EBDA
East Bay Dischargers Authority

2651 Grant Avenue
San Lorenzo, CA 94580
www.ebda.org
(510) 278-5910

ITEM NO. 11

FINANCIAL MANAGEMENT COMMITTEE AGENDA

Friday, July 10, 2026 at 9:00 AM

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

Committee Members: Boldt (Chair); Johnson

FM1. Call to Order

FM2. Roll Call

FM3. Public Forum

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

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

FM6. Resolution Approving the Authority's Investment Policy and Investment Strategy
(The Committee will consider the resolution.)

FM7. Authorize the General Manager to Execute a Memorandum of Understanding with Agromin Corporation Regarding Jess Ranch Due Diligence
(The Committee will consider the item.)

FM8. Adjournment

Any member of the public may address the Committee at the commencement of the meeting on any matter within the jurisdiction of the Committee. This should not relate to any item on the agenda. Each person addressing the Committee should limit their presentation to three minutes. Non-English speakers using a translator will have a time limit of six minutes. Any member of the public desiring to provide comments to the Committee on any agenda item should do so at the time the item is considered. Oral comments should be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available and are to be completed prior to speaking.

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 **September 16, 2026 at 10:00 am**

ITEM NO. FM4 DISBURSEMENTS FOR JUNE 2026

Disbursements for the month of June totaled $475,925.

Reviewed and Approved by:

Dylan Boldt, Chair Date
Financial Management Committee

Jacqueline T. Zipkin Date
Treasurer

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
10458	06/30/2026	3026071	REGIONAL MONITORING PROGRAM C/O SFEI	PARTICIPANT FEE - 2026 BUDGET	72,171.25	72,171.25
10434	06/15/2026	7287	ORO LOMA SANITARY DISTRICT	OLEPS O&M, ADMIN BUILDING, SKYWEST - APR	27,108.41	52,363.19
10434	06/15/2026	7296	ORO LOMA SANITARY DISTRICT	OLEPS O&M, ADMIN BUILDING, SKYWEST - MAY	25,254.78	
10440	06/30/2026	41803	ANCHOR QEA, INC	FIRST MILE PROJECT	45,856.32	45,856.32
10431	06/15/2026	404775	CITY OF SAN LEANDRO	MDF O&M, EFFLUENT MONITORING, FM MAINTENANCE - APR	35,970.10	35,970.10
10456	06/30/2026	70295R.01	REDWOOD PAINTING CO	HEPS PAINTING PROJECT	17,500.00	17,500.00
10436	06/15/2026	20620	REDWOOD PUBLIC LAW, LLP	LEGAL SERVICES - THRU MAY 31, 2026 (JESS RANCH)	7,560.00	9,823.00
10436	06/15/2026	20619	REDWOOD PUBLIC LAW, LLP	LEGAL SERVICES - THRU MAY 31, 2026	2,263.00	
10452	06/30/2026	21413	PACIFIC ECORISK	NPDES TOXICITY TESTING	6,506.00	6,506.00
10432	06/15/2026	EA08-0426	EOA, INC	CONSULTING SERVICES FOR NPDES PERMIT REISSUANCE	5,230.50	5,230.50
10459	06/30/2026	783693	SOUTHERN COUNTIES LUBRICANTS LLC	OLEPS DIESEL FUEL	4,235.18	4,235.18
10437	06/15/2026	21194	REGIONAL GOVERNMENT SERVICES	MANAGEMENT AND ADMINISTRATIVE SERVICES	3,899.50	3,899.50
10457	06/30/2026	21361	REGIONAL GOVERNMENT SERVICES	MANAGEMENT AND ADMINISTRATIVE SERVICES	3,748.90	3,748.90
10453	06/30/2026	1003	PACIFIC WASTEWATER OPTIMIZATION	ENGINEERING SERVICES	3,200.00	3,200.00
10445	06/30/2026	INV5000860	CRANE TECH INC	OLEPS 15-TON BRIDGE CRANE SERVICE CALL	3,024.19	3,024.19
10438	06/15/2026	4246-0445-5568-7627	U.S. BANK	PURCHASING CARD EXPENSES	2,890.44	2,890.44
10444	06/30/2026	52205712	CITY OF HAYWARD	EMPLOYEE BENEFIT PROGRAMS - JUNE	1,841.74	1,841.74
10447	06/30/2026	09	GREENBELT ALLIANCE	HASPA COMMUNITY OUTREACH	1,770.52	1,770.52
10446	06/30/2026	9955481834	GRAINGER, INC	MDF SUMP PUMP CHECK VALVES	1,399.57	1,399.57
10455	06/30/2026	253729	R-COMPUTER	MDF UPSs	1,342.85	1,342.85
10439	06/15/2026	S2299028.001	WILLE ELECTRIC SUPPLY CO, INC	MDF & OLEPS 4-FOOT LED LIGHT BULBS	801.55	1,335.92
10439	06/15/2026	S2300950.001	WILLE ELECTRIC SUPPLY CO, INC	MDF & OLEPS 4-FOOT LED LIGHT BULBS	534.37	
10433	06/15/2026	232307	MEYERS NAVE	LEGAL SERVICES - BRINE PROJECT	1,020.00	1,315.00
10433	06/15/2026	56200B42409	MEYERS NAVE	LEGAL SERVICES - BRINE PROJECT	295.00	
10442	06/30/2026	741022	CALTEST ANALYTICAL LABORATORY	LAB TESTING SERVICES	1,155.36	1,155.36
10449	06/30/2026	36000	INTEC SOLUTIONS INC	OLEPS VFD PMS	1,020.00	1,020.00
10430	06/15/2026	61895	CALCON	HEPS - SECURITY CAMERAS SERVICE CALL & NEW HARD DRIVE	965.33	965.33
10443	06/30/2026	8484	CAYUGA INFORMATION SYSTEMS	IT SERVICES - APR	472.50	577.50
10443	06/30/2026	8485	CAYUGA INFORMATION SYSTEMS	IT SERVICES - MAY	105.00	
10435	06/15/2026	53150	R-COMPUTER	COMPUTER SOFTWARE SUPPORT	540.00	540.00
10441	06/30/2026	0626-27	BEECHER ENGINEERING, INC	WO2 OLEPS ATS DESIGN	265.00	265.00
10451	06/30/2026	12685	MBC CUSTODIAL SERVICES INC	JANITORIAL SERVICES - JUNE	208.00	208.00
10454	06/30/2026	3107896883	PITNEY BOWES INC	DIGITAL MAILING SYSTEM QUARTERLY LEASE CHARGE	150.55	150.55

Check #	Payment Date	Invoice #	Vendor Name	Description	Invoice Amount	Disbursement Amount
10448	06/30/2026	77007	H.T. HARVEY	BIOSOLIDS SUITABILITY ASSESSMENT	70.00	70.00
10450	06/30/2026	May-26	JACQUELINE ZIPKIN	REIMBURSABLE EXPENSES	69.17	69.17
				TOTAL CHECKS	**280,445.08**	**280,445.08**
				ELECTRONIC PAYMENTS		
	06/02/2026	5105948980-0	PG&E	GAS & ELECTRIC SERVICE - APR	45,618.11	45,618.11
	06/23/2026	5105948980-0	PG&E	GAS & ELECTRIC SERVICE - MAY	37,552.29	37,552.29
	06/29/2026	--	ADP, LLC	PAYROLL PERIOD: 6/16-30/2026	40,535.05	40,535.05
	06/12/2026	--	ADP, LLC	PAYROLL PERIOD: 6/01-15/2026	26,183.09	26,183.09
	06/29/2026	100000018339367	CALPERS	CERBT FUND CONTRIBUTION FY 2025-2026	18,264.00	18,264.00
	06/11/2026	100000018303134	CALPERS	HEALTH PREMIUMS - JUN	8,595.82	8,595.82
	06/03/2026	100000018272406	CALPERS	PENSION CONTRIBUTION, CLASSIC 5/16 - 31/2026	6,032.62	6,032.62
	06/16/2026	100000018298958	CALPERS	PENSION CONTRIBUTION, CLASSIC 6/01 - 15/2026	6,032.62	6,032.62
	06/03/2026	6051161	MISSION SQUARE	DEFERRED COMPENSATION CONTRIBUTION 5/31/2026	2,171.11	2,171.11
	06/17/2026	6973636	MISSION SQUARE	DEFERRED COMPENSATION CONTRIBUTION 6/15/2026	2,171.11	2,171.11
	06/10/2026	1003631776	STATE COMPENSATION INSURANCE FUND	WORKERS COMPENSATION PREMIUM - JUN	951.35	951.35
	06/23/2026	CD_001457013	RINGCENTRAL INC	ADMIN OFFICE DIGITAL PHONE SERVICE - MAY	208.77	208.77
	06/16/2026	100000018298996	CALPERS	PENSION CONTRIBUTION, PEPRA 6/01 - 15/2026	197.82	197.82
	06/03/2026	100000018272446	CALPERS	PENSION CONTRIBUTION, PEPRA 5/16 - 31/2026	197.82	197.82
	06/24/2026	60781	COMPUTER COURAGE	WEBSITE HOSTING - JUN	150.00	150.00
	06/17/2026	84330	FOR2FI	MDF TELEPHONE SERVICE - JUN	139.17	139.17
	06/05/2026	--	ADP, LLC	PAYROLL FEES, 5/16-31/2026	112.85	112.85
	06/03/2026	2606036275	INTERMEDIA.NET INC	EMAIL EXCHANGE HOSTING	109.81	109.81
	06/30/2026	--	FREMONT BANK	SERVICE CHARGE	108.10	108.10
	06/22/2026	--	ADP, LLC	PAYROLL FEES, 6/01-15/2026	97.45	97.45
	06/22/2026	6144988753	VERIZON WIRELESS	WIRELESS PHONE SERVICE - MAY	50.46	50.46
				TOTAL ELECTRONIC PAYMENTS	**195,479.42**	**195,479.42**
				TOTAL DISBURSEMENTS	**475,924.50**	**475,924.50**

ITEM NO. FM5 PRELIMINARY TREASURER'S REPORTS FOR JUNE 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 3.82%, while the current 7-day yield for California Asset Management Program (CAMP) is 3.79%. The liquidity of both CAMP and LAIF allows for easy transfers to the checking account to meet the daily cash flow needs.

As of June 30, 2026, the Authority's total cash balance is $4,244,224. In June, the General Manager / Treasurer closed the Authority's checking account at Wells Fargo Bank, and the remaining funds were transferred to the Local Agency Investment Fund (LAIF) account. 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

PRELIMINARY TREASURER'S REPORT

For the Period Ending June 30, 2026

FUND	FUND DESCRIPTION	BEGINNING CASH BALANCE	DEBITS (INCREASE)	CREDITS (DECREASE)	ENDING CASH BALANCE
12	OPERATIONS & MAINTENANCE	$ 1,765,374	$ -	$ 307,755	$ 1,457,619
13	PLANNING & SPECIAL STUDIES	$ 319,377	$ -	$ 125,099	$ 194,279
14	RECLAMATION O & M (SKYWEST)	$ 58,826	$ -	$ 4,611	$ 54,215
15	BRINE ACCEPTANCE	$ 195,825	$ 12,698	$ 1,315	$ 207,208
31	RENEWAL & REPLACEMENT	$ 2,349,976	$ 18,072	$ 37,145	$ 2,330,903
	TOTALS	$ 4,689,378	$ 30,770	$ 475,925	4,244,224
	Ending Balance per STR				$ 4,244,224

SUPPLEMENTAL TREASURER'S REPORT

DATE	DESCRIPTION	RECEIPT	DISBURSEMENT	CAMP	LAIF	WELLS FARGO	ACCOUNT BALANCE FREMONT	ACCOUNT BALANCE CAMP	ACCOUNT BALANCE LAIF	ACCOUNT BALANCE WELLS FARGO	TOTAL CASH
05/31/26	BALANCE						354,484.38	2,697,727.49	1,537,673.05	99,493.15	4,689,378.07
06/01/26	DIVIDENDS	8,606.77		8,606.77			354,484.38	2,706,334.26	1,537,673.05	99,493.15	4,697,984.84
06/02/26	ELECTRONIC BILL PAY		45,618.11				308,866.27	2,706,334.26	1,537,673.05	99,493.15	4,652,366.73
06/03/26	ELECTRONIC BILL PAY		109.81				308,756.46	2,706,334.26	1,537,673.05	99,493.15	4,652,256.92
06/03/26	ELECTRONIC BILL PAY		6,032.62				302,723.84	2,706,334.26	1,537,673.05	99,493.15	4,646,224.30
06/03/26	ELECTRONIC BILL PAY		197.82				302,526.02	2,706,334.26	1,537,673.05	99,493.15	4,646,026.48
06/03/26	ELECTRONIC BILL PAY		2,171.11				300,354.91	2,706,334.26	1,537,673.05	99,493.15	4,643,855.37
06/04/26	FUND TRANSFER				99,493.15	(99,493.15)	300,354.91	2,706,334.26	1,637,166.20	0.00	4,643,855.37
06/05/26	PAYROLL FEES		112.85				300,242.06	2,706,334.26	1,637,166.20	0.00	4,643,742.52
06/10/26	ELECTRONIC BILL PAY		951.35				299,290.71	2,706,334.26	1,637,166.20	0.00	4,642,791.17
06/11/26	ELECTRONIC BILL PAY		8,595.82				290,694.89	2,706,334.26	1,637,166.20	0.00	4,634,195.35
06/12/26	PAYROLL		19,487.55				271,207.34	2,706,334.26	1,637,166.20	0.00	4,614,707.80
06/12/26	PAYROLL TAX		6,695.54				264,511.80	2,706,334.26	1,637,166.20	0.00	4,608,012.26
06/15/26	CHECK DISBURSEMENT		114,332.98				150,178.82	2,706,334.26	1,637,166.20	0.00	4,493,679.28
06/16/26	ELECTRONIC BILL PAY		197.82				149,981.00	2,706,334.26	1,637,166.20	0.00	4,493,481.46
06/16/26	ELECTRONIC BILL PAY		6,032.62				143,948.38	2,706,334.26	1,637,166.20	0.00	4,487,448.84
06/17/26	ELECTRONIC BILL PAY		139.17				143,809.21	2,706,334.26	1,637,166.20	0.00	4,487,309.67
06/17/26	ELECTRONIC BILL PAY		2,171.11				141,638.10	2,706,334.26	1,637,166.20	0.00	4,485,138.56
06/22/26	DEPOSIT - CARGILL	12,698.05					154,336.15	2,706,334.26	1,637,166.20	0.00	4,497,836.61
06/22/26	ELECTRONIC BILL PAY		50.46				154,285.69	2,706,334.26	1,637,166.20	0.00	4,497,786.15
06/22/26	ELECTRONIC BILL PAY		97.45				154,188.24	2,706,334.26	1,637,166.20	0.00	4,497,688.70
06/23/26	ELECTRONIC BILL PAY		208.77				153,979.47	2,706,334.26	1,637,166.20	0.00	4,497,479.93
06/23/26	ELECTRONIC BILL PAY		37,552.29				116,427.18	2,706,334.26	1,637,166.20	0.00	4,459,927.64
06/24/26	ELECTRONIC BILL PAY		150.00				116,277.18	2,706,334.26	1,637,166.20	0.00	4,459,777.64
06/29/26	FUND TRANSFER			(500,000.00)			616,277.18	2,206,334.26	1,637,166.20	0.00	4,459,777.64
06/29/26	PAYROLL		31,069.67				585,207.51	2,206,334.26	1,637,166.20	0.00	4,428,707.97
06/29/26	PAYROLL TAX		9,465.38				575,742.13	2,206,334.26	1,637,166.20	0.00	4,419,242.59
06/29/26	ELECTRONIC BILL PAY		18,264.00				557,478.13	2,206,334.26	1,637,166.20	0.00	4,400,978.59
06/30/26	RETURNED ITEM	9,465.38					566,943.51	2,206,334.26	1,637,166.20	0.00	4,410,443.97
06/30/26	CHECK DISBURSEMENT		166,112.10				400,831.41	2,206,334.26	1,637,166.20	0.00	4,244,331.87
06/30/26	BANK SERVICE CHARGE		108.10				400,723.31	2,206,334.26	1,637,166.20	0.00	4,244,223.77
	TRANSACTION TOTALS	30,770.20	475,924.50	(491,393.23)	99,493.15	(99,493.15)					
	ACCOUNT BALANCE						400,723.31 ①	2,206,334.26 ②	1,637,166.20 ③	0.00 ④	4,244,223.77

Reconciliation - 6/30/2026

① Fremont Bank Statement	$ 566,835.41
Less: Outstanding Checks	166,112.10
	$ 400,723.31
② CAMP Statement	$ 2,214,611.16
Less: Accrual Income Dividend	8,276.90
	$ 2,206,334.26
③ LAIF Statement	$ 1,637,166.20
④ Wells Fargo Bank Statement	0.00

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 RESOLUTION APPROVING THE AUTHORITY'S INVESTMENT POLICY AND INVESTMENT STRATEGY

Recommendation
Approve the Authority's existing Investment Policy.

Background
The Authority engaged PFM Asset Management (PFM) in late 2018 to assist in the development of an Authority Investment Policy, in compliance with applicable law regarding public agency investments in California. The Policy was originally approved by the Commission in 2019 and has been updated as necessary to stay compliant with State law. The most recent revisions and reapproval occurred in September 2025. The consensus recommendation of the California Debt and Investment Advisory Commission (CDIAC) is to review the Investment Policy on an annual basis.

The Policy provides for a broad range of potential investments that the Authority may legally undertake. However, given the Authority's cashflow needs, staff resources, and the magnitude of funds to be invested, a narrower range of investment vehicles is appropriate. This narrower, more practical approach is reflected in the Authority's Investment Strategy. The Investment Strategy was originally adopted in March 2019 and most recently reviewed in September 2025.

Discussion
Staff has reviewed the Authority's Investment Policy and is recommending that it be re-adopted with no changes. There have been no legal changes or requirements enacted that would require revisions. The Policy is attached for the Committee's consideration.

Staff has also reviewed the attached Investment Strategy and similarly recommends no changes. Staff continues to conclude that the administrative burden of investing EBDA's liquid funds in diversified and/or more volatile financial instruments significantly outweigh the benefits and potential gains. The Authority's strategy of investing its idle long-term funds in California's Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP), both pooled investments by public agencies, or certificates of deposit (CDs), represent relatively low-risk, low-administration investments.

EBDA had a series of laddered CDs through Wells Fargo Advisors that have been moved to the Authority's cash accounts as they have matured. The last CD matured in 2021. The Authority has not reinvested in CDs because interest rates have been low. Therefore, all of EBDA's long-term funds are currently invested in LAIF and CAMP.

Over the past several years, CAMP has significantly out-performed LAIF. However more recently, the CAMP yield has dropped, making them more comparable. CAMP's current seven-day yield is 3.79%, whereas LAIF's average monthly yield is 3.82%. Both LAIF and CAMP are fully liquid and therefore funds can easily be moved in and out of each pool as interest rates change.

POLICY NUMBER: 1.1

NAME OF POLICY: Finance - Investments

ADOPTED: **July 16, 2026**

LAST REVIEWED: **July 16, 2026**

LAST REVISED: **December 16, 2021**

PURPOSE: All financial assets, including those reflected in special revenue funds, capital project funds, internal service funds and other funds that may be created from time to time, shall be administered in accordance with the provisions of this Policy and are accounted for in the Annual Financial Report. This Investment Policy is used to guide Authority staff in investment decisions and transactions.

POLICY: It is the policy of East Bay Dischargers Authority (Authority) to invest public funds in a manner which prioritizes security over investment return, while meeting the daily cash flow demands of the Authority, and conforming to California Government Code Sections 53601 through 53686 and other statutes governing the investment of public funds.

DETAILED DISCUSSION:

A. OBJECTIVES:

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the East Bay Dischargers Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the East Bay Dischargers Authority to meet all operating requirements which might be reasonably anticipated.

3. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. (CGC 53600.5)

B. STANDARD OF CARE:

- **Prudence:** All investments shall be made within the policy framework of liquidity, safety, and investment return, with the judgment and care a person of prudence and intelligence would, under the circumstances then prevailing, exercise in the management of his/her affairs.

- **Ethics and Conflict of Interest:** The Authority officers and employees involved in the investment process or in a position to influence investment decisions shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers and employees involved in the investment process shall abide by CGC Section 109, et seq. and the California Political Reform Act.

- **Delegation of Authority:** The authority to manage investment programs is granted to the Investment Committee, which is comprised of the two members of the Financial Management Committee appointed by the Commission, and the General Manager/Treasurer. The responsibility for the operation and day-to-day maintenance of the investment program is delegated to the Authority's General Manager/Treasurer. The General Manager/Treasurer shall file with the Authority an official bond. The Authority shall pay the cost of said bonds.

C. PROCEDURES:

The General Manager/Treasurer shall establish written procedures and a system of internal controls for the operation of the investment program consistent with this investment policy to be incorporated into the Authority's Financial Management System Policy and Procedures Manual. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements, and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Financial Management Committee.

The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The General Manager/Treasurer is a trustee and a fiduciary subject to the prudent investor standard. (CGC 53600.3)

D. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS:

The General Manager/Treasurer will select financial institutions that are authorized to provide banking and investment services. The authorized financial institutions shall be selected on the basis of credit worthiness, financial strength, and experience. In addition, a list will also be maintained of approved security broker/dealers who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the General Manager/Treasurer shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations and familiar with the Government Code restrictions on public agency investments and have a substantial experience with other public agency investments.

Before engaging in investment transactions with a broker/dealer, the General Manager/Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Authority's account with that firm has reviewed the Authority's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Authority that are appropriate under the terms and conditions of the Investment Policy.

E. AUTHORIZED AND SUITABLE INVESTMENTS:

- The allowable investment instruments applicable to all local agencies, including the East Bay Dischargers Authority, are shown in the documents listed below and included by reference in this investment policy. California Government Code Section 5920-5924
- California Government Code Section 16429.1-16429.4
- California Government Code Section 53500-53505
- California Government Code Section 53600-53609
- California Government Code Section 53630-53686

See CGC 53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. A table summarizing allowable investments is included as Figure 1 in the California Debt and Investment Advisory Commission's Local Agency Investment Guidelines, available at the following website: https://www.treasurer.ca.gov/cdiac/laig/guideline.pdf. The Guidelines and table are updated periodically to reflect changes in law. The most recent version at the time of Policy adoption is attached here for reference.

F. PROHIBITED INVESTMENTS:

Under the provisions of CGC 53601.6 and 53631.5, the Authority shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

G. COLLATERALIZATION:

All certificates of deposits and repurchase agreements must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party and valued on a monthly basis. The percentage of collateralization on Repurchase Agreements will adhere to the amount required under CGC 53601(i)(2).

H. DIVERSIFICATIONS:

It is the policy of the Authority to diversify its investment portfolio. With the exception of funds invested in LAIF, United State Treasury Bills, notes, and bonds, the Authority will diversify its investments by security type and, within each type, by institution. Invested assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification shall be determined and revised periodically by the General Manager/Treasurer in consultation with the Financial Management Committee. In establishing specific diversification strategies, the following guidelines shall apply:

1) Portfolio maturities shall be matched against projected liabilities to avoid an over-concentration in a specific series of maturities.

2) Maturities selected shall provide for stability and liquidity.

3) Disbursement needs including payroll dates shall be anticipated by the scheduled maturity of specific investments, marketable U.S. Treasury Bills or Notes or other cash equivalent instruments, such as money market mutual funds.

I. PERFORMANCE STANDARDS:

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the Authority. The Authority shall establish a performance benchmark. Benchmarks may change over time based on changes in market conditions, investment preferences, or cash flow requirements. The Authority shall establish performance benchmarks that acknowledge the possibility of unanticipated changes in financial markets.

J. INTERNAL CONTROLS:

The Authority shall establish a set of internal controls which shall be documented in writing. The internal controls will be reviewed by the Authority and with the independent auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, or imprudent actions by officers or employees of the Authority.

K. SAFEKEEPING & CUSTODY:

All security transactions entered into by the Authority shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Authority by book entry, physical delivery, or by third party custodial agreement. (CGC 53601). The General Manager/Treasurer shall deposit securities in which the Authority holds funds in a safe deposit box in the name of East Bay Dischargers Authority.

L. REPORTING:

The General Manager/Treasurer shall submit to the Commission a monthly report. The report shall include a complete description of the portfolio, the type of investment, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed by third party contractors. The report will also include the source of the portfolio valuation. In the case of funds invested in the State of California's Local Agency Investment Fund (LAIF), FDIC Insured accounts, or investment pools such as California Asset Management Program (CAMP), current statements from those institutions will satisfy the above reporting requirement. The report will also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Authority will meet its expenditure obligations for the next six months. [CGC 53646(b)]. The General Manager/Treasurer shall maintain a complete and timely record of all investment transactions.

M. INVESTMENT POLICY ADOPTION:

The Investment Policy shall be adopted by the Commission of the East Bay Dischargers Authority. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Commission.

GLOSSARY:

ASK PRICE: The price at which a seller offers to sell a security to a buyer.

ASSET-BACKED SECURITIES: Bonds created from various types of consumer debt.

Returns on these securities come from customer payments on their outstanding loans. The primary types of asset-backed securities are mortgages, home equity loans, auto loans, leases, credit card receivables and student loans.

BANKERS' ACCEPTANCE: A letter of credit issued in a foreign trade transaction which allows exporters to receive payment prior to importation of their goods. Banks provide short-term financing to facilitate the transaction and may sell the obligation to a third party. Bankers' Acceptances are secured by the issuer of the bill, while the underlying goods also serve as collateral.

BANK DEPOSITS: Collateral in the form of currency that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID PRICE: The price at which a buyer offers to purchase a security from the seller.

BOND: A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate called a coupon payment. Bonds are used by companies, municipalities, states and the U.S. government to finance a variety of projects and operating activities.

BROKER: A broker aligns buyers and sellers of securities and receives a commission when a sale occurs. Brokers generally do not hold inventory or make a market for securities.

CALIFORNIA LOCAL AGENCY OBLIGATIONS: Bonds that are issued by a California county, Authority, Authority and county, including a chartered Authority or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

CD (CERTIFICATE OF DEPOSIT): Time deposits issued by a bank, savings or federal credit union, or state-licensed branch of a foreign bank. Negotiable Certificates of Deposits rely on the credit rating of the issuing entity.

COLLATERAL: Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZATION: Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

COMMERCIAL PAPER: Short-term unsecured promissory note issued by a company or financial institution. Commercial paper is issued at a discount and matures at face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more nationally recognized statistical rating organizations (NRSROs).

COUNTY POOLED INVESTMENT FUNDS: The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder, expressed as a percentage of the bond's face value.

CREDIT RISK: Credit risk is the likelihood that an issuer will be unable to make scheduled payments of interest or principal on an outstanding obligation.

CUSTODIAN: An agent such as a broker or a bank that stores a customer's investments for safekeeping. The custodian does not have fiduciary responsibilities.

DEALER: A dealer, as opposed to a broker, acts as a principal in security transactions, selling securities from, and buying securities for his/her own position.

DEFAULT: To default is to fail to repay principal or make timely interest payments on a bond or other debt investment security, or failure to fulfill the terms of a note or contract.

DELIVERY VERSUS PAYMENT (DVP): A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: The weighted average time to maturity of a bond where the weights are the present values of future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates.

FIDUCIARY: An individual who holds something in trust for another and bears liability for its safekeeping.

FLOATING RATE INVESTMENTS: Notes whose interest rate is adjusted according to the interest rates of other financial instruments. These instruments provide protection against rising or falling interest rates, but may pay lower yield than fixed rate notes.

FUTURES: Commodities which are sold in the present time and are to be delivered at a future date.

INTEREST ONLY STRIPs: Securities with cash flow based entirely on the monthly interest payments received from a mortgage, Treasury, or bond payment. No principal is included in these types of securities.

INVERSE FLOATING RATE INVESTMENTS: Variable-rate notes (such as inverse floating rate notes) whose coupon and value increase as interest rates decrease.

INVESTMENT PROGRAM: The process of modern portfolio management. The process includes establishing investment policy, analysis of the economic and capital markets environment, portfolio monitoring and rebalancing, and measuring performance.

LIQUIDITY: The ease with which investments can be converted to cash at their present market value. Liquidity is significantly affected by the number of buyers and sellers trading a given security and the number of units of the security available for trading.

LOCAL AGENCY BONDS: These bonds are issued by a county, Authority, Authority and county, including a chartered Authority or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to state and local government entities and certain non-profit organizations in California in which the organization pools their funds for investment. LAIF is managed by the State of California Treasurer's Office.

MARKET RISK: Market risk is the risk that investments will change in value based on changes in general market prices.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract which includes provisions specific to the governmental agency that is signed by an authorized officer with each counterparty. A master agreement will often specify details to the nature of transactions, the relationship of the parties to the agreement, parameters pertaining to the ownership and custody of collateral, and remedies in the event of default by either party.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES (MTN): Unsecured, investment-grade senior debt securities of major corporations that are sold either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MORTGAGE-BACKED SECURITIES: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the real estate assets are used to pay interest and principal on the bonds.

MORTGAGE PASS-THROUGH SECURITIES: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUTUAL FUNDS: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. **Money market mutual funds** invest exclusively in short-term (1-day to 1-year) debt obligations such as Treasury bills, certificates of deposit, and commercial paper. The principal objective is the preservation of capital and generation of current income.

OFFER: The price asked by a seller of securities. See Ask Price and Bid Price.

OPTION: A contract that provides the right or obligation, depending on the buyer or seller's position within the contract, to buy or to sell a specific amount of a specific security within a predetermined time period at a specified price. A call option provides the right to buy the underlying security. A put option provides the right to sell the underlying security. The seller of the contracts is called the writer.

PORTFOLIO: A collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRINCIPAL ONLY STRIPS: Securities with cash flow based entirely on the principal payments received from an obligation.

RANGE NOTES: A range note is a bond that pays interest if a specified interest rate remains above or below a certain level and/or remains within a certain range.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price.

REPURCHASE AGREEMENT (RP, Repo): A contractual transaction between an investor and an issuing financial institution (bank or securities dealer). The investor exchanges cash for temporary ownership or control of collateral securities, with an agreement between the parties that on a future date, the financial institution will repurchase the securities.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held by the bank in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION (SEC): A federal government agency comprised of five commissioners appointed by the President and approved by the Senate. The SEC was established to protect the individual investor from fraud and malpractice in the marketplace. The Commission oversees and regulates the activities of registered investment advisers, stock and bond markets, broker/dealers, and mutual funds.

STATE OBLIGATIONS: Registered treasury notes or bonds of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 United States.

STRIPS: Bonds, usually issued by the U.S. Treasury, whose two components, interest and repayment of principal, are separated and sold individually as zero-coupon bonds. Strips are an acronym for Separate Trading of Registered Interest and Principal of Securities.

SUPRANATIONALS: International financial institutions that are generally established by agreements among nations, with member nations contributing capital and participating in management. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction, and renewable energy around the globe.

TRUSTEE: An individual or organization, which holds or manages and invests assets for the benefit of another. The trustee is legally obliged to make all trust-related decisions with the trustor's interests in mind, and may be liable for damages in the event of not doing so.

U.S. AGENCY OBLIGATIONS: Federal agency or United States government-sponsored enterprise obligations (GSEs), participations, or other instruments. The obligations are issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Issuers include: Fannie Mae, Farmer Mac, Federal Farm Credit Banks, Freddie Mac, Federal Home Loan Banks, Financing Corporation, Tennessee Valley Authority, Resolution Trust Funding Corporation, World Bank, Inter-American Development Bank, and PEFCO.

U.S. TREASURY OBLIGATIONS (TREASURIES): Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

> **Treasury Bills:** All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury Bills (T-bills). The Treasury currently issues 3-month and 6-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth cash flows.
>
> **Treasury Notes:** All securities issued with initial maturities of 2- to 10-years are called Treasury Notes (T-notes), and pay interest semi-annually.
>
> **Treasury Bonds:** All securities issued with initial maturities greater than 10-years are called Treasury Bonds (T-bonds). Like Treasury Notes, they pay interest semi-annually.

WAL: Weighted Average Life: The average life of all the securities that comprise a portfolio, typically expressed in days or years.

YIELD: The income earned on an investment, typically expressed as a percentage of the investment's value. Yield does not include capital gains.

> **Income Yield** is obtained by dividing the current dollar income by the current market price for the security.
>
> **Net Yield** or **Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

ZERO-COUPON BOND: A bond on which interest is not payable until maturity (or earlier redemption), but compounds periodically to accumulate to a stated maturity amount. Zero-coupon bonds are typically issued at a discount and repaid at par upon maturity.

East Bay Dischargers Authority Investment Strategy

Last Updated: September 18, 2025

In the interest of prudent investment of EBDA's funds, and to preserve the primary investment objectives of safety, liquidity and yield, EBDA adopts the following strategy:

- Within the framework of California Government Code Section 53601-53606 detailing allowable investments, EBDA will invest its idle funds in Certificates of Deposits (CDs), the State of California's Local Agency Investment Fund (LAIF), and California Asset Management Program (CAMP).

- Staff may select which of the above financial instruments in which to invest and in what amounts, as long as there is less than a 50 basis point (0.5%) differential between the instruments. If the differential is higher, staff shall direct funds to the instrument with higher returns.

- Individual securities such as CDs will have a maturity of no longer than three (3) years and be FDIC insured.

- The portfolio mix will be adjusted as needed to react to changes in liquidity requirements, market changes, and legal constraints.

This strategy will be evaluated and reviewed at least annually for cost-effectiveness. Guidance on permissible investment instruments, standards of care for invested funds, and the role of staff in the investment program are located in EBDA's Investment Policy.

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

RESOLUTION NO. 26-02

INTRODUCED BY ____________________

RESOLUTION APPROVING THE AUTHORITY'S INVESTMENT POLICY AND INVESTMENT STRATEGY

WHEREAS, the East Bay Dischargers Authority (Authority) is a Joint Powers Agency that has the fiduciary responsibility to manage funds and assets of its member agencies; and

WHEREAS, it is the policy of the Authority to invest public funds in a manner that conforms to California Government Code and other statutes governing the investment of public funds; and

WHEREAS, said Investment Policy shall be reviewed annually and any changes must be approved by the Commission of the East Bay Dischargers Authority (Commission) by resolution; and

WHEREAS, a separate Investment Strategy has been approved for investment of the funds under Authority control; and

WHEREAS, the Policy and Strategy have been reviewed by the Financial Management Committee and recommended for approval by the Commission.

NOW, THEREFORE, BE IT RESOLVED, the Commission of the Authority hereby adopts the Investment Policy and Investment Strategy.

SAN LORENZO, CALIFORNIA, JULY 16, 2026, ADOPTED BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________	**ATTEST:** ______________________________
CHAIR	**GENERAL MANAGER**
EAST BAY DISCHARGERS COMMISSION	**EAST BAY DISCHARGERS AUTHORITY**
	EX OFFICIO SECRETARY

ITEM NO. FM7 AUTHORIZE THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH AGROMIN CORPORATION REGARDING JESS RANCH DUE DILIGENCE

Recommendation
Approve a motion authorizing the General Manager to execute a Memorandum of Understanding with Agromin Corporation to share due diligence costs for the Jess Ranch Biosolids Compost Project.

Strategic Plan Linkage

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
Management of biosolids is a significant center of cost and risk for EBDA agencies and wastewater utilities nationally. In late 2021, in an effort to assess opportunities to jointly manage biosolids costs and risks, *EBDA* issued a *Regional Biosolids Collaboration Primer* to companies interested in potentially co-developing a project. The Primer stated, "[t]o control their own destiny and buffer against future price increases, the EBDA and LAVWMA agencies are interested in collectively developing a biosolids management strategy or facility. The agencies are most interested in low-tech, proven solutions such as land application on farmland owned by the agencies, and/or compost, though other cost-effective technologies will be considered…Since limiting haul distances reduces the greenhouse gas footprint of the management strategy, it is desirable for the project to also maintain or reduce truck miles traveled." In response to the Primer, EBDA and member agency staff met with several companies interested in deploying liquid fertilizer or drying/pyrolysis technologies. Because those technologies were expensive, and no lower-tech, lower cost options were locally available, no project was pursued.

Since that time, market consolidation reducing the number of haulers serving Bay Area agencies, significant quantities of biosolids coming into the market as a result of San Jose's decision to begin dewatering and hauling biosolids offsite, rising fuel costs, restrictions on end uses as part of the state's efforts to divert organics from landfill, and other factors have only served to increase the price and risk associated with EBDA agencies' biosolids management. In March 2026, EBDA was approached by a representative of Connie Jess, the property owner of a site called Jess Ranch, about purchasing the property and entitlements supporting its development as composting facility. A description of the 160-acre property and its status is attached.

Over the past 12 years, a number of companies, including Denali and Synagro, have leased the property with the intention to permit and develop a composting facility. The project was granted a Conditional Use Permit following the certification of an EIR for the project by the Alameda County Board of Supervisors. In addition, the Alameda County

Waste Management Authority (Stopwaste) has amended the County Integrated Waste Management Plan to include the project.

The compost facility would have the capacity to process 100,000 tons per year of biosolids, along with 100,000 tons per year of green waste. The EBDA member agencies plus Livermore (Dublin-San Ramon Services District has dedicated land disposal for biosolids and therefore does not need offsite management) hauled approximately 43,000 tons of biosolids in 2025. Staff believes that demand from other Bay Area wastewater agencies facing the same challenges and desiring closer processing options would easily fill the remaining capacity and potentially subsidize EBDA's expenses.

Recognizing that this project is well-aligned with EBDA's stated goals, EBDA staff, working with the Managers Advisory Committee (MAC), has been in discussions with Jess Ranch representatives as well as Agromin Corporation (Agromin), a compost company that is interested in operating the compost facility, marketing the compost product, and participating in project development.

Discussion

In its Fiscal Year 2026/2027 Budget, EBDA's Commission authorized up to $300,000 for due diligence activities related to determining the feasibility of the Jess Ranch Project. Agromin has a common interest in pursuing due diligence tasks and expressed interest in sharing consultant costs with EBDA. The proposed Memorandum of Understanding outlines a series of tasks for which EBDA would procure and contract consulting support. Agromin would reimburse EBDA for half of the costs incurred. Staff intends to phase the due diligence studies such that key threshold questions about project feasibility, including regulatory and permitting risks, are addressed first. If, based on the outcome of one any study, EBDA determines that the project is not practically or financially feasible, due diligence efforts could be discontinued.

In parallel with the due diligence tasks outlined in the MOU, EBDA will begin considering the following:

- Project Development Strategy: This analysis would evaluate different models for project development including traditional design-bid-build and competitive procurement for operations and maintenance, design-build-operate, and public-private partnership models. The analysis would assess costs and risks, including cost and availability of capital, as well as schedule considerations.

- Governance: Staff is recommending that EBDA be the lead for due diligence and potentially property purchase phase. However, there is likely value in creating a new legal entity (e.g. new joint powers authority) to take on project development and long-term operations of a compost facility. Cost-sharing mechanisms and allocations also need to be assessed. This analysis would assess options and risks associated with different governance approaches and lay out a roadmap for next steps.

Following the due diligence phase, if EBDA or its members elect to move forward with the project, a competitive procurement process would be undertaken to select a private partner with which to execute the preferred project development approach.

MEMORANDUM OF UNDERSTANDING
(Jess Ranch Due Diligence)

This Memorandum of Understanding ("MOU") between East Bay Dischargers Authority, a joint exercise of powers authority ("EBDA"), and Agromin Corporation, a California corporation ("Agromin"), is entered as of ______________ ("Effective Date"). EBDA and Agromin (each, a "Party" and together, the "Parties") hereby agree as follows:

1. The Property and the Project.

a. Agromin and EBDA desire to explore the potential acquisition of certain real property located at the southern terminus of West Grant Line Road in the County of Alameda, as depicted on the Site Map attached hereto as Exhibit "A" and incorporated herein (the "Property").

b. The Property has received certain governmental approvals and land use entitlements for the construction and operation of a composting facility on the Property (the "Project"). Such approvals and entitlements include County of Alameda approval of a conditional use permit and environmental impact report, Alameda County Waste Management Authority determination of conformance with the County Integrated Waste Management Plan, Army Corps of Engineers wetlands approval, US Fish and Wildlife Service incidental take approval, and other discretionary permits and approvals. Additional permits and approvals, including but not limited to permits from the Bay Area Air District (BAAD), Central Valley Regional Water Quality Control Board, and California Department of Resources Recycling and Recovery (CalRecycle) will also be required to be obtained for the Project.

c. The Parties are interested in facilitating the construction and operation of the Project, and its operation as a composting facility that can accept and process biosolids from EBDA's operations. The Parties have not determined the roles and participation of each Party in the acquisition of the Property, the design and construction of the Project, the operation of the Project, and the supply of biosolids to the Project. As the Parties consider these issues, both Parties desire to jointly conduct due diligence activities as needed for each Party to independently analyze the condition of the Property and the feasibility of the Project for the Parties' intended use.

d. This MOU does not constitute a commitment by either Party to enter into or to conduct negotiations towards any agreement to purchase the Property, or to design, construct or operate the Project. As a public agency, EBDA is subject to numerous statutory requirements with respect to such matters, and will need to analyze what transaction structure or structures may lawfully be used in order to comply with such statutory requirements.

2. Due Diligence Activities. Agromin and EBDA agree to jointly conduct due diligence activities with respect to the Property and the Project. EBDA will enter into service agreements with the providers of all due diligence tasks, and will be responsible for administering and supervising such agreements. Pending the outcome of any task, EBDA may elect not to proceed with further due diligence activities. The due diligence tasks may include the following:

a. Air Permitting Feasibility Assessment. EBDA will retain a qualified consultant mutually acceptable to the Parties to review the feasibility of obtaining permits from the Bay Area Air Quality Management District (BAAQMD or BAAD), including performing a preliminary health risk assessment. The assessment will also address required offsets and likely permit terms.

b. Review of Governmental Approvals. EBDA and Agromin will both review the governmental approvals that have been obtained for the Project and the Property, and those approvals that need to be obtained for the construction and operation of the Project for the Parties' intended use on the Property. EBDA will retain a qualified consultant mutually acceptable to the Parties to review the outstanding governmental approvals and advise on feasibility and next steps for obtaining remaining approvals.

c. Preliminary Engineering and Cost Estimate. EBDA will retain a qualified consultant mutually acceptable to the Parties to perform preliminary engineering for the Project, building on the engineering information provided by the Property owner. The goals of the engineering will be to assess Project feasibility and to sufficiently scope the Project such that capital costs can reasonably be estimated.

d. Environmental Assessment. EBDA will obtain a Phase I environmental assessment or peer review of a previous Phase I pertaining to the Property from a qualified environmental consultant mutually acceptable to the Parties. If recommended by the Phase I environmental assessment or peer review, EBDA will obtain other reports or studies with respect to the environmental condition of the Property.

e. Review of Physical Condition of Property. EBDA will obtain information with respect to the physical condition of the Property, including soils, engineering, or similar reports pertaining to the Property which are provided by the owner of the Property. If needed, EBDA will obtain a geotechnical study of the Property from a qualified consultant mutually acceptable to the Parties.

d. Title Report. EBDA will obtain a preliminary title report for the Property from a title insurance company mutually acceptable to the parties.

e. Appraisal. EBDA will obtain a real estate appraisal for the Property from a qualified appraiser mutually acceptable to the Parties.

f. Other. EBDA will obtain such other reports, tests and studies regarding the Property as mutually desired by both Parties.

3. Allocation of Due Diligence Costs. Starting from the Effective Date of this agreement, EBDA and Agromin shall both be responsible for one-half of the costs of all third-party due diligence activities which EBDA obtains pursuant to Section 2 of this MOU. Costs incurred by any party prior to the execution of this agreement are not included in this allocation. EBDA shall send periodic invoices to Agromin for its one-half share of the cost of such due diligence activities, together with copies of contractor and consultant invoices for services to be reimbursed, and Agromin shall pay such amounts to EBDA within thirty (30) days of receipt of such invoices from EBDA. Each Party shall bear its own costs and expenses for its own review of due diligence materials, and any internal staff time in connection with the activities undertaken hereunder.

4. Rights to Due Diligence Materials. EBDA and Agromin shall each receive copies of all reports, test results, and other written materials produced in connection with the due diligence materials obtained hereunder. EBDA and Agromin shall each have all rights to review, use and rely upon the due diligence materials obtained hereunder.

5. Miscellaneous Provisions.

a. This MOU, including any exhibits hereto, may be amended only by mutual written agreement of the Parties.

b. Nothing contained in this MOU shall constitute any form of agency relationship, joint venture or partnership between EBDA and Agromin.

c. Any action by any Party to this MOU shall be brought in the appropriate court of competent jurisdiction within the County of Alameda, State of California, notwithstanding any other provision of law which may provide that such action may be brought in some other location. This MOU shall be construed and enforced in accordance with the laws of the State of California.

d. Each party acknowledges that this MOU sets forth all covenants, promises, conditions and understanding between the Parties regarding the matters set forth herein, and there are no promises, conditions, or understandings, either oral or in writing, between the parties other than as set forth herein. No subsequent alteration, amendment, change or addition to this MOU shall be binding upon the Parties unless reduced to writing and signed by them.

e. No waiver by a Party of any provision of this MOU shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision, including the time for performance of any such provision.

f. This MOU constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, and agreements whether oral or written. Both Parties have had an equal opportunity to participate in the drafting of this MOU. The usual construction of an agreement as to the drafting party shall not apply to this MOU.

The Parties have executed this Memorandum of Understanding effective as of the date set forth above.

EAST BAY DISCHARGERS AUTHORITY,
a joint exercise of powers authority

By: ______________________________
Jacqueline Zipkin, General Manager

AGROMIN CORPORATION,
a California corporation

By: ______________________________

Its: ____________________________

EXHIBIT A

SITE MAP

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