

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
April 21, 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. Pursuant to Governor Newsom’s Executive Orders, the meeting was open to the public via teleconference, and Board member participation was in-person and via the teleconference.

SAFETY BRIEFING

The safety protocols completed by 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	Mary A. Neher
Executive Management Analyst	Shelly Wise

PLEDGE OF ALLEGIANCE

President Borba led the pledge of allegiance.

ADOPTION OF AGENDA

Agenda Item No. 1a – Board Future Services Calendar was updated to reflect additional meetings for the Board and Agenda Item No. 12 – Water Supply was amended to include the Governor Executive Order declaring a water emergency for Sonoma and Mendocino counties. The revised items were posted on the website and distributed to the Board. The Board adopted the agenda by rule.

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

President Borba asked for public comment. Diablo Water District Director (DWD) Joe Kovalick announced he was in attendance. Robert Finnell expressed an interest in the Board meeting process and protocols because he plans to run for a seat on another water board.

CONSENT CALENDAR

1. Approve Directors' Services/Business and Travel Expenses
 - a. Future Services – April/May 2021
 - b. Expenses – March 2021
 - c. Compensation – March 2021
2. Approval of March 17, 2021 meeting minutes.
3. Approve the warrant register dated April 22, 2021.
4. Award of Contract – Chenery Tower Demolition Project
 - a. Authorize execution of a contract with DRS Marine, Inc. for the Chenery Tower Demolition Project in the amount of \$422,500, with a change order authority of \$42,250, for a total amount not to exceed \$464,750; and
 - b. Authorize an amendment to the FY21 and FY22 Untreated Water Reservoir Rehabilitation and Treated Water Facilities Improvement Programs professional services agreement with GEI Consultants, Inc. in the amount of \$32,000, for a total revised amount not to exceed \$542,000.

President Borba asked if anyone wanted to remove an item from the consent calendar to be separately considered. No items were pulled for separate consideration. President Borba asked for public comment. There were none.

MOTION: Holdaway/Martinez 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. Authorize an Increase in Fiscal Year 2021 Authority for Water Treatment Chemicals
 - a. Authorize an FY21 operating budget transfer from the Engineering Department to the O&M Department to fund the necessary increase in chemical expenditures;
 - b. Authorize an increase in the FY21 authority for water treatment chemicals in the amount of \$550,000, for a revised total not to exceed \$3,315,912; and
 - c. Authorize an extension through FY22 of the water treatment chemical liquid oxygen authority to the two current vendors at the indicated unit prices.

General Manager Welch reviewed that the District was projecting the need for an increase in the FY21 water treatment chemicals budget to meet anticipated water treatment chemical cost increases and increased treatment chemical purchases. A budget transfer and water treatment chemical authority increase are needed to allow the District to address water quality impacts from the dry conditions and increased customer water demands. Although the competitive market for liquid oxygen continues to get tighter, the District can better manage the chemical's pricing by executing contract extensions with its two providers through FY22.

President Borba asked for Board comment. The Board supported locking in the water treatment chemicals prices to reduce impact from the rising costs. President Borba asked for public comment. There were none.

MOTION: Burgh/Holdaway to authorize an FY21 operating budget transfer from the Engineering Department to the O&M Department to fund the necessary increase in chemical expenditures; authorize an increase in the FY21 authority for water treatment chemicals in the amount of \$550,000, for a revised total not to exceed \$3,315,912; and authorize an extension through FY22 of the water treatment chemical liquid oxygen authority to the two current vendors at the indicated unit prices. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

6. Award of Contract – Pine Hollow Reservoirs 1 & 2 and Pump Station Improvements Project
 - a. Authorize execution of a contract with JMB Construction, Inc. for construction of the Pine Hollow Pump Reservoir 1 & 2 and Pump Station Improvements in the amount of \$1,241,000 with a change order authority of \$186,150, for a total amount not to exceed \$1,427,150; and
 - b. Authorize an amendment to the agreement with West Yost Associates in the amount of \$90,000, for a total revised amount not to exceed \$1,154,000.

General Manager Welch reviewed the construction included in the Pine Hollow Reservoirs 1 & 2 and Pump Station Improvements Project. The District received several competitive bids. JMB Construction was the lowest responsive bidder. An amendment with West Yost Associates, who is the engineer of record, is also needed to provide design services during construction for the project.

President Borba asked for Board comment. The Board acknowledged that seven competitive bids were received for the project. President Borba asked for public comment. There were no public comments on the matter. Robert Finnell complimented the thoroughness of the Board meeting's corporate governance and asked if the Board meetings were recorded. President Borba acknowledged the Board meetings were recorded and directed Mr. Finnell to contact District Secretary Mary Neher to request copies of the meeting recordings, which were retained for 60 days.

MOTION: Avila/Martinez to authorize execution of a contract with JMB Construction, Inc. for construction of the Pine Hollow Pump Reservoir 1 & 2 and Pump Station Improvements in the amount of \$1,241,000 with a change order authority of \$186,150, for a total amount not to exceed \$1,427,150; and authorize an amendment to the agreement with West Yost Associates in the amount of \$90,000, for a total revised amount not to exceed \$1,154,000. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

7. Authorize Assistance Agreement with the Bureau of Reclamation for Rock Slough Fish Screen Improvements Project
 - a. Adopt Resolution No. 21-007 authorizing execution of an Assistance Agreement with the Bureau of Reclamation for the Rock Slough Fish Screen Improvements Project; and
 - b. Increase the FY21 budget for the Rock Slough Fish Screen Improvements Project by \$490,000.

Grant Specialist Maggie Dutton provided an overview of the Rock Slough Fish Screen (RSFS) facility that was completed in 2011, which included costs, additional improvement work, and funding provided through several previous assistance agreements. The key terms included in the proposed Assistance Agreement with the Bureau of Reclamation (Reclamation) for the RSFS Improvements Project were reviewed. All environmental documentation has been completed and the permits have been received. A review of the work scope was provided. In response to a question from the Board, staff explained that a stilling well is an area of water that is calm used for measuring the water levels at the facility. The project funding and budget were reviewed.

President Borba asked for Board comment. The Board expressed appreciation for the dedicated effort of the District and Reclamation to resolve the operational challenges to improve the RSFS facility. The Board acknowledged Grant Specialist Dutton's work to secure grant funding for many District projects over the years that translates into savings that keep water rates low. President Borba asked for public comment. There were none.

MOTION: Martinez/Burgh to adopt Resolution No. 21-007 authorizing execution of an Assistance Agreement with the Bureau of Reclamation for the Rock Slough Fish Screen Improvements Project; and increase the FY21 budget for the Rock Slough Fish Screen Improvements Project by \$490,000. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

8. Construction Contract and Professional Services Agreement Amendments – Rock Slough Fish Screen Improvements Project
 - a. Authorize an amendment to the contract with TCB Industrial, Inc. for construction of the remaining Rock Slough Fish Screen Improvements Project bid items in the amount of \$701,698, with a change order authority increase of \$56,136, for a total amount not to exceed \$2,482,833; and
 - b. Authorize an amendment to the consultant services agreement with Schnabel Engineering, Inc. in the amount of \$30,000, for a total amount not to exceed \$500,000.

General Manager Welch reviewed the amendments with TCB Industrial, Inc. for construction authority to build the boat ramp and Schnabel Engineering, Inc. for design services for the RSFS Improvements Project. The work scope will allow for the completion of necessary improvements to the RSFS so the facility may be included in the Canal title transfer process from Reclamation to the District.

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

MOTION: Burgh/Avila to authorize an amendment to the contract with TCB Industrial, Inc. for construction of the remaining Rock Slough Fish Screen Improvements Project bid items in the amount of \$701,698, with a change order authority increase of \$56,136, for a total amount not to exceed \$2,482,833; and authorize an amendment to the consultant services agreement with Schnabel Engineering, Inc. in the amount of \$30,000, for a total amount not to exceed \$500,000. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

9. Authorize amendment of the Contra Costa Water District Retirement Plan Trust Fund Investment Policy to implement recommended revisions.

Plan Administrator of the Retirement Plan and Other Post-Employment Benefit (OPEB) Trust and Acting Assistant General Manager Lizz Cook provided a combined presentation regarding the investment policies for both the Retirement Plan Trust Fund and the OPEB Trust. The proposed changes were presented to the Joint Meeting of the Retirement and OPEB Committees on February 18, 2021 by Eric Lee of Wells Fargo. The Committees voted unanimously to bring these items to the full Board for consideration. A review of the proposed benchmarking and asset allocation changes to both trust investment policies was provided. The proposed asset allocation change is a fine tuning of the policy that supports the District's discount rates and does not introduce new investment vehicles. Additional proposed changes to the OPEB Trust investment Policy to make it more transparent and to better align with the Retirement Plan Trust Investment Policy were provided.

President Borba asked for Board comment. The Board thanked staff for its thorough review and ongoing hard work to manage District investments. Staff confirmed all proposed changes were presented to the Committees and included in the posted joint meeting agenda packet. President Borba asked for public comment. There were none.

Director Martinez motioned for approval of both Agenda Item Nos. 9 and 10, Director Holdaway seconded the motion. Upon legal counsel's recommendation for the Board to have two separate motions and votes, Director Martinez amended the motion to authorize the amendment of only the Retirement Plan Trust Investment Policy to implement recommended revisions. Director Holdaway seconded the motion.

MOTION: Martinez/Holdaway to authorize amendment of the Contra Costa Water District Retirement Plan Trust Fund Investment Policy to implement recommended revisions. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

10. Authorize amendment of the Contra Costa Water District Other Post-Employment Benefit Trust Investment Policy to implement recommended revisions.

The presentation for the OPEB Investment Policy was included in Agenda Item No. 9 – Retirement Plan Trust Investment Policy.

President Borba asked for Board comment. There were no additional comments. President Borba asked for public comment. There were none.

MOTION: Martinez/Holdaway to authorize amendment of the Contra Costa Water District Other Post-Employment Trust Investment Policy to implement recommended revisions. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

11. Adopt recommended legislative positions on AB 377, AB 418, AB 1403, SB 52, SB 789, and Senate STREAM Act.

Director of Public Affairs Jennifer Allen reviewed the state legislative committees' deadlines, which includes expanded committee meeting schedules to accommodate COVID-19 restrictions. Recent amendments to bills previously presented on topics of affordability, service shutoffs and development fees were noted, including language in AB 602 to exempt water and sewer connection fees. The State Senate's "Build Back Boldly" Plan (Plan) and its funding sources were reviewed. The Plan focuses on five areas: education; resources, environmental protection, and energy; health and human services; state administration and general government; and corrections, public safety, judiciary, labor, and transportation. The Plan includes \$2 billion for drought protection.

AB 377 would create new limitations on State and regional boards discharge regulations and National Pollutant Elimination System permit issuances. The broad language includes unintentional consequences, which would impact District operations, and the District recommends taking an *Oppose* position. AB 418 would provide grants for equipment purchases to support local governments to improve resiliency in managing deenergization during wildfire events, and the District recommended taking a *Favor* position. AB 1403 and SB 52 were almost identical and would add planned power outage to state's definition of sudden and severe energy shortage, and the District recommended taking a *Favor* position. AB 789 would require the State Water Resources Control Board to administer a Low-Income Water Rate Assistance Program. Because the bill is under development, the District recommends taking a *Watch* position.

The federal American Rescue Plan was released in late March and includes \$2 trillion for infrastructure, climate change, care economy, and job creation. A focus on the removal of lead pipes is included. The Board will be provided with any updates as the Senate and House respond to the President's proposal. Language to be titled Support to Rehydrate the Environment, Agriculture and Municipalities Act (STREAM) is under development by Senator Feinstein. The STREAM Act will focus on water storage, water recycling, desalination, and environmental projects. The District recommends taking a *Support* position.

President Borba asked for Board comment. The Board requested staff to continue to monitor for bills that may provide grant funding related to public safety power shutoffs or create a water tax. President Borba asked for public comment. DWD Director Kovalick discussed grant funds received by DWD for installing solar and battery backup at some of its facilities.

MOTION: Avila/Martinez to adopt recommended legislative positions on: AB 377 (*Oppose*), AB 418 (*Favor*), AB 1403 (*Favor*), SB 52 (*Favor*), SB 789 (*Watch*) and Senate STREAM Act (*Support*). The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

DISCUSSION AND INFORMATION

12. Review and comment on the water supply update.

Water Resources Manager Lucinda Shih reported that this year's precipitation was 50 percent of average and the snowpack was 40 percent of average. A comparison of precipitation totals from this year, 2017, and 2015 was made against the historical average. The Shasta Reservoir is at only 63 percent of average, which is the second dry year in a row. A review of the April 21, 2021 Governor Executive Order declaring a water emergency for Sonoma and Mendocino counties was provided. The District's water supply includes a 55 percent water allocation from the Central Valley Project and up to 10,000 acre-feet from the District's long-term agreement with East Contra Costa Irrigation District. The District has sufficient water supply to meet customer demands. Los Vaqueros Reservoir storage is at 127,000 acre-feet, and the District has used some releases for water quality blending. There does not appear to be any filling opportunities for this water year. Messages to District customers will be that we have enough water to use but nothing to waste. The District has enough water to meet demands, and its investment in storage in Los Vaqueros Reservoir and water efficiency improvements help get us through the dry years.

President Borba asked for Board comment. The Board thanked staff for the report and was glad that the investments in water storage and efficiencies were benefiting customers. The Board acknowledged the responsiveness from its customers during drought. President Borba asked for public comment. There were none.

REPORTS FOR DISCUSSION

13. Schedule Future Meeting Dates and Times

No meetings were provided.

14. General Manager

General Manager Welch reported he had not been exposed to COVID and would be back working in the office on April 22.

15. Legal Counsel

Legal Counsel Coty did not have a report.

16. Board

Director Burgh reported attendance at and provided comments on the April 14 Public Information and Conservation (PIC) Committee meeting.

Vice President Avila reported attendance at and provided comments on the April 20 East Bay Leadership Council Water and Environment Task Force meeting.

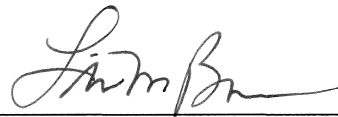
Director Holdaway reported attendance at and provided comments on a meeting with Acting General Manager Rachel Murphy on April 8.

Director Martinez reported attendance at and provided comments on the April 14 PIC Committee meeting; April 13 Speakers Bureau: Pittsburg Kiwanis Club; and April 19 Industrial Association Forum.

President Borba reported attendance at and provided comments on meetings with the April 8 Speakers Bureau: Clayton Sunrise and Concord Rotary Club; April 13 Speakers Bureau: Pittsburg Kiwanis Club; meetings with the General Manager on April 13 and 20; and April 16 East Bay Leadership Council Board.

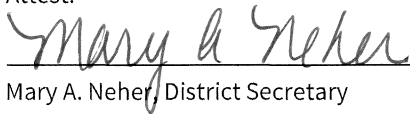
ADJOURNMENT

At 7:52 p.m. President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on Wednesday, May 5, 2021 commencing at 6:30 p.m. and held via teleconference.



Lisa M. Borba, President

Attest:



Mary A. Neher, District Secretary

Mary A. Neher, District Secretary