



ITEM NO. 10

FINANCIAL MANAGEMENT COMMITTEE AGENDA

Wednesday, February 18, 2026

1:30 PM

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

Committee Members: Young (Chair); Toy

FM1. Call to Order

FM2. Roll Call

FM3. Public Forum

FM4. Disbursements for January 2026
(The Committee will review the List of Disbursements.)

FM5. Treasurer's Reports for January 2026
(The Committee will review the Treasurer's Report.)

FM6. Insurance Program Review
(The Committee will review changes from the Authority's insurance providers.)

FM7. Review of Internal Controls and Fraud Prevention Policy
(The Committee will review the Policy.)

FM8. Review of Budget Policy
(The Committee will review the Policy.)

FM9. Motion Authorizing the General Manager to Execute Amendment No. 1 to the Professional Services Agreement with H.T. Harvey and Associates for a Biosolids Suitability Assessment in the Amount of \$12,620, for a Total Not to Exceed Amount of \$52,895
(The Committee will consider the motion.)

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

Agenda Explanation
East Bay Dischargers Authority
Financial Management Committee
February 18, 2026

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 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 scheduled for
March 16, 2026.**

EAST BAY DISCHARGERS AUTHORITY
List of Disbursements
January 2026

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
10299	01/15/2026	7595	CSRMA	POOLED LIABILITY PROGRAM RENEWAL	56,551.00	70,249.00
	01/15/2026	7636	CSRMA	POOLED LIABILITY RETRO ADJUSTMENT	13,698.00	
10312	01/30/2026	38557	ANCHOR QEA, INC	FIRST MILE PROJECT	45,076.43	45,076.43
10309	01/15/2026	3253	UNION SANITARY DISTRICT	UEPS O&M, PG&E, FM MAINTENANCE - NOV	41,979.73	41,979.73
10306	01/15/2026	042575D	PUMP REPAIR SERVICE	HEPS EFFLUENT PUMP REPLACEMENT	35,665.50	35,665.50
10298	01/15/2026	403087	CITY OF SAN LEANDRO	MDF O&M, EFFLUENT MONITORING, FM MAINTENANCE - NOV	27,978.87	27,978.87
10319	01/30/2026	002	TEACH EARTH ACTION	HASPA COMMUNITY OUTREACH & ENGAGEMENT	24,100.00	24,100.00
10315	01/30/2026	3062	CROPPER ROWE LLP	AUDITING SERVICES	15,000.00	15,000.00
10301	01/15/2026	04	GREENBELT ALLIANCE	HASPA COMMUNITY OUTREACH	7,403.28	7,403.28
10308	01/15/2026	4246-0445-5568-7627	U.S. BANK	PURCHASING CARD EXPENSES	4,511.13	4,511.13
10293	01/15/2026	60833	CALCON	MDF AUTOMATION UPGRADE NEW SCADA SYSTEM	1,967.06	4,126.48
	01/15/2026	60885	CALCON	FORCE MAIN VAULT HIGH LEVEL FLOAT ALARM REPAIRS	1,499.42	
	01/15/2026	60836	CALCON	OPS CENTER NETWORK SECURITY & SCADA PROGRAMMING	660.00	
10297	01/15/2026	52205707	CITY OF HAYWARD	EMPLOYEE BENEFIT PROGRAMS - JAN	1,829.53	3,171.23
	01/15/2026	52205706	CITY OF HAYWARD	EMPLOYEE BENEFIT PROGRAMS - DEC	1,341.70	
10316	01/30/2026	3402867	DUANE MORRIS LLP	SPECIALIZED LEGAL SERVICES - CARGILL BRINE PROJECT	3,081.50	3,081.50
10300	01/15/2026	435.2	DCM CONSULTING, INC	GEOTECHNICAL ENGINEERING SERVICES	2,640.00	2,640.00
10295	01/15/2026	8472	CAYUGA INFORMATION SYSTEMS	IT SERVICES - NOV	1,207.50	2,205.00
	01/15/2026	8471	CAYUGA INFORMATION SYSTEMS	IT SERVICES - OCT	735.00	
	01/15/2026	8470	CAYUGA INFORMATION SYSTEMS	IT SERVICES - SEP	262.50	
10302	01/15/2026	75876	H.T. HARVEY	BIOSOLIDS SUITABILITY ASSESSMENT	2,038.43	2,038.43
10292	01/15/2026	03630	BAY PLANNING COALITION	ANNUAL MEMBERSHIP DUES	1,210.00	1,210.00
10304	01/15/2026	10-12/25	LINDA M. ADAMS	QUARTERLY HEALTH PREMIUM REIMBURSEMENT	1,147.50	1,147.50
10307	01/15/2026	18652	REDWOOD PUBLIC LAW, LLP	LEGAL SERVICES - DEC	1,086.50	1,086.50
10317	01/30/2026	EA08-1225	EOA, INC	WORK ORDER NO. 2 - NPDES PERMIT REISSUANCE	975.00	975.00
10311	01/30/2026	3389480	ALLIANT INSURANCE	POLLUTION LIABILITY INSURANCE RENEWAL	722.26	722.26
10294	01/15/2026	736358	CALTEST	LAB TESTING SERVICES	653.24	653.24
10314	01/30/2026	403164	CITY OF SAN LEANDRO	MDF CUPA ANNUAL HAZARDOUS MATERIALS & WASTE FEE	629.00	629.00
10296	01/15/2026	10-12/25	CHARLES V. WEIR	QUARTERLY HEALTH PREMIUM REIMBURSEMENT	552.48	552.48
10303	01/15/2026	10-12/25	KARL D. ROYER	QUARTERLY HEALTH PREMIUM REIMBURSEMENT	552.48	552.48
10305	01/15/2026	12435	MBC CUSTODIAL SERVICES INC	JANITORIAL SERVICES - DEC	208.00	208.00
10318	01/30/2026	12477	MBC CUSTODIAL SERVICES INC	JANITORIAL SERVICES - JAN	208.00	208.00
10313	01/30/2026	4558379-CAL	CALTRONICS	COPIER USAGE AND MAINTENANCE	167.35	167.35
10310	01/30/2026	0233	ALAMEDA COUNTY EMA	MEMBERSHIP DUES FY 2025/2026	100.00	100.00

EAST BAY DISCHARGERS AUTHORITY
List of Disbursements
January 2026

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
10320	01/30/2026	S2282327.001	WILLE ELECTRIC SUPPLY CO, INC	HEPS ELECTRICAL PARTS	92.37	92.37
TOTAL CHECKS					297,530.76	297,530.76
ELECTRONIC PAYMENTS						
	01/05/2026	5105948980-0	PG&E	GAS & ELECTRIC SERVICE	43,868.31	43,868.31
	01/29/2026	--	ADP, LLC	PAYROLL PERIOD: 1/16-31/2026	28,267.04	28,267.04
	01/14/2026	--	ADP, LLC	PAYROLL PERIOD: 1/01-15/2026	25,074.04	25,074.04
	01/13/2026	100000018155114	CALPERS	HEALTH PREMIUMS - JAN	8,595.82	8,595.82
	01/08/2026	100000018119225	CALPERS	PENSION CONTRIBUTION, CLASSIC 12/16 - 31/2025	6,032.62	6,032.62
	01/20/2026	100000018153016	CALPERS	PENSION CONTRIBUTION, CLASSIC 1/01 - 15/2026	6,032.62	6,032.62
	01/08/2026	6342887	MISSION SQUARE	DEFERRED COMPENSATION CONTRIBUTION 12/31/2025	2,123.29	2,123.29
	01/20/2026	6827517	MISSION SQUARE	DEFERRED COMPENSATION CONTRIBUTION 1/15/2026	2,106.62	2,106.62
	01/26/2026	1003047982	STATE COMPENSATION INSURANCE FUND	WORKERS COMPENSATION PREMIUM - JAN	951.15	951.15
	01/02/2026	CD_001290676	RINGCENTRAL INC	ADMIN OFFICE DIGITAL PHONE SERVICE - DEC	209.45	209.45
	01/21/2026	CD_001315705	RINGCENTRAL INC	ADMIN OFFICE DIGITAL PHONE SERVICE - JAN	209.45	209.45
	01/28/2026	59599	COMPUTER COURAGE	WEBSITE HOSTING	150.00	150.00
	01/20/2026	77334	FOR2FI	MDF TELEPHONE SERVICE	134.51	134.51
	01/05/2026	--	ADP, LLC	PAYROLL FEES, 12/16-31/2025	109.77	109.77
	01/07/2026	2601072422	INTERMEDIA.NET INC	EMAIL EXCHANGE HOSTING	98.72	98.72
	01/23/2026	--	ADP, LLC	PAYROLL FEES, 1/01-15/2026	94.37	94.37
	01/12/2026	--	WELLS FARGO	SERVICE CHARGE	85.13	85.13
	01/30/2026	--	FREMONT BANK	SERVICE CHARGE	84.92	84.92
	01/22/2026	6132408066	VERIZON WIRELESS	WIRELESS PHONE SERVICE - DEC	50.47	50.47
TOTAL ELECTRONIC PAYMENTS					124,278.30	124,278.30
TOTAL DISBURSEMENTS					421,809.06	421,809.06

ITEM NO. FM5 TREASURER'S REPORT JANUARY 2026

The Treasurer's Report summarizes the Authority's financial activities by fund, providing an overview of its financial status. A detailed presentation of transactions, including income and expenditures, along with current account balances for checking and investment accounts, can be found in the Supplemental Treasurer's Report.

The average monthly yield for Local Agency Investment Fund (LAIF) is 3.93%, while the current 7-day yield for California Asset Management Program (CAMP) is 3.82%. The liquidity of both CAMP and LAIF allows for easy transfers to the checking account to meet the daily cash flow needs.

As of January 30, 2026, the Authority's total cash balance is \$4,872,393. Continuous oversight is essential as we move forward to ensure sustained financial health and meet any future obligations.

Approval is recommended.

EAST BAY DISCHARGERS AUTHORITY

FINAL TREASURER'S REPORT

For the Period Ending January 31, 2026

FUND	FUND DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	\$ 1,265,392	\$ 1,317,245	\$ 292,040	\$ 2,290,597
13	PLANNING & SPECIAL STUDIES	\$ (337,368)	\$ 372,165	\$ 79,615	\$ (44,818)
14	RECLAMATION O & M (SKYWEST)	\$ 59,056	\$ -	\$ 6,800	\$ 52,256
15	BRINE ACCEPTANCE	\$ 180,218	\$ 24,855	\$ 3,082	\$ 201,992
31	RENEWAL & REPLACEMENT	\$ 2,579,306	\$ (166,667)	\$ 40,273	\$ 2,372,367
TOTALS		\$ 3,746,604	\$ 1,547,598	\$ 421,809	\$ 4,872,393
Ending Balance per STR					\$ 4,872,393

SUPPLEMENTAL TREASURER'S REPORT

DATE	DESCRIPTION	RECEIPT	DISBURSEMENT	CAMP	LAIF	WELLS FARGO	ACCOUNT BALANCE				TOTAL CASH
							FREMONT	CAMP	LAIF	WELLS FARGO	
12/31/25	BALANCE						271,750.97	2,853,279.91	521,649.57	99,923.68	3,746,604.13
01/02/26	DIVIDENDS	10,480.88		10,480.88			271,750.97	2,863,760.79	521,649.57	99,923.68	3,757,085.01
01/02/26	ELECTRONIC BILL PAY		209.45				271,541.52	2,863,760.79	521,649.57	99,923.68	3,756,875.56
01/05/26	PAYROLL FEES		109.77				271,431.75	2,863,760.79	521,649.57	99,923.68	3,756,765.79
01/05/26	ELECTRONIC BILL PAY		43,868.31				227,563.44	2,863,760.79	521,649.57	99,923.68	3,712,897.48
01/07/26	ELECTRONIC BILL PAY		98.72				227,464.72	2,863,760.79	521,649.57	99,923.68	3,712,798.76
01/08/26	DEPOSIT - STATE FUND	1,607.40					229,072.12	2,863,760.79	521,649.57	99,923.68	3,714,406.16
01/08/26	ELECTRONIC BILL PAY		2,123.29				226,948.83	2,863,760.79	521,649.57	99,923.68	3,712,282.87
01/08/26	ELECTRONIC BILL PAY		6,032.62				220,916.21	2,863,760.79	521,649.57	99,923.68	3,706,250.25
01/12/26	BANK SERVICE CHARGE					(85.13)	220,916.21	2,863,760.79	521,649.57	99,838.55	3,706,165.12
01/13/26	ELECTRONIC BILL PAY		8,595.82				212,320.39	2,863,760.79	521,649.57	99,838.55	3,697,569.30
01/14/26	PAYROLL		18,477.44				193,842.95	2,863,760.79	521,649.57	99,838.55	3,679,091.86
01/14/26	PAYROLL TAX		6,596.60				187,246.35	2,863,760.79	521,649.57	99,838.55	3,672,495.26
01/15/26	CHECK DISBURSEMENT		207,378.85				(20,132.50)	2,863,760.79	521,649.57	99,838.55	3,465,116.41
01/15/26	INTEREST - LAIF	5,513.47			5,513.47		(20,132.50)	2,863,760.79	527,163.04	99,838.55	3,470,629.88
01/16/26	DEPOSIT - CARGILL	24,855.38					4,722.88	2,863,760.79	527,163.04	99,838.55	3,495,485.26
01/20/26	WIRE TRANSFER			(200,000.00)			204,722.88	2,663,760.79	527,163.04	99,838.55	3,495,485.26
01/20/26	ELECTRONIC BILL PAY		2,106.62				202,616.26	2,663,760.79	527,163.04	99,838.55	3,493,378.64
01/20/26	ELECTRONIC BILL PAY		6,032.62				196,583.64	2,663,760.79	527,163.04	99,838.55	3,487,346.02
01/20/26	ELECTRONIC BILL PAY		134.51				196,449.13	2,663,760.79	527,163.04	99,838.55	3,487,211.51
01/21/26	ELECTRONIC BILL PAY		209.45				196,239.68	2,663,760.79	527,163.04	99,838.55	3,487,002.06
01/22/26	ELECTRONIC BILL PAY		50.47				196,189.21	2,663,760.79	527,163.04	99,838.55	3,486,951.59
01/23/26	PAYROLL FEES		94.37				196,094.84	2,663,760.79	527,163.04	99,838.55	3,486,857.22
01/26/26	DEPOSIT - OLSD	317,931.35					514,026.19	2,663,760.79	527,163.04	99,838.55	3,804,788.57
01/26/26	ELECTRONIC BILL PAY		951.15				513,075.04	2,663,760.79	527,163.04	99,838.55	3,803,837.42
01/28/26	ELECTRONIC BILL PAY		150.00				512,925.04	2,663,760.79	527,163.04	99,838.55	3,803,687.42
01/29/26	DEPOSIT - USD	723,908.42					1,236,833.46	2,663,760.79	527,163.04	99,838.55	4,527,595.84
01/29/26	PAYROLL TAX		6,596.59				1,230,236.87	2,663,760.79	527,163.04	99,838.55	4,520,999.25
01/29/26	PAYROLL		21,670.45				1,208,566.42	2,663,760.79	527,163.04	99,838.55	4,499,328.80
01/30/26	DEPOSIT - LAVWMA	463,301.16					1,671,867.58	2,663,760.79	527,163.04	99,838.55	4,962,629.96
01/30/26	BANK SERVICE CHARGE		84.92				1,671,782.66	2,663,760.79	527,163.04	99,838.55	4,962,545.04
01/30/26	CHECK DISBURSEMENT		90,151.91				1,581,630.75	2,663,760.79	527,163.04	99,838.55	4,872,393.13
	TRANSACTION TOTALS	360,388.48	421,723.93	(189,519.12)	5,513.47	(85.13)	1,581,630.75	2,663,760.79	527,163.04	99,838.55	4,872,393.13
	ACCOUNT BALANCE										

Reconciliation - 1/31/2026

① Fremont Bank Statement	\$ 1,678,354.37				
Less: Outstanding Checks	96,723.62				
	<u>\$ 1,581,630.75</u>				
② CAMP Statement	\$ 2,672,875.37				
Less: Accrual Income Dividend	9,114.58				
	<u>\$ 2,663,760.79</u>				
③ LAIF Statement	\$ 527,163.04				
④ Wells Fargo Bank Statement	\$ 99,838.55				

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 INSURANCE PROGRAM REVIEW

Recommendation

Receive an update on the Authority's insurance programs and provide direction to staff regarding the Pooled Liability deductible.

Strategic Plan Linkage

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

Background

The Authority is a member of the California Sanitation Risk Management Authority JPA (CSRMA). CSRMA offers shared risk and group purchase programs to its members. The shared risk programs, which include Pooled Liability, are member owned and operated. Interest-earning funds are placed on deposit with CSRMA, where they are used to pay claims and related expenses. Funds not spent or reserved are refunded to members through retrospective rating adjustments and dividend payments. In addition, members have access to an array of group purchase programs including primary insurance, auto physical damage, and storage tank programs.

Discussion

Pooled Liability Program (PLP)

The Authority participates in CSRMA's Pooled Liability Program (PLP), which provides members with third-party liability coverage specifically designed to meet the exposures faced by the wastewater industry. The PLP, which renewed on December 31, 2025, provides members with General, Auto, Errors and Omissions, Employment Practices, and Excess Liability coverages. The CSRMA Executive Board approved the renewal with the total coverage limits in the PLP at \$26,000,000. The reinsurance agreements now include PFAS and Cyber exclusions. In addition, the CSRMA Board recently implemented the Employment Practices Liability (EPL) Deductible Reduction Incentive Program. Members who meet the eligibility requirements, which EBDA generally does, will maintain their EPL deductible at \$25,000. Total costs for the PLP program increased by 13.58%, due to many factors including increased exposures, loss development in the PLP, and re/insurance market conditions. While the program premiums increased overall, the cost for individual members varies based on changes in exposure. As shown in the summary table below, EBDA's PLP premium increased for 2026. Due to unfavorable loss development in policy year 2020-21 this year's Retrospective Rating Calculation resulted in a Retro Adjustment of an additional \$1,427,583 due from the members. The Authority's share of the Retro Adjustment is \$13,698.

EBDA is currently at a \$100,000 deductible in the PLP. According to CSRMA staff, increasing EBDA's PLP deductible to \$250,000 would decrease the premium to \$46,910, which is a savings of \$9,641. There is no cost benefit to increasing the deductible to \$500,000. Staff is seeking direction from the Committee on whether to increase EBDA's

deductible from \$100,000 to \$250,000.

Property Program

The CSRMA Property Program 2025/2026 renewal costs decreased by 4%. In July 2021, CSRMA implemented a pooled layer for the Property Program funded by program participants in response to the hardening insurance market. Catastrophic events, inflation, and increased costs to rebuild/replace damaged structures are driving property insurance rate increases.

Additional CSRMA Coverage

Additional coverages afforded by CSRMA to the Authority include:

- Public Entity Vehicle Physical Damage Program – Physical damage coverage for the Authority owned vehicle.
- Pollution Liability Program – Third-party pollution legal liability and clean-up for above ground storage tank exposure at OLEPS.
- Public Official Bond Program – Surety bonds for the General and Operations & Maintenance Managers.

Workers' Compensation

The Authority does not participate in the CSRMA Workers' Compensation Program due to the minimum premium requirement of \$15,000. Instead, the Authority purchases workers' compensation coverage through the State Compensation Insurance Fund.

The following table summarizes the Authority's insurance costs and rate changes from last year:

Insurance Program	2026 Cost	Change from 2025
Pooled Liability	\$56,551	\$10,786
Property	\$40,126	(\$1,693)
Public Entity Vehicle Physical Damage	\$282	(\$29)
Pollution Liability Program	\$722	--
Public Official Bond Program	\$875	--
Workers' Comp	\$11,414	\$698

California Sanitation Risk Management Authority

c/o ALLIANT INSURANCE SERVICES, INC.
560 Mission Street, 6th Floor, San Francisco, CA 94105

Insurance License No.: 0C36861
Tel: 415.403.1400

OFFICERS:

Sandeep Karkal, *President*
415.892.1694
Vince De Lange, *Vice President*
925.756.1920

PAST PRESIDENTS:

Craig Murray
2020-2024
Greg Baatrup
2018-2020

December 31, 2025

Ms. Jackie Zipkin
East Bay Dischargers Authority
2651 Grant Avenue
San Lorenzo, CA 94580

Pooled Liability Program Renewal

Program Year 40: December 31, 2025 – December 31, 2026

Dear Jackie:

East Bay Dischargers Authority's General, Auto, Errors & Omissions, and Employment Practices Liability coverages through the CSRMA Pooled Liability Program will renew effective December 31, 2025.

The Executive Board approved the renewal increasing the Pooled Layer from \$750K to \$1M and increasing the overall limits from \$25.75M to \$26M. CSRMA's Captive Insurance Company (Clean Water Insurance Captive) will continue to reinsure the Pooled Layer (Member Deductible - \$1M). Munich Re will continue to provide reinsurance excess of the \$1M (\$10M x \$1M). Berkley Public Entity provides the next layer of reinsurance (\$5M x \$11M) and ANML (Great American Insurance Company/StarStone National Insurance Company) will provide the top layer of reinsurance (\$10M x \$16M) for a total of \$26M in limits.

Overall, total costs for the Program increased 13.58% due to a myriad of factors including an increase in exposures (i.e. ADDWF, miles of line and number of autos), loss development in the Program and re/insurance market conditions. ***The percentage change in total cost for individual members varied based on changes in exposure.***

The Board adopted the Employment Practices Liability (EPL) Deductible Reduction Incentive Program which was implemented beginning with the 12/31/23 renewal. Members who meet the eligibility requirements will have their EPL deductible decreased from \$50,000 to \$25,000.

(CONTINUED)

Attached please find member-specific Auto ID Cards, Accident First Report Forms and any renewed Certificates of Coverage for the new policy year. The approved Memorandum of Coverage, with declaration page, will be sent separately.

Enclosed, please find invoice number 7595 in the amount of \$56,551 representing the renewal costs.

Each year the Program Administrators perform the Retrospective Rating Calculation for prior program years based on the formula adopted by the Board of Directors. The calculation grants either returns or assessments to members based on their individual experience and the experience of the group as a whole. The Retrospective Rating Calculation based on updated loss information and financial data as of June 30, 2025 has resulted in a Retro Adjustment to be collected from members of the Pooled Liability Program in the amount of \$1,427,583. This is largely due to unfavorable loss development in PY 2020-21. The District's share is \$13,698.

\$1.3M was returned to the membership in previous retro calculations for PY 2020-21. Claims in PY 2020-21 have developed unfavorably, and the Program must now collect the funds previously returned from the members. The District had previously received Retro Adjustments for PY 2020-21 in the amount of \$(18,314). The Retro calculation is asking for those funds back to pay for claims. The Pooled Liability Committee and Executive Board realize that this is unexpected and likely was not budgeted, so they are giving members the opportunity to pay the amount due in installments if the retro adjustment is financial hardship for your agency. The District has the option to pay the funds in a lump sum or in annual installments (up to 3-years @ 2% interest). The first payment will be due in February 2026. Please advise if the District would like to pay the Retro amount due in annual installments.

Also enclosed, please find invoice number 7636 in the amount of \$13,698, representing your District's retrospective rating adjustments.

If you have any questions, please do not hesitate to contact either Seth Cole, scole@alliant.com, (415) 403-1419, or myself as below.

Sincerely,



Myron Leavell
Program Administrators
(415) 403-1404 – Direct
mleavell@alliant.com

cc: Seth Cole

ITEM NO. FM7 REVIEW OF INTERNAL CONTROLS AND FRAUD PREVENTION POLICY

Recommendation

Review the Authority's Internal Controls and Fraud Prevention Policy and provide input to staff.

Strategic Plan Linkage

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

Background

The Authority's Internal Controls and Fraud Prevention Policy was first adopted in June 2019. It was revised and re-adopted in January 2025 to incorporate recommended revisions from EBDA's financial consultant, RGS. The Policy is reviewed annually.

Discussion

Staff is recommending one set of revisions to the Policy for the Committee's consideration. The Policy currently deals with reporting of incidents of fraud by staff to the General Manager. However, the Policy did not sufficiently account for the potential for fraud reports where the General Manager is the subject of the complaint. Additional language was added to the attached draft indicating that concerns about the General Manager's conduct will be handled by the General Counsel.

POLICY NUMBER: 1.5

NAME OF POLICY: Finance – Internal Controls and Fraud Prevention

ADOPTED: January 16, 2025

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

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.

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 unless the General Manager is the subject of the investigation, in which case - The General Manager may request the assistance of General Counsel will handle the investigation. 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. All reported fraud should be ~~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 REVIEW OF BUDGET POLICY

Recommendation

Review the Authority's Budget Policy and provide input to staff.

Strategic Plan Linkage

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

Background

The Authority's Budget Policy was last revised and adopted in December 2022. The Policy is reviewed by the Commission in even years.

Discussion

Staff is not proposing any changes to the Budget Policy at this time. The current Policy is attached for the Committee's review.

POLICY NUMBER: 1.9

NAME OF POLICY: Finance – Budget

LAST REVIEWED: February 18, 2026

LAST REVISED: December 15, 2022

PURPOSE: The budgeting function establishes control and accountability for Authority resources.

POLICY: It is the policy of the Authority to prepare and adopt a budget for the fiscal year to ensure that revenues are sufficient to meet operating and capital expenditures.

The draft budget shall be reviewed by the Managers Advisory Committee (MAC) and Financial Management Committee and approved by the Commission. Adoption of the annual Budget constitutes authority to bill Member Agencies for contributions. It also constitutes approval for expenditures for programs and authorizes the General Manager to make payment for them.

Major budgetary items include:

- Operations – salaries, benefits, chemicals, supplies, maintenance, professional services
- Renewal and Replacement Fund (Capital) Projects – those included on the Commission-approved Project List
- Special Projects – studies and projects outside of normal operations
- Revenues from recycled water, brine, and grants
- Assessment for the Renewal and Replacement Fund

The Annual Budget must be completed and adopted by July 1, in accordance with the Joint Powers Agreement. The annual budget may be amended only upon approval of the Commission. The General Manager, however, has discretion of budget changes by account number.

The General Manager shall report budget-to-actual results to the Commission on at least a quarterly basis. The Member Agencies shall submit timely invoices to the Authority to enable prompt and accurate reporting of Authority expenditures.

At the end of each Fiscal Year, the General Manager shall provide year-end closing statements to each Member Agency and LAVWMA detailing that agency's share of actual expenditures, and comparing that to the amounts budgeted and collected. If an agency's share of actual expenditures exceeded the amount collected, EBDA shall invoice that agency for the additional funds owed. If the agency's share of actual expenditures was less than the amount collected, that agency shall have the option to request that EBDA hold all or a portion of the surplus funds as fulfillment of that agency's reserve contribution under the Emergency Reserves Policy, or that EBDA return the surplus funds to the agency as a credit on their next EBDA invoice.

ITEM NO. FM9 MOTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH H.T. HARVEY AND ASSOCIATES FOR A BIOSOLIDS SUITABILITY ASSESSMENT IN THE AMOUNT OF \$12,620, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$52,895

Recommendation

Approve a motion authorizing the General Manager to execute amendment to the Agreement with H.T. Harvey and Associates.

Strategic Plan Linkage

5. **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.
6. **Internal Collaboration:** Expand cooperation among EBDA Member Agencies to improve economies of scale, reduce duplication of effort, and enhance each Agency's capacity.
 - c. Advance a joint Biosolids Management Strategy.

Background

EBDA's member agencies currently use a combination of landfilling, land application as an agricultural soil amendment, and compost for disposal or beneficial reuse of their biosolids. Wastewater agencies across California have been under increasing pressure over the past several years to divert biosolids from landfill to reduce methane emissions as part of the state's Short-lived Climate Pollutant Reduction Strategy. More recently, land application and composting of biosolids have been under mounting public relations, regulatory, and legislative threats due to risks associated with per- and poly-fluoroalkyl substances (PFAS).

Meanwhile, there is recognition that around the Bay region, action is needed to improve shoreline resilience to sea level rise. Nature-based flood protection projects along the shoreline will require significant quantities of sediment to achieve desired elevations. The opportunity to reuse fill materials has the potential to bring down costs and accelerate wetland restoration and shoreline resilience. Projects such as the South Bay Salt Ponds Restoration Project and the South San Francisco Bay Shoreline Project require significant amounts of fill. Some of that fill is now being sourced from upland construction projects, and then amended with compost to improve its organic content. The ability to use biosolids for restoration and shoreline resilience would be a win-win for EBDA agencies, providing a beneficial outlet for biosolids in the face of decreasing options, while providing a vital source of sediment and organic content for wetland ecosystems.

In February 2025, the Commission approved a contract for H.T. Harvey and Associates to evaluate the suitability of biosolids as an amendment to upland soils for use in wetland restoration and ecotone levee projects.

Discussion

Working with EBDA and Member Agency staff, H.T. Harvey developed a Pilot Study Sample Plan. The Plan involved creating samples that contain varying ratios of upland quarry soils mixed with Member Agency biosolids. These samples were collected in December 2025 and sent to EBDA's contract lab, Caltest, for analysis of constituents in the Master Quality Assurance Project Plan (Master QAPP) that governs use in the U.S. Fish and Wildlife Service Don Edwards National Wildlife Refuge, as well as for PFAS. Staff is currently awaiting these lab results, which H.T. Harvey will analyze for consistency with wetland thresholds. Depending on the results, an additional phase of sampling may be conducted to assess additional constituents. Phase 2 may also include analyzing samples of upland soil blended with compost for comparison with the biosolids mixes where clear thresholds have not been established or were exceeded.

H.T. Harvey will then develop a Technical Memorandum and materials suitable for presentation to the regulators that would have governance over use of biosolids in wetland restoration – the San Francisco Regional Water Quality Control Board (RWQCB) and the Bay Conservation and Development Commission (BCDC).

Development of the Pilot Study Sample Plan required more iteration than previously anticipated. Staff is therefore recommending the Commission approve an amendment to H.T. Harvey's contract of \$12,620 to allow the team to complete their analysis and documentation of sampling results and prepare for the regulatory discussions. This proposed increase is within EBDA's approved budget for this effort.

East Bay Dischargers Authority – Assessment of Biosolids for Beneficial Reuse in San Francisco Bay Marsh-Upland Ecotones

January 28, 2026
Proposal No. 11935

H. T. Harvey & Associates (H. T. Harvey) is pleased to submit a proposal to the East Bay Dischargers Authority (EBDA) to continue to assess the chemical suitability of Class B biosolids (hereafter, biosolids) produced from the wastewater treatment process for beneficial reuse in San Francisco Bay (Bay) shoreline restoration. We understand that this would be an add-on to the current consulting services agreement between EBDA and H. T. Harvey. Under the existing agreement, H. T. Harvey produced a study plan to analyze the chemical suitability of biosolids mixed with upland soil for use in Bay shoreline tidal marsh-upland ecotone (ecotone) restoration (e.g., for construction of “horizontal levees”). Biosolid samples have been delivered to Caltest to analyze the contaminants listed in the Don Edwards National Wildlife Refuge (Refuge) Master Quality Assurance Project Plan (Master QAPP) and PFAS as part of a Phase 1 study. Depending on the results of the Phase 1 study, the samples may be further analyzed (Phase 2 study) for nutrients, microplastics (MPs), and pharmaceuticals and personal care products (PPCPs). The Phase 2 study also includes testing of commercial compost for PFAS, nutrients and MPs to compare to biosolids. This proposal provides additional scope and budget to evaluate the results of these studies as well as potentially share the results with the Regional Water Quality Control Board (RWQCB) and the Bay Conservation and Development Commission (BCDC).

Our proposed scope is presented below and our team’s fee estimate is provided in Table 1 at the end of the scope of work.

Task 1. Analyze Sample Results, Prepare Memorandum Summarizing Potential for Beneficial Reuse and Meet with RWQCB and BCDC

H. T. Harvey will compare the sample results from Phase 1 to the applicable screening limits for wetland surface criteria in the Master QAPP and for known RWQCB PFAS limits. If conducted, H. T. Harvey will also review the results of the Phase 2 study. The results of the assessment will be summarized into a concise 4 to 6-page memorandum and submitted to EBDA for review. The H. T. Harvey team will meet with EBDA to discuss comments on the draft, then we will prepare a final version. Following completion of the memorandum, if EBDA judges that they would like to proceed with evaluating the potential for beneficial reuse of biosolids, H. T. Harvey will coordinate and lead a virtual 1.5-hour meeting with EBDA and key staff involved in the Master QAPP from the RWQCB and BCDC. The purpose of the meeting will be to discuss the findings in the

memorandum, H. T. Harvey’s opinion about the potential suitability of biosolids for beneficial reuse, and get feedback from RWQCB and BCDC. Following the meeting, H. T. Harvey will prepare meeting notes and a list of ideas for next steps.

Deliverables:

- Draft and final technical memorandum summarizing potential for biosolid reuse in San Francisco Bay shoreline ecotone soils.
- PowerPoint presentation for RWQCB/BCDC meeting.
- Meeting notes.

Assumptions:

- Laboratory testing results provided by Caltest will have sufficient accuracy to compare with applicable screening limits.

Fee Estimate

H. T. Harvey will bill time hourly up the maximum Not-to-Exceed Fee shown in the table below.

Task	Not-to-Exceed Fee
Task 1. Analyze Sample Results, Prepare Memorandum Summarizing Potential for Beneficial Reuse and Meet with RWQCB and BCDC	\$12,620