

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
February 19, 2020**

MINUTES

CALL TO ORDER

President Borba called to order a regular meeting of the Board of Directors of the Contra 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

Director Burgh 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.

Dale Hunter, Executive Director of the California African American Water Education Foundation (CAAWEF) thanked the Board for its support of the new organization. The organization's formation and focus areas were reviewed. A discussion ensued regarding the membership benefits. The Board thanked him for his comments.

CONSENT CALENDAR

1. Approve Directors' Service/Business and Travel Expenses
 - a. Future Services – February/March 2020
 - b. Expenses – January 2020
 - c. Compensation – January 2020

2. Approval of January 15, 2020 meeting minutes.
3. Approve the warrant register dated February 20, 2020.
4. Authorize execution of a 25-year license to the City of Pleasant Hill for the operation and maintenance of the Diablo Vista Pump Station near Canal Milepost 40.2.

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

President Borba asked for Board questions and comments. No comments were provided.

President Borba asked for public comments. No comments were provided.

MOTION: Boatmun/Burgh to approve the consent calendar. The motion carried by unanimous vote.

ACTION

5. Adopt a position of support on the Furthering Underutilized Technologies and Unleashing Responsible Expenditures (FUTURE) for Drought Resiliency Act.

Director of Public Affairs Jennifer Allen reviewed the topics included in the FUTURE legislation that is expected to be introduced shortly. The water storage section was reviewed in more detail, which would be good for the Phase 2 Los Vaqueros Reservoir Expansion Project. A *Support* position for the FUTURE for Drought Resiliency Act was recommended.

President Borba asked for Board comments and questions. Director Boatmun expressed her support.

President Borba asked for public comments. No public comments were provided.

MOTION: Avila/Holdaway to adopt a position of Support on the Furthering Underutilized Technologies and Unleashing Responsible Expenditures for Drought Resiliency Act. The motion carried by unanimous vote.

6. Adopt the Capital Improvement Program (CIP) and Financial Plan for Fiscal Years 2021 – 2030.

Mr. Welch said the CIP and Financial Plan were reviewed in detail at the February 5, 2020 Board meeting. A presentation was available if the Board so desired. The Board did not request a presentation.

President Borba asked for Board comments and questions. In response to Board questions and comments, staff confirmed the rate impacts from the City of Antioch's desalination project were included in the CIP and Financial Plan. The impacts will be reviewed during city manager meetings with Mr. Welch. At the February Mayors' Conference, the Board members spoke with Mayor Sean Wright of the City of Antioch regarding Antioch's desalination project. A discussion ensued regarding the positive attributes of the CIP and Financial Plan, which helps provide customers with reliable water now and in the future.

President Borba asked for public comments. No public comments were provided.

MOTION: Holdaway/Boatmun to adopt the Capital Improvement Program and Financial Plan for Fiscal Years 2021 - 2030. The motion carried by unanimous vote.

7. Adopt Resolution No. 20-002 amending portions of Title 5 of the District's Code of Regulations pertaining to Accessory Dwelling Unit (ADU) service connection fees and related connection and meter charges.

Assistant General Manager of Engineering and Operations & Maintenance Rachel Murphy reviewed that the State has determined the ADUs were a resource to help address the State's affordable housing issues. Several bills have been passed addressing the costs of ADU construction, including service connection fees, that the District must follow. The District's existing Code of Regulations (Code) pertaining to ADUs were reviewed. Following a survey and evaluation of 12 regional water agencies, the District developed an alternative method to serve ADUs. The proposed changes to the District's Code were provided.

President Borba asked for Board comments and questions. A discussion ensued regarding how the meter size is determined for a project. The different types of ADUs possible for a single-family home lot were reviewed. The alternative method includes an evaluation of the meter size to ensure the water needs for a primary residence and associated ADUs can be met. A discussion ensued regarding the District's applicant review process. The District's Code update and associated application requirements allows the District to evaluate a project and determine the required meter size. The costs to applicants will be much lower and the process more streamlined. Staff will continue to closely watch new legislation and analyze impacts to the District. The newly developed alternative method to serve ADUs meets the needs of the cities and public.

President Borba asked for public comments. No public comments were provided.

MOTION: Avila/Burgh to Adopt Resolution No. 20-002 amending portions of Title 5 of the District's Code of Regulations pertaining to Accessory Dwelling Unit service connection fees and related connection and meter charges. The motion carried by unanimous vote.

DISCUSSION AND INFORMATION

8. Review the status of the District's FY20 financial results and year-end projections as of December 31, 2019.

Rate & Financial Analyst Celia Cheung reviewed the mid-year financials, which project an overall net \$1 million positive Financial Plan impact. A review of the sources of funds was provided. Revenues are anticipated to be less and result in a \$3.7 million negative Financial Plan impact. Expenditures are anticipated to be lower and projecting a \$4.7 million positive Financial Plan impact. The reduced costs were reviewed. A financial status update for the Phase 2 Los Vaqueros Reservoir Expansion Project was provided. The reduced projected revenues are offset by the lower projected expenditures and results in the projected \$1 million positive financial plan impact.

President Borba asked for Board comments and questions. In response to the Board, staff explained the projections were based on revenues and expenses through December 31, 2019.

President Borba asked for public comments. There were no public comments.

9. Receive report on the Lifeline Program and comment.

Customer Service Supervisor Dominic De Bellis said the Lifeline Program (Program) was reviewed by the Board in October 2018. It was decided to wait for anticipated state mandates to be released before the District modified its Program. The state mandates have not yet been released and are expected at the end of this year.

The current Program was reviewed. There is a statewide focus on drinking water affordability, and the State Water Board is scheduled to develop and implement the Safe and Affordable Drinking Water Fund. Possible funding sources for the Safe and Affordable Drinking Water Fund were provided. Low-income payment assistance programs for Alameda County Water District, East Bay Municipal Utility District, and the District were compared and discussed. Potential modifications to expand the Program were reviewed. A discussion ensued regarding the use of donations that may be used to assist low-income customers pay utility bills. Legislation addressing low-income customers living in multi-family residences and rental properties is also needed. Approximately half of the single-family residential customers within the District's service area are provided water from a municipal customer of the District, and payment assistance programs for those customers are provided through the municipal customer.

Staff recommended to wait until the state releases its mandates and provides program framework to prevent customer dissatisfaction due to potential conflicts between the state mandates and the District's Program. Based upon current analysis of the District's treated water service area, the combination of water and sewer bills represents less than 7% of a household's total income in the District's treated water service area, which is considered to be a moderate to low burden upon citizens.

President Borba asked for additional Board questions and comments.

In response to Board questions, staff confirmed the Program update was based upon single-family residences and current census and economic data for the District's treated water service area. The donations collected by another utility and then forwarded to a nonprofit, who is responsible for distribution to and qualification of customers, has been found to be administratively burdensome to the utility collecting the donations. The Board discussed making changes to the District's Program now and to provide clarification to the customers if the state mandates required additional changes to the Program in the future. Since non-rate revenues are used to reduce high energy charges and to pay processing fees for customers paying water bills by credit card, the Board discussed using some of the non-rate revenues to reduce low-income customers' water bills. The Board requested additional research to identify successful utility payment assistance programs. Staff will provide an update to the Finance Committee.

President Borba asked for public comments. There were none.

REPORTS FOR DISCUSSION

10. Committee Report(s):
 - a. Operations and Engineering Committee Post-Meeting Report (01/22/2020)
 - b. Finance Committee Post-Meeting Report (01/31/2020)
11. Future Meeting Dates and Times

No comments were made on the committee reports. Director Boatman said she would attend the Association of California Water Agencies (ACWA) state legislative event in March.

REPORTS

12. General Manager

Mr. Welch reported that the initial water allocations were expected to be released next week. Water demands have begun to increase due to the lack of precipitation, and the Bollman Water Treatment Plant will be started

up early in March. The Record of Decision (ROD) on the 2019 Biological Opinions of the Central Valley Project and State Water Project conflict was announced on February 19 and includes language that this ROD will not impact the District's ability to refill the Los Vaqueros Reservoir, which will be operated based upon its own biological opinions. Staff continues to follow the federal and state conflicts to identify potential impacts the District. A review of the topics discussed during the February 18 Board state legislative visits was provided.

13. Legal Counsel

Mr. Coty introduced Morgan Biggerstaff, who is a new member of the Bold Polisner Maddow Nelson Judson firm with Proposition 218 expertise.

14. Board

Vice President Holdaway reported that she had a meeting with the General Manager on February 7. On February 18 she attended the state legislative visits.

Director Boatman reported that she had a meeting with the General Manager and Sunne McPeak on February 7. On February 12 she attended meetings of the ACWA Agriculture Committee and ACWA Business Development Committee. ACWA Executive Committee had an emergency meeting on February 18. She was asked to participate the Scholarship Subcommittee of the ACWA Communications Committee, and the Board supported her participation.

Director Avila reported that he had attended the Mayors' Conference on February 6 with Director Boatman. He attended the Walnut Creek State of the City on February 11. He participated in meetings of the ACWA Region 5 Board and ACWA Federal Legislative Committee on February 19.

Director Burgh discussed the new changes to the Accessory Dwelling Units process and how it may help meet housing needs. He expressed support for continued research to determine how the District may assist low-income customers.

President Borba reported that she met with the General Manager on February 12. She had attended the February 18 state legislative visits.

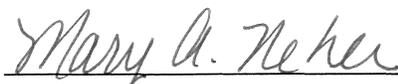
ADJOURNMENT

At 8:15 p.m. President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on March 4, 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