



ITEM NO. 11

FINANCIAL MANAGEMENT COMMITTEE AGENDA

Wednesday, June 19, 2024 at 8:00 AM

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

Committee Members: Simon (Chair); Andrews

FM1. Call to Order

FM2. Roll Call

FM3. Public Forum

FM4. Disbursements for May 2024
(The Committee will review the Lists of Disbursements.)

FM5. Treasurer's Report for May 2024
(The Committee will review the Treasurer's Report.)

FM6. Review of the Authority's Audit Policy and FY 2023/2024 Audit Update
(The Committee will review the policy.)

FM7. Motion Authorizing the General Manager to Execute Amendment No. 1 to the Professional Services Agreement with Cropper Accountancy Corporation for Financial Audit Services in the amount of \$38,000, for a Total Not to Exceed Amount of \$74,750
(The Committee will consider the motion.)

FM8. Motion Setting the City of Hayward Recycled Water Fee for Fiscal Year 2024/2025 at \$9000 per Quarter
(The Committee will consider the motion.)

FM9. 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.

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

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
June 19, 2024

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>.

**Next Scheduled Financial Management Committee is
Monday, July 15, 2024 at 11:00 am**

EAST BAY DISCHARGERS AUTHORITY
List of Disbursements
May 2024

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
26477	05/31/2024	3024071	REGIONAL MONITORING PROGRAM C/O SFEI	SEMI-ANNUAL PARTICIPANT FEE - 2023 BUDGET	158,696.50	158,696.50
26476	05/31/2024	--	REGIONAL GOVERNMENT SERVICES	MANAGEMENT AND ADMINISTRATIVE SERVICES	13,968.20	35,229.88
26476	05/31/2024	16743	REGIONAL GOVERNMENT SERVICES	MANAGEMENT AND ADMINISTRATIVE SERVICES	12,982.40	
26476	05/31/2024	--	REGIONAL GOVERNMENT SERVICES	MANAGEMENT AND ADMINISTRATIVE SERVICES	8,279.28	
26456	05/15/2024	6930	ORO LOMA SANITARY DISTRICT	OLEPS O&M - FEB	18,907.97	26,418.17
26456	05/15/2024	6945	ORO LOMA SANITARY DISTRICT	OLEPS O&M - MAR	7,510.20	
26452	05/15/2024	396024	CITY OF SAN LEANDRO	MDF O&M - MAR	25,562.96	25,562.96
26450	05/15/2024	352135	CITY OF HAYWARD	HEPS O&M JAN-MAR	19,024.96	19,024.96
26468	05/31/2024	196264	ENVIRONMENTAL SCIENCE ASSOCIATES	FIRST MILE PROJECT WORK ORDER NO. 3	17,457.40	17,457.40
26472	05/31/2024	6960	ORO LOMA SANITARY DISTRICT	OLEPS O&M - APR	14,329.28	14,329.28
26458	05/15/2024	041966D	PUMP REPAIR SERVICE	HEPS EFFLUENT PUMP REPLACEMENT	13,110.00	13,110.00
26470	05/31/2024	FM 5A	NATHANIEL KAUFFMAN	FIRST MILE PROJECT	11,000.00	11,000.00
26466	05/31/2024	--	DEBORAH QUINN	ACCOUNTING SERVICES	8,211.62	8,211.62
26457	05/15/2024	SW240197210	PETERSON POWER SYSTEMS	HEPS GENERATOR SERVICE	2,994.29	6,627.92
26457	05/15/2024	SW240196674	PETERSON POWER SYSTEMS	MDF REPLACE GENERATOR BLOCKHEATER	2,012.16	
26457	05/15/2024	SW240197211	PETERSON POWER SYSTEMS	OLEPS GENERATOR NO START	1,621.47	
26473	05/31/2024	19818	PACIFIC ECORISK	NPDES TOXICITY TESTING	5,921.00	5,921.00
26455	05/15/2024	216904	MEYERS NAVE	LEGAL SERVICES - BRINE PROJECT	5,196.58	5,196.58
26463	05/31/2024	56553	CALCON	MDF FLOW METER NO. 2 REPAIR	1,710.61	3,483.46
26463	05/31/2024	56563	CALCON	HEPS POND 3 VALVE ACTUATOR UPGRADE	1,182.60	
26463	05/31/2024	56415	CALCON	HEPS UPS BATTERIES AND WATER LINE PARTS	350.25	
26463	05/31/2024	56559	CALCON	SCADA ALARM EMAIL	240.00	
26475	05/31/2024	10468	REDWOOD PUBLIC LAW, LLP	LEGAL SERVICES - APR	1,852.20	2,778.30
26475	05/31/2024	10043	REDWOOD PUBLIC LAW, LLP	LEGAL SERVICES - MAR	926.10	
26451	05/15/2024	52205710	CITY OF HAYWARD	EMPLOYEE BENEFIT PROGRAMS - APR	1,370.66	2,741.32
26451	05/15/2024	52205711	CITY OF HAYWARD	EMPLOYEE BENEFIT PROGRAMS - MAY	1,370.66	
26461	05/15/2024	12980	UNITED FENCE SERVICES	MDF REPAIR CHAIN-LINK FENCE AND SECURE ROOF LADDER	2,492.00	2,492.00
26448	05/15/2024	0424-24	BEECHER ENGINEERING, INC	ELECTRICAL ENGINEERING SERVICES	1,260.00	1,260.00
26462	05/31/2024	10006578	ARROW FIRE PROTECTION CO	ANNUAL FIRE EXTINGUISHER INSPECTION & SERVICE	1,255.53	1,255.53
26464	05/31/2024	719608	CALTEST	LAB TESTING SERVICES - APR	808.96	808.96
26449	05/15/2024	8430	CAYUGA INFORMATION SYSTEMS	IT SERVICES	472.50	472.50
26460	05/15/2024	4246-0445-5568-7627	U.S. BANK	PURCHASING CARD EXPENSES	354.66	354.66
26471	05/31/2024	265523842	ORKIN	MDF PEST CONTROL SERVICE	253.99	253.99
26454	05/15/2024	10110000001	EBMUD	MDF WATER & SEWER SERVICE	247.98	247.98
26459	05/15/2024	CD_000809353	RINGCENTRAL INC	DIGITAL PHONE SERVICE	211.91	211.91

EAST BAY DISCHARGERS AUTHORITY
List of Disbursements
May 2024

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount	
26453	05/15/2024	56062	COMPUTER COURAGE	WEBSITE HOSTING	150.00	150.00	
26469	05/31/2024	10192	MBC CUSTODIAL SERVICES INC	JANITORIAL SERVICES - APR	130.00	130.00	
26465	05/31/2024	4082250	CALTRONICS	COPIER USAGE AND MAINTENANCE	122.55	122.55	
26467	05/31/2024	44777800001	EBMUD	ADMIN WATER SERVICE	72.42	72.42	
26474	05/31/2024	531688	R-COMPUTER	COMPUTER SOFTWARE	59.00	59.00	
26435	05/28/2024	--	DEBORAH QUINN	VOID CHECK	(8,211.62)	(8,211.62)	
26425	05/28/2024	--	REGIONAL GOVERNMENT SERVICES	VOID CHECK	(8,279.28)	(8,279.28)	
26447	05/28/2024	--	REGIONAL GOVERNMENT SERVICES	VOID CHECK	(13,968.20)	(13,968.20)	
					333,221.75	333,221.75	
ELECTRONIC PAYMENTS							
	05/02/2024	5105948980-0	PG&E	GAS & ELECTRIC SERVICE	50,769.90	50,769.90	
	05/13/2024	100000017517445	CALPERS	HEALTH PREMIUMS - MAY	8,247.28	8,247.28	
	05/03/2024	100000017482641	CALPERS	PENSION CONTRIBUTION, CLASSIC 4/16 - 30/2024	5,710.87	5,710.87	
	05/17/2024	100000017514588	CALPERS	PENSION CONTRIBUTION, CLASSIC 5/01 - 15/2024	5,710.87	5,710.87	
	05/06/2024	6694452	MISSION SQUARE	DEFERRED COMPENSATION CONTRIBUTION 4/30/2024	2,106.70	2,106.70	
	05/17/2024	6205983	MISSION SQUARE	DEFERRED COMPENSATION CONTRIBUTION 5/15/2024	2,106.70	2,106.70	
	05/17/2024	1001649293	STATE COMPENSATION INSURANCE FUND	WORKERS COMPENSATION PREMIUM - MAY	878.00	878.00	
	05/13/2024	51048304397166	AT&T	MDF TELEPHONE SERVICE	277.13	277.13	
	05/03/2024	2405035707	INTERMEDIA.NET INC	EMAIL EXCHANGE HOSTING	101.53	101.53	
	05/17/2024	9963016260	VERIZON WIRELESS	WIRELESS PHONE SERVICES - APR	63.03	63.03	
					TOTAL ELECTRONIC PAYMENTS	75,972.01	75,972.01
PAYROLL							
	05/30/2024		ADP, LLC	PAYROLL PERIOD: 05/16-31/2024	28,052.24	28,052.24	
	05/14/2024		ADP, LLC	PAYROLL PERIOD: 05/01-15/2024	23,940.24	23,940.24	
	05/03/2024		ADP, LLC	PAYROLL FEES, 4/16-30/2024	102.06	102.06	
	05/24/2024		ADP, LLC	PAYROLL FEES, 5/01-15/2024	87.86	87.86	
					TOTAL PAYROLL	52,182.40	52,182.40
					TOTAL DISBURSEMENTS	461,376.16	461,376.16

ITEM NO. FM5 TREASURER'S REPORT FOR MAY 2024

The cash balance as of May 31, 2024 is \$4,109,560.91. EBDA's LAIF balance is \$1,299,193.19, and the average monthly effective yield for April is 4.332%. EBDA's CAMP balance is \$1,561,408.27, and CAMP's 7-day yield is 5.43%.

Approval is recommended.

EAST BAY DISCHARGERS AUTHORITY

TREASURER'S REPORT

May 2024

FUND	FUND DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	\$ 1,514,353.23	\$ -	\$ 251,457.02	\$ 1,262,896.21
13	PLANNING & SPECIAL STUDIES	354,877.02	0.00	187,573.90	167,303.12
14	RECLAMATION O & M (SKYWEST)	83,971.81	0.00	2,016.06	81,955.75
15	BRINE ACCEPTANCE	127,072.26	0.00	5,196.58	121,875.68
31	RENEWAL & REPLACEMENT	2,420,173.12	70,489.63	15,132.60	2,475,530.15
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TOTALS		\$ 4,500,447.44	\$ 70,489.63	\$ 461,376.16	\$ 4,109,560.91
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Ending Balance per STR					\$ 4,109,560.91

May-24

6/6/2024

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
04/30/24	BALANCE							1,552,106.04	94,674.57	1,299,193.19	1,554,473.64	4,500,447.44
05/01/24	DIVIDENDS	6,934.63					6,934.63	1,552,106.04	94,674.57	1,299,193.19	1,561,408.27	4,507,382.07
05/02/24	ELECTRONIC BILL PAY		50,769.90					1,501,336.14	94,674.57	1,299,193.19	1,561,408.27	4,456,612.17
05/03/24	ELECTRONIC BILL PAY		101.53					1,501,234.61	94,674.57	1,299,193.19	1,561,408.27	4,456,510.64
05/03/24	ELECTRONIC BILL PAY		5,710.87					1,495,523.74	94,674.57	1,299,193.19	1,561,408.27	4,450,799.77
05/03/24	PAYROLL FEES			102.06				1,495,523.74	94,572.51	1,299,193.19	1,561,408.27	4,450,697.71
05/06/24	ELECTRONIC BILL PAY		2,106.70					1,493,417.04	94,572.51	1,299,193.19	1,561,408.27	4,448,591.01
05/13/24	ELECTRONIC BILL PAY		277.13					1,493,139.91	94,572.51	1,299,193.19	1,561,408.27	4,448,313.88
05/13/24	ELECTRONIC BILL PAY		8,247.28					1,484,892.63	94,572.51	1,299,193.19	1,561,408.27	4,440,066.60
05/14/24	PAYROLL			23,940.24				1,484,892.63	70,632.27	1,299,193.19	1,561,408.27	4,416,126.36
05/15/24	DISBURSEMENT		103,870.96					1,381,021.67	70,632.27	1,299,193.19	1,561,408.27	4,312,255.40
05/17/24	ELECTRONIC BILL PAY		63.03					1,380,958.64	70,632.27	1,299,193.19	1,561,408.27	4,312,192.37
05/17/24	ELECTRONIC BILL PAY		878.00					1,380,080.64	70,632.27	1,299,193.19	1,561,408.27	4,311,314.37
05/17/24	ELECTRONIC BILL PAY		2,106.70					1,377,973.94	70,632.27	1,299,193.19	1,561,408.27	4,309,207.67
05/17/24	ELECTRONIC BILL PAY		5,710.87					1,372,263.07	70,632.27	1,299,193.19	1,561,408.27	4,303,496.80
05/24/24	PAYROLL FEES			87.86				1,372,263.07	70,544.41	1,299,193.19	1,561,408.27	4,303,408.94
05/28/24	VOID CHECK 26425		(8,279.28)					1,380,542.35	70,544.41	1,299,193.19	1,561,408.27	4,311,688.22
05/28/24	VOID CHECK 26435		(8,211.62)					1,388,753.97	70,544.41	1,299,193.19	1,561,408.27	4,319,899.84
05/28/24	VOID CHECK 26447		(13,968.20)					1,402,722.17	70,544.41	1,299,193.19	1,561,408.27	4,333,868.04
05/30/24	DEPOSIT - ABAG	63,555.00						1,466,277.17	70,544.41	1,299,193.19	1,561,408.27	4,397,423.04
05/30/24	PAYROLL			28,052.24				1,466,277.17	42,492.17	1,299,193.19	1,561,408.27	4,369,370.80
05/31/24	DISBURSEMENT		259,809.89					1,206,467.28	42,492.17	1,299,193.19	1,561,408.27	4,109,560.91
TOTAL CURRENT BALANCE		70,489.63	409,193.76	52,182.40	-	-	6,934.63	1,206,467.28	42,492.17	1,299,193.19	1,561,408.27	4,109,560.91

Reconciliation - 05/31/2024

① Bank Statement Balance	\$ 1,507,462.36
Less: Outstanding Checks	300,995.08
	\$ 1,206,467.28
② Payroll Bank Statement	\$ 42,492.17
③ LAIF Statement	\$ 1,299,193.19
④ CAMP Statement	\$ 1,568,593.06
Less: Accrual Income Dividend	7,184.79
	\$ 1,561,408.27

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 REVIEW OF THE AUTHORITY'S AUDIT POLICY AND FY 2023/2024
AUDIT UPDATE**

Recommendation

Review and provide direction to staff.

Strategic Plan Linkage

3. **Financial:** Develop financial strategies and practice sound fiscal management to ensure wise use of ratepayers' resources.

Background

In May 2019, the Commission adopted Policy 1.3 Finance – Audit. Review of this policy has been conducted annually, with no changes recommended since the initial adoption.

Discussion

Redline and clean versions of proposed Audit Policy revisions are attached for the Committee's review. Staff is recommending two minor changes to the policy at this time:

1. Improve the precision of the language referencing Generally Accepted Accounting Principles (GAAP) and U.S. Government Accountability Office's *Generally Accepted Government Auditing Standards (GAGAS)*.
2. Affirm the Commission's approval of using the Authority's auditors for the preparation of the Financial Transactions Report to the State Controller's Office when it is in the best interest of the Authority to do so. This report is commonly, but not exclusively, prepared for local agencies by their auditors because the auditors often have the information at hand if they assist in the publication of statements.

Beginning with the audit of the year ended 6/30/2021, the Authority contracted with Cropper Accountancy Corporation for annual audit services; those services were to provide an audit of the Authority's annual Financial Statements through the 6/30/2023 statements. As a separate matter, this agenda includes a proposal to extend Cropper's engagement to include the audit of the Authority's 6/30/2024 and 6/30/2025 Financial Statements (see Item No. FM7). This would be a fourth year of Cropper auditing the Authority's Financial Statements. This conforms to the Audit Policy's provision that an "independent audit firm will be selected through a competitive bidding process at least once every five years."

Staff is seeking the Committee's input on the proposed updates to the Audit Policy. Following Committee input, staff will bring the revised Policy to the Commission for consideration.

POLICY NUMBER: 1.3

NAME OF POLICY: Finance - Audit

LAST REVISED: June 20, 2024~~May 16, 2019~~

PREVIOUSLY REVISED: May 16, 2019 (N/A – New Policy/Initial Adoption of a New Policy)

PURPOSE: The purpose of the Audit Policy is to ensure that EBDA's financial information adheres to Generally Accepted Accounting Principles (GAAP), and that the independent auditors conform to the independence Standard promulgated in the U.S. Government Accountability General Accounting Office's Generally Accepted Government Auditing Standards (GAGAS).

POLICY: It is the policy of the Authority that an annual financial audit will be performed by an independent public accounting firm with an Independent Auditor's Report to be included along with EBDA's fiscal year-end financial statements.

The audit will consist of review of EBDA's financial records and procedures in accordance with GAAP. The audit shall take place as soon as practical after EBDA staff closes the books for the fiscal year. The results of the audit will be presented to the Commission within six months of the end of the fiscal year.

The independent audit firm will be selected through a competitive bidding process at least once every five years. In no case will price serve as the sole criterion for the selection of an independent auditor ~~or firm~~.

Professional standards allow independent auditors to perform certain types of non-audit services for their clients. A common example of this would be the annual preparation of the Financial Transactions Report to the State Controller's Office; preparation of this report by the independent audit firm is approved within this policy when this is the most efficient means of generating the Financial Transactions Report. Any other significant non-audit services —will be approved in advance by the Commission.

POLICY NUMBER: 1.3

NAME OF POLICY: Finance - Audit

LAST REVISED: June 20, 2024

PREVIOUSLY REVISED: May 16, 2019 (Initial Adoption of a New Policy)

PURPOSE: The purpose of the Audit Policy is to ensure that EBDA's financial information adheres to Generally Accepted Accounting Principles (GAAP), and that the independent auditors conform to the Independence Standard promulgated in the U.S. Government Accountability Office's *Generally Accepted Government Auditing Standards (GAGAS)*.

POLICY: It is the policy of the Authority that an annual financial audit will be performed by an independent public accounting firm with an Independent Auditor's Report to be included along with EBDA's fiscal year-end financial statements.

The audit will consist of review of EBDA's financial records and procedures in accordance with GAAP. The audit shall take place as soon as practical after EBDA staff closes the books for the fiscal year. The results of the audit will be presented to the Commission within six months of the end of the fiscal year.

The independent audit firm will be selected through a competitive bidding process at least once every five years. In no case will price serve as the sole criterion for the selection of an independent audit firm.

Professional standards allow independent auditors to perform certain types of non-audit services for their clients. A common example of this would be the annual preparation of the Financial Transactions Report to the State Controller's Office; preparation of this report by the independent audit firm is approved within this policy when this is the most efficient means of generating the Financial Transactions Report. Any other significant non-audit services will be approved in advance by the Commission.

ITEM NO. FM7 MOTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH CROPPER ACCOUNTANCY CORPORATION FOR FINANCIAL AUDIT SERVICES IN THE AMOUNT OF \$38,000, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$74,750

Recommendation

Approve a motion authorizing the General Manager to amend the contract with Cropper Accountancy Corporation.

Background

Each year, the Authority retains an independent auditor to review the Authority's financial documents and internal controls. In May 2015, following a competitive process, the Authority awarded a contract to Maze & Associates for independent auditing services. Maze & Associates provided auditing services to the Authority through FY 2019/2020.

In accordance with the Authority's Audit Policy (see Item No. FM6), which encourages rotation of audit firms to ensure independence, EBDA sought a new firm for auditing services beginning with FY 2020/2021. Staff issued a request for proposals for auditing services in March 2021. Staff received one proposal from Cropper Accountancy Corporation (Cropper). Cropper has significant experience providing auditing and other financial services to Bay Area public agencies including special districts such as Oro Loma and Castro Valley Sanitary Districts.

In June 2021, the Commission authorized staff to enter into an agreement with Cropper for auditing services. The Authority entered into an agreement with Cropper for three years, with two one-year extensions to be exercised at the Authority's discretion. Cropper's proposal for the initial three years was \$12,250 per year, representing 122 hours of professional labor.

Discussion

For continuity, particularly given that the Authority's accounting staff has transitioned during FY 2023/2024, staff is recommending that the Authority retain Cropper as the independent auditor, exercising the extensions contemplated in the agreement for FY 2023/2024 and FY 2024/2025. Staff would issue a request for proposals in the Spring of 2025 to identify a new auditor beginning with FY 2025/2026.

Cropper provided the attached fee proposal for the next two years. They noted that their staff spent considerably more than 122 hours on the last several EBDA audits. They are therefore proposing to increase the projected number of labor hours to 140, and the corresponding annual fee for auditing services is \$17,500. Staff believes this increase request to be justified and overall remains less costly than changing auditors at this time.


In addition, staff requested that Cropper add a line item to prepare the Authority's annual report to the State Controller's Office for the next two fiscal years. This report was historically prepared by the Authority's contract accountant, but as noted in Item No. FM6, it is commonly prepared for other agencies by their audit firms.

EAST BAY DISCHARGERS AUTHORITY
Part 2 Fee Proposal
By Deliverable

	Fiscal Year Ending June 30		
	2024	2025	
Financial Statement Audit	\$17,500	\$ 17,500	
State Controller's Report	1,500	1,500	
Total	\$19,000	\$ 19,000	\$ -
MAXIMUM PRICE*	\$19,000	\$ 19,000	\$ -

*The above pricing does not include a single audit. Should a single audit be required, the additional fee will be negotiable based on the number of federal programs.

Pricing update by John Cropper 6/10/24


 John Cropper. Managing Partner

ITEM NO. FM8 MOTION SETTING THE CITY OF HAYWARD RECYCLED WATER FEE FOR FISCAL YEAR 2024/2025 AT \$9000 PER QUARTER

Recommendation

Approve the motion setting recycled water fees at \$9000 per quarter (\$3000 per month) for FY 2024/2025.

Background

Since 1982, EBDA has been providing recycled water to Skywest Golf Course. The golf course property is owned by the City of Hayward (City) and was historically operated by Hayward Area Recreation and Park District (HARD). EBDA's goal for Skywest has always been for revenues to meet expenses so that the Member Agencies do not subsidize the project. From 2017-2020, EBDA charged HARD \$10,000 per month, which allowed for offset of expenses, as well as build-up of a small fund for capital needs.

In March 2020, the golf course was closed to the public due to COVID-19 restrictions, and it has not reopened. Since the course closed, EBDA has continued to provide recycled water at reduced quantities. The water is no longer used for irrigation; water levels are maintained in the ponds to provide for local wildlife. At the end of September 2020, HARD elected to allow their lease to expire, and management of the property was taken over by the City, which is currently undertaking a facility-planning process to determine future land uses.

Each year beginning in 2021, the Commission has adopted motions setting the City of Hayward recycled water fee at \$9000 per quarter.

Discussion

The balance in EBDA's water reclamation fund, which is currently set aside for the Skywest project, is \$81,956.

Based on expenses incurred over the past year, staff recommends extending the recycled water price of \$9000 per quarter for continued reduced service to Skywest. This amount covers operational costs and allows the remaining funds in the account to be retained for the ultimate decommissioning or disposition of the system.

Staff believes that supplying EBDA's recycled water to the City's Skywest property provides financial benefits to the City, whose cost for potable water would be much higher, and environmental benefits to EBDA and its Member Agencies. Staff will continue to work with the City to identify future recycled water needs as their plans for the property take shape. One likely scenario is that the City provides recycled water from their Water Pollution Control Plant to the site in the future. That would allow the existing Skywest system to be decommissioned or repurposed for supply of recycled water to a horizontal levee.