

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
June 3, 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 6:32 p.m., at 1331 Concord Avenue, Concord, the regular meeting place of the Board. Pursuant to Governor Newsom's Executive Orders N-25-20, N-29-20, and N-33-20, all Directors participated in this meeting remotely. The meeting facilitation procedure was provided.

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
Executive Management Analyst	Jamie Elsberry

PLEDGE OF ALLEGIANCE

President Borba led the pledge of allegiance.

ADOPTION OF AGENDA

Agenda Item No. 1.a. – Future Services Calendar was amended since the agenda packet was distributed, and 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 – June 2020
2. Approval of May 13, 2020 meeting minutes.

3. Approve the warrant register dated June 4, 2020.
4. Adopt Resolution No. 20-008 calling for and providing notice of a consolidated election to be held November 3, 2020 for Contra Costa Water District Board of Directors Divisions 3, 4, and 5.
5. Authorize execution of a task order in the Construction and Repair Services agreement with Aztec Consultants for the Bollman Water Treatment Plant Safety Railings Project in the amount of \$299,886, with a 10 percent change order authority of \$29,989, for a total amount not to exceed \$329,875.
6. Authorize execution of a contract with Granite Rock Company for construction of the 2017 Storm Damage Repairs, Phase 3 Project in the amount of \$396,500, with a 10 percent change order authority of \$39,650, for a total amount not to exceed \$436,150.
7. Authorize a professional services agreement with GEI Consultants, Inc. for Dam Monitoring Services in the amount of \$514,000 in FY21, with an option for continued services in the amount of \$214,000 in FY22, for a total amount not to exceed \$728,000.
8. Authorize execution of a professional services agreement with Public Policy Advocates for government relations services for FY21 in an amount not to exceed \$128,600.
9. Adopt Resolution No. 20-009 authorizing a California Department of Water Resources Drainage Reuse Grant Program application and agreement for formation of a Selenium and Salt Reduction Working Group.

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 requested for the Board to provide comments and questions. Staff confirmed the 3% increase for the Sacramento lobbyist professional services was based on the annual Consumer Price Index of Sacramento. In response to Board concerns, Mr. Welch committed to evaluate the process for agreement rate increases.

President Borba asked for public comments. There were none.

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

ACTION

10. Authorize approval of an agreement with the SDRMA for FY21 property and liability insurance in an amount not to exceed the premium cost of \$1,129,820 and authorize the General Manager to award up to two subsequent annual renewals contingent upon SDRMA performance and FY22/FY23 rate changes consistent with market conditions.

Human Resources and Risk Manager Sonja Stanchina reviewed the insurance evaluation process for property and liability coverage. A request for proposals (RFP) was conducted in March 2020. Despite concerted staff outreach, only two proposals were received; some providers were pre-occupied with the pandemic response. One proposal was complete, which was from the Special District Risk Management Authority (SDRMA). The FY21 rates will increase by 68%, which is in line with the rate increases to other local agencies. The District earned a 13% credit through the SDRMA Credit Incentive Program, which is its highest credit received to date, that will be applied to the FY21 SDRMA premium.

President Borba asked for Board comments. Staff confirmed that the Association of California of Water Agencies (ACWA) Joint Power Insurance Authority (JPIA) had declined to submit a proposal in the RFP process due to the priority pandemic response. The RFP includes the option for two subsequent annual renewals. The Board expressed appreciation for staff achieving the 13% premium credit.

President Borba for public comment. There were none.

MOTION: Boatmun/Holdaway to authorize approval of an agreement with the SDRMA for FY21 property and liability insurance in an amount not to exceed the premium cost of \$1,129,820 and authorize the General Manager to award up to two subsequent annual renewals contingent upon SDRMA performance and FY22/FY23 rate changes consistent with market conditions. The motion was approved by roll-call vote (Ayes: Avila, Boatmun, Burgh, Holdaway; Noes: None; Recused: Borba; Absent: None).

11. Authorize approval of an agreement with SDRMA for FY21 workers' compensation insurance in an amount not to exceed the premium cost of \$384,102 and authorize the General Manager to award up to two subsequent annual renewals contingent upon SDRMA performance and FY22/FY23 rate changes consistent with market conditions.

Ms. Stanchina reviewed the workers' compensation insurance evaluation process. There will be a 3.3% insurance rate increase for FY21. A cost comparison between continuation of partially self-insured versus fully insured workers' compensation insurance rates was completed and resulted in the recommendation for the District to continue with the partially self-insured method. The RFP process conducted in March 2020 was reviewed.

President Borba asked for Board comments. Staff confirmed that the District had received two proposals and that ACWA JPIA did not submit a proposal.

President Borba for public comment. There were none.

MOTION: Holdaway/Burgh to authorize approval of an agreement with SDRMA for FY21 workers' compensation insurance in an amount not to exceed the premium cost of \$384,102 and authorize the General Manager to award up to two subsequent annual renewals contingent upon SDRMA performance and FY22/FY23 rate changes consistent with market conditions. The motion was approved by roll-call vote (Ayes: Avila, Boatmun, Burgh, Holdaway; Noes: None; Recused: Borba; Absent: None).

12. Award FY21 water treatment chemical bids to the companies with the lowest responsive bid as listed on the Bid and Cost Summary at the indicated bid unit prices for a total cost not to exceed \$2,765,912.

Mr. Welch explained that the unavailability of some chemicals due to the COVID-19 pandemic had resulted in cost increases and shortages. Because of the high cost increases to several chemicals, staff recommended that the Board only authorize one-year purchase agreements. A review of the work done to secure the lowest costs was provided.

President Borba asked for Board comments and questions. The Board acknowledged the additional work to secure the lowest costs and requested for the information to be made available to the public.

President Borba asked for public comments. There were none.

MOTION: Boatmun/Avila to award FY21 water treatment chemical bids to the companies with the lowest responsive bid as listed on the Bid and Cost Summary at the indicated bid unit prices for a total cost not to exceed \$2,765,912. The motion was approved by roll-call vote (Ayes: Avila, Boatmun, Borba, Burgh, Holdaway; Noes: None; Abstain: None; Absent: None).

13. Authorize execution of a pilot project agreement to demonstrate a Central Valley Project to Central Valley Project (CVP) exchange of up to 1,000 acre-feet of water between Contra Costa Water District and the Santa Clara Valley Water District (Valley Water).

Assistant General Manager – Policy and External Affairs Marguerite Patil provided a review of the Bay Area Regional Reliability (BARR) group who cooperate to address regional water supply reliability and drought preparedness. The Shared Water Access Program (SWAP), which had received a \$400,000 grant, was reviewed. There are two potential pilot projects. Pilot 1a would be a tabletop exercise to evaluate an exchange of water to the San Francisco Regional Water System (RWS) via the South Bay Aqueduct (SBA) and would involve Alameda County Water District, Bay Area Water Supply & Conservation Agency, and San Francisco Public Utilities Commission. Pilot 2a would store up to 1,000 acre-feet of Valley Water CVP water supply in Los Vaqueros Reservoir for later delivery to Valley Water via the SBA and would involve the District and Valley Water. The schedules for the Pilot 2a and BARR SWAP were reviewed.

President Borba asked for Board comments and questions. Staff explained that the 1,000 acre-feet of water included in Pilot 2a would physically move water and help identify the environmental permit needs for the Phase 2 Los Vaqueros Reservoir Expansion Project. The Board thought the pilot was a good demonstration of the collaboration efforts of local agencies and emphasized the need to clearly define the benefits to the District's ratepayers. Staff reviewed alternatives of using various existing and new infrastructures for the Phase 2 Los Vaqueros Reservoir Expansion.

President Borba asked for public comments. There were none.

MOTION: Avila/Boatmun to authorize execution of a pilot project agreement to demonstrate a Central Valley Project to Central Valley Project exchange of up to 1,000 acre-feet of water between Contra Costa Water District and the Santa Clara Valley Water District. The motion was approved by roll-call vote (Ayes: Avila, Boatmun, Borba, Burgh, Holdaway; Noes: None; Abstain: None; Absent: None).

14. Receive update and approve continuation of the local emergency, as declared in Contra Costa Water District Resolution No. 20-003, resulting from the COVID-19 pandemic.

Mr. Welch reviewed the development work for the Safe Return-to-Work Plan, Phase 3, with the goal to bring office staff back into the office by June 30, 2020. In July the Board will be provided with an update which will likely include the recommendation to discontinue the local emergency declaration. The District contractors are being impacted by state and local social distancing requirements, which has increased costs charged to the District. The District will be required to do additional inspections and reporting requirements to make sure contractors are adhering to the state and local restrictions. In accordance with recent federal law changes, the flexible spending account has been reopened to allow staff to adjust existing contributions or to start participating in the plan for calendar year 2020.

President Borba asked for Board comments and questions. The Board concurred that contractors were experiencing additional costs from the pandemic and thanked staff for the thorough transparent report that shows the continued hard work of staff to provide quality service to the District's customers.

President Borba asked for public comments. There were none.

MOTION: Holdaway/Boatmun to approve continuation of the local emergency, as declared in Contra Costa Water District Resolution No. 20-003, resulting from the COVID-19 pandemic. The motion was approved by roll-call vote (Ayes: Avila, Boatmun, Borba, Burgh, Holdaway; Noes: None; Abstain: None; Absent: None).

DISCUSSION AND INFORMATION

15. Review and discuss the Drought Contingency Reserve funding for the FY21 – FY22 Budget.

Assistant General Manager – Administration Ronald Jacobsma provided the background of the Drought Contingency Reserve funding that was incorporated in the 2019-2028 Ten-Year Capital Improvement Program. The District is on schedule to meet its \$8 million fund goal by FY26. The Board had expedited the funding of the Drought Reserve by contributing an additional \$1 million from the positive FY19 Financial Plan results, for a total annual contribution of \$2 million in FY20. Because there are unknown financial impacts that may come from COVID-19, the FY20 results will be reviewed. The Board will have the option to consider the possibility to make another expedited contribution to the Drought Reserve once the FY20 results have been evaluated. Funding for the reserve is still on schedule to meet the \$8 million target by FY26.

President Borba asked for Board comments and questions. The Board supported fulfilling the Drought Reserve target as quickly as possible. With the unknown financial impacts to the local economy and customers of the District from COVID-19, the Board may want to take a few months to decide about making an expedited contribution. Staff confirmed the Board will be provided quarterly budget briefings to evaluate the needs of the District. The Board's support to increase the Drought Reserve from \$4 million to \$8 million was good financial planning that will be beneficial to customers.

President Borba asked for public comments. There were none.

REPORTS FOR DISCUSSION

16. Committee Report(s):
 - a. Finance Committee Post-Meeting Report (05/01/2020)
17. Schedule Future Meeting Dates and Times

Staff confirmed the Consumer Price Index for the Bay Area through April 2020 was less than 1% and that the Local 39 Memorandum of Understanding had included a base increase of 3%, which will go into effect on July 1, 2020.

Director Boatmun reported that she had been invited to participate in a new group being developed related to desalination called Women in DeSal, which is coming out of Cal DeSal, and asked the Board's approval to participate in the group's meetings. A discussion regarding the Board and staff participation in existing desalination groups ensued. Director Boatmun was requested to bring back more information about this new group to allow the Board to evaluate the benefit to the District.

REPORTS

18. General Manager

Mr. Welch reported that the District had not encountered any water service impacts from the civil unrest events within its service area. Solitary worker procedures had been reviewed and the canal patrol work schedule was adjusted to only day shifts. The District's inclusivity and diversity initiative training, which was scheduled prior to the pandemic, had to be delayed because of COVID-19. A modified approach to provide staff with at least education is being developed. Mr. Jacobsma will be acting General Manager for the period of June 8-12, 2020.

19. Legal Counsel

Mr. Coty reported that the California Judicial Counsel amended its emergency rule that had extended polling periods for all civil actions, including challenges to environmental documents, due to COVID-19. The amendment provides clarity for matters with shorter statute of limitations, such as environmental lawsuits. The California Environmental Quality Act are now being polled between April 6 and August 3, 2020.

20. Board

Director Boatman reported that she had attended the Other Post-Employment Benefits Committee and Retirement Committee meetings on May 21. She had attended the ACWA Executive Committee on May 28 and ACWA Board meeting on May 29. She attended the East Bay Leadership (EBL) Series Part 2 on May 28.

Director Avila reported that he had attended the EBL Series Part 2 on May 28. He had met with the General Manager on May 29.

Director Burgh did not have a report.

Vice President Holdaway reported that she had met with the General Manager on May 29.

President Borba reported that she had attended the Other Post-Employment Benefits Committee and Retirement Committee meetings on May 21. She had met with the General Manager on May 26 and June 2. On May 27 she attended the Operations and Engineering Committee meeting, along with Director Avila. She also attended the EBL Series Part 2 on May 28.

ADJOURNMENT

At 8:28 p.m. President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on June 17, 2020 commencing at 6:30 p.m. and will be held by teleconference.



Lisa M. Borba, President

Attest:



Mary A. Neher, District Secretary