

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
January 15, 2020**

MINUTES

CALL TO ORDER

President Borba called to order a regular meeting of the Board of Directors of the Contract Costa Water District (District) at 6:31 p.m., at 1331 Concord Avenue, Concord, the regular meeting place of the Board.

ROLL CALL

Directors Present:	Lisa M. Borba, President Connstance Holdaway, Vice President Ernesto A. Avila Bette Boatmun John A. Burgh
Directors Absent:	None
General Manager:	Stephen J. Welch
Legal Counsel:	Douglas E. Coty
District Secretary	Mary A. Neher

PLEDGE OF ALLEGIANCE

Mr. Welch 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 comments. There were none.

CONSENT CALENDAR

1. Approve Directors' Service/Business and Travel Expenses
 - a. Future Services – January/February 2020
 - b. Expenses – December 2019
 - c. Compensation – December 21-31, 2019

2. Approve December 18, 2019 meeting minutes.
3. Approve the warrant register dated January 16, 2020.

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

President Borba asked for Board questions and comments. There were none.

President Borba asked for public comments. There were none.

MOTION: Holdaway/Avila to approve the consent calendar. The motion carried by unanimous vote.

ACTION

4. Authorize execution of an amendment with Bold, Polisner, Maddow, Nelson & Judson (BPMNJ) for FY20 Phase 2 Los Vaqueros Reservoir Expansion Project related legal services not to exceed \$225,000, for a revised agreement total not to exceed \$960,000.

Assistant General Manager – Policy and External Affairs Marguerite Patil reviewed the amendment with BPMNJ, District’s general counsel. BPMNJ was selected by the Local Area Partners (LAPs) to act as the contracting entity with the special legal counsel that will form the Joint Power Authority (JPA) for the Phase 2 Los Vaqueros Reservoir Expansion Project. The funding for the amendment is provided by the executed Multi-Party Funding Agreement with the LAPs and the early funding of Proposition 1 from the California Water Commission. The special legal counsel selection process was reviewed. The LAPs unanimously selected Jim Ciampa and his firm, Lagerlof, LLP, as the JPA formation special counsel. The qualifications of Mr. Ciampa and Lagerlof, LLP, were provided.

The schedule and work included in the amendment were provided. A discussion ensued regarding Mr. Ciampa’s previous JPA work experience. Mr. Coty confirmed that the JPA formation required a formal application filing with the Secretary of State and not a legislative action. Mr. Ciampa will work for the LAP group and not have individual attorney-client relationships with the individual partnering agencies. Director Avila requested for the District’s Board to be provided the JPA formation agreement principles and terms for comment before they are provided to and approved by the LAPs. Mr. Welch confirmed the District’s Board will be provided with the information.

The BPMNJ amendment is needed to enable it to act as the contracting entity with the JPA formation special legal counsel. A separate amendment for BPMNJ will be brought to the Board separately to address additional general legal counsel services for the District related to the Contra Costa Canal title transfer and two reverse condemnation claims filed against the District.

President Borba asked for additional Board comments and questions. There were none.

President Borba asked for public comments. There were none.

MOTION: Boatman/Burgh to authorize execution of an amendment with Bold, Polisner, Maddow, Nelson & Judson for FY20 Phase 2 Los Vaqueros Reservoir Expansion Project related legal services not to exceed \$225,000, for a revised agreement total not to exceed \$960,000. The motion carried by unanimous vote.

DISCUSSION AND INFORMATION

5. Receive and comment on the Los Vaqueros Reservoir Expansion (LVE) Project update.

Ms. Patil provided the update to the Board. An amendment to the Multi-Party Funding Agreement to extend the term of the existing agreement through the formation of the JPA and provide additional funding for the process is underway. An overview of the environmental document review process was provided, and the final document is expected to be published in the federal register and state clearinghouse early this year. The allocation of FY19 WIIN Act funding will fund Reclamation costs during the first year of project permitting. The transition from CalFED to WIIN Act funding to prevent a funding gap was reviewed. The term sheet review included updates from its 10 workgroups. A discussion ensued regarding the work to resolve issues and better define the importance and benefits of using the South Bay Aqueduct as part of the LVE Project. District staff provides support and information to LAP staff and LAP Boards as required.

The third-party review of usage fees was completed by Bartle Wells Associates under contract to the Alameda County Water District on behalf of the LAPs. District staff will provide a report following its review of the results. A review of the facilities design for the Los Vaqueros (LV) Dam Expansion to 275 thousand acre-feet was provided, which included the use of existing grant funding related to the proposed upgrade to Pumping Plant 1 on the Contra Costa Canal and the work plan for the Transfer-Bethany Pipeline. Staff will provide more detailed reviews at future Operations and Engineering Committee meetings. The updates and schedule for the period of January through December 2020 were reviewed.

Mr. Coty reviewed that the JPA formation documentation filed with the state can include placeholder information that can later be updated when the JPA is formed and the administration is set up. Staff reviewed the project timing due to the WIIN Act funding that moves the Pumping Plant 1 Replacement Project ahead of the Transfer-Bethany Pipeline Project. The JPA formation needs to meet state deadlines included in Proposition 1.

The Board expressed concerns about the timing of the JPA formation and the District's Board being provided with key information, such as cost-benefit analysis. The Board requested for the staff to provide all the information necessary to support Board decisions, especially the financing aspects. Mr. Welch confirmed the Board will be provided with updates and reviewed items tied to permitting deadlines. The LVE Dam design work is a funding requirement of the state even though construction occurs later in the process. The Board emphasized needing to be provided with risk and cost-benefit information for the LVE Project early in the process, so it can fulfill its fiduciary responsibilities to its ratepayers. The Board staff for the update.

President Borba asked for public comments. There were none.

6. Receive report on legislative affairs.

Director of Public Affairs Jennifer Allen reviewed the schedule for year two of this legislative session, and February 21 is the deadline for introduction of new bills. A review of Governor Newsom's proposed \$220 billion state budget for 2020-21 was provided. Several new bills are being reviewed. The Board was provided information on SB 801, SB 802, and AB 1847 related to wildfire preparation and response. A new bill being developed would require electrical utilities of a certain size to create a shareholder savings account to pay for impacts from Public Safety Power Shutoff events. A discussion regarding housing development and connection fees ensued. The District continues to monitor bills that may impact connection fees for accessory dwelling units. AB 315 regarding use of public dollars for lobbying by organizations was pulled by the author and is considered dead. The Board's annual state legislative visit is scheduled on February 18.

With regard to federal legislative issues, Congressman Huffman has proposed language that will become his Drought Resiliency Act language, which includes WIIN Act funding for storage that may be available for the LVE project.

President Borba asked for Board questions and comments.

Director Burgh asked if the District had been impacted by SB 5 in its ability to enter into contracts with vendors. Staff confirmed the District did have a vendor that was not able to meet the new requirements and could no longer work for the District.

President Borba asked for public comments. There were none.

The Board thanked staff for the legislative report.

REPORTS FOR DISCUSSION

7. Future Meeting Dates and Times

Mr. Welch said that former District General Manager Jerry Brown would be recognized by Congressman DeSaulnier on Wednesday, January 22. The Board will be provided with the details.

Director Boatman said the ACWA Agriculture Committee will hold a meeting in February.

REPORTS

8. General Manager

Mr. Welch reported that a car went into the canal on Leland Way in Pittsburg. Citizens kept the driver from drowning until first responders arrived. No update on the driver was available.

The City of Concord is waiting for additional details to be worked out between the City and the developer on the Concord Naval Weapons Station development. The District is not currently working on the project at this time.

9. Legal Counsel

Mr. Coty reported that the Department of Water Resources (DWR) released its Notice of Preparation for the one-tunnel Delta conveyance project and has a March 20 public comment deadline. The District has an agreement with DWR to cover any impacts from a Delta conveyance project.

10. Board

Vice President Holdaway did not have a report.

Director Boatman said the California Special Districts Association, Contra Costa Chapter meeting will include a vote upon to add a meeting for a total of six meetings per year. The Board did not object to the addition of the meeting. The Board was given election information for the independent special district seat on the Local Area Formation Commission Board.

Director Avila complimented District staff on its Capital Improvement Program and Financial Plan that is used to manage the District.

Director Burgh reported that his insurance agent explained that home insurance premiums increased when homes have fire sprinkler systems due to potential water damage and the costs to replace fire sprinkler systems.

President Borba did not have a report.

ADJOURNMENT

At 7:45 p.m., President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on February 5, 2020 commencing at 6:30 p.m. in the Board Room located at 1331 Concord Avenue in Concord.



Lisa M. Borba, President

Attest:



Mary A. Neher, District Secretary