

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
SPECIAL MEETING AND STUDY SESSION
June 19, 2020**

MINUTES

CALL TO ORDER

President Borba called to order a special meeting and study session of the Contra Costa Water District (District) Board of Directors at 9:02 a.m. and pursuant to Governor Newsom’s Executive Orders, the meeting was made available to the public by teleconference.

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

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.

SAFETY BRIEFING

Manager of Health and Safety Sarah Bogner reviewed the special meeting layout to provide social distancing and the face mask/covering requirement. Various face coverings options were available to participants in the room, who were encouraged to switch between the types of coverings throughout the meeting. Hand sanitizers and wipes were available around the room.

GENERAL INTRODUCTIONS

The meeting participants introduced themselves for the benefit of the public participating by teleconference.

President Borba handed the meeting over to the meeting facilitator, Lee Shuff, who provided an overview of the ground rules and meeting schedule.

CONSENT CALENDAR

1. Major Policy Calendar

Executive Management Analyst Jamie Elsberry reviewed the Major Policy Calendar (MPC) for the period of April 2020 through March 2021, which included significant activities, such as the Canal Modernization Project, Los Vaqueros Reservoir Expansion Phase 2, Other Post-Employment Benefits Plan Development, and Retiree Cost of Living Adjustments (COLA). The first Board meeting in the months of May and December were rescheduled due to anticipated conflicts with the Association of California Water Agencies (ACWA) spring and fall conferences. Although the COVID-19 pandemic (COVID-19) delayed the ACWA spring conference, the Board meeting schedule was not modified. The Board was provided with a list of Board and Committee dates for 2020 and a detailed MPC with items to be brought to the Board and Committees.

2. Federal Legislative Representative

Marcus Faust reviewed how the federal legislators were operating during COVID-19. Congress is holding committee hearings and constituent meetings through Zoom. Another stimulus package may be provided in July. An overview of the Water Infrastructure Finance and Innovation Act (WIFIA) of 2014 was provided and included program features, advantages, and application process and fees. A discussion ensued regarding the challenges of participating in WIFIA. Because the 2016 Water Infrastructure Improvements for the Nation (WIIN) Act will expire in January 2021, legislators are developing a new bill, S.1932 – Drought Resiliency and Water Supply Infrastructure Act that will reauthorize the WIIN Act storage provisions and include both state-led water storage and federally owned water storage projects. The Future Drought Resiliency Act and California water bills were reviewed. The financing options for Sites Reservoir were reviewed. Impacts to WIIN Act funding from pending litigation were provided. The U.S. House of Representatives' schedule for June through December 2020 was provided. Due to COVID-19, the Board's federal legislative visits will be held by teleconference in July. As the Phase 2 Los Vaqueros Reservoir Expansion Project is considered a standard non-federal project, the expansion did not require a separate Congressional Act. Westlands Water District, which is influential with the federal legislators, is considering alternative water storage projects in case the Shasta Reservoir expansion does not occur. The Presidential election outcome will be impacted by availability of a COVID-19 vaccine and the status of the economy.

The Board took a five-minute break.

3. State Legislative Representative

Julee Malinowski-Ball reviewed the state Capitol's response to COVID-19. The legislators left the Capitol and provided Governor Newsom with \$1 billion for management of the COVID-19 emergency. State legislators are not allowed to vote remotely and returned to Sacramento for hearings and floor votes. The Capitol is essentially closed to the public, although legislators are allowed in and may have one staff member in the office. The restrictions for in-person attendance at committee hearings were provided. Meetings are being held by teleconference and have been challenging to schedule, but legislators can fit more meetings into a day.

The March primary elections had a more conservative result than expected. The November election will be tied to people's interpretation of how well Governor Newsom handled the COVID-19 crisis. An update of the bonds being developed was provided. The Secretary of State wants the number of ballot measures reduced to move voters through the voting booths more efficiently. The state budget was passed on June 15, 2020, which was negotiated by the Assembly and Senate behind closed doors. A review of the budget subcommittee hearing process was provided. With no budget line items, major budget changes are expected, which will include trailer bills and possibly special sessions for cleanup. Local governments are seeking both state and federal assistance to reduce revenue impacts from COVID-19. Wildfire preparedness and prevention are legislative focus areas. The budget contains mitigation for Public Safety Power Shutoffs (PSPS), which includes special districts. The work being done by Cal Fire to prepare for this wildfire season was provided. Governor Newsom has requested that legislators provide him with funds to address wildfire issues when the legislators are on recess. Work is underway to ensure hospitals and residential care facilities do not lose power during PSPS events. The March primary resulted in three assembly races flipped unexpectedly. For the November election there are about 10 districts or more that could flip. Additional information can be provided closer to the election.

4. Human Resources Laws/Regulations Update

Human Resources and Risk (HR&R) Manager Sonja Stanchina reviewed the 80 federal and state regulations that are applicable to the District effective over the past 30 months. Prospectively, SB 1123 will expand Paid Family Leave benefits for covered active duty employees or family members in the military and will become effective January 2021. The budget impacts for FY18 through FY20 from the new regulations increased HR&R staff training, increased District-wide supervisor and manager training, required new W-4 and I-9 forms, changed employment offer letters, and required new and revised HR&R processes and administrative procedures. The FY21-FY22 budget includes funding for ongoing legal mandates and additional supervisor, manager, and employee training on critical topics such as diversity and inclusion, workplace violence prevention, prevention of discrimination, harassment, retaliation, and abusive conduct, and additional anticipated changes to processes. The District's Administration Procedure No. XII-4 Equal Employment Opportunity Prohibition of Discrimination, Harassment, Retaliation and Abusive Conduct requires for someone who observes another person being harassed to report the event. Active shooter training is being developed and will be provided to District employees. A discussion ensued regarding active shooter trainings offered by other agencies, and the Board expressed interest in receiving the training.

The Board took a five-minute break.

5. Canal Modernization Project Update

Engineering Manager - Interim Peter Stabb outlined the five project objectives, which were used to screen various improvement alternatives. After completion of a risk-based analysis of the Contra Costa Canal Modernization Project, three alternatives remain, which are an open canal with localized safety improvements at critical locations, a partially piped canal, and a fully piped canal. The preliminary financing concept assumptions, which were provided to the Finance Committee on May 1, 2020, were reviewed. An estimate of cost impacts for untreated and treated water customers assuming 30-year debt financing were also reviewed. A discussion regarding the possible benefit of using WIFIA funding or other funding sources that include longer payoff periods given the canal's longevity ensued. The construction start date was been adjusted from FY26 to FY28 to provide the District with additional time to pay off existing debt obligations and reduce the cost impact to District customers. The Board will be provided with the risk versus the cost analysis to illustrate how the long-term operations and maintenance costs of each alternative have been evaluated. A discussion ensued regarding environmental permitting needs of the project and the benefit the District would gain through the

completion of the Contra Costa Canal Title Transfer with the Bureau of Reclamation. Environmental requirements tied to WIFIA funding were also reviewed. Initial public opinion outreach was completed in March, and the process and results were provided. A review of the additional public outreach scheduled for late 2020 was provided. There was a brief discussion of planned FY21 work, including geotechnical and water quality analysis. The project schedule for September 2020 through the fall of 2021 and project roadmap through FY29 were reviewed. The Board discussed the need for public outreach to include a diverse group of participants, the low cost for water compared to other utilities, such as electric, gas, and cable, and how a fully piped canal would increase public safety. The Board will be provided with a copy of the focus group questions.

6. Los Vaqueros Reservoir Expansion Project Update

Assistant General Manager – Policy and External Affairs Marguerite Patil provided an update on the status of the Phase 2 Los Vaqueros Reservoir Expansion Project (LVE Project). The design consultant for the Contra Costa Canal Pumping Plant No. 1 Project, which is key component of the LVE Project and currently planned for construction early in the overall schedule, was competitively bid and awarded. An overview of Amendment 2 to the Multi-party Agreement with the Local Agency Partners (LAPs) that is being developed was provided, which will be brought to the Board in August 2020. The California Water Commission increased the early funding amount by approximately \$9 million, and the LVE Project funding status is in the positive. An update on the Final Federal Feasibility Report and permitting through Reclamation and California Department of Fish and Wildlife were provided. The State Water Resources Control Board is planning to hire new staff, funded through Proposition 1, to assist with water rights work for Water Storage Investment Program projects.

The revised proposed usage fees and response to comments were provided to the LAPs and will be provided at the July 8 Operations and Engineering Committee meeting. An update on the Joint Powers Authority (JPA) formation was provided. The Board requested to be provided with JPA formation details before they are provided to the LAPs. The legal workgroup, including representatives from all of the LAPS, is working on developing core policy decision topics that will be vetted through the LAPs. The Board expressed appreciation for the early scheduling of the detailed issues being brought to it for consideration. Staff confirmed the proposed usage fees will continue to be brought to the Board for review and that it will have the opportunity to review JPA negotiation parameters to provide feedback during upcoming closed sessions. A review of the upcoming Board activities was provided for June through November 2020. Staff believes an initial decision to move or not move forward with the LVE Project will be made by the end of the year based upon the LAPs' acceptance or rejection of usage fee methodology and JPA formation terms.

7. Making a Good Board Better

Ms. Elsberry provided an overview of the District's Emergency Preparedness and Evacuation Procedures: Emergency Evacuation Program. Evacuation maps are posted at each District facility. A review of the evacuation plans for the rooms used by the Board was provided. The after-hours zone captain is Ms. Elsberry and Administrative Assistant to the General Manager Shelly Wise is the co-captain. The role of the zone captain was reviewed.

The proposed changes to the Board Procedures Manual were reviewed. Due to the constraints to finish the study session on time, the Board requested to be provided with a redline version of the proposed changes for review and discussion at a future date and to wait on the manual update.

8. General Comments
a. General Manager

Mr. Welch thanked the Board for participating in the study session and for providing good feedback on the topics reviewed.

b. Legal Counsel

Mr. Coty thanked the staff for their work and extra effort to make the study session safe for everyone to attend.

c. Board

Director Burgh did not have any comments.

Vice President Holdaway thanked staff for all of the good information and expressed appreciation for being able to see her fellow Board members at the meeting. She thanked the General Manager and staff for all of the efforts being done to keep employees, the Board, and the customers safe during the COVID-19 situation.

Director Avila told staff they did a great job with the presentations and appreciated the extra work regarding COVID-19 impacts.

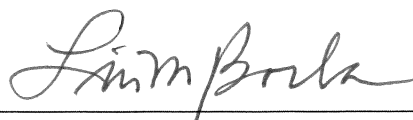
Director Boatman said the study session was great. She thanked everyone for providing and assisting her with the personal protective equipment. She spoke to the benefit of having everyone together in the same room for the Board meetings and how challenging teleconferencing Board meeting can be for the public.

President Borba thanked staff for organizing the study session. She especially thanked Mr. Faust for traveling from Washington, D.C., to attend the meeting in person.

Mr. Welch reviewed the need for continued adherence to the guidelines of the Contra Costa County and State of California and for society and business to adapt and function with COVID-19. The Board discussed the benefits of in-person meetings.

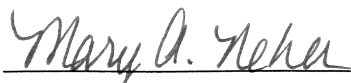
ADJOURNMENT

At 12:33 p.m. President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on July 1, 2020 commencing at 6:30 p.m. and will be held by teleconference.



Lisa M. Borba, President

Attest:



Mary A. Neher, District Secretary