

**CONTRA COSTA WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
March 17, 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 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:	Lisa M. Borba, President Ernesto A. Avila, Vice President John A. Burgh Connstance Holdaway Antonio Martinez
Directors Absent:	None
General Manager:	Stephen J. Welch
Legal Counsel:	Douglas E. Coty
District Secretary	Mary A. Neher
Executive Management Analyst	Shelly Wise

***PLEDGE OF ALLEGIANCE***

President Borba led the pledge of allegiance.

***ADOPTION OF AGENDA***

Additional vehicle procurement process information was added to Agenda Item No. 7, which was distributed to the Board and posted on the website. The Board adopted the agenda by rule.

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

President Borba asked for public comment. There was none. The Board acknowledged the teleconference participation by Diablo Water District (DWD) Director Joe Kovalick and Robert Janell of Orinda.

**CONSENT CALENDAR**

1. Approve Directors' Services/Business and Travel Expenses
  - a. Future Services – March/April 2021
  - b. Expenses – February 2021
  - c. Compensation – February 2021
2. Approval of February 17, 2021 meeting minutes.
3. Approve the warrant register dated March 18, 2021.
4. Authorize an agreement with Bel Air Mechanical in the amount of \$95,000, plus a 10% contingency of \$9,500, for a total not to exceed \$104,500, not including taxes, for the replacement of the Randall-Bold Water Treatment Plant air conditioning unit.
5. Adopt Resolution No. 21-004 authorizing execution of a Right of Way Contract and a non-exclusive perpetual easement to Contra Costa County at Marsh Creek Road in Brentwood.
6. Adopt Resolution No. 21-005 authorizing execution of a settlement, waiver and release agreement and accepting a non-exclusive easement from Pacific Gas & Electric Company at Concord Avenue in Brentwood.

President Borba asked if anyone wanted to remove an item from the consent calendar to be separately considered. No items were pulled for separate consideration. President Borba asked for Board comments. Because President Borba did not attend the February 17, 2021 Board meeting, President Borba abstained from approval of Agenda Item No. 2. President Borba asked for public comment. There were none.

**MOTION:** Holdaway/Burgh to approve the consent calendar, except Agenda Item No. 2. The motion was approved by roll-call vote (Ayes: Avila, Borba, Burgh, Holdaway, Martinez; Noes: None; Abstain: None; Absent: None).

**MOTION:** Holdaway/Burgh to approve Agenda Item No. 2, February 17, 2021 meeting minutes. The motion was approved by roll-call vote (Ayes: Avila, Burgh, Holdaway, Martinez; Noes: None; Abstain: Borba; Absent: None).

**DISCUSSION AND INFORMATION**

7. Review and comment on the Phase 2 Los Vaqueros Reservoir Expansion Project governance formation to the extent required to finalize terms of agreement for Joint Powers Authority (JPA) formation.

Assistant General Manager – Policy and External Affairs Marguerite Patil reviewed the work completed on the governance formation since the November 4, 2020 update. The Letter of Intent (LOI) pertaining to CCWD's usage fees has been reviewed by the Local Agency Partners (LAPs). The approval process for the LOI and JPA Agreement was reviewed. There has been no change to the LAP participants. The eligibility to serve as a Director on the JPA Board and role of the Director alternate were provided. JPA actions that require super-majority and unanimous votes were reviewed. A unanimous vote is required to create positions of employment and retirement system contract to ensure all JPA members agree before either action may occur. Weighted voting language is being developed and is under consideration. The veto rights and implementation actions for CCWD and East Bay Municipal Utility District (EBMUD) were reviewed. Language addressing recusal of a JPA member and associated vote impacts was added. A discussion ensued regarding retention of the right to vote

by a JPA member's Board representative. The option for a JPA member to self-fund (pre-pay) its allocated capital cost share of the Phase 2 Los Vaqueros Reservoir Expansion Project (Project) up front was added. Whether a JPA member self-funds or participates in the JPA debt funding for the LAP share of Project capital costs, the member is committed to the Project. Bond counsel is reviewing the self-fund option to ensure it does not impact the bond debt financing process. The capital cost funding options are not tied to facility ownership but are tied to allocation of benefits in accordance with "beneficiaries pay". The San Francisco City Charter requirements for budget approval of Project operational and administrative costs for the San Francisco Public Utilities Commission does not apply to capital debt. To ensure there are adequate funds to cover short-term delays in payment by a JPA member, a new operational and administrative fund reserve is being developed. The CCWD Board spoke in favor of maintaining a 12-month reserve. The possible withdrawal and offramps from the JPA process between now and when the debt is taken out for the Project or a member self-funds its cost share for the Project were reviewed. New sections added to the JPA Agreement since the last Board presentation were reviewed. The schedule for JPA formation through Summer 2021 was provided.

President Borba asked for Board comment. In response to the Board's question about adding new JPA members, staff reviewed the JPA Agreement criteria pertaining to the withdrawal and addition of members. A discussion ensued regarding the criteria of adding a new JPA member and actions that may be taken if there is any material and/or adverse impact on CCWD or the JPA. In response to a question regarding JPA direct employees and associated retirement system, legal counsel explained the addition required a unanimous vote by the JPA Board and the action must be ratified by all JPA member Boards. The Board emphasized that the LOI and the JPA Agreement need to be approved by most if not the full group of LAPs to make the Project financially feasible. Staff confirmed the CCWD Board would be provided the JPA Agreement to review before it is brought to the CCWD Board for approval. The JPA Agreement will then go before the various LAP Boards for approval and execution before it comes back to the CCWD General Manager for execution.

President Borba asked for public comment. DWD Director Joe Kovalick asked questions on how the Project will benefit the original Los Vaqueros Reservoir beneficiaries; how the loss of the use of the reservoir during dam construction will be offset, especially during a drought; and if it were possible to complete the expansion without completely draining the reservoir. Staff explained that the Project will provide CCWD with increased flexibility for reservoir filling, untreated water operations, drought management, and water quality. The regional connectivity with other Central Valley Project contractors and Bay Area water agencies will provide CCWD with water supply back up for emergencies. The substantial revenue payments from the JPA to CCWD will ultimately benefit all CCWD customers. CCWD customers would continue to receive their original benefits plus the new benefits from the Project. The earliest the reservoir would be drawn down for construction is 2026. CCWD gets its water supply from the Delta and uses Los Vaqueros Reservoir as storage. All three of CCWD's Delta intakes will be operational while the reservoir is offline. An existing intertie agreement with EBMUD, together with a new Memorandum of Understanding and future agreements, will provide CCWD with access to its water at an alternate location in the north Delta when water quality declines at CCWD intakes or in the case of an emergency or drought. Because construction of the expanded dam will be on the water side of the existing dam, the reservoir must be completely drained. When the voters originally voted to build Los Vaqueros Reservoir in 1988, it was built for water quality and emergency supply. The goal is for CCWD customers not to notice a difference in their water supply or quality during construction. Staff is scheduled to provide the DWD Board with a Project update next week. President Borba thanked Director Kovalick for his questions and comments.

The Board reviewed the importance to have a strong foundation in place at the beginning of the JPA and that there will be some give and take while participating in a JPA. The Board thanked staff for the update.

**REPORTS FOR DISCUSSION**

8. Committee Report(s):
  - a. Joint Meeting of the Retirement and Other Post-Employment Benefits Committee Post-Meeting Report (02/18/2021)
9. Schedule Future Meeting Dates and Times

There were no comments on the post-meeting report. No meetings were added to the calendar.

**REPORTS**

10. General Manager

General Manager Welch reported that the Board held its state legislative meeting day on March 16. Approximately 100 staff members received at least their first COVID vaccine. There are two new COVID cases among staff that were contracted from outside of the District. The safe return to work plan continues to be reviewed. A body was found on March 16 in the Los Medanos Wasteway. Assistant General Manager – Engineering and Operations & Maintenance Rachel Murphy will be the acting General Manager April 3-11. The Board will be provided with a copy of the draft JPA Agreement this week. The Board study session is scheduled on Friday, March 26, 2021 at 8:30 a.m.

11. Legal Counsel

Mr. Coty did not have a report.

12. Board

Vice President Avila reported attendance at and provided comments on the Operations and Maintenance Committee on March 10; East Bay Leadership Council – Water and Environmental Task Force on March 16; and Association of California Water Agencies (ACWA) federal legislative webinar on March 17.

Director Burgh reported attendance at and provided comments on the Board-State Legislative day meetings held on March 16. Director Burgh reviewed the accomplishments of and contributions to Concord and the central county by Dan Helix, who recently passed away.

Director Holdaway reported attendance at a meeting with the General Manager on March 12.

Director Martinez reported attendance at and provided comments on the Sierra Club San Francisco Bay Chapter Committee meeting on March 11. The committee requested a presentation by District staff on the Phase 2 Los Vaqueros Reservoir Expansion Project.

President Borba reported attendance at and provided comments on a meeting with the General Manager on March 9; Operations and Engineering Committee on March 10; California Special District Association, Contra Costa Chapter on March 15; Board-State Legislative day on March 16; and ACWA federal legislative webinar on March 17.

**ADJOURNMENT**

At 8:19 p.m. President Borba adjourned the meeting in honor of Daniel C. Helix, a former Concord mayor and councilmember, for his many years of dedicated service to the country and local community. The next meeting of the Board of Directors will be a special meeting, which is a Board study session, on Friday, March 26, 2021 at 8:30 a.m. and held via teleconference. The next meeting regular meeting of the Board of Directors will be on Wednesday, April 7, 2021 commencing at 6:30 p.m. and held via teleconference.



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Lisa M. Borba, President

Attest:



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Mary A. Neher, District Secretary