

**CONTRA COSTA WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
JANUARY 5, 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 Avenue, Concord, the regular meeting place of the Board. The public may participate in the meeting in-person at the Board Room 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 John A. Burgh Connstance Holdaway Antonio Martinez
Directors Absent:	None
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. Bird Morningstar, Concord Resident, provided a review of an article regarding water storage that he found interesting, yet difficult to understand; and announced his attempt to increase water conservation by placing marking flags on properties with irrigation issues.

***CONSENT CALENDAR***

1. Approve Directors' Services/Business and Travel Expenses
  - a. Future Services – January 2022
  - b. Expenses – December 2021
  - c. Compensation – December 2021
2. Approval of December 8, 2021 meeting minutes.
3. Approve the warrant register dated January 6, 2022.
4. Adopt Resolution No. 22-001 authorizing the extension of teleconference meetings, pursuant to Government Code section 54953(e), effective through February 4, 2022.
5. Authorize a \$40,000 increase in contract authority with Van Iwaarden Associates for FY22 actuarial services, for a total amount not to exceed \$160,000.

6. Increased Budget and Authority for FY22 Fuel Purchases
  - a. Authorize a budget increase of \$390,000 from operating reserves to the Operations and Maintenance fuel budget; and
  - b. Authorize a \$390,000 increase in FY22 contract authority for fuel purchases with Western States Oil.

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

**MOTION:** Martinez/Holdaway to approve Consent Calendar. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

**ACTION**

7. Authorize execution of the Memorandum of Understanding with the International Federation of Professional and Technical Engineers Local 21 for a four-year term beginning November 9, 2021 through November 8, 2025.

General Manager Welch provided a brief overview of the Memorandum of Understanding with Local 21. The key highlights to the four-year contract were the cost of living adjustment of 4.5 percent, with a floor of 3.0 percent and a ceiling of 4.5 percent and the decrease of the employee OPEB contribution level to 2.7 and then 1.0 percent when the trust reaches 90 percent funded. The terms of the contract were negotiated responsibly keeping the rate payers in mind, while ensuring appropriate compensation for the employees.

President Borba asked for Board comments; each Board member thanked General Manager Welch and the negotiating team for their hard work to reach closure on the contract.

General Manager Welch thanked the negotiating team, Jeff Quimby, Kristen Cunningham, and Joe Wiley.

President Borba asked for public comments; there were none.

**MOTION:** Avila/Burgh to authorize execution of the Memorandum of Understanding with the International Federation of Professional and Technical Engineers Local 21 for a four-year term beginning November 9, 2021 through November 8, 2025. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

8. Authorize execution of the Administrative Agreement with the Los Vaqueros Reservoir Joint Powers Authority.

General Manager Welch stated the Los Vaqueros Reservoir Joint Powers Authority (JPA) requested the District continue to provide administrative support while the organization continues to form and establish its procedures and project agreements. There is no fiscal impact, the agreement will cover all costs, including some overhead costs. The District will continue to provide administrative support until the JPA can establish their own leadership.

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

**MOTION:** Holdaway/Martinez to authorize execution of the Administrative Agreement with the Los Vaqueros Reservoir Joint Powers Authority. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

9. 2022 Water Rates Fees And Charges – Public Hearing And Adoption
  - a. Conduct a public hearing to provide information and receive comments on proposed water rates, fees, and charges adjustments for 2022; and

- b. Adopt Resolution No. 22-002 amending portions of Title 5 of the District's Code of Regulations pertaining to untreated and treated water rates, fees, charges and regulations, and making findings under the California Environmental Quality Act.

At 6:55 p.m. President Borba opened the Public Hearing. Rate and Financial Analyst Celia Cheung provided the 2022 rate review summary. Staff is proposing a 5.0 percent revenue increase for treated and untreated water service due to projected demand reductions and rising operational costs. In the last year, the Central Valley Project water rates increased by 34 percent; PG&E energy costs increased by 12 percent; treatment chemicals increased by 30 percent and fuel increased by 60 percent, due to supply and demanded factors; and property and liability insurance premiums increased by 79 percent, due to catastrophic wildfires.

Revenue increases help fund Capital Improvements, which are also experiencing increases in construction costs. Planned projects include the pipeline replacement, improvement to the reservoir, and the canal modernization project, which are critical investments to ensure the reliability of water service. The 5.0 percent revenue increase is projected to generate an additional \$2.5 million in untreated water and \$4.3 million in treated water. In addition to rate adjustments, the District will use approximately \$13 million in reserves to offset the rising costs.

The current administrative record needs to be updated to remove direct allocation of non-rate treated water revenues to offset energy charge. Over the last two years the non-rate revenue has been decreased by one-third each year and the recommendation is to remove the revenue offset that is applied to energy charge and re-allocate it to offset all treated water charges in proportion to cost.

An overview of average customer increases and potential monthly bill impacts were reviewed. Treated water customers will see a monthly increase ranging from \$1.94 to \$11.25 depending on water usage levels. Out of approximately 60,000 Prop 218 notices mailed to customers, 21 written comments were received: 20 were formal protests against the rate increase and one was in support of the proposed rate adjustment.

An overview of other fees and charges were reviewed. The charges will be reflected in the Code of Regulation Chapter (Title) 5 and the impact to customers is not anticipated to be significant. If approved, the proposed changes will go into effect on February 1, 2022.

President Borba asked for public comments; Bird Morningstar spoke in favor of the rate increase; provided an example using his own water bill on the impact of the 5.0 percent rate increase.

John Samuelson, Public Works Director for the City of Antioch, stated the City of Antioch is supportive of a rate increase, however, encouraged the Board to consider a rate increase at a rate lower than 5.0 percent; recommended smoothing out rate increases over the full 10-year period by using rate stabilization funds and reserves to keep the costs down.

The public hearing was closed at 7:20 p.m.

President Borba asked for Board comments; Vice President Avila asked for clarification on the cost of expenditures; stated the District is dealing with unbelievable inflation costs that offer no flexibility for the expenditure costs. Stated he does not like rate increases, but stated they are necessary for the District to continue providing reliable services now and in the future. He encouraged the public to conserve more, so the rate impact is less.

Director Burgh stated it is important for the rate payers to understand a portion of their bill goes to costs imposed on the District to ensure continued reliable service.

Director Holdaway stated rate increases are a necessary evil due to the District being hit with large increases on all sides of business; stated staff is working hard to tighten the purse strings to move things around and reduce the impact to customers; and expressed appreciation to the Finance department for all they do.

Director Martinez stated he read each customer letter submitted to the District and found the most common request was to improve the water quality, which will cost money; so the rate increases are necessary. He commended staff for the great work and for being efficient in how District money is spent.

President Borba echoed the comments provided by the Board; stated it is not an easy thing to do and express appreciation for the information provided to customers that allow them to calculate their own costs.

The Board acknowledged and thanked Mr. Samuelson for his comments.

**MOTION:** Avila/Martinez to adopt Resolution No. 22-002 amending portions of Title 5 of the District's Code of Regulations pertaining to untreated and treated water rates, fees, charges and regulations, and making findings under the California Environmental Quality Act. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

**DISCUSSION AND INFORMATION**

10. Review and comment on the 2020 Census results and redistricting process and provide direction for development of proposed voting area maps based on census data and schedule the initial public hearing for February 16, 2022.

Demographer Michael Wagaman, Wagaman Strategies, provided an overview on the redistricting process. This is the first of three meetings anticipated before finalizing and adopting new district boundaries. Geography maps were shown using data from the 2020 Census and the American Community Survey (ACS) to show the current population blocks and slices, that will be used when redrawing the division boundaries. The public is encouraged to participate by attending public Board meetings and hearings and by visiting the redistricting web page on the District's website to download printable worksheets and interactive excel sheets. Plans submitted by members of the public will be incorporated at the next public hearing.

President Borba asked for Board comments; Vice President Avila commended Mr. Wagaman on the presentation; expressed appreciation for making the process easy for public involvement; and asked for clarification on the guidance sought from the Board. Mr. Wagaman explained the Board is requested to look at the existing boundaries and make recommendations on how to redraw the lines, while making each division as equal as possible. He stated it is important to create fair representation while taking into consideration city boundaries, highways, and landmarks.

Vice President Avila stated it is important to use highways and city thoroughfares to make it easier for the public to distinguish the different divisions and to consider the needs of treated and untreated water customers. Mr. Wagaman said he will work with staff for access to that information.

Director Burgh expressed appreciation for the process; stated it is on the right track.

Director Holdaway commented Division 5 will need to change due to an increase in population; asked for more guidance on how to begin redrawing the boundaries. Mr. Wagaman responded he will present three different plans at the next meeting to begin the discussion; stated suggestions mentioned tonight will be incorporated into those plans.

General Manager Welch asked about maps submitted by the public. Mr. Wagaman responded the maps will be uploaded into the interactive software to be shown at the next meeting, in addition to the three proposed plans.

Director Martinez asked if redistricting guidelines are based on the current or future population. Mr. Wagaman responded the current census data must be used to create the equal divisions; however, future growth may be considered but cannot deter the divisions from being equal. Director Martinez commented population is expected to increase in East County over the next five years; suggested moving the boundary lines more to the east.

Mr. Wagaman disclosed he is also working with the Cities of Concord and Brentwood on their redistricting.

President Borba expressed appreciation for the presentation and the redistricting website; stated the current boundaries will most likely move east, but would like to keep the same shape for each division; and requested to maintain representation of multiple cities within each division.

Vice President Avila agreed with Director Martinez to consider projected future growth within the divisions.

President Borba asked for public comment; Mr. Morningstar, stated the redistricting process is very interesting and asked for clarification on how to obtain hard copies of the redistricting information.

President Borba stated accommodations for future growth should be considered toward the East County region.

#### **REPORTS FOR DISCUSSION**

##### 11. Schedule Future Meeting Dates and Times

President Borba asked for Board comments; Vice President Avila reported the District Secretary will be informed of all upcoming ACWA Board and committee meetings.

Director Martinez reported attending the CCSDA ad hoc committee meeting on January 5.

#### **REPORTS**

##### 12. General Manager

General Manager Welch reported there has been a significant uptick in COVID cases, which is beginning to stretch District resources. This week, 13 positive cases were reported and 6 are outstanding.

A recent interview regarding new State issued water restrictions, determined to be consistent with the District's current practices and information has been added to the website.

General Manager Welch reported customer conservation is currently at approximately 12 percent.

##### 13. Legal Counsel

Legal Counsel Coty has no report

##### 14. Board Members

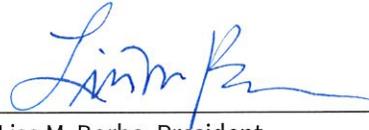
Vice President Avila reported attending the ACWA Board meeting on January 5 and stated he will be attending the January 12 Operations and Engineering Committee meeting via teleconference, due to three District meetings happening that day.

Director Martinez reported his appointment to the ACWA Energy Committee.

President Borba reported attending meetings with the General Manager on December 21, December 30, and January 4.

**ADJOURNMENT**

At 8:19 p.m. President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on Wednesday, January 19, 2022 commencing at 6:30 p.m. in the Board Room located at 1331 Concord Ave. and via teleconference.



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Lisa M. Borba, President

Attest:



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Veronica Sepulveda, District Secretary