

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
SPECIAL MEETING (BOARD STUDY SESSION)
March 26, 2021**

MINUTES

CALL TO ORDER

President Borba called to order a special meeting of the Board of Directors, a study session, of the Contra Costa Water District (District or CCWD) at 8:30 a.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

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| 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 information was added to Agenda Item No. 3 State Legislative Update presentation, which was provided to the Board and posted to 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.

President Borba handed the meeting facilitation over to Assistant General Manager – Engineering and Operations & Maintenance Rachel Murphy, who reviewed the ground rules and schedule.

DISCUSSION AND INFORMATION

1. Major Policy Calendar

Executive Management Analyst (EMA) Shelly Wise provided a review of the Major Policy Calendar (MPC) for the period of April 2021 through March 2022, which included significant and new activities for the Canal Modernization Study, Pavement Restoration Policy for Work in streets, Diversity and Inclusion, and a joint meeting with Diablo Water District. The first Board meeting for December 2021 and May 2022 were moved to accommodate the Association of California Water Agencies conferences in the Fall of 2021 and Spring of 2022. The Board was requested to review the draft 2022 calendar of Board and Board Committee meetings and provide scheduling conflicts to either the EMA or District Secretary. Staff confirmed that the Diversity and Inclusion items were included in the General Management section of the MPC. There were no public comments.

2. Federal Legislative Representative

Marcus Faust reviewed recent appointments for the Secretary of Interior, Principal Deputy Assistant Secretary, and Deputy Commissioner – Bureau of Reclamation. The American Rescue (AR) Plan and eligible uses for the federal aid for state and local governments were reviewed, which includes investment in necessary water, sewer, or broadband infrastructure. A discussion ensued about CCWD projects that may be eligible to receive AR Plan funding and potential challenges that may be encountered. The federal appropriations process was gearing up. A review of the legislative meetings by CCWD and Local Agency Partners staff, which requested funding for the Phase 2 Los Vaqueros Reservoir Expansion (LVE) Project, was provided. The Water Infrastructure Improvements for the Nation (WIIN) Act fund allocations process was reviewed. Of the \$603 million Congress-approved appropriations for water storage projects, there is still \$297 million not yet committed by Reclamation into a work plan. The WIIN approved water storage projects status was provided. A request for support of the FY2022 appropriations request for the LVE Project was submitted in February 2021. The LVE Project congressional support letter efforts, which was led by Congressman Mike Thompson, was provided. The House Committee will reinstitute earmarks on appropriations, and associated rules were provided. An overview of the controversial \$3.3 trillion infrastructure bill, which will include several non-infrastructure items, was provided. There were no public comments.

3. State Legislative Representative

Julee Malinowski-Ball reported that Democrats continue to hold a super majority in the Assembly and Senate. The CCWD Board virtual state legislative outreach and education day was held on March 16. Access at the State Capitol remains limited due to COVID restrictions and the potential for civil unrest. The modified committee hearing process was reviewed. The California governor recall process and potential candidates were reviewed. The climate bond being developed by legislators that will go to the voters for approval and will include water supply and quality projects was reviewed. California received \$150 billion from the federal government, which includes checks to individuals, relief targeted for cities and counties, and relief targeted for the state. The fund distribution challenges, large upcoming state expenses, and potential tax impacts from relief payments were reviewed. State legislative issues that will continue to be monitored include impact fees for accessory dwelling units (ADUs), drought mitigation, and water affordability and rate assistance. Under development is AB 602 that would require agencies, including utility agencies, to provide ADU impact fee matrices to justify how the fees are determined. A discussion ensued regarding the uniqueness of the agencies that use different matrices to determine their impact fees. There were no public comments.

At 9:52 a.m. the Board took a 10-minute break.

At 10:02 a.m. the Board reconvened the study session.

4. Canal Modernization – Project Update

Interim Design Division Manager Peter Stabb provided background information for the Contra Costa Canal (Canal), which was built in the 1930s by the Bureau of Reclamation and is the backbone water conveyance facility for CCWD. The Canal requires increasingly costly repairs and maintenance, is vulnerable to outages from earthquake or landslide, poses life and safety risks to public and staff, and is subject to water loss from seepage and evaporation. The current approach to determine Canal repair priority areas as part of master planning efforts and 10-Year Capital Improvement Program (CIP) process, which informs the budget process, was reviewed. The 10-Year CIP allocates approximately \$10 million for priority Canal liner repairs, which is not a sustainable approach to maintain the longevity and reliability of the Canal. The November 2020 Canal leak was reviewed, which caused a landslide and required emergency replacement of approximately 200 feet of Canal liner. Three Canal Modernization alternatives were reviewed. The public opinion research is projected to be reinitiated in January 2022. The financing and implementation strategy was reviewed. The estimated impacts of the Canal Modernization alternatives, if solely funded by rates, were provided. The importance of investigating additional possible funding options was discussed. The technical work plan for FY21-FY22 was reviewed. The project schedule and roadmap were provided. The next study session review will include a discussion of various funding mechanisms available for the project. The Board was interested in being provided with a combined schedule to combine the timing and impact of the work for the Canal Modernization and Phase 2 Los Vaqueros Reservoir Expansion projects. Development of alternatives for drainages into the Canal will be included in the work plan. The changes to the land use around the Canal since it was initially built was discussed. There were no public comments.

5. Los Vaqueros Reservoir Expansion Project Update

Assistant General Manager – Policy and External Affairs Marguerite Patil provided a review of the key items completed in advance of the Los Vaqueros Reservoir Joint Powers Authority (JPA) formation agreement being brought to the Board on April 7. A detailed review of the JPA execution process by the Local Agency Partners (LAPs) of the Letter of Intent for CCWD Usage Fees and the JPA agreement was provided. An update on project financing, which included the funds from the California Water Commission and Multi-party Agreement with the LAPs, was provided. The Reclamation preconstruction funding for Pumping Plant No. 1 was reviewed. The next amendment for the Multi-party Agreement is being developed. The total funds received from the WIIN Act to date is nearly \$12 million. An additional \$211 million in federal funding has been requested for the project. Additional agreements that will be brought to the CCWD Board for consideration for the project were reviewed. A consultant staff model for the JPA continues to be discussed by the LAPs. The project and JPA schedules were reviewed with construction estimated to occur in 2022 through 2029. There were no public comments.

6. Finance – Fixed vs. Variable Cost Review

Acting Assistant General Manager – Administration Lizz Cook reviewed the rate structure study implemented in 2019 that did modify the fixed and variable cost charge components of the untreated water rates, which were reviewed. The District variable costs are approximately 10 percent and the fixed costs are approximately 90 percent of the rate. The variable and fixed cost components were provided. The breakdown of the water charges actually charged to treated and untreated water customers was provided. The District received between \$6-7 million a year from Facility Reserve Charges. A discussion ensued regarding that several water agencies were also reviewing this same issue. There were no public comments.

At 10:55 a.m. the Board took a 15-minute break.

At 11:10 a.m. the Board reconvened the study session.

7. Making a Good Board Better
 - Brown Act and Rosenberg's Rule of Order
 - Board Procedure Manual Update

Legal Counsel provided a review of AB 992 regarding appropriate and restricted uses of social media by legislative body members. An overview of the Brown Act and background were provided. The bills under development regarding potential changes to how legislative bodies may conduct their meetings virtually were reviewed, which, if passed, may modify the Brown Act. The parliamentary procedural meeting rules offered through Rosenberg's Rule of Order and Robert's Rules of Order were reviewed, compared, and contrasted. A discussion ensued regarding difference between the two procedural processes regarding the power of the chair. A discussion ensued regarding audio and video recording handling, retention, and accessibility for the public who may have hearing and/or visual disabilities.

EMA Wise provided the Board Procedure Manual (Manual) review process completed over the past several months. The data gathered in response to the Board's comments and questions was presented, and the Board discussed the information, provided feedback, and completed the Manual review. Legal Counsel explained the recusal process for Board meetings due to a conflict of interest and reviewed the legal process that a Director may follow if the Director were to have a complaint or allegation about a potentially unlawful handling of a Closed Session matter. A discussion ensued regarding how special and emergency meetings may be called and noticed to the public. Staff will update the Manual to reflect the Board's recommended changes and add updated procedures related to email communications, District provided electronic devices, Board communications, alternate positions on external committees, and Board engagement practices when there is an existing or possible litigation. The Board acknowledged that it had completed the review of the Manual. There were no public comments.

REPORTS

8. General Comments:
 - General Manager
 - Legal Counsel
 - Board Members

General Manager Welch thanked the Board for the lively discussions and comments provided during the study session. Staff will continue seek government project funding opportunities to benefit the community served by the District. General Manager Welch thanked Assistant General Manager – Engineer and Operations & Maintenance Rachel Murphy for acting as the meeting facilitator.

Legal Counsel Coty thanked everyone for the detailed information provided, especially regarding infrastructure funding opportunities.

Director Martinez thanked staff for their work putting together the study session and expressed appreciation to be part of the process.

Director Holdaway thanked everyone for providing the Board with a lot of great information and working together to get a lot done.

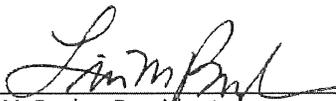
Director Burgh expressed appreciation for the detailed presentations and noted with concern that the federal government will reinstitute the use of earmarks.

Vice President Avila thanked the staff and Board for their remarkable collaborative discussions that made the study session very beneficial.

President Borba acknowledged the amount of information provided to the Board and thanked the Board for providing such extensive and valuable input, especially on its Board Procedure Manual review.

ADJOURNMENT

At 1:04 p.m. President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on April 7, 2021 commencing at 6:30 p.m. and will be held by teleconference.



Lisa M. Borba, President

Attest:



Mary A. Neher, District Secretary