\$ 232,381	\$ 790,191	\$ 681,137	\$ 799,111	\$ 657,244	\$ 503,886	\$ 258,711
Plan's covered payroll	\$ 572,475	\$ 539,152	\$ 504,651	492,850	533,854	422,884	377,037	393,451	399,793
Plan's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	82.71%	-76.97%	46.05%	160.33%	127.59%	188.97%	174.32%	128.07%	64.71%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

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

SCHEDULE OF CONTRIBUTIONS

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarially determined contribution	\$ 103,770	\$ 89,828	\$ 80,563	\$ 95,632	\$ 76,851	\$ 72,580	\$ 55,390	\$ 43,419	\$ 37,170
Contributions in relation to the actuarially determined contributions	<u>(103,770)</u>	<u>(89,828)</u>	<u>(80,563)</u>	<u>(740,632)</u>	<u>(76,851)</u>	<u>(172,580)</u>	<u>(55,390)</u>	<u>(143,419)</u>	<u>(37,170)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (645,000)</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ -</u>
Covered payroll	\$ 618,275	\$ 572,475	\$ 539,152	\$ 504,651	\$ 492,850	\$ 533,854	\$ 422,884	\$ 377,037	\$ 393,451
Contributions as a percentage of percentage of covered payroll	16.78%	15.69%	14.94%	146.76%	15.59%	32.33%	13.10%	38.04%	9.45%

Actuarially determined contribution assumptions

Valuation date	June 30, 2020
Actuarial cost method	Entry age normal cost method
Amortization method	Varied by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.
Remaining amortization periods	Differs by employer rate plan but not more than 28 years
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	Varies by category, entry age, and service
Discount rate	7.00% (net of administrative expenses)
Mortality	Derived using CalPERS' membership data for all funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

*Fiscal year 2015 was the first year of implementation; additional years will be presented until 10 years' worth of information is shown.

EAST BAY DISCHARGERS AUTHORITY
Other Post-Employment Benefits (OPEB) Plan
Last 10 Years*

Schedule of Changes in the Net OPEB Liability and Related Ratios

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 8,822	\$ 20,840	\$ 20,233	\$ 16,166	\$ 15,695	\$ 15,238
Interest	45,184	48,046	46,988	50,242	49,626	48,858
Differences between expected and actual experience	-	(51,849)	-	(60,853)	-	-
Change in assumptions	-	-	-	(5,731)	-	-
Benefit payments, including refunds of employee contributions	(63,622)	(65,861)	(33,335)	(74,777)	(35,331)	(67,246)
Net change in total OPEB liability	(9,616)	(48,824)	33,886	(74,953)	29,990	(3,150)
Total OPEB liability - beginning	<u>784,870</u>	<u>833,694</u>	<u>799,808</u>	<u>874,761</u>	<u>844,771</u>	<u>847,921</u>
Total OPEB liability - ending (a)	<u>\$ 775,254</u>	<u>\$ 784,870</u>	<u>\$ 833,694</u>	<u>\$ 799,808</u>	<u>\$ 874,761</u>	<u>\$ 844,771</u>
OPEB fiduciary net position						
Contributions - employer	\$ -	\$ -	\$ 525,666	\$ 74,777	\$ 82,651	\$ 80,635
Contributions - employee	-	-	-	-	-	-
Net investment income	(117,029)	204,297	30,864	12,914	11,389	12,876
Benefit payments, including refunds of employee contributions	(63,622)	(65,861)	(33,335)	(74,777)	(35,331)	(67,246)
Administrative expense	(225)	(281)	(135)	(102)	(81)	(64)
Other changes	-	-	-	-	-	-
Net change in plan fiduciary net position	(180,876)	138,155	523,060	12,812	58,628	26,201
Fiduciary net position - beginning	<u>881,505</u>	<u>743,350</u>	<u>220,290</u>	<u>207,478</u>	<u>148,850</u>	<u>122,649</u>
Fiduciary net position - ending (b)	<u>\$ 700,629</u>	<u>\$ 881,505</u>	<u>\$ 743,350</u>	<u>\$ 220,290</u>	<u>\$ 207,478</u>	<u>\$ 148,850</u>
Net OPEB Liability - ending (a)-(b)	<u>\$ 74,625</u>	<u>\$ (96,635)</u>	<u>\$ 90,344</u>	<u>\$ 579,518</u>	<u>\$ 667,283</u>	<u>\$ 695,921</u>
Plan fiduciary net position as a percentage of the total OPEB liability	90.37%	112.31%	89.16%	27.54%	23.72%	17.62%
Covered-employee payroll	\$ 572,475	\$ 539,152	\$ 504,651	\$ 492,850	\$ 533,854	\$ 422,884
Net OPEB Liability as a percentage of covered payroll	13.04%	-17.92%	17.90%	117.59%	124.99%	164.57%

*Fiscal year 2018 was the first year of implementation; additional years will be presented until 10 years' worth of information is shown.

EAST BAY DISCHARGERS AUTHORITY
Other Post-Employment Benefits (OPEB) Plan
Last 10 Years*

Schedule of Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ -	\$ -	\$ 33,335	\$ 74,777	\$ 66,000	\$ 66,000
Contributions in relation to the actuarially determined contributions	<u>(180)</u>	<u>(144)</u>	<u>(156)</u>	<u>(548,842)</u>	<u>(57,097)</u>	<u>(97,873)</u>
Contribution deficiency (excess)	<u>\$ (180)</u>	<u>\$ (144)</u>	<u>\$ 33,179</u>	<u>\$ (474,065)</u>	<u>\$ 8,903</u>	<u>\$ (31,873)</u>
Covered payroll	572,475	539,152	504,651	492,850	533,854	422,884
Contributions as a percentage of percentage of covered payroll	0.03%	0.03%	0.03%	111.36%	10.70%	23.14%

*Fiscal year 2018 was the first year of implementation; additional years will be presented until 10 years' worth of information is shown.

OTHER SUPPLEMENTARY INFORMATION

East Bay Dischargers Authority
Combining Statement of Net Position
June 30, 2023
With Comparative Totals as of June, 30 2022

	Business-type Activities - Enterprise Funds					Total June 30, 2023	Total June 30, 2022
	Operations and Maintenance	Water Recycling	Renewal and Replacement	Planning and Special Studies	Brine Acceptance		
Assets							
Current Assets:							
Cash and investments (Note 3)	\$ 755,835	\$ 61,112	\$ 2,034,992	\$ 366,888	\$ (316,368)	\$ 2,902,459	\$ 3,730,966
Interest receivable	-	-	21,410	-	-	21,410	7,038
Accounts receivable	9,108	-	-	-	571,517	580,625	400,908
Due from other governments:						-	-
Member Agencies	-	9,000	28,100	-	-	37,100	857
Other agencies	58,949	-	163,051	93,130	-	315,130	137,061
Inventory	162,952	-	-	-	-	162,952	152,627
Prepaid expenses	43,442	-	-	2,238	-	45,680	44,687
Deposits	2,291	-	-	-	-	2,291	4,726
Total Current Assets	1,032,577	70,112	2,247,553	462,256	255,149	4,067,647	4,478,870
Noncurrent Assets:							
Capital assets (Note 4):							
Land	10,161	-	-	-	-	10,161	10,161
Right-to-use lease	12,900	-	-	-	-	12,900	19,350
Permanent easements	429,458	2,720	-	-	-	432,178	432,178
Buildings and structures	724,966	-	-	-	-	724,966	536,047
Sewage disposal facilities	18,939,689	-	-	-	-	18,939,689	18,480,479
Data acquisition system	602,924	-	-	-	-	602,924	602,924
Water recycling facilities	-	766,680	-	-	-	766,680	766,680
Subsurface lines	36,369,660	-	-	-	-	36,369,660	36,369,660
Office equipment	214,980	-	-	-	-	214,980	214,980
Field equipment	71,054	-	-	-	-	71,054	71,054
Automotive equipment	-	-	-	-	-	-	19,718
Less: accumulated depreciation	(33,403,147)	(655,213)	-	-	-	(34,058,360)	(33,188,568)
Total Capital Assets - Net	23,972,645	114,187	-	-	-	24,086,832	24,334,663
Other noncurrent assets							
Net Pension Asset	-	-	-	-	-	-	414,993
Net OPEB Asset	-	-	-	-	-	-	96,635
Total Other Noncurrent Assets	-	-	-	-	-	-	511,628
Total Noncurrent Assets - Net	23,972,645	114,187	-	-	-	24,086,832	24,846,291
Total Assets	25,005,222	184,299	2,247,553	462,256	255,149	28,154,479	29,325,161
Deferred Outflow of Resources							
Pension related (Note 8)	911,869	-	-	-	-	911,869	851,151
OPEB related (Note 9)	33,135	-	-	-	-	33,135	32,072
Total Deferred Outflow of Resources	945,004	-	-	-	-	945,004	883,223
Liabilities							
Current Liabilities:							
Accrued claims payable	315,506	2,695	4,134	13,078	73,617	409,030	406,646
Current portion of right-to-use lease liability	6,450	-	-	-	-	6,450	6,450
Due to other governments:						-	-
Member agencies	167,634	-	-	17,228	60,252	245,114	581,593
Other agencies	53,451	-	-	-	21,280	74,731	142,785
Total Current Liabilities	543,041	2,695	4,134	30,306	155,149	735,325	1,137,474
Noncurrent Liabilities:							
Right-to-use lease liability	6,450	-	-	-	-	6,450	12,900
Net pension liability (Note 8)	473,485	-	-	-	-	473,485	-
Net OPEB liability (Note 9)	74,625	-	-	-	-	74,625	-
Compensated absences	102,357	-	-	-	-	102,357	87,915
Total Noncurrent Liabilities	656,917	-	-	-	-	656,917	100,815
Total Liabilities	1,199,958	2,695	4,134	30,306	155,149	1,392,242	1,238,289
Deferred Inflow of Resources							
Pension related (Note 8)	287,973	-	-	-	-	287,973	411,286
OPEB related (Note 9)	63,515	-	-	-	-	63,515	223,478
Total Deferred Inflow of Resources	351,488	-	-	-	-	351,488	634,764
Net Position							
Net Investment in Capital Assets	23,972,645	114,187	-	-	-	24,086,832	24,334,663
Restricted	-	-	-	67,951	-	67,951	-
Unrestricted	426,135	67,417	2,243,419	363,999	100,000	3,200,970	4,000,668
Total Net Position	\$ 24,398,780	\$ 181,604	\$ 2,243,419	\$ 431,950	\$ 100,000	\$ 27,355,753	\$ 28,335,331

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

East Bay Dischargers Authority
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2023
With Comparative Totals for the Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds					Total June 30, 2023	Total June 30, 2022
	Operations and Maintenance	Water Recycling	Renewal and Replacement	Planning and Special Studies	Brine Acceptance		
Operating Revenues:							
Member assessments	\$ 2,827,780	\$ -	\$ 778,100	\$ 949,084	\$ -	\$ 4,554,964	\$ 4,190,855
LAVWMA assessments	592,698	-	163,050	330,599	-	1,086,347	824,993
Sale of reclaimed water	-	36,000	-	-	-	36,000	36,000
Other operating revenues	3,016	-	-	-	-	3,016	8,874
Total Operating Revenues	3,423,494	36,000	941,150	1,279,683	-	5,680,327	5,060,722
Operating Expenses:							
Personnel services	1,501,648	7,685	-	-	-	1,509,333	(295,827)
Depreciation	876,603	12,907	-	-	-	889,510	919,901
Professional services	235,464	-	-	69,373	-	304,837	402,709
Monitoring	200,218	2,250	-	318,360	-	520,828	161,509
Contract services	43,209	-	-	-	-	43,209	74,457
Operating supplies	467,053	-	-	-	-	467,053	273,370
Utilities	849,581	771	-	-	-	850,352	679,913
Insurance	73,531	5,000	-	-	-	78,531	65,582
Commissioners' compensation	31,440	-	-	-	-	31,440	28,800
Rents and fees	13,057	-	-	864,669	-	877,726	1,183,826
Repairs and maintenance	592,130	16,126	-	-	-	608,256	579,712
Dues	121,764	-	-	26,282	-	148,046	148,332
Travel and meetings	6,878	-	-	-	-	6,878	1,837
Other general administrative	2,203	-	-	-	-	2,203	2,507
Total Operating Expenses	5,014,779	44,739	-	1,278,684	-	6,338,202	4,226,628
Operating Income (Loss)	(1,591,285)	(8,739)	941,150	999	-	(657,875)	834,094
Nonoperating Revenues (Expenses)							
Interest income	-	-	70,197	-	-	70,197	12,882
Gain (loss) on disposal of fixed assets	9,100	-	-	-	-	9,100	-
UEPS Capital Costs	-	-	(420,000)	-	-	(420,000)	(420,000)
Cargill other revenue	-	-	-	-	827,675	827,675	774,507
Cargill other expense	-	-	-	-	(746,143)	(746,143)	(693,594)
Cargill project management	-	-	-	-	(81,532)	(81,532)	(80,913)
Zone 7 Brine (DSRSD)	-	-	-	-	20,000	20,000	80,000
Bruce Wolfe Memorial	-	-	-	(1,000)	-	(1,000)	(1,000)
OLSD Outreach Support revenue	-	-	-	-	-	-	1,896
OLSD Outreach Support expense	-	-	-	-	-	-	(1,455)
Federal grant revenue	-	-	-	106,356	-	106,356	167,474
Federal grant expense	-	-	-	(106,356)	-	(106,356)	(167,474)
Total Nonoperating Revenues (Expenses)	9,100	-	(349,803)	(1,000)	20,000	(321,703)	(327,677)
Other Financing Sources (Uses)							
Transfers in (Note 7)	648,129	-	-	-	-	648,129	78,668
Transfers out (Note 7)	-	-	(648,129)	-	-	(648,129)	(78,668)
Total Other Financing Sources (Uses)	648,129	-	(648,129)	-	-	-	-
Change in Net Position	(934,056)	(8,739)	(56,782)	(1)	20,000	(979,578)	506,417
Net Position Beginning, as previously stated	25,332,836	190,343	2,300,201	431,951	80,000	28,335,331	28,248,914
Prior period adjustment (Note 2)	-	-	-	-	-	-	(420,000)
Net Position Beginning, as restated	25,332,836	190,343	2,300,201	431,951	80,000	28,335,331	27,828,914
Net Position Ending	\$ 24,398,780	\$ 181,604	\$ 2,243,419	\$ 431,950	\$ 100,000	\$ 27,355,753	\$ 28,335,331

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

East Bay Dischargers Authority
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023 and 2022

	Business-type Activities - Enterprise Funds					Total June 30, 2023	Total June 30, 2022
	Operations and Maintenance	Water Recycling	Renewal and Replacement	Planning and Special Studies	Brine Acceptance		
Cash Flows from Operating Activities:							
Cash received from members	\$ 2,545,597	\$ -	\$ 750,857	\$ 894,331	\$ 457	\$ 4,191,242	\$3,621,328
Cash received from LAVWMA	524,407	-	15,974	330,674	162	871,217	904,894
Cash received from others	(6,084)	27,000	-	-	-	20,916	72,295
Cash payments for personnel services	(768,417)	(7,685)	-	-	-	(776,102)	(707,886)
Cash payments to members	-	-	-	-	-	-	-
Cash payments to suppliers for goods and services	(2,605,674)	(22,236)	4,407	(1,327,604)	(29,852)	(3,980,959)	(3,467,098)
Net Cash Provided (Used) by Operating Activities	(310,171)	(2,921)	771,238	(102,599)	(29,233)	326,314	\$423,533
Cash Flows from Capital and Related Financing Activities:							
Gain (loss) on sale of capital assets	9,100	-	-			9,100	-
UEPS capital costs	-	-	(420,000)			(420,000)	-
Acquisition of capital assets	(648,129)	-	-	-	-	(648,129)	(78,668)
Net Cash Provided (Used) by Capital and Related Financing Activities	(639,029)	-	(420,000)	-	-	(1,059,029)	(78,668)
Cash Flows from Investing Activities:							
Interest on investments	-	-	55,825	-	-	55,825	7,687
Net Cash Provided (Used) by Investing Activities	-	-	55,825	-	-	55,825	7,687
Cash Flows from Non Capital and Related Financing Activities:							
Cargill	-	-	-	-	(170,617)	(170,617)	(92,786)
Zone 7 Brine	-	-	-	-	20,000	20,000	80,000
OLSD Outreach Support	-	-	-	-	-	-	440
Bruce Wolfe Memorial	-	-	-	(1,000)	-	(1,000)	(1,000)
Interfund transfers	648,129	-	(648,129)	-	-	-	-
Net Cash Provided (Used) by Non Capital and Related Financing Activities	648,129	-	(648,129)	(1,000)	(150,617)	(151,617)	(13,346)
Net Increase (Decrease) in Cash and Cash Equivalents	(301,071)	(2,921)	(241,066)	(103,599)	(179,850)	(828,507)	\$339,206
Cash and Cash Equivalents Beginning	1,056,906	64,033	2,276,058	470,487	(136,518)	3,730,966	3,391,760
Cash and Cash Equivalents Ending	<u>\$ 755,835</u>	<u>\$ 61,112</u>	<u>\$ 2,034,992</u>	<u>\$ 366,888</u>	<u>\$ (316,368)</u>	<u>\$ 2,902,459</u>	<u>\$3,730,966</u>

(Continued)

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

East Bay Dischargers Authority
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023 and 2022

	Business-type Activities - Enterprise Funds					Total June 30, 2023	Total June 30, 2022
	Operations and Maintenance	Water Recycling	Renewal and Replacement	Planning and Special Studies	Brine Acceptance		
Reconciliation of Operating Income (Loss) to Cash Flows Provided (Used) by Operating Activities:							
Operating Income (Loss)	\$ (1,591,285)	\$ (8,739)	\$ 941,150	\$ 999	\$ -	\$ (657,875)	\$ 834,094
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Non Cash Revenue							(420,000)
Depreciation	876,603	12,907	-	-	-	889,510	919,901
(Increase) decrease in assets and deferred outflows of resources:							
Accounts receivable	(9,100)	-	-	-	-	(9,100)	421
Due from other agencies	4,673	-	(147,076)	(35,666)	-	(178,069)	53,704
Due from member agencies	-	(9,000)	(27,243)	-	-	(36,243)	26,524
Inventory	(10,325)	-	-	-	-	(10,325)	2,942
Prepaid expenses	(928)	-	-	(65)	-	(993)	58,678
Deposits	(565)	-	3,000	-	-	2,435	(4,726)
Lease asset							(19,350)
Pension related deferred outflows of resources	(60,718)	-	-	-	-	(60,718)	(323,915)
OPEB related deferred outflows of resources	(1,063)	-	-	-	-	(1,063)	(144)
Increase (decrease) in liabilities and deferred inflows of resources:							
Accrued claims payable	42,107	1,911	1,407	(13,189)	(29,852)	2,384	43,971
Right-to-use lease liability							19,350
Member agencies	(282,183)	-	-	(54,753)	457	(336,479)	(149,052)
Other agencies	(68,291)	-	-	75	162	(68,054)	61,302
Net pension liability	888,478	-	-	-	-	888,478	(647,374)
Net OPEB liability	171,260	-	-	-	-	171,260	(186,979)
Pension related deferred inflows of resources	(123,313)	-	-	-	-	(123,313)	(20,290)
OPEB related deferred inflows of resources	(159,963)	-	-	-	-	(159,963)	153,462
Compensated absences	14,442	-	-	-	-	14,442	21,014
Net Cash Provided (Used) by Operating Activities	<u>\$ (310,171)</u>	<u>\$ (2,921)</u>	<u>\$ 771,238</u>	<u>\$ (102,599)</u>	<u>\$ (29,233)</u>	<u>\$ 326,314</u>	<u>\$ 423,533</u>

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

East Bay Dischargers Authority
Operations and Maintenance Fund
Schedule of Expenses
Budget vs. Actual
For the Fiscal Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Operations and Maintenance Programs:			
General and administration	\$ 1,383,713	\$ 1,781,882	\$ (398,169)
Outfall and forcemains	181,300	136,530	44,770
Marina Dechlorination Facility	389,100	473,010	(83,910)
Oro Loma pump station	531,000	591,888	(60,888)
Hayward pump station	173,000	170,245	2,755
Union pump station	390,000	418,016	(28,016)
Bay and effluent monitoring	593,450	566,606	26,844
Subtotal	<u>\$ 3,641,563</u>	<u>4,138,177</u>	<u>\$ (496,614)</u>
Depreciation Expense		<u>876,603</u>	
Total Expenses		<u>\$ 5,014,780</u>	

East Bay Dischargers Authority
Operations and Maintenance Fund
Schedule of General and Administrative Expenses
Budget vs. Actual
For the Fiscal Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
General and Administrative Expenses:			
Salaries	\$ 632,367	\$ 536,893	\$ 95,474
Employee benefits	245,205	895,746	(650,541)
Commissioners' compensation	45,000	31,440	13,560
Deferred compensation	19,755	16,976	2,779
Insurance	72,900	73,531	(631)
Memberships	18,445	16,314	2,131
Supplies	18,000	5,807	12,193
Contractual services	34,611	29,456	5,155
Professional services	205,150	123,494	81,656
Rental	8,280	6,450	1,830
Maintenance	50,000	26,387	23,613
Travel	18,000	6,878	11,122
Utilities	16,000	10,306	5,694
Other	-	2,203	(2,203)
Total Expenses	<u>\$ 1,383,713</u>	<u>\$ 1,781,881</u>	<u>\$ (398,168)</u>

East Bay Dischargers Authority
 Water Recycling Fund
 Schedule of Expenses
 Budget vs. Actual
 For the Fiscal Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Water Recycling Programs:			
Skywest Golf Course Irrigation	\$ 36,000	\$ 31,832	\$ 4,168
Subtotal	\$ 36,000	31,832	\$ 4,168
Depreciation Expense		12,907	
Total Expense		\$ 44,739	

East Bay Dischargers Authority
 Planning and Special Studies Fund
 Schedule of Expenses - Operating & Nonoperating
 Budget vs. Actual
 For the Fiscal Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Planning and Special Studies Fund:			
NPDES Permit Fees	\$ 656,019	\$ 627,544	\$ 28,475
Regional Monitoring Plan	292,320	286,205	6,115
Nutrient Surcharge	237,114	237,125	(11)
Alternative Monitoring and Reporting	32,155	32,155	-
NPDES Permit Issues	20,000	4,552	15,448
AQPI	29,000	29,000	-
Water Research Foundation (WERF)	25,580	26,282	(702)
Strategic Planning	10,000	5,631	4,369
Transport System Evaluation	20,000	1,623	18,377
Biosolids Feasibility Study	100,000	-	100,000
Solar Feasibility Study	28,000	28,567	(567)
Nature Based Solutions	200,000	106,356	93,644
Bruce Wolfe Memorial	1,000	1,000	-
Total Expenses	<u>\$ 1,651,188</u>	<u>\$ 1,386,040</u>	<u>\$ 265,148</u>

East Bay Dischargers Authority
 Brine Acceptance Fund
 Schedule of Expenses
 Budget vs. Actual
 For the Fiscal Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Brine Acceptance Fund:			
Mixed Sea Salt Brine (Cargill)	\$ 1,100,000	\$ 746,143	\$ 353,857
Zone 7 Brine (DSRSD)	20,000	-	20,000
Total Expenses	<u>\$1,120,000</u>	<u>\$ 746,143</u>	<u>\$ 373,857</u>

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

To the Board of Directors
East Bay Dischargers Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of East Bay Dischargers Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise East Bay Dischargers Authority's basic financial statements, and have issued our report thereon dated November 7, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California

November 7, 2023