

**CONTRA COSTA WATER DISTRICT  
BOARD OF DIRECTORS  
SPECIAL MEETING (BOARD STUDY SESSION)  
MARCH 25, 2022**

**MINUTES**

***CALL TO ORDER***

President Borba called to order the special meeting of the Board of Directors of the Contra Costa Water District (District or CCWD) at 8:30 a.m., at 1331 Concord Ave. Concord, the regular meeting place of the Board. The public may participate in the meeting in person or through the teleconference.

***SAFETY BRIEFING***

The safety protocols completed by the Board and staff participating in person were provided.

***ROLL CALL***

Directors Present:	Lisa M. Borba, President Ernesto A. Avila, Vice President (arrived at 8:43 a.m.) John A. Burgh Antonio Martinez
Directors Absent:	Connstance Holdaway
General Manager:	Stephen J. Welch
Legal Counsel:	Douglas E. Coty
District Secretary	Veronica Sepulveda
Executive Management Analyst	Shelly Wise

***PLEDGE OF ALLEGIANCE***

President Borba led the pledge of allegiance.

***ADOPTION OF AGENDA***

The Board adopted the agenda by rule.

***PUBLIC COMMENT (Please observe a three-minute time limit)***

President Borba asked for public comment; there were none.

President Borba handed the meetings over to the meeting Facilitator, Lee Shuff who reviewed the ground rules and meeting schedule.

***DISCUSSION AND INFORMATION***

1. Major Policy Calendar Update

Executive Management Analyst (EMA) Shelly Wise provided a review of the Major Policy Calendar (MPC) for the period of April 2022 to March 2023. Significant changes included the removal of the East Count Groundwater Sustainability Plan & Treated Water Master Plan and the addition of a COVID-19 Financial Plan Impact Report. An overview of the Board meetings for the year was provided.

Additional changes to the MPC included the addition of annual Board member biography reviews, the ending date to the teleconference option, the announcement of the election process beginning in June for Divisions 1 and 3, and the schedule for the Board reorganization, which will include the Los Vaqueros Reservoir Joint Powers Authority Committees.

The current and draft Board/Committee calendar were reviewed. Board members were asked to review and submit any changes to the District Secretary.

## 2. Federal Legislative Representative

Federal Legislator, Marcus G. Faust provided an update on changes to the mask mandate and COVID-19 safety protocols around the White House; stated there will be several changes to the COVID-19 mandates in the coming months. A review of the Fiscal Year (FY) 2022 budget appropriations was provided; of significance was the Water Infrastructure Improvements for the Nation (WIIN) Act received \$117 million in funding for water storage projects. The appropriation of funds for water was significant across all programs.

Senator Alex Padilla supported the District's initial request of \$2 million for the Shortcut Pipeline Project; however, the request was not included in the FY22 Energy and Water Development Appropriation bill by the Senate Appropriations Committee. Mr. Faust will be working with the District to pursue \$5 million for the project by working with both the House and Senate members to better increase the chances of approval.

In November 2021, the Bipartisan Infrastructure Bill (BIL) became a law and will provide \$550 billion in new spending over 5 years. It provides additional funding for existing and new programs, which will provide opportunities for the District to apply for grants. The Bureau of Reclamation (Reclamation) received \$8.3 billion and the Environmental Protection Agency (EPA) received \$5.426 billion. An overview of the funding distribution per program was provided and a conversation ensued regarding EPA loans. Vice President Avila recommended more lobbying be focused on EPA now that they are the larger component of funding.

An overview of the Support to Rehydrate the Environment, Agriculture and Municipalities Act (STREAM Act) was provided. The STREAM Act would benefit the District by guaranteeing continued construction funding for storage projects.

An overview of the 2022 election was provided. In the upcoming election, 21 Democrats and 16 Republicans are set to retire. It is predicted that Republicans will take control of the House of Representatives by 10 to 20 votes, Pelosi will not run for minority leader, Representative Hakeem Jeffries will be the Democratic leader and Pelosi may resign after being sworn in to prompt a special election to handpick a candidate.

President Borba asked for public comment; there were none.

## 3. State Legislative Representative

State Legislator, Julee Malinoski-Ball provided an overview of the California Redistricting process. The redistricting lines for the Legislature, Congress, and Board of Equalization were redrawn by a redistricting committee, made up of 14 members from state independent citizens. Redistricting created several issues due to the shifted lines moving elected official representation and causing member versus member races.

In California, one House seat in Los Angeles County was lost due to the combination of two districts. Though both representatives chose to not run again, the seat will remain Democratic. In addition, six Republican seats will shift more Democratic. Overall, the new California map is likely to shift more Republican, contributing to the Republican takeover of the Assembly; however, the new California lines would increase Democratic control of the Senate.

The 2020 Primary Election will have a significant turnover for both the Senate and Assembly; half of the 40 State Senate seats are up for election and all 80 of the State Assembly Seats are up for election. A breakdown of the re-elections and term outs was provided. With at least 34 new legislators coming into office, lobbyists will have a lot of work getting to know each of them and gaining their support on water issues.

President Borba asked about COVID-19 protocols. Ms. Malinoski Ball responded although the District Board Legislative Day will be virtual, many offices are opening back up within the State Capitol. The annex building was

recently torn down and replaced with a new smaller building called the Swing building. Though many offices are beginning to open, the limited space at the Swing building and ongoing construction around the Capitol has many people still working remotely. Many legislators are preferring to meet virtually to allow for more meetings per day. It is expected to take time before in person meetings resume to pre-COVID levels.

In January, Governor Newsom's budget proposal forecasted a \$45.7 billion surplus, then the Legislative Analyst's Office responded with a correction that the surplus would be \$6-23 billion more than predicted. This is due to increases in personal income, sale taxes, and corporate taxes. The Governor has received pressure to provide additional relief for Californians, especially with the increase in gas prices, in which he proposed a \$400 rebate for all car owners without income requirements and free transit for commuters. This proposal is estimated to cost \$11 billion and will hopefully be approved as an early budget item and go into effect July 1.

Two important budget items for the District are the drought and the zero-emission package. The Governor proposed to do the same budget package for the drought as the year before, focusing on water conservation as the number one priority, followed by other programs such as urban and small community drought relief, fish and wild protection, and groundwater recharge. Dam safety is not included in the package and is a hot topic for the Association of California Water Agencies (ACWA).

The Governor is seeking to spend billions of dollars on a zero-emission package to meet a zero-emission goal. This is important to the District because the California Air Resources Board (CARB) is developing a medium and heavy-duty fleet regulation, known as the Advanced Clean Fleet Rule, requiring zero-emission trucks and buses to be zero percent by 2045. If approved, public fleets, such as the District, would need to purchase 50 percent of their zero-emission vehicles beginning 2024 and 100 percent by 2027. Some exemptions may apply but are more likely to only be available for emergency vehicles. This package is currently in draft form and ACWA is active in reviewing it. The final regulation is expected to go to the Office of Administrative Law by Spring 2023.

CARB created a program called Heavy-Duty Vehicle Inspection Program (HDVIP); however, the program is not available for medium and large-sized fleets. Lobbyists are seeking support to send a request to the Legislator that provides program direction to CARB that would allow medium and large fleets to be included in the program.

President Borba mentioned it is a difficult time to purchase any type of vehicle and when they are available, it is expensive to purchase. Director Martinez stated the ACWA Energy Committee is communicating with CARB to explain the nature of water agencies. He mentioned the issue with heavy-duty electric vehicles would be the length of their battery life and charging availability, specifically for emergencies.

Vice President Avila asked for clarification on the influence of urban water management when water conservation is more prominent in Northern California and not Southern California. He expressed it should be based on criteria, not a mandate. Ms. Malinowski-Ball explained the snowpack survey results may impact the conservation mandate. A conversation ensued regarding conservation reports. Ms. Malinowski-Ball recommended addressing these concerns during the legislative visits.

President Borba asked for public comment; there were none.

#### 4. LVE JPA Major Policy Calendar

- JPA Board Rotation

Assistant General Manager – Policy and External Affairs, Marguerite Patil provided an overview of the Los Vaqueros Reservoir Joint Powers Authority (JPA) structure and the new JPA Major Policy Calendar (MPC). The MPC attached to the agenda shows a long-term timeline of items coming before the JPA Board. This was established through the guidance of the JPA Board to schedule and review draft items before they are added to the action calendar. JPA Board Committees also have opportunities to provide input on draft items.

The JPA has adopted several key policy items such as bylaws, diversity and accessibility, and decorum. The Board continues to make progress in adopting additional key policies to meet State guidelines. In addition to the three standing JPA Committees, the Board recently formed an Ad Hoc Committee for the purpose of having a smaller group of three Board members and alternates to assist in the selection of the JPA Executive Director. Once a JPA Executive Director is appointed, they will assume some of the workload falling on the District. Additional positions sought are a JPA Board Clerk and a Program Management Consultant.

The JPA has a requirement to adopt an FY23 budget by June. The JPA currently conducts business under a Multiparty Agreement and as it works towards moving the bank over from the District to the JPA, many agreements will need to be adopted. An overview of the agreements and financial policies was provided. The financial transition will take time to accomplish but is required for the JPA to stand as its own agency. The goal is to establish an Interim Funding Agreement and a District Technical Service Agreement within the next calendar year and once in place they would replace the Multiparty Agreement.

An amendment to the Multiparty Agreement is being considered to provide an overlap period to allow more time for the JPA to adopt financial procedures and contract banking services. If the JPA is delayed, in any way, to develop the components of the financial infrastructure, there could be problems moving money from each party. Adopting the amendment would also benefit the JPA by allowing additional time for the District to collect January 2023 Local Partner Agency payments, which will allow the District to transfer funds easily to the JPA once the financial structure is in place.

District Staff will continue to provide updates to the CCWD Board by providing monthly reports and regular updates following JPA Board and Committee meetings. In addition, the JPA board will continue to evaluate and develop potential procedures for rotation of the JPA Directors and Alternates.

Vice President Avila commented being on the JPA has been a rewarding experience due to the teamwork and relationship built between the agencies; stated he supports the rotation of the Board and Alternate seats between CCWD Board members; and asked about potential offramps from agencies. AGM Patil responded the main conversation has been regarding the share of benefits.

Director Martinez stated that given the drought situation, the JPA is a great opportunity to collaborate and find ways to manage the drought.

President Borba stated she is proud of the JPA and its continued work to be transparent and their demonstration of collaboration to benefit the region.

President Borba asked for public comment; there were none.

At 10:22 a.m. the Board took a 15-minute break. At 10:38 a.m. the Board reconvened the study session.

##### 5. Canal Modernization Update

Assistant General Manager – Engineering and Operations, Rachel Murphy provided a recap of the development of the project work for improvements to the canal. In 2019, five project objectives were adopted and used in a risk-based alternative analysis to determine which project alternatives best meet the project objectives and reduce risk factors for public safety, seismic vulnerability, water quality, and water conservation. A chart highlighting the risk exposure areas through different segments of the canal determined where the highest risks occur throughout the entire canal alignment. A graph comparing monetized risk reductions versus capital cost was reviewed and a conversation ensued.

Three project alternatives were evaluated and reviewed. The “fully piped” alternative (piping the entire Canal alignment) has a conceptual cost estimate of \$700 million and that amount was used for the initial Project Financial Feasibility Analysis. A conversation ensued regarding relative costs for the proposed alternatives.

Director Burgh emphasized it is irresponsible for the District to do nothing to improve the canal. Director Martinez mentioned piping the canal mitigates the risk of loss of human life. President Borba commended staff on the graphics provided and recommended staff simplify the graphs for better public understanding of the information.

An overview of the project funding strategy was provided. Staff will continue to update the financial model and explore financing options. Updates will be brought to the Board when available.

Engineering Design Division Manager, Peter Stabb provided an overview of the Public Opinion Research. Over the past year, staff conducted several surveys focusing on customer knowledge of where their water comes from and their opinion of the District. In November 2021, 500 customers completed a 50-question survey. Survey findings determined customers have a favorable opinion of the District; are less satisfied with water quality attributing it to taste and odor issues; do not fully understand the investment in projects; and agree the community should secure safe and reliable water for the future. Excerpts from the survey were provided. Overall, the survey found the majority of customers are in support of the Canal Modernization Project, determined positive messaging is effective and confirmed customers are sensitive to additional taxes and rate increases.

An overview of FY23 activities was provided. Professional services will be procured to initiate preliminary design and environmental analysis. In addition, ongoing activities include defining the environmental permitting strategies and procuring capital project support services.

Currently, \$4.9 million has been spent on project costs and the total project cost of \$779 million was included in the draft 2023-2032 CIP as a Priority 2. An overview of the project schedule was provided. Staff will continue to bring updates to the Board through the Operations and Engineering Committee meetings and at the next Board Study Session. Lastly, a Main Canal Modernization schedule roadmap was reviewed.

President Borba asked for Board comments; Vice President Avila commended staff on their public outreach efforts and stated it is a validation of the Board proceeding with the project.

President Borba also commended staff on the public outreach; stating it is important to be transparent and recognize the public is in support of the project, yet does not want to see additional taxes.

President Borba asked for public comment; there were none.

#### 6. FY23/24 Staffing Proposal

General Manager Welch provided an overview of the District's historical budgeted staffing levels. Staffing levels increased significantly from FY92 to FY97 and remained at a high level until FY12 due to Capital Improvement Program (CIP) projects like the Los Vaqueros Expansion project and Multi-Purpose Pipeline project. In FY14, staff was downsized due to significant debt obtained from the CIP projects. As the District proceeds with current CIP projects, staffing needs will increase to effectively move projects forward and be able to maintain them. Other staffing factors such as vacancy rates, workers' compensation absences, and vacation leave data will be brought to the Board at a later meeting.

In FY23, the District is proposing to add 12 full time positions throughout the District in Finance, Engineering, Operations and Maintenance, Diversity & Inclusion, and Public Affairs. In FY24, two full-time positions are proposed in Engineering and Water Resources. An overview of each proposed position was provided. Additional positions may need to be added as projects move forward. A chart of full-time employees (FTE) by department was reviewed. The proposed positions would increase FTE totals from 303 to 325 by FY24, which would be the highest staffing total in District history. An overview of the schedule was provided. On April 20, staff will present their staffing proposal in detail before the Board budget reviews in May.

President Borba asked for Board comments; Vice President Avila stated the historical staffing graphic presented was insightful and should be highlighted when moving forward; stated it is important to integrate the District's

growth when comparing staffing efficiencies and to highlight where there is an opportunity to reduce sick-leave and over time that may result as efficiencies increase.

President Borba commented on the staffing graphic; stated it is important to weigh hiring more staff versus hiring consultants for some positions; and stated she takes pride in keeping staffing low while providing long-lasting impacts.

Director Martinez spoke in favor of having approved positions that the District can utilize without having Board input, such as filling vacancies.

Vice President Avila suggested adding a liaison in Public Affairs for more public outreach on the State level.

President Borba asked for public comment; there were none.

#### 7. Drought Update

Assistant General Manager – Planning, Watershed & Lands, Water Resources, Jeff Quimby provided an overview of the state-wide water supply. Water level storage levels are at an all-time low while headed toward a third dry year in a row. A chart of historical Shasta storage supply was provided showing a significant decrease over a four-year period. The low storage in Shasta and other reservoirs presents significant challenges for the State and Federal water projects and water supply for endangered species and Water Agencies' revenues.

The District received the Central Valley Project (CVP) allocation of 25 percent of historical use, which is about 42.5 thousand acre-feet (TAF), and requested an increase to 56.5 TAF for public health and safety. With the supply of up to 10.6 TAF from East Contra Costa Irrigation District (ECCID) and Los Vaqueros Reservoir (LV), the District has sufficient water supply to meet customer demand. A graph of historical LV storage was provided, the current storage is approximately 96 TAF.

An overview of Governor Newsom's Executive Orders was provided. The Governor declared a drought water emergency for all 58 counties, including Contra Costa and the Delta, and called for a state-wide voluntary 15 percent conservation compared to 2020. Since the July 2021 initiation of the State 1 Drought Program, the District has seen an 11 percent reduction in usage from customers compared to 2020.

The District is preparing to implement a Stage 2 Water Shortage Contingency Plan, which consists of up to a 20 percent reduction if mandated by the State or reductions of allocations from Reclamation. If the Stage 2 Drought Program is mandated, it would be similar to the program implemented in 2015. An overview of the Stage 2 Drought Program key elements was provided. Impacts from the drought are expected to last many years past the duration of the drought and customers typically continue to conserve, which impacts the District's cost recovery. The consideration of a drought recovery charge will be recommended.

Vice President Avila provided a correction to reflect "customer demand reduction" in slide 11.

General Manager Welch stated the importance of recovering the reserve to assist with needed cost recovery.

Following a state mandate, staff would recommend the Board adopt a Stage 2 Drought Program by resolution, then Prop 218 notices would be mailed out to customers, within 45 days of a public hearing, before the program is fully implemented. The program implementation can take up to three months.

Vice President Avila asked for clarification on drought charges. GM Welch responded the District has typically represented the surcharge as a per unit charge, instead of a percentage.

President Borba mentioned rain is expected this weekend but will not make a dent in the numbers provided; stated customers are well aware of the drought.

President Borba asked for public comment; there were none.

8. Making a Good Board Better

- Action Minutes

District Secretary Veronica Sepulveda provided an overview of the current Board minutes summary format and the benefits of transitioning to an action minutes format. The proposed changes include providing descriptions and actions of each item with a timestamp to the audio recordings. The benefits include providing next-day access to audio recordings of the Board meetings with time-stamped audio links, time-saving benefits for staff, and better overall transparency. A comparison of the summary minute format and action minute format was provided. Full implementation is anticipated to begin following the first meeting in May.

President Borba asked if the past audio recordings would be time stamped. District Secretary Sepulveda responded they would not, but the public would have access to those audio recordings with summary minutes.

President Borba asked for public comment; there were none.

9. General Comments:

- General Manager
- Legal Counsel
- Board Members

General Manager Welch thanked the Board for their continued support and feedback.

Legal Counsel Coty echoed the comments from General Manager Welch.

Director Martinez commended staff for providing clear and concise information and thanked them for all their hard work.

Director Burgh expressed the Study Sessions get better and better each time; stated the level of detail and clarity in the graphics provides a better understanding of the topic; commended staff for their hard work.

Vice President Avila echoed the sentiments of the Board; stated the District has great staff and enjoys the wisdom they bring to each Study Session.

President Borba stated having informal meetings allows for more opportunities to ask questions and understand the topics better; thanked staff for taking the time to educate the Board and the public on important topics and how it fits in with the future goals of the District.

**ADJOURNMENT**

At 11:56 a.m. President Borba adjourned the meeting. The next meeting regular meeting of the Board of Directors will be on Wednesday, April 6, 2022, commencing at 6:30 p.m. in the Board Room located at 1331 Concord Avenue in Concord.

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Ernesto A. Avila, Acting President

Attest:

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Veronica Sepulveda, District Secretary

**CONTRA COSTA WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
APRIL 6, 2022**

**MINUTES**

**CALL TO ORDER**

President Borba called to order a regular meeting of the Board of Directors of the Contra Costa Water District (District or CCWD) at 6:30 p.m. at 1331 Concord Ave. Concord, the regular meeting place of the Board.

**SAFETY BRIEFING**

The safety protocols completed by the Board and staff participating in-person were provided.

**ROLL CALL**

Directors Present:	Lisa M. Borba, President Ernesto A. Avila, Vice President John A. Burgh Connstance Holdaway Antonio Martinez
Directors Absent:	None
General Manager:	Stephen J. Welch
Legal Counsel:	Douglas E. Coty
District Secretary	Veronica Sepulveda

**PLEDGE OF ALLEGIANCE**

District Secretary Veronica Sepulveda led the pledge of allegiance.

**ADOPTION OF AGENDA**

The Board adopted the agenda by rule.

**PUBLIC COMMENT (Please observe a three-minute time limit)**

President Borba asked for public comment; District Secretary Sepulveda read four letters regarding Retiree Cost of Living Adjustments (COLA) into the record. The letters are attached to these minutes.

Karen Ustin, Retiree, stated the District's main objectives for not offering a COLA were to provide fairness for all employees, that retirees have not contributed to COLA's and that there is no designated fund; she recommended the District establish a funding plan, which would provide certainty to all stakeholders; and stated the Board should consider retirees comments because the conceptional alternative is not an interest-based option, it is a position.

Chris Dundon, Retiree, thanked the Board and staff for addressing the retiree COLA issue and committing to find a successful resolution. He stated retirees expect and planned for an annual COLA and requested the retiree COLA's apply to more than the proposed \$58,000 a year, due to Contra Costa County reporting low income as \$87,700. He recommended the Board approve an ad hoc COLA of three percent by the end of the year and to reach out, via hard copy, to all retirees to be notified of retiree COLA updates.

Al Donner, Retiree, spoke against the proposal for no retiree COLA; stated it will adversely impact recruitment for top employees and significant loss of best employees; recommended the Board to address the COLA situation now, as it will be difficult to fix later. Requested to receive an invite to the opening of the Los Vaqueros Expansion.

Stuart Engle, Retiree, spoke against the proposal for no retiree COLA; stated through his involvement within the District he has developed distrust in it; and stated the District has an opportunity to show good faith rather than disdain by granting retiree COLA's. He stated many employees retired earlier than expected due to the way employees were treated at the time, which has left lasting scars; recommended the Board think about it not only in business terms but in emotional terms, to show appreciation to retirees instead of sending them adrift.

President Borba expressed appreciation to the retirees for attending and providing comments. She assured everyone is being heard and knows the retiree COLA discussion has been a continued topic during her 12 years on the Retirement Committee. She stated the Board is trying to find the best decision in the fairest way possible and expressed disappointment that some of the comments coming forward are being made by retirees who were in a position to make a change during their time at the District. She hopes the retirees would listen to the facts, do their research, and ask questions.

**CONSENT CALENDAR**

1. Approve Directors' Services/Business and Travel Expenses
  - a. Future Services – April 2022
2. Approval of March 2, 2022 meeting minutes.
3. Approve the warrant register dated April 7, 2022.
4. Authorize the purchase of a Bobcat Skid-Steer Track Loader from Clark Equipment Company in the amount of \$122,616.44 (not including tax and freight).
5. Authorize authority increase with Joe Shaver Backhoe Service in the amount of \$100,000 for a new amount not to exceed \$385,000.

President Borba asked the Board if any item should be removed from the Consent Calendar for separate consideration. There were no items removed.

President Borba asked for Board comments; Vice President Avila reported an upcoming meeting with Assistant General Manager Patil on April 12 for the Los Vaqueros Joint Power Authority. President Borba asked for public comments; there were none.

**MOTION:** Burgh/Holdaway to approve Consent Calendar. The motion carried by unanimous vote.

**ACTION**

6. Authorize the District's representative to vote for Director Martinez to fill the regular seat on the Contra Costa Local Agency Formation Commission.

General Manager Welch reported the Board previously nominated Director Martinez and now the action is required for the Board to support President Borba, as the voting representative, to vote for Director Martinez.

President Borba asked for Board comments; Director Martinez expressed appreciation for the opportunity to run for this position and for the support from the Board. President Borba asked for public comments; there were none.

**MOTION:** Avila/Holdaway to authorize the District's representative to vote for Director Martinez to fill the regular seat on the Contra Costa Local Agency Formation Commission. The motion carried by unanimous vote.

7. Approve the change in dental plans for the Unrepresented Unit and Board of Directors.

General Manager Welch stated the dental plan benefits for the Confidential Unit were recently adjusted to align with the local bargaining units. In the process, it was discovered the Unrepresented Unit and Board of Directors did not have the same benefits. Approving this change will ensure parity of benefits among all bargaining units.

President Borba asked for Board and public comments; there were none.

**MOTION:** Martinez/Avila to approve the change in dental plans for the Unrepresented Unit and Board of Directors. The motion carried by unanimous vote.

8. Award of Contra Loma Safety Improvements

- a. Authorize an amendment to the Construction and Repair Services agreement with GSE Construction, Inc. in the amount of \$326,920, for a revised FY22 agreement authority not to exceed \$1,326,920;
- b. Authorize execution of a task order in the Construction and Repair Services agreement with GSE Construction, Inc. for the Contra Loma and Los Vaqueros Safety Improvement Project in the amount of \$297,200, with a 10 percent change order authority of \$29,720, for a total not to exceed \$326,920; and
- c. Authorize an amendment to the professional services agreement with GEI Consultants, Inc. in the amount of \$22,000 for a total amount not to exceed \$564,000.

General Manager Welch provided an overview of each recommended action. Stated GSE Construction has proven to be effective in completing smaller construction projects in a cost-effective manner. The additional recommendations are to continue improvement projects.

President Borba asked for Board and public comments; there were none.

**MOTION:** Holdaway/Martinez to authorize an amendment to the Construction and Repair Services agreement with GSE Construction, Inc. in the amount of \$326,920, for a revised FY22 agreement authority not to exceed \$1,326,920; authorize execution of a task order in the Construction and Repair Services agreement with GSE Construction, Inc. for the Contra Loma and Los Vaqueros Safety Improvement Project in the amount of \$297,200, with a 10 percent change order authority of \$29,720, for a total not to exceed \$326,920; and authorize an amendment to the professional services agreement with GEI Consultants, Inc. in the amount of \$22,000 for a total amount not to exceed \$564,000. The motion carried by unanimous vote.

9. Authorize execution of the Cooperative Agreement for water transfer and exchange with Alameda County Water District.

Assistant General Manager – Policy and External Affairs (AGM), Marguerite Patil provided an overview of the District's partnership with Alameda County Water District (ACWD). ACWD expressed interest to the District to acquire a water transfer from Yuba County Water Agency (Yuba) up to 5,000 acre-feet. This transfer would occur through the 2022 Yuba-EBMUD-CCWD Water Purchase Agreement and be stored at Los Vaqueros Reservoir until the water could be delivered to ACWD in the summer. A similar transfer was proven successful through a ACWD pilot transfer project in 2014. A map of the transfer locations was provided. Yuba received regulatory approvals for its water transfer program.

The key principles of the agreement were reviewed. ACWD would reimburse all District costs for the water transfer with no adverse impact to the rate payers.

President Borba asked for Board comments; Vice President Avila asked for clarification on regulatory approvals and if it is California Environmental Quality Act (CEQA) exempt. AGM Patil responded it is and the District has documentation of the process for public access. Vice President Avila expressed appreciation for the fiscal benefit of the transfer and emphasized the importance to track costs relative to usage fees, as it progresses.

Director Martinez asked for the time frame of the transfer window. AGM Patil responded the transfer window is expected to be within the months of April to May, depending on the Delta conditions.

President Borba expressed appreciation for staff establishing this program; proving it to be successful; and for continuing to strengthen partnerships with other agencies.

President Borba asked for public comments; there were none.

**MOTION:** Avila/Burgh to authorize the execution of the Cooperative Agreement for water transfer and exchange with Alameda County Water District. The motion carried by unanimous vote.

10. Receive legislative update and adopted recommended positions on AB 1717-*Watch*, AB 1944-*Watch*, AB 2078-*Support*, AB 2449-*Support and Seek Amendments*, SB 880-*Support*, The Water Efficiency, Conservation and Sustainability Act of 2022-*Support*.

Director of Public Affairs, Jennifer Allen provided an update on State issues including potential budget proposals, Governor Newsom's Executive Order for the Drought, and the District's Lobby Day. Due to scheduling conflicts, the District's Lobby Day will be postponed to May, in hopes of combining it with the Association of Water Agencies (ACWA) conference. An overview of each State bill and the recommended actions were provided.

An overview of the Fiscal Year 2023 Federal budget was released on March 28. Key focuses are climate change/climate resilience, clean energy economy, and diversity and equity. An overview of the Water Efficiency, Conservation and Sustainability Act of 2022 was provided.

President Borba asked for Board and public comments; there were none.

**MOTION:** Holdaway/Martinez to adopt the following positions: AB 1717-*Watch*, AB 1944-*Watch*, AB 2078-*Support*, AB 2449-*Support and Seek Amendments*, SB 880-*Support*, The Water Efficiency, Conservation and Sustainability Act of 2022-*Support*. The motion carried by unanimous vote.

#### **REPORTS FOR DISCUSSION**

11. Committee Report(s):
  - a. Retirement and Other Post-Employment Benefits Committee Post Meeting Report (2/17/22)

President Borba asked for Board comments; there were none.

12. Schedule Future Meeting Dates and Times

President Borba asked for Board comments; Director Martinez reported he attended a Contra Costa Special District meeting in the morning and that he will inform the District Secretary on upcoming Sierra Club - San Francisco Bay Water Chapter meetings he will be attending.

Vice President Avila reported there will be several ACWA meetings coming up and he is working with the District Secretary to manage his calendar.

#### **REPORTS**

13. General Manager

General Manager Welch reported there have been six meetings held with employees to discuss the retiree COLA updates. Although retirees were not invited to participate in the meetings, they were able to access the recordings. Next steps are to meet with representatives from bargaining units Local 21 and 39 to request their members to vote on a proposal, then present the vote at the joint Retirement and Other Post-Employment Benefits Committee on May 26. Once a final proposal has been agreed on, it will be brought to the Board in June.

14. Legal Counsel

Legal Counsel Coty had no report.

15. Board Members

Director Holdaway reported attendance to a meeting with General Manager Welch on March 17 and her daughter's field trip to Los Vaqueros on April 4. She commended Public Information Specialist, Justin Fivella for his work and passion for the education program and expressed appreciation for the program.

Vice President Avila provided a brief overview of the upcoming effort from ACWA to develop a 501c organization to focus on Diversity and Inclusion within water agencies; stated he will provide the Board with the Master Plan once it is developed. He thanked General Manager Welch and staff for working with the California Urban Water Agencies (CUWA) on presenting Urban Water Management plans to the Governor, which encouraged him to direct agencies to enact their individual stage 2 drought plans. General Manager Welch thanked the staff that was involved in the effort to speak to the Governor and encourage action.

Director Burgh reported presenting to the Concord Kiwanis club on April 1; stated they expressed support for the Canal Modernization Project and District efforts.

Director Martinez had no report.

President Borba reported attendance to an East Bay Leadership Council event on April 26; meetings with the General Manager on March 22, March 29 and April 5; and the Board Study Session on March 25. She announced her resignation to the Board of Directors and her last Board meeting will be on April 22.

**CLOSED SESSION**

16. Public Employee Performance Evaluation as allowed under Government Code Section 54957, Employee: General Manager.

At 7:44 p.m. President Borba announced the Board would move into a closed session; there were no additional attendees.

**RECONVENE FROM CLOSED SESSION**

17. Report on Closed Session

At 8:25 p.m. President Borba announced the Board had returned from closed session and did not take a reportable action.

**ADJOURNMENT**

President Borba adjourned the meeting at 8:26 p.m. The next regular meeting of the Board of Directors will be held on Wednesday, April 20, 2022, commencing at 6:30 p.m. in the Board Room located at 1331 Concord Avenue, Concord.



Ernesto A. Avila, President

Attest:



Veronica Sepulveda, District Secretary

April 4, 2022

Board of Directors  
Contra Costa Water District  
P.O. Box H2O  
Concord, CA 94524-2099

Dear CCWD Board of Directors:

I am writing to you on the topic of Retiree Cost of Living Adjustment. The current approach has consisted of a letter on Dec 20, 2021, from the District stating there would be no COLA because of “anticipated diminished investment returns, lack of funding source, the impacts of the pandemic”. Other than this letter, there has been no opportunity to understand the rationale for the abrupt change from past practices over the last 20 plus years. The impact of this has created a tremendous amount of anxiety by the retirees that I have spoken with. They are frustrated by the lack of public process and analysis.

Also, some are saying there is a long-term fix being considered by the Board for retiree COLA that could entail 0% going forward, or possibly 1% COLA for some retirees and 0% for others. Again, there has been no process to engage with the retirees to share any analysis and recommendations. It would be a misconception to think that having the issue go through the OPEB/Retirement Committee checks the box that the group of 400 retirees are informed and engaged. There are no retirees on that committee. That committee is more appropriate for active employees.

**Specific Requests for the Board:**

1. Reconsider the 2022 retiree COLA determination. Place it on an upcoming agenda and direct staff to include all analysis (updated to include this first quarter of 2022) and recommendations for full discussion by the Board and provide the retirees an opportunity to participate. Please make this an action item so that each Board member will have an opportunity to engage and vote.
2. De-couple the existing retiree COLA issue from the negotiations going on with the active employee bargaining units. Retirees are not at the bargaining table.
3. Direct staff to create a separate comprehensive process that will give retirees a voice in determining what the retiree COLA should be going forward. Give Board guidance on what your interests are in public.

I know that you understand that the current CCWD retirees put their heart and soul into their accomplishments at CCWD that we all can be proud of. My fellow retirees deserve better treatment by creating an open and inclusive process associated with Cost of Living Adjustments.

Sincerely,

Gary W. Darling

(Active employee from 1987 to 2000)

April 4, 2022

Dear Contra Costa Board of Directors:

As a retiree of CCWD, I sincerely hope you are making good progress on a plan to ensure fair and reasonable pension COLAs into the future. With U.S. inflation at nearly 8 percent, it is essential to continue the long-standing practice of adjusting pension amounts to keep up with the cost of living.

While you continue to work on the issue, please keep the following points in mind:

- It is unethical to use current retirees' COLAs as leverage in your negotiations with current employees. Current retirees and current employees are two separate groups of people. Retirees have no power, no voice and no involvement in your negotiations with employees. You have a responsibility to administer pensions objectively, ethically and fairly – completely separate from negotiations and disagreements with other groups of people.
- PEPPRA applies to employees hired after Jan. 1, 2013. Nearly all current retirees were hired well before 2013, so there is no justification for applying PEPPRA to them.
- GASB is a private, non-profit organization that creates guidelines that state how it believes you should report your finances. It does not ban pension COLAs.
- Our retirement fund is very healthy and sufficient funds are available for COLAs. The Retirement Plan Performance Report by Wells Fargo for FY 22 second quarter shows the value of our pension fund increased 95.7 percent to more than \$272 million between Oct. 1, 2015, and Dec. 31, 2021. Nearly \$130 million of the increase came from market gains.
- Any plan implemented on pension COLAs should protect the value of existing retirees' pensions and prevent erosion by inflation as much as fund performance allows.

Finally, you should reinstate the teleconference option for all public meetings. The teleconference option allowed retirees to participate in meetings, even when they couldn't attend in person due to health issues or because they no longer live in the area. Eliminating the teleconference option at this time – when important decisions are being made about pensions – looks very much like you intend to block a substantial number of retirees from the public process so that you can make decisions without input or transparency.

Rather than taking away an electronic option for public participation in meetings, you should make an electronic option permanent. At the very least, your meetings should be streamed live on your website with recordings posted for later viewing. This is not expensive or uncommon, and it would make your meetings truly public and accessible to anyone who can't attend in person for whatever reason.

Sincerely,

Gina Oltman  
CCWD retiree, 2016

April 5<sup>th</sup>, 2022

TO: CCWD Board Members  
From: Ron Skrehot, CCWD Retiree  
RE: Retiree Cola

Dear Board Members,

I would first like to address comments made at the Dec. 8<sup>th</sup>, 2021 board meeting regarding the retiree cola. I called into that meeting and had mentioned that there was a financial carryover from 2020 to 2021 that shows operating income carryover from 2020 of \$75,485,882. In this figure I subtracted depreciation which does not belong in the operating budget in the amount of \$34,459,353. The \$76 million plus figure is strictly 2021 operating income minus 2021 operating expenses.

At the Dec. 8<sup>th</sup> board meeting Steve Welch stated in regard to my comment on operating carryover, that the figure was between \$2 million and \$6 million dollars. I have attached the page from the June 30, 2021 year end financial statement in which you can see the \$75 million plus figure when you remove depreciation.

As for the Adhoc Retiree Cola which Mr. Welch stated was no longer in the financial interest of the rate payer, I would like this board to answer four questions.

- 1.) Is it in the best interest of the rate payer to have a carryover of \$75 million and not give that money back to the rate payers and is that money instead being rat holed away for capital projects?
- 2.) Isn't the annual carryover the same pot of money that management bonuses were paid out of for 2021 and how much money was paid in total to management bonuses?
- 3.) Isn't the annual carryover the same pot of money that employee colas are paid out of and how much in total was paid in employee salary increases for 2021?
- 4.) Isn't the annual carryover the same pot of money that adhoc retiree colas were paid out of in the past?

CCWD management and the Governing Board managed to spend hundreds of thousands of dollars on employee salary increases as well as hundreds of thousands of dollars in management bonuses for 2021 yet had no money in the financial carryover to give even a 1% adhoc retiree cola, from the same pot of money management received money from. How is one considered in the best interest of the rate payer and one is not?

At one time this board was just one of the voices that CCWD retirees had when it came to keeping up with the cost of living. Now we have no voice, no advocate to argue our concerns. We have been kicked to the curb while management continues to receive big annual bonuses at the expense of the rate payer. How is this fair?

Ron Skrehot

CONTRA COSTA WATER DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	Water District Fund	Water Authority Fund	Totals	
			2021	2020
<b>OPERATING REVENUES:</b>				
Untreated water sales	\$49,184,883		\$49,184,883	\$47,807,383
Treated water sales	94,073,974		94,073,974	85,514,653
Reimbursement of operating expenses	7,856,342		7,856,342	6,585,740
Miscellaneous service charges	501,663		501,663	426,482
<b>Total Operating Revenues</b>	<b>151,616,862</b>		<b>151,616,862</b>	<b>140,334,258</b>
<b>OPERATING EXPENSES:</b>				
Source of supply	8,857,997		8,857,997	9,359,276
Water treatment	10,335,875		10,335,875	8,723,538
Pumping	6,871,656		6,871,656	6,070,391
Transmission and distribution	1,065,068	\$3,687	1,068,755	1,178,788
Maintenance	27,764,277		27,764,277	25,715,293
Public information and customer service	5,617,427		5,617,427	5,298,345
Administrative and general	14,969,895		14,969,895	28,770,457
Depreciation (Note 2)	32,893,403	1,565,950	34,459,353	33,708,318
<b>Total Operating Expenses</b>	<b>108,375,598</b>	<b>1,569,637</b>	<b>109,945,235</b>	<b>118,824,406</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>43,241,264</b>	<b>(1,569,637)</b>	<b>41,671,627</b>	<b>21,509,852</b>
<b>NONOPERATING REVENUE (EXPENSE):</b>				
Property taxes	4,413,012		4,413,012	4,240,972
Investment earnings	1,715,067		1,715,067	3,005,121
Net changes in fair value of investments	(1,750,267)	(29,444)	(1,779,711)	2,809,284
Interest expense	(10,613,316)	(23,079)	(10,636,395)	(12,201,613)
Gain on sale of investments	233,481	32,293	265,774	360,281
Rent and other	6,986,862	1,090,517	8,077,379	8,246,226
<b>Nonoperating Revenue (Expenses), net</b>	<b>984,839</b>	<b>1,070,287</b>	<b>2,055,126</b>	<b>6,460,271</b>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>44,226,103</b>	<b>(499,350)</b>	<b>43,726,753</b>	<b>27,970,123</b>
<b>CONTRIBUTIONS:</b>				
Capital grants	2,962,785		2,962,785	1,908,540
Contributions in aid of construction	17,840,345		17,840,345	8,071,207
<b>Total Capital Contributions</b>	<b>20,803,130</b>		<b>20,803,130</b>	<b>9,979,747</b>
<b>CHANGES IN NET POSITION</b>	<b>65,029,233</b>	<b>(499,350)</b>	<b>64,529,883</b>	<b>37,949,870</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>960,544,563</b>	<b>19,413,579</b>	<b>979,958,142</b>	<b>942,008,272</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$1,025,573,796</b>	<b>\$18,914,229</b>	<b>\$1,044,488,025</b>	<b>\$979,958,142</b>

See accompanying notes to financial statements

**From:** [Jean Zacher](#)  
**To:** [Veronica Sepulveda](#)  
**Subject:** Retiree COLA  
**Date:** Wednesday, April 6, 2022 4:08:59 PM

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Hello,

If you or someone else could read this at this evening's meeting during public comments, or provide it to the Board I would appreciate it. I live in Delaware so unable to attend! Thank-you.

Good evening,

My name is Jean Zacher. I retired from CCWD in 2014 after 20 years of service with the District as the Lab Supervisor. During that time it was accepted that the District paid a COLA to retirees each January. Although not provided for in the MOU, it was historic practice. I had no idea such a drastic change as no COLA's ever again would be possible. Last year when there was no COLA due to the pandemic, I said nothing as I fully understood the situation the District was in at the time. However, I feel I need to speak now that we are under the threat of losing it permanently. While I don't believe anybody is expecting a COLA anywhere near the true cost of living this year, a modest 2%/year would help keep pace with inflation and at least stop us from losing ground.

Everyone still employed at the District needs to think long and hard about their own retirement as this can be a game changer or a retirement delayer. To prove my point I provide just one statistic. What a dollar bought in 2000 now costs \$1.64. And this is happening at a time of life where we are ill equipped to handle such inflation and are encountering more and more medical bills.

I sincerely hope the District can find it within itself to do the right thing by former employees who feel they retired under different circumstances.

Thank you for your time and consideration.