

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
August 7, 2019**

MINUTES

CALL TO ORDER

President Borba called to order a regular meeting of the Board of Directors of the Contra Costa Water District (District) at 6:35 p.m., at 1331 Concord Avenue, Concord, the regular meeting place of the Board.

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:	Jerry Brown
Legal Counsel:	Douglas E. Coty
District Secretary	Mary A. Neher

PLEDGE OF ALLEGIANCE

Director Avila led the pledge of allegiance.

ADOPTION OF AGENDA

In consideration of the public in attendance regarding Agenda Item No. 8, review of the Public Employees' Medical and Hospital Care Act 120-day direct retirement rule, the agenda was reorganized to place the matter immediately following the Consent Calendar. The Board adopted the agenda as presented.

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

President Borba asked for public comments. There were none.

PRESENTATION

1. Transparency Certificate of Excellence

California Special Districts Association (CSDA) Public Affairs Field Coordinator Colleen Haley reviewed the transparency certificate of excellence program since its inception in 2013 and that the District was the first special district to receive the award. Ms. Haley presented the Board with the award. The Board discussed the importance for transparency and expressed appreciation to staff for meeting the criteria and completing the detailed application.

CONSENT CALENDAR

2. Approve Directors' Service/Business and Travel Expenses
 - a. Future Services – August 2019
3. Approve July 3, 2019 meeting minutes.
4. Approve the warrant register dated August 8, 2019.
5. Authorize execution of a contract with Evans Consoles Incorporated for the Bollman Water Treatment Plant Console Improvement Project for a total not to exceed \$200,000.

President Borba asked if anyone wanted to remove an item from the consent calendar to be separately considered. No items were removed.

President Borba asked for Board questions and comments. Vice President Holdaway and Director Avila said they would abstain from the approval of Agenda Item No. 3 regarding the July 3, 2019 minutes, as they had not attended the meeting.

President Borba asked for public comments. There were none.

MOTION: Boatmun/Burgh to approve the consent calendar, except for Agenda Item No. 3. The motion carried by unanimous vote.

MOTION: Boatmun/Burgh to approve Agenda Item No. 3. The motion carried by voice vote (Ayes: Boatmun, Burgh, Borba; Abstain: Avila, Holdaway).

DISCUSSION AND INFORMATION

8. Review and comment on the potential legislative exemption to the Public Employees' Medical and Hospital Care Act (PEMHCA) 120-day direct retirement rule.

Assistant General Manager – Administration Ronald D. Jacobsma stated that staff evaluated the possibility of a legislative exemption related to the PEMHCA 120-day direct retirement rule (120-day Rule) as directed by the Board on June 19, 2019. A review of the Other Post-Employment Benefit (OPEB) refund and pension payment delays resulting from the change to CalPERS medical was provided. The discussions with CalPERS medical staff and California Senate and Assembly legislative committee members were reviewed. Prior to the Board meeting, the District provided its findings to both Local 21 and Local 39. An email from Local 21 expressing that it would not support changes to the 120-day Rule, which could possibly erode certain other employee protections, was included in the staff report. Local 39 has not provided its position on the matter to the District. Although District staff does not believe the District should try to amend PEMHCA through legislation given lack of union support, it remains open to review other viable or reasonable options to address impacts from the 120-day Rule. The rule negatively impacts approximately 5-10% of District employees because those employees have spousal/Registered Domestic Partner CalPERS medical coverage. In evaluating options, District staff wanted to avoid any unintended consequences. A legislative change to the 120-day rule would impact the District and potentially all CalPERS medical group participants, which could result in third-party unintended consequences.

President Borba asked for Board questions and comments. There were none.

President Borba asked for public comments.

Mr. Bob Eagle, District employee and Local 21 Chapter President, thanked the Board for its efforts to resolve the OPEB refund issue for employees that cannot access the retiree health benefit upon retirement. Everyone is looking to find a resolution as soon as possible.

Jeff Duritz, Local 21 Representative, said the District decided to evaluate the potential for a legislative exemption following a comment made by a Local 21 employee during the June 19, 2019 Board meeting, and added that that employee did not represent all Local 21 employees. He asked the Board to direct staff to meet with the union at least on a weekly basis until the OPEB refund issue is resolved. Although the District does not want to open labor negotiations for this issue, there have been four separate side letters negotiated within the current contract term to address other issues. He asked the District to work collaboratively with the union to remove employee choice from the OPEB refund contribution matter, like the vacation and sick leave cash out program, to avoid constructive receipt issues, although the proposal was previously rejected by the District. He suggested for the District to provide a proposal as a starting point for negotiations.

Mr. Coty noted that the published agenda did not provide for union negotiations. Even though the Board may ask the General Manager to take the matter under advisement, Mr. Coty cautioned against instructing staff to have meetings with the unions until the Board and staff have labor and negotiating discussions in closed session. Director Boatman said other water agencies expressed concerns for potential unintended consequences if the 120-day rule were changed and that it may be better to leave the issue as is and address it during the next labor negotiations. The Board was sympathetic to impacted employees.

Mr. Duritz said District employees were more impacted by the PEHMCA 120-day rule than other agencies because District employees contribute at a higher rate to its OPEB. Although there is one employee impacted now, he expects more employees to be impacted by the time the contracts expire. As the issue will not go away, it would be better to resolve it now to assist with the upcoming labor negotiations and agreements.

President Borba said she would like to refer the matter to the General Manager and staff for further discussion. Director Avila said the District must follow the law and its limitations. Mr. Coty confirmed that the Board had reviewed and commented on the findings and received public comments. The Board thanked staff for the update and the public for their comments. Director Boatman suggested that a decision whether the District will resolve the matter now or wait for the next labor negotiations be provided to the unions. The Board was interested in hearing the comments from Local 39 on the legislative exemption findings.

ACTION

6. California Special Districts Association 2019 Board Election for Bay Area Network, Seat B
 - a. Determine whether the District's representative will vote for the candidate of her choice; or
 - b. If the Board chooses to direct its representative, designate which candidate will receive the vote for Seat B of the California Special Districts Association Bay Area Network Board of Directors.

Mr. Brown said the election information was included in the staff report and that President Borba designated Director Boatman as the Board's voting representative. Director Boatman explained her recommendation to support Ryan Clausnitzer of the Alameda County Mosquito Abatement District.

President Borba asked for Board questions and comments. Because of Director Boatman's experience and knowledge regarding the CSDA, Director Avila thought the Board should allow her to select the candidate of her choice.

President Borba asked for public comments. There was none.

MOTION: Holdaway/Burgh to allow Director Boatman, the District's representative, to vote for the candidate of her choice. The motion carried by unanimous vote.

7. Adopt recommended positions on: AB 1486, SB 13, and H.R. 2313.

Director of Public Affairs Jennifer Allen said the state legislators would return from summer recess on August 12.

SB 200 provides funding for the Safe and Affordable Drinking Water Fund. Some initial needs have been identified; however, the statewide needs assessment has not been completed. The State Water Board will provide state legislators with annual updates. A mutual aid concept developed through the California Urban Water Agencies could provide local disadvantaged communities with technical expertise from local water agencies. Integrated Regional Water Management Grant funds are currently being used to assist local disadvantaged communities, such as Bethel Island. The Board will be provided updates regarding the state's Safe and Affordable Drinking Water Fund assessment.

The District will monitor the August 14 informational hearing of the Senate Energy Utilities and Communication Subcommittee on Gas, Electric and Transportation Safety where customers have the opportunity to discuss information they have received from PG&E regarding the public safety power shutoffs (PSPS) policy. The District has had productive meetings with PG&E. The Rock Slough Intake had a short power shutoff today in response to a fire located within the immediate vicinity. Director Avila expressed concerns about PG&E's long-term power management policies and associated public impacts. Staff explained the current PG&E PSPS policy had been modeled after Southern California utility policies in place for 10 years and that the power shutoff notifications and durations have been better than originally estimated in Southern California. The subcommittee is a good venue for PG&E customers to express comments and concerns. The District is monitoring the California Public Utilities Commission hearings related to a potential Department of Water Resources bond fee increase and will also follow hearings regarding the 2020 Public Safety Power Shutoff Plan. The Board will be provided with upcoming meeting information that includes power shutoffs and preparedness topics.

The accessory dwelling units bill, SB 13, was amended to address the District's concerns, and the District recommended to change its position from *Oppose Unless Amended* to *Watch*.

AB 1486 related to the disposal of surplus public land was amended to address District concerns regarding negotiations or uses of lands around District property. It was recommended to change the District's position from *Oppose Unless Amended* to *Watch*.

With regard to federal infrastructure bills, Senator Harris will introduce the Water Justice Act bill, which is expected to fund at risk communities and individuals nationwide. An amendment to the Safe Drinking Water Act could include perchlorate regulations. The Water Infrastructure for Improvements of the Nation Act (WIIN Act) storage funding is expected to be part of the Appropriations bill negotiations this fall, and the District will continue to provide Los Vaqueros Reservoir Expansion funding requests. The District is working with the Bureau of Reclamation related to the Los Vaqueros Reservoir Expansion Federal Feasibility Report.

A new federal bill, H.R. 2313, has been introduced to provide income tax exemptions for customers receiving water conservation or stormwater management project rebates. The District recommends taking a *Support* position.

President Borba asked for Board questions and comments. There were none.

President Borba asked for public comments. There were none.

MOTION: Boatmun/Holdaway to adopt recommended positions on: AB 1486, SB 13, and H.R. 2313. The motion carried by unanimous vote.

DISCUSSION AND INFORMATION

- 8. ~~Review and comment on the potential legislative exemption to the Public Employees' Medical and Hospital Care Act 120-day direct retirement rule.~~

REPORTS FOR DISCUSSION

- 9. Committee Report(s):
 - a. Operations and Engineering Committee Post-Meeting Report (07/11/2019)
- 10. Future Meeting Dates and Times

There were no report comments and no meetings added.

REPORTS

- 11. General Manager

Mr. Brown said the CSDA transparency certificate of excellence program was a good model for other agencies considering adding such a program because the CSDA continuously improves its program.

The Marsh Creek Road fire cleanup was almost complete. There were no impacts to District facilities and services, and the District was able to maintain its water storage supplies.

The Oakley fire today resulted in a three-hour power shutoff at Rock Slough Intake. A discussion ensued regarding the importance to follow first responders' evacuation requests. Wildfire preparedness information will be included on the District website, which should include additional costs incurred by the District to manage power outages.

- 12. Legal Counsel

Mr. Coty reported that the WIIN Act includes a provision allowing for the conversion of the District's Central Valley Project (CVP) contract from water service to repayment, which is a more advantageous contract for every CVP contractor. The CVP-wide issues under negotiation were resolved today. Further negotiations on divisional and individual contract issues are expected to be concluded by late 2021.

- 13. Board

Director Boatmun announced that she had attended the August 1 Mayors' Conference. ACWA will soon select its 2020-2021 committee members, and she emphasized the importance for the District Board and staff to actively participate in the ACWA committees.

Director Avila requested that the Board be provided with a bond interest update and what it means to District debt refinancing. Mr. Brown said it would be provided in the Board letter. Director Avila thanked staff for the updates regarding the fires along Marsh Creek Road.

Director Burgh said Jim Bonato, Program Manager of the Pleasant Hill Community Emergency Response Teams Program, was provided a good briefing about PSPS impacts on water supply by District staff. He asked the record to show that he was a volunteer at the Campbell Theater in Martinez and did not influence the beverage options provided at the theater.

Vice President Holdaway reported that she attended a meeting on July 26 with the Oakley City Manager and District General Manager where they reviewed the plans and site of a proposed 55-acre city park. District staff was already reviewing the City of Oakley's request to use District property for additional parking at the proposed park. She had a meeting with the General Manager on July 26.

President Borba reported that she had attended the August 1 Mayors' Conference and had met with the General Manager on July 23, July 30, and August 6.

At 7:52 p.m., President Borba adjourned the meeting. The next regular meeting of the Board of Directors will be on August 7, 2019 commencing at 6:30 p.m. in the Board Room located at 1331 Concord Avenue in Concord.

Attest:


Mary A. Nehrer, District Secretary



Lisa M. Borba, President