

GREEN PARTY OF ALAMEDA COUNTY  
2014 ENDORSEMENT DECISION

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1. We are now in the midst of one of the worst droughts in California's recorded history, with many reservoirs at very low levels. East Bay MUD's reservoirs haven't been hit as hard, partly because EBMUD is using water from the Sacramento River under its federal water contract. Nevertheless, EBMUD has taken little action to reduce its customers' water use, and has devoted no resources to enforcing the few mandatory regulations it has finally adopted.

a. Do you feel that EBMUD has been doing enough to address the serious drought California is experiencing? If so, why? If not, what else should EBMUD have already done?

I believe that EBMUD should have asked its customers to do more than a 10% voluntary cut back. We are all in this together, and I would support a mandatory cut back of 10-20% for any household using more than 55 gpcd (need to figure out how this would be implemented—there are examples out there).

The Freeport supply that was used cost the district approximately \$500 per acre foot or \$8 million (not including the amortized cost of the facilities). I would have preferred to at least see an analysis of how much conservation (including assisting gray water use, etc..) could have been hardwired (eg permanent demand reduction) for that amount of money. Had EBMUD not put a call on these water rights, others in more desperate need could have purchased this water. Also the 16,000 Acre feet acquired coincidentally is about as much water as is lost through leaking pipes each year.

I would also dramatically increase our outreach to schools, community organizations, churches, HOAs and businesses to do water and drought education.

Unfortunately, because of the way utility budgets are structured, EBMUD takes a hit whenever drought happens because its based on selling water. I'd like us to take a look at a budget that is based on using less water and charging a lot more to those who use more than their fair share. And when drought comes charging those big users even more while charging those who have hardened their demand to permanent conservation status don't get penalized.

b. In past major droughts (e.g., 1990-1992), EBMUD adopted a drought rate structure with significantly higher rates for those who continued to use large quantities of water, to send a "price signal" promoting water conservation. Would you support instituting a drought rate structure now? Please explain. If the drought continues through next spring, would you support instituting or toughening a drought rate structure? What other drought measures would you support instead or in addition? How would you proposed to address any loss of revenue due to decreased customer water use?

YES, I would support instituting drought rates, though we need to do it in a way that doesn't penalize those who are basically using water at a conservation level already (see above). We also need to advocate for easing the restrictions on gray water and composting toilets in state and local building codes. We need a wholesale look at what we are charging for water overall so that droughts don't throw the agency in to a conflicted status that makes it more difficult to provide service. I'm not sure what the answer is but I would have us engage the best minds to consider how to develop an equitable rate structure that recognizes drought as a more likely future than surplus.

c. Currently, the District's drought planning places a 15% limit on drought rationing for planning purposes. Do you feel this is the appropriate limit? If so, why? If not, what do you think the limit should be and why?

The limit should slide from zero for households that are already using the bare minimum up to perhaps 30 or even higher drought surcharges for those who are using far more than necessary with some exceptions/credits for those who can demonstrate economic necessity and implementation of best practice for water use efficiency.

2. As noted, EBMUD now has a supplemental supply for drought periods from the Sacramento River. In addition, EBMUD is looking at several other possible supplemental supply sources, including buying into an expanded Los Vaqueros Reservoir, pursuing conjunctive groundwater use in the Central Valley, purchasing supplemental emergency supplies from other water districts, or joining in a regional desalinization project for the Bay Area. Other options for addressing potential future water supply deficiencies include increasing customer conservation efforts, increasing water recycling for irrigation, and looking at water recycling for human consumption. Please rank these various options based on what you feel is the priority for pursuing them, and indicate which, if any, you do not feel the District should pursue. Please explain briefly the reasons for your choices.

I would start with this as a true cost exercise applying costs to environmental benefit and damage as well. Then apply the principle—Make every drop count. This is my guess as to how that exercise would pan out.

Conservation—build in WUE requirements for new construction including graywater, stormwater capture. Increase education and incentives for permanent demand reductions. Graywater domestic required for new construction, and provide incentives for retrofit

Ease Permitting for composting toilets

Stormwater capture and groundwater recharge for localized use. Investigating stormwater treatment and distribution. Australia reports stormwater treatment to potable use at half the cost of desal.

Accelerate the replacement of aging infrastructure at the current pace of replacement it will be 2434 before the current system is fully replaced and many pipes are already 60-100 years old. Proposals under consideration would accelerate that to 120 years from now, 2114.

Today, nearly 10% of water is lost before it reaches the tap (the same amount we acquired from Freeport). We should be on a 60 year schedule. Plumbing for purple pipe/double trench should be done at the same time where feasible.

Water recycling and use of reclaimed water for irrigation, toilet flushing, growing crops in buffer lands (see Contra costa central san/CoCo sustainable farm)

Bayside Groundwater conjunctive use/other ground water projects (consistent with sustainable use aka Pavley bill)

Interties with other agencies....this is more of a reliability issue especially in the event of earthquake. So as such doesn't belong on this list.

Tap into Los Vaqueros. I am not prepared to support a further expansion of LV at this time. Using LV as a source would significantly diminish our water quality. I do support an intertie for reliability.

Recycled water to drinking water—I have no problems with this if it pencils out as cost effective. But since only 20% of water use is for potable purposes, it seems that treating for non potable reuse is a better bang for the buck.

Bay Desal. I am not convinced this meets a true cost test (energy, environmental etc..). Of the dozen or so desal plants built in Australia only 2 are still operating the rest have been mothballed because demand reduction and other measures were far less expensive. The environmental consequences associated with desal are much less well understood, and potentially quite serious.

3. Currently, EBMUD has an "inclined block" rate structure that charges customers who use more water somewhat higher rates. Do you support continuing that structure? Would you favor any of the following:

- Emphasizing the inclined rate structure in customer bill inserts to point out that customers can save money by using less water; YES

- Adding a fourth "water hog" tier for very high water use, with a considerably higher per gallon charge; YES
- Providing for a greater price differential between the blocks, so that the price incentive for conservation is increased? YES
- Adding a very low "water miser" rate for very low water use; YES
- Indexing the rate structure based on the need to conserve (i.e., higher rates and bigger rate differentials as water supply decreases) Yes
- Geographic indexing of the rate structure, with larger allowances for areas with higher temperatures? Yes To a degree but they should apply to the lower levels of use and rates not the higher levels of use.

Please explain the reasons for your answers.

Water is priced too low. People should pay more if they waste water. Care needs to be taken to look carefully at the fixed and variable and marginal costs here to come up with a system that maximizes water conservation without robbing the district of the revenue it needs to maintain the system.

4. Should the District take any responsibility for maintaining adequate water flows for firefighting within the District? (In the 1991 Oakland Hills fire, it was found that some District hydrants had flows of less than 200 gal/min., when the minimum firefighting standards were over 1000 gal/min.) If so, what form should that responsibility take?

EBMUD has a responsibility to operate its facilities to support fireflow and to work with local governments to maximize readiness. However cities have an obligation as well to maintain investment in critical infrastructure. EBMUD does have an obligation to maintain the integrity of its own delivery infrastructure..something which it is way behind on. There are thousands of miles pipes that are nearing 100 years of age....currently the district is on a 420 yr replacement schedule with plans to get to a 220 yr and then a 120 yr cycle.....this is NOT good enough. In the event of an earthquake, the potential for disruption of water delivery infrastructure needed to combat fires could cripple emergency response efforts. As with measure BB on transportation, cities, counties and ebmud and other wastewater entities should consider banding together for a series of bonds to pay for the replacement of critical water infrastructure.

5. The District has an "ultimate service boundary" that defines the area where the District intends to provide water service. The District also has a current service boundary, the area in which it currently provides service. There is continuing pressure from Contra Costa County politicians and developers for EBMUD to expand both boundaries. Do you feel that EBMUD

should get involved in deciding its service boundaries, or is that meddling in land use issues properly left to cities and counties?

EBMUD has the right and the obligation to make sure that it can serve its current customers and serve growth (infill) within its existing service boundary first. It must have a say in whether the service boundary can reasonably be extended or not. Land use and Water development are intricately connected, EBMUD has to be a party to these decisions. Under SB221, new subdivisions of more than 500 units must get approval from EBMUD. EBMUD also has policies to determine whether it can serve a new development. New developments should be held to high standards of water use and waste water efficiency. I would push for EBMUD to be a statewide leader in increasing the stringency of these standards. I strongly support accommodating future growth being accommodated by increasing density along transit corridors developed in a "water smart" fashion.

6. There has been some discussion about EBMUD possibly expanding its range of services to include electricity production/distribution to parts of its service area. (The District currently generates electricity at Pardee Dam and its wastewater treatment plant, but sells that power to PG&E.) Would you favor or oppose such expansion? Would it influence your decision if some cities in the District offered to form a joint powers authority with the District to facilitate such a community power system option?

I believe Alameda County going ahead with a feasibility study on CCA. I would favor EBMUD engaging proactively evaluating such a partnership. If the result is a labor friendly and truly environmentally friendly CCA that helps keep energy rates affordable I'd be for it. EBMUD bills are a vehicle already for numerous pass throughs, as long as the costs are neutral to administer it and it meets the above conditions I would tend to favor a CCA.

7. Do you feel the District is being sufficiently "green" in its operation of its water and wastewater facilities? In particular, are you aware of the current status of the District's compliance with AB 32 (which required California to reduce its production of greenhouse gases [e.g., CO<sub>2</sub>, methane] to 1990 levels by 2020 and achieve much greater reductions by 2050? Explain. What (if anything) do you feel the District needs to do to improve its "green profile"?

EBMUD is ahead of schedule on its own greenhouse gas reduction targets six years ahead of schedule. This is admirable but it also shows that much more could be done. I believe the district could and should be a national leader with a zero footprint. Change vehicle fleet on a replacement basis over to fuel efficient/electric/hybrid. Expand the food waste to energy program, increase the use of solar and wind, including securing long term purchases of ppa's for renewables—just as large companies are doing. Increase support for gray water and storm water capture to allow people to grow their own food without wasting drinking water should also save money and reduce carbon emissions.

8. Since the passage of Prop. 209, many affirmative action programs have been challenged and invalidated by the courts. The district currently has an affirmative action program in its hiring policies, as well as policies to promote the use of minority contractors. Should the District try to maintain these programs as-is, expand them, or perhaps re-evaluate them to reduce the risk of being sued?

I support the existing policies, but I think the district needs to expand its efforts to diversify its workforce by sponsoring/promoting educational partnerships and apprenticeship programs with local high schools and community colleges in the service area.

9. PG&E recently replaced most of its customers' gas & electric meters with so-called "smart meters" that automatically collect and send usage data by telemetry and eliminate meter readers. Should EBMUD do the same? What is your general attitude on using automation to reduce District labor costs and save money for the District?

I am favor of smart technology, but not in reducing labor costs—actually we need to increase the EBMUD workforce overall. Meter readers can also detect water waste, provide a public face to the district and could become educational ambassadors. What labor savings that are achieved in such a program should be put immediately to work on high priority unmet needs such as replacing our aging infrastructure, improving conservation education, and other measures to reduce water use and increase re-use.

10. After last year's BART strike, proposals surfaced to have the legislature prohibit strikes by public workers in sensitive positions, such as bus and train drivers, and perhaps water treatment operators or pipe repair crews. Would you support or oppose such legislation? If strikes are prohibited, should those workers be entitled to mandatory arbitration of labor disputes?

I would oppose legislation banning the right to strike. Which classifications are deemed essential should be determined in the bargaining process. If strikes were prohibited by law I would still favor the collective bargaining process as the most likely way to achieve a favorable outcome. Under that situation I would also never vote to impose a contract.

11. EBMUD has fairly generous retirement benefits. However, it appears those benefits are nowhere near being fully funded. How would you address EBMUD's unfunded retirement benefit liability? Should EBMUD Directors get the same benefits as regular employees? Explain.

EBMUD has the kind of retirement benefits that much of the workforce in the private sector used to enjoy before "The Right" began a systematic attack on unions and started dismantling the social and economic safety net. Part of why EBMUD retains an excellent workforce is because of those pensions. Today more than half of all workers will retire into poverty. That is the problem. Thankfully those who work at EBMUD are not among them.

EBMUD is a perpetual entity with a guaranteed rate base and a monopoly on service. It has a AAA credit rating. It is also an infrastructure heavy utility it also has a lot of debt service and long term debt obligations, in many ways similar to pension liabilities. It is a MYTH that pension benefits need to be fully funded. The last 3 asset bubbles have wreaked havoc on our economy across the board, and pension funding levels dropped just like everything else-- EBMUD has 65% equity in their pension obligations....would it be better if they had 80% or 90% of their obligations for the current workforce funded-- of course. The best way to improve the condition of the pension funding, upgrade the contribution rates, as was agreed to in the last round of contracts. We also need to manage the investments in a manner that best aligns them with long term expected returns rather than short term fluctuations.

I don't have strong opinions about whether Directors should receive the same benefits as regular employees. I think it could help attract those who could not otherwise afford to serve, but that doesn't seem to have been the case, given the long tenure of incumbents. It may in fact be why some directors have such lengthy tenures in office, which is not a positive in my mind.

12. What endorsements have you received so far?

Endorsements (as of 8/22/14)

Current and Former Elected Officials

Congressman George Miller

Congressman Jared Huffman

Dan Kalb, Oakland City Council Member

Libby Schaaf, Oakland City Council Member

Mark Friedman, El Cerrito City Council

Jim Prola, Vice Mayor San Leandro

Doug Linney, Director EBMUD

Andy Katz, Director EBMUD

Helen Burke, Director EBMUD (ret.)

Stuart Flashman, Director EBMUD (ret.)

Nancy Nadel, Director EBMUD (ret.) & Oakland City Council Member (ret.)

David Richardson, Director EBMUD (ret.)

Mary Selkirk, Director EBMUD (ret.)

Danny Wan, Director EBMUD (ret.) & Oakland City Council Member (ret.)

Labor, Environmental and Community Leaders (partial list)

Sierra Club

Clean Water Action

Central Labor Council of Contra Costa County AFL-CIO

AFSCME Local 444, Local 2019, Council 57

SEIU Local 1021

East Bay Stonewall Democrats

Hal Candee, Attorney

Sharon Cornu, Labor Strategist

Richard Drury, Environmental Attorney

Bob Epstein

Michael Green, Center for Env'l Health\*

Susan Kegley, Pesticide Research Institute\*

Adam Kruggel, PICO California\*

Robert Lawson, Labor Consultant

Tim Little and Jill Ratner

Jerry Meral, Natural Heritage Institute\*

Barry Nelson, Western Water Strategies\*

Michael Perri, Lincoln Crow Communications\*

Carolyn Phinney, CoCo San Sustainable Farm\*

Carl Pope, Exec. Director Sierra Club (ret.)\*

Cliff Rechtschaffen, Senior Advisor to Governor Brown on Energy and Environment\*

Eric Wesselman, Director, Friends of the River\*

Crystal Zermeno, Center for Popular Democracy\*

David Zwick, Founder, Clean Water Action\*

\*Organizations for Identification Purposes Only