

**CONTRA COSTA WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
JUNE 15, 2022**

**MINUTES**

**CALL TO ORDER**

President Avila 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 Ave. Concord, the regular meeting place of the Board, and via teleconference.

**SAFETY BRIEFING**

The safety protocols completed by the Board and staff participating in-person were provided.

**ROLL CALL**

Directors Present:	Ernesto A. Avila, President John A. Burgh Connstance Holdaway Antonio Martinez, Vice President
Directors Absent:	None
Acting General Manager:	Rachel Murphy
Legal Counsel:	Douglas E. Coty
District Secretary	Veronica Sepulveda
Executive Management Analyst	Shelly Wise

**PLEDGE OF ALLEGIANCE**

Director Holdaway 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 Avila asked for public comments; there were none.

**DIVISION 1 VACANCY**

1. Fill Division 1 Vacancy on the Board of Directors
  - a) Continue discussion for Division 1 Director appointment;
  - b) Consider appointment of new Division 1 Director; or
  - c) Decline to appoint and defer to November 2022 election

President Avila asked the Board to provide their comments regarding the candidates. Director Burgh stated he was impressed with all four candidates and after a thorough review of their applications and interview question responses, he found Patt Young to be the most fitting, due to her thoughtful interview responses, her community service, and her involvement in medical endeavors.

Director Holdaway stated that after a thorough review of the candidates, Patt Young's interview stood out the most due to her impressive community service and her comment about being a research junkie.

Vice President Martinez stated all candidates have qualities that would be supportive of the Board, but Patt Young stood out the most, due to her responses to the questions regarding personal strengths and weaknesses; and stated her involvement in the community would be very beneficial to the District.

President Avila stated he honors all candidates for applying and showing dedication to serving the community; stated Patt Young's dedication to the community stood out and her answer to the interview questions were very impressive.

President Avila asked for public comment; Mariah Lauritzen, Division 1 Candidate, thanked the Board for going through the appointment process.

**MOTION:** Holdway/Martinez to appoint Patt Young as the Division 1 Director. The motion carried by voice vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None)

**CONSENT CALENDAR**

2. Approve Directors' Services/Business and Travel Expenses
  - a) Expenses – May 2022
  - b) Compensation – May 2022
3. Approval of May 18, 2022 meeting minutes
4. Approve the Warrant Register dated June 16, 2022.
5. Authorize execution of an agreement with Consolidated Engineering Laboratories for materials testing services in the amount of \$227,000 in FY23, with an option for continued services in the amount of \$236,000 in FY24, for a total amount of \$463,000.
6. Authorize execution of an agreement with H. T. Harvey & Associates to provide biological mitigation monitoring services for Los Vaqueros Watershed and Conservation Lands in the amount of \$465,000 for FY23, with the option for continued services in an amount of \$485,000 in FY24, for a total amount of \$950,000.
7. Authorize Agreements to provide Surveying Services in FY23 and FY24
  - a) Authorize execution of an agreement with LCC Inc. for surveying services in the amount of \$125,000 in FY23, with an option for continued services in the amount of \$125,000 in FY24, for a total amount not to exceed \$250,000; and
  - b) Authorize execution of an agreement with Towill Inc. for surveying services in the amount of \$125,000 in FY23, with an option for continued services in the amount of \$125,000 in FY24, for a total amount not to exceed \$250,000.
8. Authorize execution of an agreement with Olberding Environmental Inc. for on-call environmental consulting services in the amount of \$275,000 in FY23, with an option for continued services in the amount of \$325,000 in FY24, for a total amount of \$600,000.
9. Adopt Resolution No. 22-019 certifying the revenue required to be provided by taxes on land within the District during Fiscal Year 2023.
10. Authorize execution of a professional services agreement with Public Policy Advocates for government relations services for FY23 in an amount not to exceed \$135,000.

President Avila asked the Board if any item should be removed from the Consent Calendar for separate consideration; no items were removed. President Avila asked for Board and public comments; there were none.

**MOTION:** Holdway/Burgh to approve the Consent Calendar. The motion carried by voice vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

**ACTION**

15. Drought Management Program Enabling Ordinance
  - a) Conduct a public hearing to provide information and receive comments on the proposed Drought Management Program, including the proposed temporary drought surcharge; and

- b) Adopt Ordinance 22-01 establishing the Drought Management Program updates, including a temporary drought surcharge of up to 15 percent.

Vice President asked the Board to consider moving item 15 to the first action item due to the importance and interest of the Drought Management Program; the Board concurred unanimously.

President Avila opened the public hearing at 6:48 p.m.

Finance Director Herman Williams provided an overview of the progression of mandates for the drought management programs beginning with Governor Gavin Newsom's Executive Order on March 28, 2022 to the State Water Resource Control Board's final emergency drought regulations announced on May 24, 2022. The Districts Drought Management Program is consistent with the State's requirements and the action before the Board is to adopt Ordinance 22-01 implementing the temporary drought surcharge, which with additional water waste prohibitions are the elements of Stage 2 of the District's Water Shortage Contingency Plan. The Drought surcharge coupled with the use of reserves would address the District's revenue needs without impacting the operations and maintenance of the water system.

Stage 2 of the Water Shortage Contingency Plan, announcing 15 percent mandatory conservation, was implemented on April 20 and Proposition 218 notices were sent out to customers on May 1. Since the notices were sent out, the District has received 69 written comments protesting the temporary drought surcharge. Common themes of the letters were reviewed. Customer Letters are available through this link: [www.ccwater.com/DocumentCenter/View/11318/2022-Drought-Surcharge-Protests](http://www.ccwater.com/DocumentCenter/View/11318/2022-Drought-Surcharge-Protests). Also reviewed were the District's reserve types and the public outreach and communications.

The temporary drought surcharge would recover the necessary revenue needed to fund ongoing operations and maintenance costs and associated costs with administering the Drought Program. If approved, the 15 percent would begin on July 1, 2022 and would be in effect until repealed by the Board. Customers would see a quantity charge increase of \$0.79 per unit for treated water and \$.037 per unit for untreated water. Incentives will be provided to customers to promote conservation. Households that reduce water use by 15 percent will see minor changes to their water bills and residential customers that use less than 200 gallons per day will be provided a rebate to offset the surcharge using non-rate funds. A sample of the billing impact and a list of conservation services provided by the District was provided. The water shortage contingency plan levels were reviewed. If mandated by the State, Stage 3 of the Drought program would require up to 30 percent mandatory conservation.

President Avila asked for public comments; Patt Everette, Concord resident, thoroughly explained her conservation efforts, stating she does not let a drop of water go down the drain, and stated the additional surcharge will affect her as she only lives off of Social Security.

Dan Davis, Clayton resident, asked for clarification on the surcharge and spoke against using residents 2020 water usage as the baseline for the 15 percent surcharge; President Avila and Acting General Manager Murphy provided a response. Mr. Davis asked for clarification on the water usage of Los Vaqueros and efforts to create a salinity treatment plant. President Avila responded that Los Vaqueros Reservoir is the reason the District is in better shape than other water agencies.

Valerie Rice, Pleasant Hill resident, spoke against the proposed 15 percent surcharge, stating it is a difficult time for many people and finds the proposal to be inappropriate. She provided several examples of difficulties people have incurred that prevent efficient conservation, such as combined households due to the pandemic, additions of additional dwelling units, and requests from companies like Republic Services which require customers to rinse out their recycling. She recommended having a per capita usage charge rather than a flat base and looking at potentially constructing a Desalination plant.

Joe Kavolick, Diablo Water District (DWD) Director, spoke against the proposed surcharge due to the surcharge being passed onto their 13,000 account holders and citizens of Oakley. He referenced a letter sent in by the President of

DWD protesting the surcharge and stated the District has significant reserves to cover the surcharge. He also requested for the Board to delay non-emergency upgrades to Randall-Bold Water Treatment Plant for a year.

President Avila closed the public hearing at 7:20 p.m.

President Avila asked for Board comments; Director Burgh commented we are in the midst of the worst drought and lowest rainfall on record, which causes stress on water supply; stated the Board shares their despair and anxiety; and thanked the ratepayers for all their conservation efforts.

Director Holdaway recapped a meeting with Acting General Manager Murphy and DWD regarding the protest letter submitted.

Vice President Martinez commended ratepayers on their conservation efforts and understands it is an added burden to request more conservation; stated we live in a climate change world that will only get worse and the District is addressing the challenges of today, which is to conserve.

President Avila agreed with the Board's comments, stating the State is experiencing challenging times due to the terrible drought conditions and the Governor's continuous mandates to conserve water. President Avila stated he understands the hardships and appreciates the amazing conservation efforts by ratepayers. Through these hard times, it is the duty of the District to continue to provide reliable water to customers and by doing so it is important to secure the funds for the operation. Los Vaqueros Reservoir has proven to be a great investment as it has put the District in a great position for water supply.

President Avila asked for public comment on the motion; there were none.

**MOTION:** Burgh/Martinez to adopt Ordinance 22-01 establishing the Drought Management Program updates, including a temporary drought surcharge of up to 15 percent. The motion carried by voice vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

11. Public Use of District Facilities

- a) Adopt Resolution 22-020 amending Chapter 1.08 of the District's Code of Regulations pertaining to use of District facilities with proposed usage fees; and
- b) Authorize public use of District facilities to resume on July 5, 2022.

Acting General Manager Murphy provided an overview of the item stating the addition of rental fees provides the opportunity to modernize facility rental requests and recover the additional costs for sanitation due to COVID-19 protocols.

Director Burgh spoke in favor of the item and recalled the importance of prohibiting the use of the room for political and religious purposes.

President Avila expressed support for the item due to the recovery in extra sanitation costs. President Avila asked for Board comments; there were none.

**MOTION:** Holdaway/Burgh to adopt Resolution 22-020 amending Chapter 1.08 of the District's Code of Regulations pertaining to use of District facilities with proposed usage fees; and authorize public use of District facilities to resume on July 5, 2022. The motion carried by voice vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

12. Approval of the Fiscal Year 2023-2024 Budget Adopt

- a) Adopt Resolution No. 22-021 approving the FY23 and FY24 budget totaling \$462,080,529, including rebudgets not to exceed \$23,167,562 from the FY22 capital budget; and

- b) Authorize the extension, through FY23 and FY24, of all FY22 contracts related to the rebudgeted capital projects.

Acting General Manager Murphy provided an overview of the key messages for the FY23-FY24 budget, stating the assumptions and projections are in alignment with the 2023-2032 CIP and 10-Year Financial Plan. The rebudget request totals a maximum of \$23.2 million, which includes 20 capital programs/projects. Once all invoices are received, the total rebudget amount is expected to be less than the requested amount. A significant driver for the rebudget amount is particularly due to project schedule changes, such as the implementation timing for Los Vaqueros Expansion Project and delays due to material procurement challenges.

President Avila asked for Board comments; President Avila stated the Board spent a considerable amount of time listening and working with staff on the budget; stated it was a significant effort, which speaks volumes in ensuring the District can continue to provide reliable water services to customers; and thanked Acting General Manager Murphy and staff for all their hard work.

President Avila asked for public comments; Mr. Kavolick expressed concern for the addition of 14 full-time positions and 8 capital project positions; stated due to the expectation of water sales decreasing by 15 percent, he does not understand the need to expand staffing in the budget; recommended the District look at considering technology and automation to reduce the need to add full-time positions, which directly impact the operations budget.

President Avila responded by referencing to the District's hiring history from a previous presentation and explained the District has incorporated several efficiencies and technologies to be able to function with low staffing levels with increased service needs; and stated this is the highest request for staffing the District has had in a significant period of time, yet still under the historical levels.

Mr. Kavolick thanked President Avila for the explanation and commented the staffing positions are justified if other agencies are paying for them.

**MOTION:** Martinez/Holdaway to adopt Resolution No. 22-021 approving the FY23 and FY24 budget totaling \$462,080,529, including rebudgets not to exceed \$23,167,562 from the FY22 capital budget; and authorize the extension, through FY23 and FY24, of all FY22 contracts related to the rebudgeted capital projects. The motion carried by voice vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

13. Authorize individual procurements for FY23 routine goods and services for the not-to-exceed amounts listed on Attachments 1 through 4 at a total amount not to exceed \$21,841,700.

Acting General Manager Murphy provided an overview of the item and noted that there were some delays on a few of the procurements which will come back to the Board at a future meeting date.

President Avila asked for Board and public comments; there were none.

**MOTION:** Holdaway/Burgh to authorize individual procurements for FY23 routine goods and services for the not-to-exceed amounts listed on Attachments 1 through 4 at a total amount not to exceed \$21,841,700. The motion carried by voice vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

14. Receive legislative update and adopted recommended position: AB 2536- Watch.

Director of Public Affairs, Jennifer Allen provided an update on the State's budget schedule and an overview of AB/SB 2154, which is a joint agreement for just over \$300 billion. \$8 billion was allocated for a fiscal relief package which will include utility bill assistance and potential funding for water and wastewater arrearages. In addition, the climate and energy package for \$21 billion will include several topics of interest for the District. More information will be presented once available.

Ms. Allen reported that amendments proposed for AB 2536 were accepted by the author and staff is recommending an updated position to watch the bill.

Federal Legislators are still in budget discussions and the item to watch is the Build America, Buy American Act which has potential exceptions to Made in America requirements for large construction projects. This has potential to affect future District projects; more information will be provided when available.

President Avila asked for Board comments; President Avila asked for more information on AB 2536 as it moves forward.

President Avila asked for public comments; Mr. Kavolick expressed concern for the elimination of the teleconference option; encouraged the District to seek a video conferencing option for meetings to improve public participation in the meetings.

**MOTION:** Holdaway/Martinez to adopt the recommended position: AB 2536- Watch. The motion carried by voice vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

**REPORTS FOR DISCUSSION**

16. Committee Report(s):

- a. Operations and Engineering Committee Post Meeting Report (4/27/22)

President Avila asked for Board comments; Director Martinez stated he attended the meeting and commended staff for doing a great job with the Computerized Maintenance Management System (CMMS) in pivoting efforts to accurately collect and manage the data to be in line with District needs.

17. Schedule Future Meeting Dates and Times

President Avila asked for Board comments; there were none.

**REPORTS**

18. General Manager

Assistant General Manager Murphy reported President Avila and District staff attended a community meeting with residents from the Marsh Creek Road and Morgan Territory Road area to review the various District facilities utilized to get water out to these areas and walked through options for evaluating and pursuing permanent water service; Reported there were a few recent fires outside of the Los Vaqueros Watershed which required the evacuation of the Watershed, but no damage to District property; District staff is prepared and ready for fire season; and reported General Manager Welch is out of the area attending the American Water Works Association (AWWA) conference where he is accepting a Diversity Award and 20-year Director's Award for Partnership for Safe Water.

19. Legal Counsel

Legal Counsel Coty had no report.

20. Board Members

Director Holdaway reported attendance to a meeting with DWD on June 14.

Director Burgh reported presenting to the Martinez Kiwanis Club on June 9.

Vice President Martinez reported attendance to the virtual State Legislative Day on June 7.

President Avila reported attendance to and provided comments on the Association of California Water Agencies (ACWA) meetings; recapped the Morgan Territory Meeting and commended staff on their presentation; and provided

a recap of the Los Vaqueros Joint Power Authority Meeting. He reported he will be working with ACWA on their Diversity & Inclusion efforts.

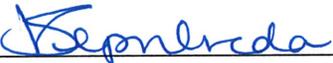
All Board members congratulated and welcomed Patt Young to the Board.

**ADJOURNMENT**

President Avila adjourned the meeting at 8:14 p.m. The next meeting of the Board will be held on Wednesday, July 6, 2022 commencing at 6:30 p.m. in the Board room only, the teleconference option will no longer be available.

  
\_\_\_\_\_  
Ernesto A. Avila, President

Attest:

  
\_\_\_\_\_  
Veronica Sepulveda, District Secretary