

**CONTRA COSTA WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
February 17, 2021**

**MINUTES**

***CALL TO ORDER***

Vice 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 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:	Ernesto A. Avila, Vice President John A. Burgh Connstance Holdaway Antonio Martinez
Directors Absent:	Lisa M. Borba, President
General Manager:	Stephen J. Welch
Legal Counsel:	Douglas E. Coty
District Secretary	Mary A. Neher
Executive Management Analyst	Shelly Wise

***PLEDGE OF ALLEGIANCE***

Ms. Neher led the pledge of allegiance.

***ADOPTION OF AGENDA***

The Board adopted the agenda by rule.

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

Vice President Avila asked for public comment. There were none.

***CONSENT CALENDAR***

1. Approve Directors’ Services/Business and Travel Expenses
  - a. Future Services – February/March 2021

- b. Expenses – January 2021
  - c. Compensation – January 2021
2. Approval of January 20, 2021 meeting minutes.
3. Approve the warrant register dated February 18, 2021.
4. Authorize execution of a second amendment to the lease with Denali Water Solutions, LLC. for District property at Grant Line Road in Alameda County.

Vice President Avila asked if anyone wanted to remove an item from the consent calendar to be separately considered. No items were removed for separate consideration. Vice President Avila asked for Board comments. There were none. Vice President Avila asked for public comment. There were none.

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

**ACTION**

5. Authorize a change order authority increase in the amount of \$150,000 with RJ Gordon Construction, Inc. for the Canal Liner Repairs at MP 4.80, 11.15, and 44.20 Project, for a revised total authorization not to exceed \$1,568,450.

Principal Engineer Luis Llamas reported that the Canal liner repairs at Mile Post (MP) 4.80 were completed. When the Canal was drained at MP 11.25, it was discovered that 195 feet of the liner needed replacement instead of the 90 feet previously planned. To avoid significant delay costs, the additional repairs were made using a project allowance and remaining contract authority. An additional \$150,000 is needed to replenish the change order authority and allow for completion of repairs at MP 44.20, which is the final location. The damaged panels and completed work were reviewed. The FY21 Engineering Department construction service budget contains sufficient funds to replenish the requested change order authority.

Vice President Avila asked for Board comments. The Board thanked staff for providing the report and the before and after photographs of the Canal liner replacements. Vice President Avila asked for public comment. There were none.

**MOTION:** Martinez/Burgh to authorize a change order authority increase in the amount of \$150,000 with RJ Gordon Construction, Inc. for the Canal Liner Repairs at MP 4.80, 11.15, and 44.20 Project, for a revised total authorization not to exceed \$1,568,450. The motion was approved by roll-call vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: Borba).

**DISCUSSION AND INFORMATION**

6. Review the status of the District's FY21 financial results and year-end projections as of December 31, 2020.

Rate & Financial Analyst Celia Cheung provided the FY21 mid-year financial status report. The mid-year financial review projects a net \$3.9 million negative financial plan impact for year-end FY21. The FY20 positive financial plan result, which was held in operating reserves through Board authorization, will be used to offset the projected negative FY21 financial plan results. The revenue challenges and higher expenditures, which

include the Emergency Canal Repair and Replacement Project, were reviewed. The District's delinquent account balances increased from \$20,000 before COVID-19 to \$230,000 as of December 2020 and are expected to increase to \$400,000 by the end of FY21, which is less than 1 percent of the District's total revenues. Customer Service continues to setup payment plans for customers to assist customers in reducing their outstanding balances. The additional operational expenditures related to COVID-19 were reviewed. The Phase 2 Los Vaqueros Reservoir Expansion Project financial status was reviewed, which had a cash reserve balance of \$1,978,000 as of December 31, 2020. The next quarterly financial plan update will be provided in the May-June timeframe.

Vice President Avila asked for Board comment. The Board acknowledged that the mid-year financial report had been received and thanked staff for the detailed information. COVID related financial impacts from outstanding customer account balances for California water agencies are projected to be \$1 billion by summer. Vice President Avila asked for public comment. There were none.

7. Receive update on branding and marketing initiative.

Director of Public Affairs Jennifer Allen explained that the District has been working with a brand-marketing expert on a branding and marketing initiative for the District. The Brand Platform being developed includes fundamental value proposition, brand values, brand personality, and brand positioning, which were reviewed. The fundamental value proposition focuses on the necessity of water to sustain health and safety, but also highlights that water is essential to maintain the value of homes, and to support a strong and thriving economy. The brand positioning and the supporting proof points for the promises to customers were reviewed. Brand personality traits are the human-like characteristics of the brand that provide the emotional conduit for relationships with the brand and provide the long-term emotional framework for the other brand strategies. The brand personality traits, statement and profile were presented. The schedule for the additional branding and marketing work was reviewed.

Vice President Avila asked for Board comment. The Board noted public skepticism of government promises may be reduced by the emotional component of the marketing plan that shows how the District cares about its customers. In response to a question on how the District would apply the marketing plan, staff explained that a marketing consultant would provide a variety of possible marketing options for the District to use to reach customers and build its brand. A discussion ensued regarding the importance for customers to understand value of the water system and increase their desire to invest in its maintenance. The Board emphasized the importance in knowing the current customer opinion of the District and the need for consistent messaging from the whole organization in employee-customer and Board-customer interactions. The Board discussed successful marketing accomplishments of other local public agencies who are partners of the District. As a community service provider, the District earns customer trust every day. The District's role as steward of the Delta was important to include in the marketing efforts. The Board thanked staff for the update and acknowledged it had reviewed and provided its comments on the branding marketing initiative. Vice President Avila asked for public comment. There were none.

**REPORTS FOR DISCUSSION**

8. Committee Report(s):
  - a. Finance Committee Post-Meeting Report (01/29/2021)
7. Schedule Future Meeting Dates and Times

There were no comments on the committee report and no meetings were added to the calendar.

**REPORTS**

8. General Manager

Mr. Welch acknowledged this was the first in-person Board meeting for Director Martinez. The District expects to receive its initial Central Valley Project water allocation at the end of February. A leak was found and is being assessed at the bypass used at the emergency Canal repair work underway near MP 25.40. The slope remains stable, and the Canal repair continues forward. The East County Water Management Association announced it would hold a meeting in March.

9. Legal Counsel

Mr. Coty did not have a report.

10. Board

Director Martinez did not have a report.

Director Holdaway reported that she had attended the Mayors' Conference on February 4. She met with the General Manager on February 5.

Director Burgh commented on the Retirement and Other Post-Employment Benefits trust funds exceeding their benchmarks for second quarter investment returns. He reported that he had provided a presentation to the American Association of University Women on February 17.

Vice President Avila reported that he had attended the Association of California Water Agencies (ACWA) Region 5 Board meeting on February 5. On February 9 he attended the Walnut Creek State of the City event. He met with Concord Councilmember Obringer on February 10. On February 11 he participated in the Multi-state Salinity Coalition Board meeting. He attended the ACWA Federal Affairs Committee on February 16.

**ADJOURNMENT**

At 7:43 p.m. Vice President Avila adjourned the meeting. The next regular meeting of the Board of Directors will be on March 3, 2021 commencing at 6:30 p.m. and will be held by teleconference.



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Lisa M. Borba, President

Attest:



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Mary A. Neher, District Secretary