

**CONTRA COSTA WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
January 6, 2021**

**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. President Borba announced that the teleconference was being held pursuant to Governor Newsom's Executive Orders. The meeting facilitation procedure was provided.

***SAFETY BRIEFING***

Mr. Welch reviewed that there was no safety briefing because the few staff members present had already completed the District's COVID-19 protocols before coming into the office.

***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	Mary A. Neher
Executive Management Analyst	Shelly Wise

***PLEDGE OF ALLEGIANCE***

President Borba led the pledge of allegiance.

***ADOPTION OF AGENDA***

Mr. Welch requested for the order of the two Closed Session items to be reversed. The Board adopted the agenda by rule.

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

President Borba asked for public comment. Mr. Dylan Snow, a Concord resident, requested the opportunity to speak to the Board about the proposed rate increase and agreed to hold his comments until the agenda item was reviewed by the Board.

**CONSENT CALENDAR**

1. Approve Directors' Services/Business and Travel Expenses
  - a. Future Services – January 2021
  - b. Compensation – December 1-18, 2020
2. Approval of November 18, 2020 meeting minutes.
3. Approve the warrant register dated January 7, 2021.
4. Authorize execution of a contract with West Coast Arborists, Inc. for tree services in the amount of \$98,000 through June 30, 2021, with an option to extend in the amount of \$196,000 for FY22, for a total amount not to exceed of \$294,000.

President Borba asked if anyone wanted to remove an item from the consent calendar to be separately considered. No items were removed for separate consideration.

President Borba asked for Board comments. There were none. President Borba asked for public comment. There were none.

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

**ACTION**

5. President's Appointments to Board Committees and Liaison Positions
  - a. Confirm the President's recommended appointments for Board committees and liaison positions; and
  - b. Review and comment on the 2021 meeting calendar.

President Borba reviewed the Board committee and liaison appointment process and asked the Board for comments on the recommendations. Director Martinez requested to be added as an alternate to the East County Water Management Association (ECWMA) Governing Board, which was agreed to by President Borba. The Board did not provide comments on the 2021 meeting calendar.

President Borba called for public comment. There were none.

**MOTION:** Avila/Martinez to confirm the President's recommended appointments for Board committees and liaison positions. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

6. Approve the voluntary Families First Coronavirus Response Act (FFCRA) sick leave program as outlined through March 31, 2021.

Mr. Welch reviewed the mandatory FFCRA enacted by the federal government in response to the Coronavirus pandemic (COVID-19), which had expired on December 31, 2020. The District implemented the FFCRA sick leave program, which had provided up to 80 hours of additional paid leave to employees impacted by COVID-19. The

FFCRA sick leave program has been extended through March 31, 2021 and is now voluntary. The Board was requested to approve the voluntary program and allow the use of the associated sick leave through March 31, 2021 to allow employees access to and use of any remaining hours of the 80 hours included in the initial mandatory FFCRA sick leave program. Extension of the sick leave would not require additional budget authority.

President Borba asked if the Board had any comments. The Board thanked staff for their continued hard work to stay safe while continuing to provide good service to the District's customers. President Borba called for public comment. There were none.

**MOTION:** Holdaway/Burgh to approve the voluntary Families First Coronavirus Response Act sick leave program as outlined through March 31, 2021. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

7. 2021 Rate Review – Public Hearing and Adoption

- a. Conduct a public hearing to provide information and receive comments on proposed water rate, fee, and charge adjustments for 2021;
- b. Adopt Resolution No. 21-001 amending portions of Title 5 of the District's Code of Regulations pertaining to untreated and treated water rates, fees, and charges and making findings under the California Environmental Quality Act;
- c. Adopt Resolution No. 21-002 amending portion of Title 6 of the District's Code of Regulations pertaining to lands and resources; and
- d. Adopt Resolution No. 21-003 amending portion of Title 7 of the District's Code of Regulations pertaining to financial management.

At 6:49 p.m. President Borba opened the public hearing.

Director of Finance Lizz Cook provided the 2021 rate review summary. The proposed revenue increase of 3.75 percent was recommended to fund ongoing investments into aging infrastructure, continue the Contra Costa Canal title transfer process, update the customer billing information system, and incorporate inflationary increases. It would result in an additional \$1.9 million of untreated water and \$3.2 million of treated water revenues for the District.

The current Administrative Record needs to be updated to reflect a reduction of the non-rate treated water revenues, which were from leases, used to offset the treated water energy charge. The lease revenues will be reallocated to equitably offset all treated water charges in proportion to costs. Average customer increases per customer group were reviewed and included treated water customers use from 100 to 1,000 gallons per day. As of 4:30 p.m. today, the District received 11 formal protests, 1 general comment, and 1 letter supporting the increase from the nearly 60,000 Proposition 218 notices mailed to customers, which were provided.

The District completed its annual review of other fees and charges in compliance with Proposition 26, and the proposed changes will be reflected in the District's Code of Regulation Chapters (Titles) 5, 6, and 7. The changes were not anticipated to significantly impact customers. The proposed increases to the 2021 Facility Reserve Charges (FRC), Canal Maintenance Fee, Encroachment Permit Fees, Meter Charges, and Backflow Prevention Device Installation Charge were reviewed. A recommended language amendment to the Financial Management (Reg 7.16.030) would codify the Board's prior approval of allowing the capital projects and purchases in a ten-year plan to be updated biennially instead of annually.

The rate review schedule was provided. If the proposed changes are adopted, the rates, fees, and charges, the water rate adjustment become effective on February 1, 2021, the encroachment permit renewal becomes effective on March 1, 2021, and the FRC adjustments become effective on April 1, 2021.

President Borba called for public comment.

Mr. Dylan Snow, a Concord resident, spoke against the proposed 3.75 percent revenue increase and recommended for CCWD to significantly reduce employee salaries because they were higher than the national water agency employee salary averages, which would avoid the proposed rate increase and possibly lower the water rates. The Board thanked Mr. Snow for his comments.

President Borba asked for additional public comments. There were no additional public comments provided through the teleconference. Staff confirmed that one additional written protest was received after 4:30 p.m. today, which was from Mr. Snow, who had provided his comment directly to the Board.

President Borba asked for a motion and second to close the public hearing.

**MOTION:** Holdaway/Martinez to close the public hearing on the proposed water rate fee, and charge adjustments for 2021. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

The public hearing was closed at 7:04 p.m.

President Borba asked the Board for comments.

Vice President Avila commended staff for the thorough rate review report. He reviewed many costs incurred by the District that were not within its control, such as the recently received 45 percent increase to the District's 2021 raw water costs from the Bureau of Reclamation (Reclamation). He discussed the critical work performed by staff that requires high-level training and certifications. District staff are essential workers providing customers with safe and reliable water service even in emergencies, even during a holiday or pandemic. He thanked the public for providing their written and verbal comments on the proposed increase.

Director Burgh thanked the public for providing their comments on the proposed rate increases. He discussed how the cost of providing water continues to increase. The District completes a detailed review of its operating costs to identify cost reductions and find efficiencies every year to minimize increases to ratepayers. When employee contracts are reviewed, salary surveys of Bay Area utilities with similar cost environments and comparable jobs are included to ensure the District remains competitive and able to employ highly qualified employees. He asked for the minutes to reflect that Mr. Leland Frayseth, a Concord resident, who always provides very detailed comments regarding the current rate proposals and capital projects of the District each year, had provided comments on the 2021 rate review. He expressed appreciation for Mr. Frayseth and other ratepayers who took the time to provide their comments.

Director Holdaway thanked everyone for their thoughts and comments, especially Mr. Snow for participating in the Board meeting. As District ratepayers, it is important for Board members to hear other ratepayer comments. The District needs to maintain its infrastructure to continue to provide customers with reliable high-quality water. Staff continues to reduce costs and follow the financial plan, which helps to reduce impacts from unplanned cost increases. To forego a rate increase, would place a larger financial burden on future years and be financially irresponsible.

Director Martinez reviewed how water bills were one of the lowest household utility bills, especially compared to PG&E, internet, and phone bills. Cost of living average increases range from 3 to 3.5 percent per year. As a ratepayer, before joining the Board, Director Martinez followed the District's rate review process and increases for many years. The District diligently manages its budget, and the rate increases implemented are lower than many other utilities and water agencies. The cost of living in the Bay Area is much higher than the national average. District staff wages tend to be on the lower end of the spectrum when compared to other Bay Area agencies. He supported the proposed rate increases to allow the District to responsibly maintain its operations.

President Borba explained that the District finances are reviewed line by line before a proposed rate increase is made. The District employs around 300 people, a number that has been maintained for over 10 years. The same number of staff continue to take on additional responsibilities, increase productivity, and enhance customer services. A review was provided of the District's 10-year Capital Improvement Program, which enables the District to address large unexpected increases, such as the 45 percent raw water increase, without requiring larger rate increases. Even though an increase of a few dollars each month can be challenging for some customers, the proposed rate increase is prudent and responsible financial planning. The cost of living in California and the Bay Area is much higher than the rest of the nation.

President Borba asked if the public had comments on the motion before the Board takes a vote. Mr. Coty reviewed with the public hearing closed that public comments should be limited to the Board's motion and not on the underlying substantive issues. President Borba acknowledged legal counsel's guidance and encouraged the public to provide all comments.

Mr. Snow disagreed with the use of other Bay Area salaries as a comparison since they were all too high and opined that the salaries were higher than the Bay Area cost of living, which left room for salary decreases. Mr. Snow opined that cost of water was a small portion of the budget because there was only a 3.75 percent rate increase proposed. The Board thanked him for participating in the meeting and for his comments.

**MOTION:** Burgh/Avila to adopt Resolution No. 21-001 amending portions of Title 5 of the District's Code of Regulations pertaining to untreated and treated water rates, fees, and charges and making findings under the California Environmental Quality Act; Adopt Resolution No. 21-002 amending portion of Title 6 of the District's Code of Regulations pertaining to lands and resources; and adopt Resolution No. 21-003 amending portion of Title 7 of the District's Code of Regulations pertaining to financial management. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

#### **REPORTS FOR DISCUSSION**

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

Director Holdaway said she would attend the January 7 ECWMA meeting and requested for Director Martinez to be provided with a copy of the agenda. Director Martinez said he may attend the meeting.

#### **REPORTS**

##### 9. General Manager

Mr. Welch reported that the Reclamation had issued a press release about several California water projects that would move forward, which included the Phase 2 - Los Vaqueros Reservoir Expansion Project. The District's Water Infrastructure Improvements for the Nation Act Repayment Contract with Reclamation was executed.

The District's COVID protocols appear to be working, as the 12 staff COVID cases had been contracted outside of the organization. The demand for liquid oxygen, which is used by the District's water treatment plants for disinfection, has greatly increased due to COVID. Fortunately, the District had secured its supply prior to COVID and is working to shore up its supply through additional sources. He announced the passing of Mr. Tom Guarino, who was the Senior Government Relations Representative of PG&E, from COVID. Mr. Guarino had worked with the District for a long time, and additional information regarding his celebration of life will be provided to the Board when available.

10. Legal Counsel

Mr. Coty did not have a report.

11. Board

Vice President Avila reported that the Association of California Water Agencies Local Affairs Committee was reviewing the impacts to water service agencies from increased housing densification and preparing fact sheets for an upcoming workshop planned for cities.

Director Burgh did not have a report and discussed the COVID relief bill recently signed by President Trump, which was over 5,000 pages in length.

Vice President Holdaway reported that she had met with the General Manager on December 31.

Director Martinez did not have a report.

President Borba reported that she had met with the Acting General Manager Rachel Murphy on December 22 and the General Manager on December 30 and January 5.

**CLOSED SESSION**

- ~~13.~~ Conference with Legal Counsel – Existing litigation pursuant to paragraph (1) of subdivision (d) of
- 12. Section 54956.9: (Fred Simon v. Contra Costa Water District; Contra Costa Superior Court Case No. C20-01382).
  
- ~~12.~~ Conference with Real Property Negotiator pursuant to Government Code Section 54956.8; Property:
- 13. Various Parcels comprising the Los Vaqueros Reservoir Expansion Project; CCWD Negotiator: General Manager; Negotiating Party: Various; Under Negotiation: Price and Terms of Payment for Water Storage and Conveyance Capacity.

At 7:37 p.m. President Borba announced that the Board would move into closed session.

While the Board was in closed session, the Board meeting teleconference would be placed on hold. The two closed session items were reordered during the Adoption of the Agenda. The first matter regards an existing litigation and no announcement of additional attendees is required. The second matter regards real property negotiations, and there will be one additional attendee: Assistant General Manager – Planning and Water Resources Jeff Quimby.

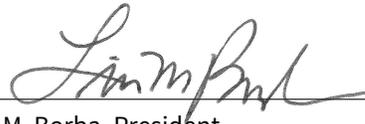
**RECONVENE FROM CLOSED SESSION**

14. Report on closed session.

At 9:01 p.m. President Borba announced that the Board had returned from closed session and had not taken any reportable action on the items.

**ADJOURNMENT**

At 9:02 p.m. President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on January 20, 2021 commencing at 6:30 p.m. and will be held by teleconference.



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Lisa M. Borba, President

Attest:



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Mary A. Neher, District Secretary