

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
July 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 public may participate in the meeting in-person at the Board Room or through the teleconference.

SAFETY BRIEFING

The safety protocols completed by the 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
Acting General Manager:	Rachel Murphy
Legal Counsel:	Douglas E. Coty
District Secretary	Mary A. Neher
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 Borba asked for public comment. Diablo Water District (DWD) Director Joe Kovalick discussed a river otter sighting in the Contra Costa Canal.

CONSENT CALENDAR

1. Approve Directors' Services/Business and Travel Expenses
 - a. Future Services – July/August 2021
 - b. Expenses – June 2021
 - c. Compensation – June 2021

2. Approval of June 16, 2021 meeting minutes.
3. Approve the warrant register dated July 22, 2021.

President Borba asked if anyone wanted to remove an item from the Consent Calendar to be separately considered. There were no items removed. There were no Board or public comments on the consent calendar.

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

4. Adopt Resolution No. 21-013 certifying the revenue required to be provided by taxes on land within the District during fiscal year 2022.

Acting General Manager Murphy explained this was the annual Board review of the assessment, which requires a Board resolution, before it may be placed on the property tax rolls. The taxes are used to pay the District's financial obligations under its Central Valley Project contract with the Bureau of Reclamation for portions of the Contra Costa Canal System.

President Borba asked for Board comment. The Board acknowledged that the assessment was reviewed each year to determine if the tax should be continued or discontinued. President Borba asked for public comment. There were none.

MOTION: Martinez/Burgh to Adopt Resolution No. 21-013 certifying the revenue required to be provided by taxes on land within the District during fiscal year 2022. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

5. Authorize execution of Amendment No. 3 to the consulting services agreement with Environmental Science Associates (ESA) for Phase 2 Los Vaqueros Reservoir Expansion Project environmental planning services in an amount not to exceed \$491,678 for a revised total agreement amount not to exceed \$2,276,678.

At 6:42 p.m. Vice President Avila explained the need to be recused from the matter due to a potential conflict of interest and left the Board Room. Acting General Manager Murphy explained that ESA has provided permitting support and associated documentation for the Phase 2 Los Vaqueros Reservoir Expansion (LVE) Project. As the LVE Project moves forward, the Multi-Party Agreement must be amended and extended, which necessitates amending the associated consultant agreements for the additional services. The amendment allows ESA to provide the permitting support and documentation to meet the California Water Commission's (CWC) final award funding requirements for the LVE Project. The work scope was provided. Recreational improvements needed for the LVE Project will be divided appropriately among the Local Area Partners, and recreational enhancements are the responsibility of the District and CWC. Following the Los Vaqueros Joint Powers Authority formation (LV JPA), a true up of the costs paid through the MPA will be appropriately apportioned to each of the partners.

President Borba asked for Board comment. The Board thanked staff for reviewing the cost allocation and true up process. President Borba asked for public comment. There were none.

MOTION: Holdaway/Burgh to execution of Amendment No. 3 to the consulting services agreement with Environmental Science Associates for Phase 2 Los Vaqueros Reservoir Expansion Project environmental planning services in an amount not to exceed \$491,678 for a revised total agreement amount not to exceed \$2,276,678. The motion was approved by roll-call vote (Ayes: Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: Avila; Absent: None). At 6:46 p.m. Vice President Avila returned to the Board Room Dais.

6. Confirm the President's recommended changes to current appointments for Board committees and representative/ liaison appointments.

Acting General Manager Murphy explained that the previously approved Board committees and representative/ liaison appointments list needed to be updated. President Borba reviewed the changes to redistribute work among the Board, which included the addition of the LV JPA and Board member changes on the Operations and Engineering Committee. The changes were included in redline in the posted docket.

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

MOTION: Avila/Holdaway to confirm the President's recommended changes to current appointments for Board committees and representative/ liaison appointments. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

7. Approve Issuance Of Series Water Revenue Refunding Bonds, Series W
 - a. Adopt Resolution No. 21-014 approving the form of the official statement and bond purchase contract relating to the sale and issuance of Water Revenue Refunding Bonds, Series W, and authorizing execution of the bond purchase contract and official statement to be used in connection with such bonds and related actions; and
 - b. Adopt Resolution 21-015 approving the form and authorizing execution of a Twenty-Fourth Supplemental Resolution authorizing issuance of up to a \$115,000,000 principal amount of Water Revenue Refunding Bonds, Series W.

Acting Assistant General Manager – Administration Lizz Cook explained that District staff and District's financial advisor, PFM Financial Advisor (PFM), continually evaluate financing options that would reduce debt and that are consistent with the financial plan. PFM has been the District's financial advisor for debt issuance for the past 20 years, and Director, Darren Hodge, was attending the meeting via teleconference.

By combining the maturing water revenue notes and long-term bonds, which are both due by October 1, 2021, as well as a portion of the outstanding Extendable Municipal Commercial Paper (EMCP) debt, the District could take advantage of current market conditions by locking in low, long-term interest rates and eliminate future interest rate risk by issuing the Series W Water Revenue Refunding Bonds. The Finance Committee reviewed the concept at its May 28, 2021 meeting. A review of the existing water revenue notes and EMCP balances was provided. The benefits of issuing Series W Water Revenue Refunding Bonds were discussed.

With the refinancing of the maturing debt and given the District's strong credit rating, a springing amendment would be triggered to the Master Bond Resolution that would remove the Debt Service Reserve Fund (DSRF) requirement and would release approximately \$1.5 million from the DSRF that could be placed into the Series W Revenue Refunding Bonds. A review of how the funds may be released from the DSRF as the financial debt is paid down was provided. The updated debt service projections were reviewed. Per Government Code 5852.1, the public disclosure details were provided. The schedule for the bond issuance was reviewed.

President Borba asked for Board comment. The Board thanked staff for the detailed report and expressed appreciation for the work done by staff to protect District finances, manage debt level, and minimize risk that allow the District to meet its future needs and complete critical projects. A discussion ensued regarding the District's financial stability and financial community's endorsement of District policies. The benefits of following the District's financial plan were discussed.

President Borba asked for public comment. There were none.

MOTION: Burgh/Avila to adopt Resolution No. 21-014 approving the form of the official statement and bond purchase contract relating to the sale and issuance of Water Revenue Refunding Bonds, Series W, and authorizing execution of the bond purchase contract and official statement to be used in connection with such bonds and related actions; and adopt Resolution 21-015 approving the form and authorizing execution of a Twenty-Fourth Supplemental Resolution authorizing issuance of up to a \$115,000,000 principal amount of Water Revenue Refunding Bonds, Series W. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

8. Authorize an increase in Fiscal Year 2022 authority with the California Water Efficiency Partnership for the Flume Rebate Program in the amount of \$100,050 for a new combined authority not to exceed \$199,991 through December 31, 2021.

Acting Water Use Efficiency Supervisor Nicholle Fratus provided a review of the Flume Smart Home Water Monitor (Flume) rebate program for District customers that was launched in June. The Flume device provides nearly instantaneous water use information to customers on their smart phones, which includes water use, water management, and leak alerts. The program includes an instant rebate of \$100 per device and an additional \$25 rebate once installed. The Flume is an external device that is strapped to the side of the water meter and connects to the customer's smart phone through Wi-Fi. The water use data available through the smart phone app was reviewed. The District's contract with the California Water Efficiency Partnership is for 919 Flume devices and goes through December 31, 2021. Due to the popularity of the Flume device rebate program, an increase to the FY22 authority was requested to meet the anticipated need through December 31, 2021.

President Borba asked for Board comment. A discussion ensued regarding the benefits of the water use data, which are available to the customers and District. When asked if the device can differentiate between irrigation and domestic interior water use, staff explained that the device can identify the different water use event signatures. Staff reviewed how customers get the device and rebate. The Board supported the new rebate program. A discussion ensued regarding the customer service and assistance provided by the District and Flume support.

President Borba asked for public comment. There were none.

MOTION: Martinez/Holdaway to authorize an increase in Fiscal Year 2022 authority with the California Water Efficiency Partnership for the Flume Rebate Program in the amount of \$100,050 for a new combined authority not to exceed \$199,991 through December 31, 2021. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

REPORTS FOR DISCUSSION

9. Schedule Future Meeting Dates and Times

Vice President Avila announced there was an Association of California Water Agencies (ACWA) Region 5 Board meeting to be scheduled soon.

REPORTS

10. General Manager

Acting General Manager Murphy reported that the District reinstated the requirement to wear face masks indoors regardless of vaccination status in response to the Contra Costa County's updated recommendations and to the increased number of COVID-19 cases. The District's 2021 water allocation increase request was approved by the

Bureau of Reclamation, and the District will now receive 61,000 acre feet of water. Director of Operations and Maintenance (O&M) Pete Schoemann, who will retired on July 30, 2021, was recognized for 31 years of service to the District.

11. Legal Counsel

Legal Counsel Coty did not have a report and congratulated Director O&M Schoemann for the many years of service to the District.

12. Board

Director Holdaway reported attendance at and provided comments on a meeting with the General Manager on July 9. Director Holdaway expressed appreciation for the information Director of O&M Schoemann had provided to the Board over the years and wished him a great retirement.

Vice President Avila reported attendance at and provided comments on a meeting of the East Bay Leadership Council (EBLC) – Water and Environment Task Force on July 20. Vice President Avila reviewed Director of O&M Schoemann’s many projects at the District and acknowledged the strong inter-agency relationships he has created. Director of O&M Schoemann was thanked for his dedication to the District, the Board, and staff.

Director Burgh did not have a report. Director Burgh thanked Director of O&M Schoemann for the many years of service to the District, reviewed their professional career history, and commented that Director of O&M Schoemann was held in high regard in the water community. Director Burgh discussed the dedication of the Contra Costa County Clerk-Recorder Elections building to Steve Weir, who was a former CCWD Board member, and reviewed Mr. Weir’s public service work.

Director Martinez reported attendance at and provided comments on a meeting of the EBLC – Water and Environment Task Force on July 20. Director Martinez reviewed Director of O&M Schoemann’s work and commended him for his staff mentoring and succession planning.

President Borba thanked Director O&M Schoemann for the work on projects and programs, which support the District’s continued success, and for his calm manner and ability to clearly speak and be understood by people of various levels of knowledge. President Borba wished him a very happy retirement. President Borba reported attendance at and provided comments on meetings with the General Manager on July 15 and 20.

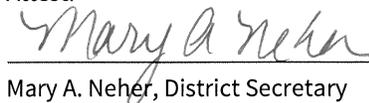
ADJOURNMENT

At 7:41 p.m. President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on Wednesday, August 4, 2021 commencing at 6:30 p.m. and held via teleconference.



Lisa M. Borba, President

Attest:



Mary A. Neher, District Secretary