



ITEM NO. 9

FINANCIAL MANAGEMENT COMMITTEE AGENDA

Monday, March 16, 2026

12:30 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 February 2026**
(The Committee will review the List of Disbursements.)
- FM5. Treasurer's Reports for February 2026**
(The Committee will review the Treasurer's Report.)
- FM6. Second Quarter Expense Summary, Fiscal Year 2025/2026**
(The Committee will review the FY 2025/2026 second quarter expenses.)
- FM7. CalPERS Pension Fund Status Update**
(The Committee will review the status of the Authority's pension plan.)
- FM8. CERBT Fund Status Update**
(The Committee will review the status of the Authority's OPEB trust.)
- FM9. Preliminary Budget Considerations**
(The Committee will provide feedback to staff on considerations for the FY 2026/2027 Budget.)
- FM10. Motion Adopting Revisions to the Authority's Internal Controls and Fraud Prevention Policy**
(The Committee will consider the motion.)
- FM11. 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
March 16, 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
May 18, 2026.**

EAST BAY DISCHARGERS AUTHORITY
List of Disbursements
February 2026

| Check # | Payment Date | Invoice # | Vendor Name | Description | Invoice Amount | Disbursement Amount |
|----------------------------|--------------|---------------------|------------------------------|--|-------------------|---------------------|
| 10338 | 02/26/2026 | 353545 | CITY OF HAYWARD | HEPS O&M OCT-DEC | 103,734.68 | 103,734.68 |
| 10334 | 02/26/2026 | 38983 | ANCHOR QEA, INC | FIRST MILE PROJECT | 68,553.85 | 68,553.85 |
| 10343 | 02/26/2026 | 7223 | ORO LOMA SANITARY DISTRICT | OLEPS O&M, ADMIN BUILDING, SKYWEST - NOV | 23,531.56 | 45,517.41 |
| 10343 | 02/26/2026 | 7233 | ORO LOMA SANITARY DISTRICT | OLEPS O&M, ADMIN BUILDING, SKYWEST - DEC | 21,985.85 | |
| 10345 | 02/26/2026 | 3262 | UNION SANITARY DISTRICT | UEPS O&M, PG&E, FM MAINTENANCE - DEC | 34,964.94 | 34,964.94 |
| 10339 | 02/26/2026 | 403796 | CITY OF SAN LEANDRO | MDF O&M, EFFLUENT MONITORING, FM MAINTENANCE - DEC | 30,265.33 | 30,265.33 |
| 10323 | 02/12/2026 | INV-0000503208 | BLACKBAUD | FE NXT ACCOUNTING SOFTWARE | 16,186.07 | 16,186.07 |
| 10332 | 02/12/2026 | 20651 | REGIONAL GOVERNMENT SERVICES | MANAGEMENT AND ADMINISTRATIVE SERVICES | 11,630.10 | 11,630.10 |
| 10344 | 02/26/2026 | 20766 | REGIONAL GOVERNMENT SERVICES | MANAGEMENT AND ADMINISTRATIVE SERVICES | 7,856.40 | 7,856.40 |
| 10326 | 02/12/2026 | 3387585 | DUANE MORRIS LLP | SPECIALIZED LEGAL SERVICES - CARGILL BRINE PROJECT | 3,026.50 | 5,319.00 |
| 10326 | 02/12/2026 | 337586 | DUANE MORRIS LLP | SPECIALIZED LEGAL SERVICES - NUTRIENT PERMIT | 2,292.50 | |
| 10322 | 02/12/2026 | NO. 7 | AZYURA | WATERBITS HOSTING, REPORTING AND DATA MANAGEMENT | 5,250.00 | 5,250.00 |
| 10331 | 02/12/2026 | 19049 | REDWOOD PUBLIC LAW, LLP | LEGAL SERVICES - JAN | 3,095.00 | 3,095.00 |
| 10328 | 02/12/2026 | 05 | GREENBELT ALLIANCE | HASPA COMMUNITY OUTREACH | 2,711.25 | 2,711.25 |
| 10325 | 02/12/2026 | 52205708 | CITY OF HAYWARD | EMPLOYEE BENEFIT PROGRAMS - FEB | 1,829.53 | 1,829.53 |
| 10324 | 02/12/2026 | 61063 | CALCON | OLEPS WET WELL HYPO PLC & SCADA PROGRAMMING | 1,363.50 | 1,451.42 |
| 10324 | 02/12/2026 | 61062 | CALCON | FORCE MAIN VAULT HIGH LEVEL FLOAT ALARM PARTS | 87.92 | |
| 10340 | 02/26/2026 | 818976 | CORRPRO COMPANIES, INC | FORCE MAIN BI-ANNUAL CATHODIC PROTECTION SYSTEM SURVEY | 1,440.00 | 1,440.00 |
| 10337 | 02/26/2026 | 8475 | CAYUGA INFORMATION SYSTEMS | IT SERVICES - DEC | 787.50 | 1,417.50 |
| 10337 | 02/26/2026 | 8477 | CAYUGA INFORMATION SYSTEMS | IT SERVICES - JAN | 630.00 | |
| 10329 | 02/12/2026 | Feb-26 | JACQUELINE ZIPKIN | REIMBURSABLE EXPENSES | 1,372.55 | 1,372.55 |
| 10333 | 02/12/2026 | 4246-0445-5568-7627 | U.S. BANK | PURCHASING CARD EXPENSES | 893.38 | 893.38 |
| 10342 | 02/26/2026 | 76127 | H.T. HARVEY | BIOSOLIDS SUITABILITY ASSESSMENT | 864.50 | 864.50 |
| 10341 | 02/26/2026 | 22978 | DW NICHOLSON | FORCE MAIN - MANHOLE 150+00 | 769.63 | 769.63 |
| 10335 | 02/26/2026 | 737295 | CALTEST | LAB TESTING SERVICES | 664.16 | 664.16 |
| 10330 | 02/12/2026 | 12517 | MBC CUSTODIAL SERVICES INC | JANITORIAL SERVICES - FEB | 208.00 | 208.00 |
| 10321 | 02/12/2026 | 108509 | AROUND THE BAY PEST CONTROL | MDF QUARTERLY PEST CONTROL SERVICE | 200.00 | 200.00 |
| 10336 | 02/26/2026 | 4579245-CAL | CALTRONICS | COPIER USAGE AND MAINTENANCE | 63.01 | 63.01 |
| 10327 | 02/12/2026 | 9792441900 | GRAINGER | ADMINISTRATION MAINTENANCE TOOL AND SUPPLIES | 35.48 | 35.48 |
| TOTAL CHECKS | | | | | 346,293.19 | 346,293.19 |
| ELECTRONIC PAYMENTS | | | | | | |
| | 02/03/2026 | 5105948980-0 | PG&E | GAS & ELECTRIC SERVICE | 49,349.33 | 49,349.33 |
| | 02/26/2026 | -- | ADP, LLC | PAYROLL PERIOD: 2/16-28/2026 | 29,446.90 | 29,446.90 |
| | 02/12/2026 | -- | ADP, LLC | PAYROLL PERIOD: 2/01-15/2026 | 25,074.04 | 25,074.04 |

EAST BAY DISCHARGERS AUTHORITY

List of Disbursements

February 2026

| Check # | Payment Date | Invoice # | Vendor Name | Description | Invoice Amount | Disbursement Amount |
|---------|--------------|-----------------|--------------------|--|-------------------|---------------------|
| | 02/11/2026 | 100000018183106 | CALPERS | HEALTH PREMIUMS - FEB | 8,595.82 | 8,595.82 |
| | 02/03/2026 | 100000018153031 | CALPERS | PENSION CONTRIBUTION, CLASSIC 1/16 - 31/2026 | 6,032.62 | 6,032.62 |
| | 02/17/2026 | 100000018179158 | CALPERS | PENSION CONTRIBUTION, CLASSIC 2/01 - 15/2026 | 6,032.62 | 6,032.62 |
| | 02/03/2026 | 6629482 | MISSION SQUARE | DEFERRED COMPENSATION CONTRIBUTION 1/31/2026 | 2,106.62 | 2,106.62 |
| | 02/18/2026 | 6873432 | MISSION SQUARE | DEFERRED COMPENSATION CONTRIBUTION 2/15/2026 | 2,106.62 | 2,106.62 |
| | 02/17/2026 | 78750 | FOR2FI | MDF TELEPHONE SERVICE | 134.51 | 134.51 |
| | 02/06/2026 | -- | ADP, LLC | PAYROLL FEES, 1/16-31/2026 | 109.77 | 109.77 |
| | 02/04/2026 | 2602063566 | INTERMEDIA.NET INC | EMAIL EXCHANGE HOSTING | 98.72 | 98.72 |
| | 02/20/2026 | -- | ADP, LLC | PAYROLL FEES, 2/01-15/2026 | 94.37 | 94.37 |
| | 02/11/2026 | -- | WELLS FARGO | SERVICE CHARGE | 91.16 | 91.16 |
| | 02/23/2026 | 6134910580 | VERIZON WIRELESS | WIRELESS PHONE SERVICE - JAN | 50.47 | 50.47 |
| | 02/25/2026 | -- | ADP, LLC | PAYROLL FEES | 27.80 | 27.80 |
| | | | | TOTAL ELECTRONIC PAYMENTS | 129,351.37 | 129,351.37 |
| | | | | TOTAL DISBURSEMENTS | 475,644.56 | 475,644.56 |

ITEM NO. FM5 TREASURER'S REPORT FEBRUARY 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 3.87%, while the current 7-day yield for California Asset Management Program (CAMP) is 3.81%. The liquidity of both CAMP and LAIF allows for easy transfers to the checking account to meet the daily cash flow needs.

As of February 28, 2026, the Authority's total cash balance is \$5,232,976. 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 February 28, 2026

| FUND | FUND DESCRIPTION | BEGINNING CASH BALANCE | DEBITS (INCREASE) | CREDITS (DECREASE) | ENDING CASH BALANCE |
|---------------|-----------------------------|---------------------------|----------------------|-----------------------|------------------------|
| 12 | OPERATIONS & MAINTENANCE | \$ 2,290,597 | \$ 486,486 | \$ 376,797 | \$ 2,400,286 |
| 13 | PLANNING & SPECIAL STUDIES | \$ (44,818) | \$ 340,627 | \$ 74,422 | \$ 221,387 |
| 14 | RECLAMATION O & M (SKYWEST) | \$ 52,256 | \$ - | \$ 14,751 | \$ 37,505 |
| 15 | BRINE ACCEPTANCE | \$ 201,992 | \$ - | \$ 6,167 | \$ 195,825 |
| 31 | RENEWAL & REPLACEMENT | \$ 2,372,367 | \$ 9,115 | \$ 3,508 | \$ 2,377,974 |
| TOTALS | | \$ 4,872,393 | \$ 836,227 | \$ 475,645 | 5,232,976 |

Ending Balance per STR

5,232,976

SUPPLEMENTAL TREASURER'S REPORT

| DATE | DESCRIPTION | RECEIPT | DISBURSEMENT | CAMP | LAIF | WELLS FARGO | ACCOUNT BALANCE | | | | TOTAL CASH |
|----------|----------------------|------------|--------------|----------|--------------|-------------|-----------------|--------------|--------------|-------------|--------------|
| | | | | | | | FREMONT | CAMP | LAIF | WELLS FARGO | |
| 01/31/26 | BALANCE | | | | | | 1,581,630.75 | 2,663,760.79 | 527,163.04 | 99,838.55 | 4,872,393.13 |
| 02/02/26 | DIVIDENDS | 9,114.58 | | 9,114.58 | | | 1,581,630.75 | 2,672,875.37 | 527,163.04 | 99,838.55 | 4,881,507.71 |
| 02/03/26 | ELECTRONIC BILL PAY | | 2,106.62 | | | | 1,579,524.13 | 2,672,875.37 | 527,163.04 | 99,838.55 | 4,879,401.09 |
| 02/03/26 | ELECTRONIC BILL PAY | | 6,032.62 | | | | 1,573,491.51 | 2,672,875.37 | 527,163.04 | 99,838.55 | 4,873,368.47 |
| 02/03/26 | ELECTRONIC BILL PAY | | 49,349.33 | | | | 1,524,142.18 | 2,672,875.37 | 527,163.04 | 99,838.55 | 4,824,019.14 |
| 02/04/26 | ELECTRONIC BILL PAY | | 98.72 | | | | 1,524,043.46 | 2,672,875.37 | 527,163.04 | 99,838.55 | 4,823,920.42 |
| 02/06/26 | DEPOSIT - COH | 436,270.81 | | | | | 1,960,314.27 | 2,672,875.37 | 527,163.04 | 99,838.55 | 5,260,191.23 |
| 02/06/26 | DEPOSIT - ABAG | 188,349.64 | | | | | 2,148,663.91 | 2,672,875.37 | 527,163.04 | 99,838.55 | 5,448,540.87 |
| 02/06/26 | PAYROLL FEES | | 109.77 | | | | 2,148,554.14 | 2,672,875.37 | 527,163.04 | 99,838.55 | 5,448,431.10 |
| 02/11/26 | ELECTRONIC BILL PAY | | 8,595.82 | | | | 2,139,958.32 | 2,672,875.37 | 527,163.04 | 99,838.55 | 5,439,835.28 |
| 02/11/26 | WIRE TRANSFER | | | | 1,000,000.00 | | 1,139,958.32 | 2,672,875.37 | 1,527,163.04 | 99,838.55 | 5,439,835.28 |
| 02/11/26 | BANK SERVICE CHARGE | | | | | (91.16) | 1,139,958.32 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,439,744.12 |
| 02/12/26 | PAYROLL | | 18,477.44 | | | | 1,121,480.88 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,421,266.68 |
| 02/12/26 | PAYROLL TAX | | 6,596.60 | | | | 1,114,884.28 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,414,670.08 |
| 02/12/26 | CHECK DISBURSEMENT | | 50,181.78 | | | | 1,064,702.50 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,364,488.30 |
| 02/17/26 | ELECTRONIC BILL PAY | | 134.51 | | | | 1,064,567.99 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,364,353.79 |
| 02/17/26 | ELECTRONIC BILL PAY | | 6,032.62 | | | | 1,058,535.37 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,358,321.17 |
| 02/18/26 | ELECTRONIC BILL PAY | | 2,106.62 | | | | 1,056,428.75 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,356,214.55 |
| 02/18/26 | DEPOSIT - BALCO PROP | 2,100.00 | | | | | 1,058,528.75 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,358,314.55 |
| 02/18/26 | DEPOSIT - CVSAN | 200,392.00 | | | | | 1,258,920.75 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,558,706.55 |
| 02/20/26 | PAYROLL FEES | | 94.37 | | | | 1,258,826.38 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,558,612.18 |
| 02/23/26 | ELECTRONIC BILL PAY | | 50.47 | | | | 1,258,775.91 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,558,561.71 |
| 02/25/26 | PAYROLL FEES | | 27.80 | | | | 1,258,748.11 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,558,533.91 |
| 02/26/26 | PAYROLL | | 22,749.47 | | | | 1,235,998.64 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,535,784.44 |
| 02/26/26 | PAYROLL TAX | | 6,697.43 | | | | 1,229,301.21 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,529,087.01 |
| 02/26/26 | CHECK DISBURSEMENT | | 296,111.41 | | | | 933,189.80 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,232,975.60 |

| | | | | | | | | | | |
|--------------------|------------|------------|----------|--------------|---------|------------|--------------|--------------|-----------|--------------|
| TRANSACTION TOTALS | 836,227.03 | 475,553.40 | 9,114.58 | 1,000,000.00 | (91.16) | 933,189.80 | 2,672,875.37 | 1,527,163.04 | 99,747.39 | 5,232,975.60 |
| ACCOUNT BALANCE | | | | | | ① | ② | ③ | ④ | |

Reconciliation - 2/28/2026

| | |
|-------------------------------|------------------------|
| ① Fremont Bank Statement | \$ 1,252,874.81 |
| Less: Outstanding Checks | <u>319,685.01</u> |
| | <u>\$ 933,189.80</u> |
| ② CAMP Statement | \$ 2,680,723.97 |
| Less: Accrual Income Dividend | <u>7,848.60</u> |
| | <u>\$ 2,672,875.37</u> |
| ③ LAIF Statement | <u>\$ 1,527,163.04</u> |
| ④ Wells Fargo Bank Statement | <u>\$ 99,747.39</u> |

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 SECOND QUARTER EXPENSE SUMMARY, FISCAL YEAR 2025/2026

Recommendation

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

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 Second Quarter Expense Summary for FY 2025/2026 is attached for the Committee's review. Expenses are presented by Program and by Account Code. These categories have been grouped to provide an overview of Authority expenses. The tables include discussion of particular items that varied significantly (>10%) from the budget.

Discussion

At the end of the second quarter, EBDA's spending is just slightly over budget, with 53% spent at 50% through the year. Because a significant portion of EBDA's budget is made up of annual fees (e.g., BACWA dues and NPDES Permit Fees), several of which are paid in the first half of the fiscal year, higher expenditures at this point in the year are expected. Staff also notes that in response to the need to control effluent fecal coliform, expenditures for sodium hypochlorite (hypo) for disinfection were higher than expected.

East Bay Dischargers Authority

EXPENSE SUMMARY BY PROGRAM

FY 2025/2026 THROUGH DECEMBER 31, 2025 (50% of YEAR)

| | YTD Expenses | Budget | Revenues Cargill, Grant, & Skywest | Variance | % of Budget | Explanations for Variance Over 10% |
|--|--------------------|--------------------|---|----------------------|-------------|---|
| O&M EFFLUENT DISPOSAL | | | | | | |
| General Administration | \$754,610 | \$1,645,044 | | (\$890,434) | 46% | |
| Outfall & Forcemains | \$57,819 | \$227,120 | | (\$169,301) | 25% | Low due to operational efficiencies and lack of need for force main repairs. |
| Marina Dechlor Facility | \$141,812 | \$326,420 | | (\$184,608) | 43% | |
| Oro Loma Pump Station | \$258,816 | \$674,420 | | (\$415,604) | 38% | Less wet weather than expected. |
| Hayward Pump Station | \$96,054 | \$225,210 | | (\$129,156) | 43% | |
| Union Pump Station | \$267,653 | \$536,907 | | (\$269,254) | 50% | |
| Bay & Effluent Monitoring | \$540,156 | \$852,477 | | (\$312,321) | 63% | Higher than expected use of sodium hypochlorite for disinfection. |
| TOTAL O&M EFFLUENT DISPOSAL | \$2,116,919 | \$4,487,598 | \$0 | (\$2,370,679) | 47% | |
| SPECIAL PROJECTS | | | | | | |
| NPDES Permit Fees | \$695,490 | \$704,490 | | (\$9,000) | 99% | Annual fees paid. |
| NPDES Permit Issues | \$5,932 | \$60,000 | | \$5,932 | 10% | Effort just beginning on NPDES permit reissuance process. |
| Regional Monitoring Program | \$180,911 | \$292,298 | | (\$111,387) | 62% | Paid three quarters. |
| Alternative Monitoring and Reporting | \$25,963 | \$34,617 | | (\$8,654) | 75% | Annual fees paid. |
| Nutrient Surcharge | \$277,237 | \$277,237 | | \$0 | 100% | Annual fees paid. |
| Air Toxics Pooled Emissions Study | \$84,250 | \$84,164 | | \$86 | 100% | Annual fees paid. |
| Water Research Foundation | \$30,292 | \$28,889 | | \$1,403 | 105% | Annual fees paid. |
| Nature-Based Solutions Study | \$396,725 | \$300,000 | \$396,725 | (\$300,000) | 132% | All costs reimbursed by EPA. |
| Biosolids Feasibility Study | \$16,542 | \$79,830 | | (\$63,288) | 21% | Project continues and expenses are likely to ramp up in future quarters. |
| Bruce Wolfe Memorial | \$0 | \$1,000 | | (\$1,000) | 0% | Will be paid in a future quarter. |
| TOTAL SPECIAL PROJECTS | \$1,713,341 | \$1,862,525 | \$396,725 | (\$485,909) | 71% | |
| TOTAL AGENCY-FUNDED PROGRAMS | \$3,830,260 | \$6,350,123 | \$396,725 | (\$2,916,588) | 54% | |
| WATER RECYCLING | | | | | | |
| Skywest Golf Course | \$32,164 | \$48,000 | \$32,164 | | 67% | Repair of aging infrastructure and high chemical costs. All work is paid for out of the Skywest Fund, supported by City of Hayward recycled water fees. |
| TOTAL WATER RECYCLING | \$32,164 | \$48,000 | \$32,164 | | 67% | |
| BRINE ACCEPTANCE | | | | | | |
| Brine Acceptance | \$29,402 | \$100,000 | \$29,402 | | | All work performed is reimbursed by Cargill. |
| TOTAL BRINE ACCEPTANCE | \$29,402 | \$100,000 | \$29,402 | | | |
| TOTAL ALL PROGRAMS | \$3,891,826 | \$6,498,123 | \$458,291 | (\$3,064,588) | 53% | |

East Bay Dischargers Authority

EXPENSE SUMMARY BY ACCOUNT

FY 2025/2026 THROUGH DECEMBER 31, 2025 (50% OF YEAR)

| | YTD Expenses | Budget | Revenues Cargill, Grant, & Skywest | Variance | % of Budget | Explanations for Variance Over 10% |
|------------------------------------|--------------------|--------------------|--|----------------------|----------------|---|
| 4010 - Salary | \$331,554 | \$701,730 | \$12,257 | (\$382,433) | 46% | |
| 4020 - Benefits | \$177,230 | \$364,313 | | (\$187,083) | 49% | |
| 4030 - Commissioner Compensation | \$15,000 | \$50,000 | | (\$35,000) | 30% | Budget assumes maximum number of meetings. |
| 4070 - Insurance | \$40,275 | \$95,450 | | (\$55,175) | 42% | |
| 4080 - Memberships & Subscriptions | \$175,652 | \$178,449 | | (\$2,797) | 98% | Several annual memberships paid in full. |
| 4100 - Supplies, Variable | \$221,163 | \$431,000 | | (\$209,837) | 51% | |
| 4100 - Supplies, Fixed | \$8,523 | \$12,000 | | (\$3,477) | 71% | Computer upgrades due to windows 11 compatibility issues. |
| 4110 - Contract Services | \$25,871 | \$81,683 | | (\$55,812) | 32% | Software license fees will be paid in a future quarter. |
| 4120 - Professional Services | \$776,270 | \$1,073,494 | \$422,986 | (\$720,211) | 33% | Several professional services engagements have not been needed, including actuarial services for the Authority's CERBT. |
| 4140 - Rents & Fees | \$986,356 | \$995,627 | \$1,500 | (\$10,771) | 99% | Annual fees paid. |
| 4141 - NPDES Fines | \$0 | \$9,000 | | (\$9,000) | 0% | Reserve funds in case of enforcement. |
| 4150 - Maintenance & Repair | \$346,308 | \$922,410 | \$18,698 | (\$594,800) | 36% | Less wet weather than expected. |
| 4160 - Monitoring | \$309,938 | \$577,967 | \$2,850 | (\$270,879) | 53% | |
| 4170 - Travel | \$5,564 | \$18,000 | | (\$12,436) | 31% | Lower conference travel than projected. |
| 4191 - Utility, Variable | \$470,843 | \$987,000 | | (\$516,157) | 48% | |
| 4210 - Other | \$1,278 | \$0 | | \$1,278 | 0% | Various fees (ADP, Benefit Programs, Bank). |
| TOTAL ALL ACCOUNTS | \$3,891,826 | \$6,498,123 | \$458,291 | (\$3,064,588) | 53% | |

ITEM NO. FM7 CALPERS PENSION FUND STATUS UPDATE

Recommendation

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

Strategic Plan Linkage

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

Background

The Authority participates in the California Public Employees’ Retirement System (CalPERS) for its pension benefits. In 2019, the Authority adopted Other Post-Employment Benefit (OPEB) and Pension Funding Policies, including target funding levels of 80% and 95%, respectively. The Authority made lump sum pre-payments to both funds in 2020, prior to the effective date of the Amended and Restated Joint Exercise of Powers Agreement (JPA), with the intention of reaching these targets. The Additional Discretionary Payment (ADP) made to the Authority’s pension fund in 2020 was \$645,000. This report provides information on the current status of the Authority’s pension fund.

Discussion

As noted above, the 2020 payment was calculated based on reaching a target of 95% funded. June 30, 2024 represents the most recent formal valuation. EBDA’s CalPERS actuary has provided projected values for June 30, 2026 based on two scenarios – a 6.8% rate of return, which is consistent with prior projections, and a 10.8% rate of return, representing the actual year to date return through February 27, 2026. The analysis uses the actual rate of return for FY 2024/2025, which was 12.1%.

| | Actuarial Valuation as of June 30, 2024 | Projected June 30, 2026 | |
|----------------------------------|---|---------------------------------|----------------------------------|
| | | (assuming 6.80% rate of return) | (assuming 10.80% rate of return) |
| Accrued Liability | \$5,654,838 | \$6,225,000 | \$6,225,000 |
| Plan’s Market Value of Assets | \$4,858,697 | \$5,661,000 | \$5,878,000 |
| Unfunded Accrued Liability (UAL) | \$796,141 | \$564,000 | \$347,000 |
| Funded Ratio | 85.9% | 90.9% | 94.4% |

As shown in the table, EBDA’s funded ratio is very close to the target of 95% when the less conservative return assumptions are used. Given that and the fact that rates of return remain quite volatile at the moment, staff does not recommend making an additional discretionary payment this year. EBDA’s required Employer Unfunded Accrued Liability (UAL) Contribution Amount for FY 2026/2027 is \$61,316. The FY 2026/2027 Employer Normal Cost is 14.16%. EBDA does not subsidize employee contributions.

ITEM NO. FM8 CERBT FUND STATUS UPDATE

Recommendation

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

Strategic Plan Linkage

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

Background

The Authority participates in the California Public Employees’ Retirement System (CalPERS) for its pension benefits. In addition, on April 21, 2011, the EBDA Commission approved an agreement with CalPERS to participate in its California Employers Retiree Benefit Trust (CERBT) Fund to pre-fund other post-employment benefits (OPEB), including retiree health. The fund operates much like the CalPERS pension fund, in that it is designed to increase the value of employer contributions through investment earnings.

In 2019, the Authority adopted OPEB and Pension Funding Policies, including target funding levels of 80% and 95%, respectively. The Authority made lump sum pre-payments to both funds in 2020, prior to the effective date of the Amended and Restated Joint Powers Agreement (JPA), with the intention of reaching these targets. This report provides information on the current funded status of the Authority’s CERBT Fund for OPEB liabilities.

Discussion

The Authority’s actuary, Foster & Foster, provided the following GASB 75 Accounting Information using the measurement date of June 30, 2024.

| CERBT Summary as of June 30, 2024 | |
|---|------------------|
| Total OPEB Liability | \$977,823 |
| Accumulated assets in the CERBT fund | \$695,269 |
| Net OPEB Liability | \$282,554 |
| Funded Ratio | 71% |
| Current Asset Allocation Strategy Selection | CERBT Strategy 1 |

The Authority’s Actuarial Determined Contribution (ADC) for FY 2025/2026, taking into account normal cost and the amortized cost of the unfunded liability, is \$75,127. For several years, the Authority requested disbursements from the CERBT account to reimburse itself for retiree medical payments, including subsidized premiums. The Commission previously recommended that the Authority “true up” at the end of each fiscal year to reach the intended funding target, taking into consideration disbursements.

This year's disbursement would be approximately \$56,863 for retiree health payments made by the Authority, including the implicit subsidy allowed by CalPERS. Because the Funded Ratio is currently below the Authority's target, staff is recommending foregoing a reimbursement this year. Staff recommends that the Authority contribute the difference between the ADC and the disbursement amount, or \$18,264, to the CERBT fund.

Staff will continue to monitor and report on the funding status each year and recommend to the Commission disbursement and/or contribution amounts required to approach the funding target.

ITEM NO. FM9 PRELIMINARY BUDGET CONSIDERATIONS

Recommendation

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

Strategic Plan Linkage

3. **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.
7. **External Collaboration:** Collaborate with external stakeholders to build strong relationships for joint problem-solving and to expand EBDA's and its Member Agencies' reach.
 - a. Provide industry leadership through active engagement with wastewater associations including Bay Area Clean Water Agencies (BACWA), California Association of Sanitation Agencies (CASA), California Water Environment Association (CWEA), and Water Environment Federation (WEF).

Background

The Authority's Amended and Restated JPA states the following:

The Commission will adopt an annual or biennial budget for the ensuing Fiscal Year(s) prior to July 1. The budget will include sufficient detail to constitute a fiscal control guideline, specify cash flow requirements from each Agency, grant reimbursements, and cash receipts and expenditures to be made for Operation and Maintenance Costs, Planning and Special Studies Costs, and Capital Costs for the Facilities, and other necessary and appropriate expenditures.

A complete draft budget for FY 2026/2027 will be presented for the Committee's consideration in May 2026, with a goal of Commission adoption in June 2026.

Discussion

Staff expects the FY 2026/2027 to be very similar to the FY 2025/2026 budget total, with slight increases as discussed below. Staff notes the following considerations:

- Salary and benefits costs are expected to increase by about 8% overall. This includes a 3% cost of living adjustment for salaries, along with higher health insurance premiums, and increased pension obligations.
- The State Water Resources Control Board is currently expecting to hold National Pollutant Discharge Elimination System (NPDES) Permit Fees flat. This is a departure from the increases implemented in prior years. The SWRCB continues refining their fee schedule each year until August, and fees could go up or down in that time. Staff is assuming no increase for now and will keep the Commission

apprised of changes.

- As discussed with the Committee last month, the Authority's insurance programs experienced a 25% increase in FY25/26. For FY26/27, costs are expected to rise further due to increased exposures, loss development, and insurance market conditions.
- PG&E costs are expected to continue to increase.
- Use of sodium hypochlorite (hypo) for disinfection has increased over the past year as staff works to prevent fecal coliform exceedances. Given that the cost of the chemical has also been rising, staff plans to increase EBDA's hypo budget for next year.
- As discussed previously with the Commission and outlined in Item No. OM 5, the Advanced Quantitative Precipitation Information (AQPI) Project is transitioning from a grant-funded radar installation phase to an ongoing operations and maintenance (O&M) phase. Under this model, Bay Area drinking water, wastewater, and flood control agencies will pool funding to support ongoing system maintenance and tool development by the Center for Western Weather and Water Extremes (CW3E) at the Scripps Institution for Oceanography, UC San Diego. San Francisco Public Utilities Commission, Sonoma Water, and Valley Water are contributing \$250k annually toward O&M for the next ten years. East Bay agencies are being asked for \$20-30k contributions. Staff is recommending that EBDA contribute \$60k, which is less than the \$120k that would be required if EBDA and LAVWMA member agencies were to contribute individually. In addition to the O&M contributions, agencies are being asked to give a one-time contribution to reimburse Sonoma Water for expenses they incurred to install the regional C-band radar, which greatly aids in the system's predictive capabilities by facing out over the Pacific Ocean to pick up incoming atmospheric rivers. Staff had previously estimated that EBDA would contribute \$60k to this reimbursement; however, the AQPI team was able to identify some remaining grant funding to offset costs, lowering the EBDA contribution to \$25k. This \$85k contribution for FY 2026/2027 would be added to EBDA's Bay Area Clean Water Agencies (BACWA) invoice, since BACWA will be serving as AQPI's contracting and fiscal agent. EBDA's annual O&M contribution may decrease in the future if additional private and public sector funding partners are identified.

The Committee also expressed an interest in understanding EBDA's association memberships as part of the Budget process. Following is a summary of current memberships and their associated costs. These memberships would carry into the next fiscal year budget, pending feedback from the Committee.

| Memberships | |
|--|------------------|
| Alameda County Special Districts Association (ACSDA) | \$ 150 |
| Bay Climate Adaptation Network (BayCAN) | \$ 2,500 |
| Bay Planning Coalition (BPC) | \$ 2,600 |
| California Association of Sanitation Agencies (CASA) | \$ 10,500 |
| California Special Districts Association (CSDA) | \$ 1,925 |
| East Bay Leadership Council (EBLC) | \$ 2,500 |
| National Association of Clean Water Agencies (NACWA) | \$ 11,580 |
| Other | \$ 490 |
| Professional Engineering License | \$ 200 |
| San Francisco Bay Area Planning and Urban Research Association (SPUR) | \$ 100 |
| Water Environment Federation (WEF)/ California Water Environment Association (CWEA) | \$ 840 |
| Total | \$ 33,385 |

Water Research Foundation (WRF)

EBDA also subscribes to the Water Research Foundation on behalf of its member agencies. [WRF](#) conducts important research on behalf of the water sector, and EBDA members are invited to participate as project partners, serve on project and technical advisory committees, and provide input to project prioritization. EBDA’s WRF subscription is approximately \$31k.

Bay Area Clean Water Agencies (BACWA)

In addition to the memberships listed above, EBDA belongs to the Bay Area Clean Water Agencies, a joint powers authority made up of the five largest dischargers of wastewater to San Francisco Bay, and which represents all Bay Area wastewater agencies. BACWA serves a unique role in the region in that they directly fulfill multiple regulatory obligations on behalf of wastewater permittees. EBDA is compelled to contribute to these BACWA regulatory initiatives, including the Nutrient Management Strategy science program described in Item No. RA8, pollution prevention efforts referenced in EBDA’s NPDES Annual Report (see Item No. RA6 and this letter: <https://bacwa.org/document/bacwa-npdes-permit-compliance-letter-for-cy25-2026-01-07/>), and air toxics emissions study required by the California Air Resources Board and Bay Area Air District. If EBDA were to decline to participate financially in BACWA’s compliance efforts, the Authority would be required to conduct its own monitoring, reporting, and other activities under our NPDES permit. Therefore, even though BACWA dues are high, those contributions are more cost-effective than alternative compliance strategies. A summary of projected BACWA costs for FY 2026/2027 is shown in the following table, which is followed by a more detailed description of each line item.

| BACWA Projected Costs | |
|---|-------------------|
| Membership Dues | \$ 122,141 |
| Clean Bay Collaborative | \$ 90,000 |
| Nutrient Surcharge | \$ 277,237 |
| Air Toxics | \$ 84,250 |
| Advanced Quantitative Precipitation Information | \$ 85,000 |
| Total | \$ 658,628 |

- **Dues** fund the on-going activities of the BACWA organization, including the BACWA staff, the ten formal BACWA Committees, plus staff support for the BACWA Managers Roundtable, legal efforts, collaboration and sponsorships of programs beneficial to the wastewater community, all the Board meetings, special meetings, trainings and workshops, and general support for on-going regulatory investigations, reports, comments letters and communications with the BACWA membership. BACWA dues allow BACWA to participate in collaborative projects, communicate the value of wastewater to the public, collaborate with our One Water Partners, conduct biosolids reporting, address down-the-drain pesticides through regulatory advocacy, and conduct regional pollution prevention education efforts. BACWA also provides laboratory compliance training sessions for its members.
- The **Clean Bay Collaborative (CBC)** provides technical expertise and information to the State Water Resources Control Board (State Water Board), San Francisco Bay Regional Water Quality Control Board (Regional Water Board), and Bay Area Air District (BAAD) to address regulatory developments that directly impact our membership. These initiatives include supporting BACWA members as they comply with the 2024 Nutrient Watershed Permit, the Sanitary Sewer System Waste Discharge Requirements (SSS WDR), informing new air regulations to address toxic air pollutants, and responding to climate change, biosolids reuse strategies, and emerging contaminants. Over the past year, CBC fees have funded BACWA’s engagement in issues such as engagement with the BAAD and the California Air Resources Board on air, climate, and energy issues, and mercury and PCB risk reduction education in compliance with the mercury/PCB Watershed Permit.
- **Nutrient Surcharge:** The 3rd Nutrient Watershed Permit was adopted in July 2024 and includes all POTWs in the Bay Area except those that are ocean dischargers and upper Napa River dischargers. The Watershed Permit imposes total inorganic nitrogen limitations for the first time. The Water Board prefers a regional approach through BACWA to meet the reporting requirements of the Watershed Permit, and BACWA’s assessment concluded that a regional approach was the most cost-effective way for individual POTWs to meet all the Watershed Permit reporting requirements, as described below.

 - All wastewater agencies to conduct monitoring for nutrients and annual comprehensive reporting of the findings and trend analysis of the monitoring

- results at the subembayment level. BACWA submits a Group Annual Report in compliance.
- BACWA has begun work to fulfill regional planning requirements in the 2024 Nutrient Watershed Permit and commissioned a feasibility assessment for water quality trading.
 - The wastewater community in the Bay Area contributes \$2,200,000 per year for each year of the 5-year permit term. BACWA provides an annual payment to SFEI to support the science.

ITEM NO. FM10 MOTION ADOPTING REVISIONS TO THE AUTHORITY'S INTERNAL CONTROLS AND FRAUD PREVENTION POLICY

Recommendation

Adopt the Authority's revised 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.
 - 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. 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 indicating that concerns about the General Manager's conduct will be handled by the General Counsel. The revisions were reviewed by the Committee last month and recommended for Commission adoption.

POLICY NUMBER: 1.5

NAME OF POLICY: Finance – Internal Controls and Fraud Prevention

ADOPTED: March 19, 2026

LAST REVIEWED: March 19, 2026

LAST REVISED: March 19, 2026

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 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 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.