



EAST BAY DISCHARGERS AUTHORITY  
2651 Grant Avenue  
San Lorenzo, CA 94580-1841  
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*A Joint Powers Public Agency*

## **ITEM NO. 11**

### **FINANCIAL MANAGEMENT COMMITTEE AGENDA**

**Monday, January 13, 2025 at 11:00 AM**

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

**Committee Members: Andrews (Chair); Toy**

- FM1. Call to Order**
- FM2. Roll Call**
- FM3. Public Forum**
- FM4. Disbursements for December 2024**  
(The Committee will review the List of Disbursements.)
- FM5. Treasurer's Reports for December 2024**  
(The Committee will review the Treasurer's Report.)
- FM6. Fiscal Year 2025/2026 Budget Schedule**  
(The Committee will review the schedule for development of the Authority's annual budget.)
- FM7. Motion to Approve Revisions to the Internal Controls and Fraud Prevention Policy**  
(The Committee will consider the motion.)
- FM8. Motion to Approve Revisions to the Purchasing Policy**  
(The Committee will consider the motion.)
- FM9. Resolution Fixing the Employer Contribution Under the Public Employees' Medical and Hospital Care Act at an Equal Amount for Employees and Annuitants and Adding Premium Reimbursements for Eligible Participants**  
(The Committee will consider the resolution.)
- FM10. 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  
January 13, 2025

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](mailto: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>.

<b>Next Scheduled Financial Management Committee is TBD</b>
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**ITEM NO. FM4 DISBURSEMENTS FOR DECEMBER 2024**

Disbursements for the month of December totaled \$978,337.24.

Reviewed and Approved by:

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Angela Andrews, Chair	Date
Financial Management Committee	

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Jacqueline T. Zipkin	Date
Treasurer	

**EAST BAY DISCHARGERS AUTHORITY**  
**List of Disbursements**  
**December 2024**

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
26654	12/16/2024	WD-0279284	STATE WATER RESOURCES CONTROL BOARD	ANNUAL PERMIT FEES FOR EBDA COMMON OUTFALL	695,490.00	695,490.00
26666	12/30/2024	003150	UNION SANITARY DISTRICT	UEPS & FORCE MAIN O&M AND PG&E - OCT	66,163.78	66,163.78
26659	12/30/2024	398296	CITY OF SAN LEANDRO	MDF O&M, EFFLUENT MONITORING, FM MAINTENANCE - OCT	28,913.50	28,913.50
26651	12/16/2024	7032	ORO LOMA SANITARY DISTRICT	OLEPS O&M, ADMIN BUILDING, SKYWEST - SEP	25,766.53	25,766.53
26664	12/30/2024	17775	REGIONAL GOVERNMENT SERVICES	MANAGEMENT AND ADMINISTRATIVE SERVICES	13,249.35	13,249.35
26663	12/30/2024	13119	REDWOOD PUBLIC LAW, LLP	LEGAL SERVICES - NOV	6,608.51	6,608.51
26650	12/16/2024	221795	MEYERS NAVE	LEGAL SERVICES - BRINE PROJECT	5,718.00	6,598.00
	12/16/2024	221796	MEYERS NAVE	LEGAL SERVICES - NUTRIENTS PERMIT	880.00	
26647	12/16/2024	NO. 2	AZYURA	WATERBITS HOSTING, REPORTING AND DATA MANAGEMENT	5,250.00	5,250.00
26662	12/30/2024	20228	PACIFIC ECORISK	NPDES TOXICITY TESTING	5,071.00	5,071.00
26657	12/30/2024	57993	CALCON	OLEPS STATION CONTROL UPGRADE	1,840.40	3,970.90
	12/30/2024	57992	CALCON	OPS CENTER ANTENNA & COMM ISSUES	898.30	
	12/30/2024	57994	CALCON	HEPS REPLACED SECURITY CAMERA DVR	680.20	
	12/30/2024	58047	CALCON	OPS CENTER SCADA ALARM EMAIL TO TEXTS	552.00	
26655	12/16/2024	WD-0279379	STATE WATER RESOURCES CONTROL BOARD	ANNUAL PERMIT FEES FOR RECYCLED WATER	1,500.00	1,500.00
26648	12/16/2024	52205706	CITY OF HAYWARD	EMPLOYEE BENEFIT PROGRAMS - DEC	1,377.18	1,377.18
26656	12/30/2024	03479	BAY PLANNING COALITION	ANNUAL MEMBERSHIP DUES	1,210.00	1,210.00
26665	12/30/2024	4246-0445-5568-7627	U.S. BANK	PURCHASING CARD EXPENSES	1,145.25	1,145.25
26649	12/16/2024	57405	COMPUTER COURAGE	GENERAL WEBSITE UPDATES	610.00	760.00
	12/16/2024	57368	COMPUTER COURAGE	WEBSITE HOSTING	150.00	
26661	12/30/2024	10468	MBC CUSTODIAL SERVICES INC	JANITORIAL SERVICES - NOV	270.00	270.00
26660	12/30/2024	10110000001	EBMUD	MDF WATER & SEWER SERVICE	262.26	262.26
26653	12/16/2024	CD_000975436	RINGCENTRAL INC	DIGITAL PHONE SERVICE	210.24	210.24
26652	12/16/2024	3106928924	PITNEY BOWES INC	DIGITAL MAILING SYSTEM QUARTERLY LEASE CHARGE	150.55	150.55
26658	12/30/2024	4252014-CAL	CALTRONICS	COPIER USAGE AND MAINTENANCE	77.00	77.00
					<b>864,044.05</b>	<b>864,044.05</b>

**EAST BAY DISCHARGERS AUTHORITY**  
**List of Disbursements**  
**December 2024**

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
<b>ELECTRONIC PAYMENTS</b>						
	12/03/2024	5105948980-0	PG&E	GAS & ELECTRIC SERVICE	34,987.48	34,987.48
	12/09/2024	100000017741868	CALPERS	HEALTH PREMIUMS - DEC	7,788.47	7,788.47
	12/03/2024	100000017708486	CALPERS	PENSION CONTRIBUTION, CLASSIC 11/16 - 30/2024	5,877.93	5,877.93
	12/17/2024	100000017737261	CALPERS	PENSION CONTRIBUTION, CLASSIC 12/01 - 15/2024	5,877.93	5,877.93
	12/03/2024	6954387	MISSION SQUARE	DEFERRED COMPENSATION CONTRIBUTION 11/30/2024	2,115.22	2,115.22
	12/17/2024	6234798	MISSION SQUARE	DEFERRED COMPENSATION CONTRIBUTION 12/15/2024	2,115.22	2,115.22
	12/16/2024	1002368907	STATE COMPENSATION INSURANCE FUND	WORKERS COMPENSATION PREMIUM - DEC	893.00	893.00
	12/13/2024	51048304397166	AT&T	MDF TELEPHONE SERVICE	413.46	413.46
	12/05/2024	2412124108	INTERMEDIA.NET INC	EMAIL EXCHANGE HOSTING	91.36	91.36
	12/16/2024	6100054858	VERIZON WIRELESS	WIRELESS PHONE SERVICE	63.79	63.79
<b>TOTAL ELECTRONIC PAYMENTS</b>					<b>60,223.86</b>	<b>60,223.86</b>
<b>PAYROLL</b>						
	12/27/2024		ADP, LLC	PAYROLL PERIOD: 12/16-31/2024	29,281.36	29,281.36
	12/12/2024		ADP, LLC	PAYROLL PERIOD: 12/01-15/2024	24,591.29	24,591.29
	12/06/2024		ADP, LLC	PAYROLL FEES, 11/16-30/2024	105.74	105.74
	12/20/2024		ADP, LLC	PAYROLL FEES, 12/01-15/2024	90.94	90.94
<b>TOTAL PAYROLL</b>					<b>54,069.33</b>	<b>54,069.33</b>
<b>TOTAL DISBURSEMENTS</b>					<b>978,337.24</b>	<b>978,337.24</b>

**ITEM NO. FM5 TREASURER'S REPORT FOR DECEMBER 2024**

The cash balance as of December 31, 2024 is \$3,594,340.60. EBDA's LAIF balance is \$1,329,432.28, and the average monthly effective yield for December is 4.434%. EBDA's CAMP balance is \$1,610,187.65, and CAMP's 7-day yield is 4.59%.

**Approval is recommended.**

**EAST BAY DISCHARGERS AUTHORITY**

**TREASURER'S REPORT**

**December 2024**

FUND	FUND DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	\$ 1,579,257	\$ -	\$ 308,933	\$ 1,270,324
13	PLANNING & SPECIAL STUDIES	\$ 385,680	\$ -	\$ 696,370	\$ (310,690)
14	RECLAMATION O & M (SKYWEST)	\$ 67,653	\$ -	\$ 3,359	\$ 64,294
15	BRINE ACCEPTANCE	\$ 134,076	\$ 8,946	\$ 5,718	\$ 137,305
31	RENEWAL & REPLACEMENT	\$ 2,430,392	\$ 6,403	\$ 3,688	\$ 2,433,107
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TOTALS		\$ 4,597,059	\$ 15,349	\$ 1,018,067	\$ 3,594,341
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Ending Balance per STR					\$ 3,594,341

SUPPLEMENTAL TREASURER'S REPORT

DATE	TRANSACTION	RECEIPT	DISBURSEMENT CHECKING	PAYROLL	PAYROLL TRANSFER	LAIF	CAMP	WELLS FARGO CHECKING BALANCE	WELLS FARGO PAYROLL BALANCE	FREMONT CHECKING BALANCE	LAIF BALANCE	CAMP BALANCE	TOTAL CASH
11/30/24	BALANCE							1,638,321.62	25,419.70	100.00	1,329,432.28	1,603,784.99	4,597,058.59
12/02/24	DIVIDENDS	6,402.66					6,402.66	1,638,321.62	25,419.70	100.00	1,329,432.28	1,610,187.65	4,603,461.25
12/03/24	ELECTRONIC BILL PAY		2,115.22					1,636,206.40	25,419.70	100.00	1,329,432.28	1,610,187.65	4,601,346.03
12/03/24	ELECTRONIC BILL PAY		5,877.93					1,630,328.47	25,419.70	100.00	1,329,432.28	1,610,187.65	4,595,468.10
12/03/24	ELECTRONIC BILL PAY		34,987.48					1,595,340.99	25,419.70	100.00	1,329,432.28	1,610,187.65	4,560,480.62
12/05/24	ELECTRONIC BILL PAY		91.36					1,595,249.63	25,419.70	100.00	1,329,432.28	1,610,187.65	4,560,389.26
12/06/24	PAYROLL FEES			105.74				1,595,249.63	25,313.96	100.00	1,329,432.28	1,610,187.65	4,560,283.52
12/09/24	ELECTRONIC BILL PAY		7,788.47					1,587,461.16	25,313.96	100.00	1,329,432.28	1,610,187.65	4,552,495.05
12/10/24	PAYROLL TRANSFER				100,000.00			1,487,461.16	125,313.96	100.00	1,329,432.28	1,610,187.65	4,552,495.05
12/12/24	PAYROLL			24,591.29				1,487,461.16	100,722.67	100.00	1,329,432.28	1,610,187.65	4,527,903.76
12/13/24	ELECTRONIC BILL PAY		413.46					1,487,047.70	100,722.67	100.00	1,329,432.28	1,610,187.65	4,527,490.30
12/16/24	DISBURSEMENT		737,102.50					749,945.20	100,722.67	100.00	1,329,432.28	1,610,187.65	3,790,387.80
12/16/24	ELECTRONIC BILL PAY		893.00					749,052.20	100,722.67	100.00	1,329,432.28	1,610,187.65	3,789,494.80
12/16/24	ELECTRONIC BILL PAY		63.79					748,988.41	100,722.67	100.00	1,329,432.28	1,610,187.65	3,789,431.01
12/20/24	PAYROLL FEES			90.94				748,988.41	100,631.73	100.00	1,329,432.28	1,610,187.65	3,789,340.07
12/17/24	ELECTRONIC BILL PAY		2,115.22					746,873.19	100,631.73	100.00	1,329,432.28	1,610,187.65	3,787,224.85
12/17/24	ELECTRONIC BILL PAY		5,877.93					740,995.26	100,631.73	100.00	1,329,432.28	1,610,187.65	3,781,346.92
12/27/24	PAYROLL			29,281.36				740,995.26	71,350.37	100.00	1,329,432.28	1,610,187.65	3,752,065.56
12/30/24	DISBURSEMENT		126,941.55					614,053.71	71,350.37	100.00	1,329,432.28	1,610,187.65	3,625,124.01
12/31/24	DEPOSIT - CARGILL	8,946.41						623,000.12	71,350.37	100.00	1,329,432.28	1,610,187.65	3,634,070.42
12/31/24	ELECTRONIC BILL PAY		39,729.82					583,270.30	71,350.37	100.00	1,329,432.28	1,610,187.65	3,594,340.60
TOTAL		15,349.07	963,997.73	54,069.33	100,000.00	-	6,402.66	583,270.30	71,350.37	100.00	1,329,432.28	1,610,187.65	3,594,340.60
CURRENT BALANCE								①	②	③	④	⑤	
Reconciliation - 12/31/2024													
①	Bank Statement Balance	\$	726,810.87										
	Less: Outstanding Checks		143,540.57										
		\$	583,270.30										
②	Payroll Bank Statement	\$	71,350.37										
③	Fremont Bank	\$	100.00										
④	LAIF Statement	\$	1,329,432.28										
⑤	CAMP Statement	\$	1,616,634.34										
	Less: Accrual Income Dividend		6,446.69										
		\$	1,610,187.65										

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 FISCAL YEAR 2025/2026 BUDGET SCHEDULE**

**Recommendation**

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

**Strategic Plan Linkage**

1. **Financial:** Develop financial strategies and practice sound fiscal management to ensure wise use of ratepayers' resources.
  - a. Proactively manage expenditures to stay within adopted budget.

**Background**

The Authority adopts an annual budget on a July-June Fiscal Year basis. This report provides the Committee with a proposed schedule for development and review of the Authority's next budget.

**Discussion**

Staff proposes the following schedule for budget development:

<b>Month</b>	<b>Topic</b>	<b>Committee</b>
March	Preliminary Budget Considerations and Options	Financial Management
	OPEB and Pension Fund Status	
	Salary and Benefits Assumptions	Personnel
	Vacant Positions (AB 2561)	
April	Draft Budget	Financial Management
May	Budget Approval	Financial Management and Commission
	Draft Renewal & Replacement Fund (RRF) Project List	Operations & Maintenance
June	RRF Project List Approval	Operations & Maintenance and Commission

**ITEM NO. FM7 MOTION TO APPROVE REVISIONS TO THE INTERNAL CONTROLS AND FRAUD PREVENTION POLICY**

**Recommendation**

Accept the motion approving revisions to the Authority's Internal Controls and Fraud Prevention policy.

**Strategic Plan Linkage**

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

**Background**

In 2019, Authority staff began a process of reviewing and updating the Authority's Financial Management System Policy and Procedure Manual, adopting each section as a stand-alone Authority Policy, and moving procedures to separate staff documents.

On June 20, 2019, the Commission adopted an Internal Controls and Fraud Prevention Policy. Internal Controls and Fraud Prevention was a new policy that had not been part of the prior manual.

This Policy is reviewed annually. No changes to the Policy were proposed during the 2023 review.

**Discussion**

EBDA's financial consultant, RGS, has significant experience developing and implementing financial policies for other public agencies, as well as investigating and following-up on financial misconduct allegations at other agencies. At staff's request, RGS reviewed the Internal Controls and Fraud Prevention Policy and recommended adding depth and detail to it. The proposed policy was reviewed by the Committee in December 2024 and recommended for adoption.

**POLICY NUMBER:** 1.5

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**NAME OF POLICY:** Finance – Internal Controls and Fraud Prevention

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**ADOPTED:** January 16, 2025

**PREVIOUSLY REVISED:** June 20, 2019; May 16, 2013

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**PURPOSE:** The purpose of the Internal Controls and Fraud Prevention Policy is to ensure that EBDA's financial assets, its supplies, equipment, and capital assets, and its intangible assets are safeguarded to the best extent possible. The policy guides the Authority's commitment to the deterrence, detection, and correction of misconduct and dishonesty. The discovery, reporting, and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

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**POLICY:** It is the policy of the Authority to implement internal controls including financial controls so that assets are protected and the risk of opportunities to commit fraud are managed and mitigated through careful adherence to policies, procedures, practices, and best practices common to public agencies.

The impacts of misconduct and dishonesty can be far-reaching. The Authority must be prepared to manage these risks and their potential impact in a professional manner. The impact of misconduct and dishonesty may include:

- Financial loss
- Costs of investigation
- Loss of employees
- Damage to relationships with vendors and contractors
- Damage to employee morale
- Litigation
- Negative publicity
- Damage to the reputation of the Authority, Member Agencies, Commissioners and employees
- Loss of public confidence

Staff of the Authority shall maintain a practice of regularly assessing controls and adapting to changes in the service delivery environment to mitigate areas of risk. While the staff size of the Authority is relatively small, it is important to maintain a separation of duties in

financial matters and other security measures while providing transparency of Authority official actions and financial information. Internal controls will be implemented with consideration of the cost of implementation.

Authority controls include:

- Multiple sign-offs on finance-related transactions
- Separation of duties where possible and to the extent possible
- Submission of the Authority's annual Financial Statements to review, examination, and audit by an independent financial audit firm experienced in the audit of governmental records
- Implementation of auditor recommendations for internal controls, to the extent possible
- Limited staff access to financial system data entry, but full view-access to reports
- Secured check stock
- Purchasing card spending limits and monthly reconciliation
- Adherence to the Authority's Purchasing Policy
- Limited staff ability to initiate banking transfers
- Careful credential management and password requirements
- *Implementation of best practices in production, review, and oversight:*
  - Periodic physical inventory (Renewal & Replacement Fund)
  - Production of regular accounting, financial, and budget reports
  - Monthly Treasurer's Reports
  - Timely posting of transactions to the general ledger
  - Timely reconciliation of all bank accounts to the Authority' accounting records

#### Definition of Misconduct and Dishonesty

For purposes of this policy, misconduct and dishonesty include but are not limited to:

- Theft or other misappropriation of supplies, equipment, assets, and resources of the Authority, Member Agencies, or others with whom the Authority has a business relationship
- Misstatement and other irregularities in public records, including the misstatement of the results of operations
- Wrongdoing
- Forgery
- Alteration of documents

#### Responsibility and Reporting

It is the responsibility of every Authority employee to immediately report suspected misconduct or dishonesty to the General Manager, or, in the event of suspected

misconduct by the General Manager, to the Authority's General Counsel. Due to the important yet sensitive nature of the suspected violations, effective professional follow up is necessary. Employees should not perform investigations or otherwise follow up on their own. All relevant matters, including suspected but unproven matters, should be referred to the General Manager or General Counsel as per the instructions above.

Any reprisal against any employee or other reporting individual because that individual, in good faith, reported a suspected violation is strictly forbidden (see also Personnel Policy, Section XX).

#### Responsibility and Authority for Follow-Up and Investigations

The General Manager has the primary responsibility for all investigations involving the Authority. The General Manager may request the assistance of General Counsel. In some instances, outside public or private investigative services may be engaged.

Designated members of the investigative team will have:

- Free and unrestricted access to all records
- The authority to examine, copy and/or remove all or any portion of contents of files, desks, cabinets and other storage facilities (whether in electronic or other form) without the prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of the investigative or related follow up procedures

All investigations of alleged wrongdoing will be conducted in accordance with applicable laws and Authority procedures. Investigative or other follow-up activity will be conducted without regard to the suspected individual's position or level of authority, or relationship with the Authority.

#### Procedures for Reported Incidents

Care will be taken in the follow-up of suspected misconduct and dishonesty to avoid acting on incorrect or unsupported accusations, to avoid alerting suspected individuals that a follow-up and/or investigation is underway, and to avoid making statements which could adversely affect the Authority, its employees, or other parties.

Accordingly, the general procedures for follow-up and investigation of reported incidents are as follows:

1. Employees and others must immediately report all factual details as indicated above under Policy.
2. The General Manager has the responsibility to follow up and, if appropriate, investigate all reported incidents.
3. All records related to the reported incident will be secured as appropriate and retained wherever they reside.

4. No communication with the suspected individual(s) or organization(s) should occur while the matter is under investigation.
5. The General Manager will also determine whether the matter should be brought to the attention of the Authority's independent auditors.
6. The General Manager is authorized to obtain special counsel to the Authority for legal advice at any time throughout the course of an investigation or other follow up activity on any matter related to the report, investigation or other follow up activity on any matter related to the report, investigation steps, proposed disciplinary action or any anticipated litigation.
7. Neither the existence nor the results of investigations or other follow-up activity will be disclosed or discussed with anyone other than those persons who have a legitimate need to know in order to perform their duties and responsibilities effectively.
8. All inquiries from an attorney or any other contacts from outside of the Authority, including those from other law enforcement agencies or from the employee(s) under investigation, should be referred to the General Manager.

## **ITEM NO. FM8 MOTION TO APPROVE REVISIONS TO THE PURCHASING POLICY**

### **Recommendation**

Accept the motion approving revisions to the Purchasing policy.

### **Strategic Plan Linkage**

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

### **Background**

Prior to the adoption of the Authority's Amended and Restated Joint Powers Agreement (JPA), the JPA stated that, "The affirmative vote of four members of the Commission shall be required to: [...] Award, modify or accept work under any contract (including but not limited to contracts for the acquisition or construction of any building, works or improvements for the Phase I Project) in excess of \$10,000." The Commission and the Member Agencies determined that it was appropriate to remove that level of detail from the Amended and Restated JPA, with the agreement that the rules governing procurement would be captured in the Authority's Purchasing Policy ("Purchasing Policy").

The Purchasing Policy was adopted in December 2020 and then amended in December 2023. The Policy is reviewed annually to determine whether any changes are warranted. The Amended and Restated JPA requires unanimous approval of any changes to the Purchasing Policy.

### **Discussion**

In December 2024, the Committee reviewed draft revisions to the Purchasing Policy and supported their adoption. The proposed changes are primarily editorial and are proposed for clarity. The two substantive updates are as follows:

- Bid thresholds under the California Uniform Public Construction Cost Accounting Act or "CUPCCA" (California Public Contract Code Section 22000 et seq) have been revised, consistent with AB 2192. The Policy also includes language automatically adjusting the dollar thresholds, should the values in the relevant government code section change again.
- Language was added documenting the fact that the Authority will follow applicable procurement guidelines and requirements when utilizing federal funds.

**POLICY NUMBER:** 1.7

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**NAME OF POLICY:** Finance – Purchasing

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**ADOPTED:** January 16, 2025

**PREVIOUSLY REVISED:** October 19, 2023; December 17, 2020

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**PURPOSE:**

**A.** The purpose of the Procurement Policy is to provide a set of policies and procedures that comply with applicable federal, state, local, and general laws and regulations to promote cost-effective procurement of goods and services. In the event the provisions of this policy directly conflict with federal, state, or local law, the latter shall govern.

**B.** The underlying tenant of this Policy is to make good use of public resources by making purchasing decisions that reflect the Authority's commitment to the cost-effective procurement of goods and services, and contracts for construction projects by upholding the fundamental tenets of public procurement, including fairness, honesty, transparency, and accountability.

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**POLICY:**

**I. AUTHORITY CONTRACTS WITH OUTSIDE CONTRACTORS, VENDORS, AND CONSULTANTS**

**A. Procurement of Goods and Services**

See also I.F. General Federal Procurement Guidelines if utilizing any Federal Funds.

1. Purchases and Contracts of \$5,000 or Less. If the cost of the goods and services is less than \$5,000, the General Manager will attempt to secure the best value for the Authority, but need not solicit quotes, bids, or proposals.

2. Purchases and Contracts of \$5,001 to \$25,000. If the cost of the goods is between \$5,001 and \$10,000, the General Manager will solicit informal quotes, bids, or proposals from at least two (2) contractors, vendors, or consultants (Sources). If the estimated cost exceeds \$10,000, but is \$25,000 or less, the General Manager will solicit informal quotes, bids, or proposals from at least three (3) Sources. For all purchases or contracts for goods or services which do not exceed \$25,000, the General Manager may award the contract or purchase order, without approval by the Commission.

3. Purchases and Contracts of More than \$25,000. When the estimated cost of goods exceeds \$25,000, the General Manager will solicit formal written



bids/proposals through means and methods which he or she determines to be most cost-effective, and which may include advertisement in a newspaper of general circulation in the Authority's service area or utilization of an online bid solicitation service in common use by California public procurement professionals.

When the estimated cost of services exceeds \$25,000, the General Manager will solicit informal proposals through means and methods which he or she determines to be most cost-effective, including requests for proposals (RFP) or requests for qualifications (RFQ). With the exception of contracts for services procured pursuant to California Government Code Section 4525 et seq., all services contracts shall be awarded to the proposer(s) that offer the best value to the Authority, which is defined as the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit to the Authority in response to the requirements described in the solicitation documents.

All contracts in an amount exceeding \$25,000 shall be submitted to the Commission for approval.

4. Qualifications Based Solicitations. Pursuant to California Government Code Section 4525 et seq., the Authority will use qualifications-based competitive proposal procedures for the procurement of services from the following professions: architecture, landscape architecture, engineering, environmental services (but not where the scope of work consists of planning services), land surveying, or construction project management, regardless of the contract value. Under this method, proposals will be evaluated based upon qualifications and demonstrated competence.

## **B. Procurement of Construction Projects**

1. California Uniform Public Construction Cost Accounting Act. The Authority has opted in to the California Uniform Public Construction Cost Accounting Act (California Public Contract Code Section 22000 et seq., the "Act"). Pursuant to the Act, projects for the construction, reconstruction, erection, alteration, renovation, improvement, demolition, repair work, painting, or repainting of Authority-owned, leased, or operated facilities will be procured as follows:

a. Projects of \$75,000 or less may be let by negotiated contract or purchase order or performed by the Authority's own employees by force account.

b. Projects of \$220,000 or less may be let by informal procedures set forth in the Authority's informal bidding resolution and in the Act.

c. Projects of more than \$220,000 will be let by formal bidding procedures set forth in the Act.

d. If the amounts set forth in California Public Contract Code Section 22032(c)) are amended subsequent to the Commission's approval of this Policy, then, in that event, the amounts set forth in California Public Contract Code Section 22032(c)) shall be used by the Authority.

2. Maintenance Work. The Authority may, but is not required to, use the procedures set forth in this section I.B. Procurement of Construction Projects for maintenance work, which includes routine, recurring, and usual work for the preservation or protection of any Authority-owned or operated facility for its intended purposes, minor repainting, resurfacing of streets and highways of less than 1 inch, landscape maintenance, and work to keep, operate, and maintain Authority-owned water, power, or waste disposal systems.

3. Other Statutorily Authorized Methods. Alternative methods of procurement for construction project delivery may be utilized if authorized by state law and in full compliance with all applicable requirements. A common example of an alternative is the design-build method that combines architectural and engineering services with construction into a single contract.

### **C. Contractor Pre-Qualification and Task Order-Based Contracts**

The Authority may solicit qualifications, hourly rates, and expense information from contractors for the purpose of establishing and maintaining a pre-qualified roster of contractors for a range of projects. The General Manager may then recommend to the Commission the approval of a task order-based contract with any contractor appearing on the pre-qualified roster. Each task order-based contract shall have a total not-to-exceed dollar amount. When a particular project arises, if the estimated cost is \$75,000 or less, the General Manager may issue a task order to the contractor most qualified for the work from the pre-qualified roster. If the estimated cost is greater than \$75,000 and less than \$220,000, the General Manager may follow the process outlined in Section I.B.1.b, or he or she may solicit bids from pre-qualified firms. Following selection, the General Manager may issue a task order to the lowest bidder, without further approval by the Commission, as long as the total value of all task orders issued under that contract is less than the Commission-approved not-to-exceed dollar value. Staff shall inform the Commission of all task orders over \$25,000.

### **D. Consultant Pre-Qualification and Task Order-Based Contracts**

The Authority may solicit qualifications, hourly rates, and expense information from consultants for the purpose of establishing a pre-qualified roster of consultants for a range of services and projects. The General Manager may then recommend to the Commission approval of a task order-based contract with any consultant appearing on the pre-qualified roster. Each task order-based contract shall have a total not-to-exceed dollar amount. When a particular consulting need or project arises, if the estimated cost is \$25,000 or less, the General Manager may issue a task order to the consultant most qualified for the work from the pre-qualified roster. If the estimated cost is greater than \$25,000, the General Manager may follow the process outlined in Section I.A.3, or he or she may solicit proposals from pre-qualified firms. Following selection, the General Manager may issue a task order to the most qualified firm without further approval by the Commission, as long as the total value of all task orders issued under that contract is less than the Commission-approved not-to-exceed dollar amount. Staff shall inform the Commission of all task orders over \$25,000.

**E. Sole Source**

Regardless of the estimated cost of the procurement, the Authority is not required to follow the processes detailed in this Policy when procuring goods or services for which there exists only a sole source of supply.

**F. General Federal Procurement Guidelines.**

Federal Grant Procurement Standards will be observed by the Authority. When utilizing federal funds, all grant procurement and related expenditures must adhere to the procurement guidelines found in the Code of Federal Regulations (CFR) Title 2-Grants and Agreements, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Such procurement standards in the Uniform Guidance (UG) are covered in paragraphs 200.317 to 200.327. The regulations require that procurement activities be performed in an equitable and competitive manner to promote equal treatment, efficiency, and economy in federal grant activities. To ensure objective contractor performance and eliminate an unfair competitive advantage, contractors must be excluded from competing for such procurements if they develop or draft grant applications or contract specifications, requirements, statements of work, invitations for bids, and/or requests for proposals.

The Authority shall follow the guidelines carefully to avoid suspension or revocation of federal assistance. The Authority shall follow all procurement guidelines and requirements as directed by the granting agency providing federal funds.

**G. Rental or Leasing of Equipment**

If the total rental or lease payments due under a rental or lease agreement are \$25,000 or less, the General Manager will follow the procedure in Section I.A.1. If the total rental or lease payments due under a rental or lease agreement are over \$25,000, the General Manager will follow the procedure in Section I.A.2.

**H. Reporting**

The General Manager will report to the Commission on all written contracts entered into under the General Manager's authority.

**I. Contract Extensions**

Commission approval is required for extension of contracts or purchase orders beyond one (1) year where the cost of the extension is estimated to be greater than \$25,000.

**J. Minority Business Enterprises and Women's Business Enterprises Policy**

The Authority recognizes the value of diversity, and it is the intention of the Authority to create a level playing field on which Minority Business Enterprises and Women's Business Enterprises can compete fairly for contracts and subcontracts.

#### **K. Splitting Procurements Prohibited**

The Authority will not split purchases into smaller segments or partial orders to remain below the authorized dollar threshold for formal solicitation in an effort to take advantage of informal solicitation procedures or otherwise avoid requirements of this Policy.

### **II. AUTHORITY CONTRACTS WITH MEMBER AGENCIES FOR WORK BY MEMBER AGENCY EMPLOYEES**

#### **A. Contracts with Member Agencies**

The Authority has entered into contracts with its member agencies for the operation and routine maintenance of Authority Facilities and additional tasks, as requested by the Authority. Work performed pursuant to contracts between the Authority and its member agencies will conform to the East Bay Dischargers Authority Amended and Restated Joint Exercise of Powers Agreement, this Policy, and the respective contract. In particular, each member agency contract will require the member agency to indemnify the Authority against all losses that may arise out of the performance of the work. Furthermore, the Authority will require the member agency to maintain insurance in such types and amounts as the Authority may from time to time establish, and to name the Authority and the member agencies as additional insureds.

#### **B. Operations and Maintenance Manager Determination**

Consistent with the above referenced contracts with the member agencies, the Authority's Operations and Maintenance Manager may authorize one or more member agencies to perform work on Authority Facilities when he or she determines that the member agency or agencies can perform such work more cost effectively than a non-member agency contractor.

### **III. COOPERATIVE PROCUREMENTS WITH MEMBER AGENCIES**

To foster greater economy and efficiency, the Authority may avail itself of joint procurements and assignment of existing contract rights ("piggybacking") with its member agencies.

### **IV. PURCHASE OR LEASE OF REAL PROPERTY**

Any contract for the purchase of real property must be submitted to and approved by the Commission. Any lease or sublease of real property, including any renewal or extension of an existing lease or sublease, for which the rent or lease payments total an amount greater than \$25,000 annually, must be submitted to and approved by the Commission. For any lease or sublease of real property, including any renewal or extension of an existing lease, for which the annual rents total an amount \$25,000 or less, the General

Manager may approve and execute the lease, sublease, renewal, or extension, without further approval by the Commission.

## **V. GENERAL MANAGER SIGNATURE AUTHORITY**

### **A. Signature Authority Generally**

Except as otherwise described in this Policy, the General Manager is authorized to expend funds, issue purchase orders, and sign contracts for procurements and activities for goods and services for amounts that do not exceed \$25,000.

### **B. Change Orders and Amendments Generally**

The General Manager is authorized to issue change orders or amendments where the amount is \$25,000 or less without further Commission approval, so long as such change order or amendment would not result in a total contract amount of greater than \$25,000. The Commission reserves to itself the right to approve all amendments to contracts previously approved by the Commission.

The General Manager is authorized to administer all contracts on behalf of the Authority.

## **VI. EMERGENCY CONTRACTS**

### **A. Competitively Bid Emergency Contracts**

The General Manager has been authorized by the Commission to take all necessary and proper measures in emergency conditions to keep the Authority Facilities in operation. The Authority's practice is to competitively solicit contracts for emergency services in advance of any emergency, consistent with the California Governor's Office of Emergency Services (CalOES) and Federal Emergency Management Agency (FEMA) reimbursement requirements.

### **B. Non-Competitively Bid Emergency Contracts**

In the event the Authority does not have a current contract for emergency services and the emergency conditions do not permit a delay resulting from a formal competitive solicitation process, the General Manager is authorized to make emergency purchases without giving notice for bids or proposals and to enter into such contracts without prior Commission approval. The General Manager will promptly report on the reasons and necessity for proceeding without a competitive solicitation to the Commission as required by Public Contract Code Section 22050 et seq.

### **C. Ratification**

Commission ratification is required for any emergency contract where the cost exceeds \$25,000 and will be obtained as soon as it is practicable to do so.

## **VII. WAIVER**

The Commission may suspend or waive the requirements of this Policy in any instance when the Commission deems it in the best interest of the Authority to do so.

**ITEM NO. FM9 RESOLUTION FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS AND ADDING PREMIUM REIMBURSEMENTS FOR ELIGIBLE PARTICIPANTS**

**Recommendation**

Adopt the resolution approving changes to the Authority's Other Post-Employment Benefits (OPEB), consistent with the approved Compensation Plan.

**Strategic Plan Linkage**

4. **Sustained Organization:** Sustain a functional, productive, resilient organization to ensure EBDA can strive to achieve its Mission and Vision.
  - b. Provide professional development opportunities and competitive pay and benefits to attract and retain high caliber staff.

**Background**

As part of approving revisions to EBDA's Compensation Plan on June 18, 2024, the Commission approved a change in retiree medical coverage from:

*"contribut[ing] up to a maximum of \$502 per month for EBDA retirees and their eligible dependents enrolled in the employer sponsored health plan. The fixed employer contribution includes the PEMHCA [Public Employees' Medical and Hospital Care Act] minimum. The minimum qualification for retiree health benefits is five years of continual employment."*

To:

*"... EBDA will issue a quarterly reimbursement to the retiree for eligible medical premiums less the required PEMHCA employer contribution paid directly to CalPERS."*

*Employees hired before January 1, 2013 who retire from EBDA with a minimum of five (5) years of service:*

- *Up to 100% of Kaiser one-party member rate, including PEMHCA rate*

*Employees hired on or after January 1, 2013 who retire from EBDA with a minimum of (10) years of CalPERS service and at least (5) years at EBDA:*

- *Up to 50% of Kaiser one-party member rate, increasing 5% for each additional year of CalPERS service, up to 100% at 20 years."*

Staff did not realize, however, that there were procedural requirements that needed to be met prior to the approval of OPEB changes. Specifically, under Government Code §7507(b), local legislative bodies, including the Commission, who wish to make changes to public retirement plan benefits or OPEB, must meet the following requirements:

1. Obtain an Actuarial Impact Report.

2. Make the future costs section of the actuary's report public at least two (2) weeks prior to the adoption of any changes in public retirement plan benefits or OPEB.
3. If the future costs of the proposed changes to the public retirement plan benefits or OPEB exceed .05% of the future annual costs of the existing benefits, an actuary must be present to provide information (as needed) at the public meeting at which the adoption of the public retirement plan benefits or OPEB is being considered.
4. The person with the responsibilities of a Chief Executive Officer (CEO) in the entity providing the benefit must acknowledge in writing that they understand the current and future cost of the benefits as determined by the actuary.

Staff engaged [Foster and Foster Actuaries and Consultants](#) to perform the actuarial assessment of the new OPEB benefits. The resulting actuarial report, including future costs, was made public as part of the December Commission packet and was reviewed by the Financial Management Committee. The item was discussed at the Commission's December 19, 2024, public meeting with the actuary present to answer questions, and the Commission supported moving forward to re-adopt the benefits.

### **Discussion**

EBDA's actuary, Kateryna Pryor, will be present at the January 16, 2025, Commission meeting to provide information as needed, consistent with Government Code §7507(b).

Since EBDA's designated monthly employer health contribution is not changing with CalPERS and remains \$502 for active employees and annuitants, CalPERS does not require a document or resolution to be filed. However, in an abundance of caution and completeness, staff proposes that the Commission adopt a resolution approving both the previously approved \$502 stipend under the Public Employees' Medical and Hospital Care Act and the new premium reimbursement. The resolution also serves as the CEO acknowledgement.



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

RESOLUTION NO. 25-01

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

**RESOLUTION FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC  
EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR  
EMPLOYEES AND ANNUITANTS AND ADDING PREMIUM REIMBURSEMENTS  
FOR ELIGIBLE PARTICIPANTS**

**WHEREAS**, East Bay Dischargers Authority is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

**WHEREAS**, Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

**WHEREAS**, Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

**WHEREAS**, the Authority wishes to expand other postemployment benefits to certain eligible annuitants by reimbursing premiums; and

**WHEREAS**, pursuant to Government Code Section 7507(b)(1), the Authority secured the services of an actuary to provide a statement of the actuarial impact upon future annual costs, including normal cost and any additional accrued liability, before authorizing the proposed change in other postemployment benefits; and

**WHEREAS**, pursuant to Government Code Section 7507(c)(1)(A), the Authority made public the statement of the actuarial impact on future costs of proposed changes in other postemployment benefits, as determined by the actuary, at its Commission Meeting on December 19, 2024, which is at least two weeks prior to the date in which the Authority considered the adoption of this benefit change on January 16, 2026; and

**WHEREAS**, pursuant to Government Code Section 7507(c)(1)(A), the actuary was present to provide information as needed at the public Commission Meeting on January 16, 2025, at which the adoption of the benefit change was considered.

**NOW, THEREFORE, BE IT RESOLVED**, that the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of their enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of \$502.00 per month, plus administrative fees and Contingency Reserve Fund assessments; and

**BE IT FURTHER RESOLVED**, employees hired on or before January 1, 2013, who retire directly from the Authority with at least five years of Authority service are eligible for premium reimbursements equal to 100% of the Kaiser Region 1 Basic single premium, less employer contributions paid directly to CalPERS; and

**BE IT FURTHER RESOLVED**, employees hired after January 1, 2013, who retire directly from the Authority with ten years of CalPERS service and at least five years of Authority service are eligible for premium reimbursements of up to 100% of the Kaiser Region 1 Basic single premium. The percentage starts at 50% with 10 years of CalPERS service, increasing 5% for each additional year of CalPERS service up to 100% at 20 years of CalPERS service; and

**BE IT FURTHER RESOLVED**, Chief Executive Officer, Jacqueline Zipkin, General Manager, acknowledges that she understands the current and future cost of the benefit change as determined by the actuary; and

**BE IT FURTHER RESOLVED**, East Bay Dischargers Authority has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and

**BE IT FURTHER RESOLVED**, that the participation of the employees and annuitants of East Bay Dischargers Authority shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that East Bay Dischargers Authority would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and

**BE IT FURTHER RESOLVED**, that the executive body appoints and directs, and it does hereby appoint and direct the General Manager to file with the CalPERS Board a verified copy of this resolution, and to perform on behalf of East Bay Dischargers Authority all functions required of it under the Act; and

**BE IT FURTHER RESOLVED**, that coverage under the Act be effective on July 1, 2024.

SAN LORENZO, CALIFORNIA, JANUARY 16, 2025, ADOPTED BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
CHAIR  
EAST BAY DISCHARGERS AUTHORITY

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