

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS**

Thursday, January 13, 2022

Note: Due to COVID-19, this meeting was conducted as a teleconference pursuant to the provisions of the AB 361 [Government Code Section 54953(e)]. Directors participated remotely, but the public was welcome to attend the meeting in person, as the General Manager was present at the Westborough Water District Office, in addition to participating remotely.

The meeting was called to order at 7:39 p.m.

1. ROLL CALL:

Directors Present:

Perry Bautista
Janet Medina
Julie Richards
Thomas Chambers
Don Amuzie (*due to technical difficulties did not join the meeting until 7:45 p.m.*)

Directors Absent: None.

Staff Present: Patricia Mairena, General Manager,
Michael Conneran, Attorney

Visitors Present: Jeff Palmer, Auditor- Fedak & Brown, LLP
Kay Montplaisir, Project Manager – Redistricting Partners
Dayna Louie, Attorney - Hanson Bridgett, LLP

For the record, General Manager Mairena stated that she was present at the District's Office for any visitors who wished to attend the board meeting in person.

2. PLEDGE OF ALLEGIANCE: Led by Director Chambers.

3. SPECIAL ORDER OF BUSINESS:

A. Consideration of Resolution 644, Declaring that District Meetings will Continue to be Held Via Teleconference.

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Attorney Conneran stated that just as it was done in past meetings, the Board would be adopting a resolution which would allow the Board to meet via teleconference in accordance with AB 361. This law requires every 30 days or thereabouts to make a finding that the COVID emergency continues, so it is advised to practice social distancing, and he recommended approval of this resolution.

Director Chambers moved to approve Resolution 644, Declaring that District Meetings will Continue to be Held Via Teleconference, seconded by Director Medina.

Roll Call

Director Medina	Aye
Director Richards	Aye
Director Chambers	Aye
Director Bautista	Aye

Director Amuzie	Absent
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Note: due to technical difficulties did not join the meeting until 7:45 p.m.

The motion was carried 4 to 1.

4. CONSENT CALENDAR:

President Bautista asked the Board if there was any discussion or corrections to the Consent Calendar.

Director Chambers stated that he had spoken to General Manager Mairena about an issue with the sequence in the minutes describing the Board elections. Director Chambers said that the Board member made a nomination, then a member seconded the nomination, then the nomination was closed, and lastly, there was a vote. He stated that General Manager Mairena had forwarded him a revision which he would like to be incorporated in the minutes. General Manager Mairena replied that upon her review of the video of the board meeting, she had in fact skipped a section, so she had made the corrections and emailed a revised board packet to the Board.

Director Bautista stated he had corrections to the minutes:

1. Page 4.A.1.7, 3rd paragraph, 2nd sentence: add a period after the word "twice", and the word "Since" would start a new sentence.

2. Page 4.A.1.7, 3rd paragraph, 3rd sentence: add a comma after the word "service" and remove the capital on the word "he".

3. Page 4.A.1.7, 3rd paragraph, 3rd sentence: add a comma in between the words "if" and "once".

4. Page 4.A.1.7, 3rd paragraph, 4th sentence: add a comma in between the words "drawn" and "there".

President Bautista asked the Board if there was any other discussion; otherwise, he would entertain a motion to accept the consent calendar as corrected.

Director Chambers moved to approve the Consent Calendar as corrected, seconded by Director Medina.

Roll Call

Director Chambers	Aye
Director Amuzie	Aye
Director Richards	Aye
Director Medina	Aye
Director Bautista	Aye

The motion was carried unanimously.

[For the record, when making these corrections, General Manager Mairena revised the word "Polarize" to "Polarized" on Page 4.A.1.7, 5th paragraph, on the 4th sentence.]

5. **PUBLIC COMMENT:** None.

6. **BUSINESS (OLD):**

A. **Report on the Second Emergency Repair of the District's 14" Main Transmission Line Located on Westborough Boulevard in the Eastbound Direction at the Stop Light Intersection of the I-280 South Off-Ramp and Westborough Boulevard.**

General Mairena requested this item be discussed in Closed Session. President Bautista agreed to skip this item and review it under Closed Session.

7. BUSINESS (NEW):

A. Review/Approve June 30, 2021, Audit Report.

Jeff Palmer from Fedak & Brown LLP, started his slide presentation and introduced himself as the audit manager for the 20-21 audit and he was present there to review the results. He stated that the audit had been conducted in accordance with auditing standards generally accepted in the United States of America. The audit was performed in two stages: Interim Fieldwork, which assessed the District's Internal Controls by interviewing staff and management to gain an understanding of those controls, and then tested these controls to determine their effectiveness. The second stage was the Final Field Work, in which they came back to agree all the balances to the supporting documentation, perform testing of those balances, specifically to year-end balances to insure these are fairly stated, perform analysis of key relationships on the Statement of Net Position, Statement of Revenues and Expenses, and Changes in Net Position, which are basically the Balance Sheet and Income Statement.

Auditor Palmer stated they issued several reports as part of the audit:

The first report was the Independent Auditor's Report for which the District received an unmodified "clean" opinion, the highest form of assurance they can provide as our auditor.

The second report was the Management Report, which states they did not identify any material weaknesses within the District's internal control structure.

The third report was the Communication to the Governing Board, in which they identified and described what their responsibility is under generally accepted auditing standards, the scope of the audit, and management's responsibilities for accounting practices and policies. They also identified the most sensitive estimates in the financial statement which are: the fair value cash investments, allowance for doubtful accounts, capital assets depreciation, post-employment benefits liability, and the defined benefit plan. This report also included the corrected and/or uncorrected misstatements. Auditor Palmer noted there were no difficulties encountered in performing the audit, and there were no disagreements with management.

With regards to the Financial Highlights, Auditor Palmer reported that the Statement of Net Position showed:

- A decrease in Net Position of approximately \$245,000 for a balance of \$9.4 million at the end of 2021.

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- The largest change noted is of a million dollars in the current assets category, attributable mostly to a \$930,000 decrease in cash as compared to the prior year.
- The next largest decrease noted is in the increase in Capital Assets, of which a \$726,000 increase is primarily attributed to the Athy Drive Project that was capitalized in the current year.

Next, Auditor Palmer reviewed the changes in the Statements of Revenues, Expenses, and Changes in Net Position:

- Again, the approximate decrease of approximately \$245,000 in Net Position was primarily due to the net loss for ongoing operations.
- Total revenue decreased by \$457,000 to \$6.6 million.
- Total operating revenue decreased by \$114,000 to \$5.9 million, primarily due to decreases of \$95,000 in water consumption sales, \$6,000 in wastewater services, and \$14,000 in other charges and services as compared to the previous year.
- Total non-operating revenues decreased by \$343,000 to \$631,000, primarily due to a \$270,000 decrease in other non-operating revenue and \$98,000 in interest and investment earnings. Those decreases were offset by an increase of \$25,000 in property taxes as compared to the previous year.
- With regards to expenses, total expenses increased by \$123,000 to \$6.8 million.
- Operating expenses increased by \$77,000 to \$6.5 million, primarily due to increases of \$164,000 in G&A expenses, \$66,000 in treatment and disposal, \$46,000 in salaries and benefits, and \$28,000 in employee benefits. These expenses were offset by decreases of \$198,000 in water purchases, \$13,000 in utilities, \$8,000 in vehicles, and \$7,000 in system maintenance as compared to the previous year.
- Depreciation expense increased by \$41,000 to \$338,000, primarily due to assets that were added in the previous fiscal year that started depreciating in the current year, in conjunction with the ongoing maturation of existing depreciable assets.
- Non-operating expenses increased by \$6,000, primarily driven by one item, the loss of disposal of capital assets as compared to the previous year.

Auditor Palmer asked the Board if they had any questions.

Director Chambers stated he had an issue with note 4 on page 25 of the Financial Reports with regards to the loan from the sewer fund to the water fund, as he was unsure the fund would be able to be re-paid next year due to upcoming water increases. Director Chambers felt the problem was caused on pages 49 and 51, basically with the allocation of general expenses. Director Chambers stated that Capital Facilities expense was just a pass-through fund because funds received were collected and paid to Daly City. He indicated the water fund was paying for all the sewer overhead including accounting services, engineering services, billing, the Sewer System Management Plan (SSMP) and its contracted cost, legal costs, and the Prop. 218 preparation. Director Chambers suggested we need to look closely as to how general expenses were allocated. Director Chambers recommended the wording be changed to state that the sewer fund will be replenished but not necessarily by a rate increase and also, the allocation of general expenses will be reviewed by the auditor and management.

Auditor Palmer replied that he could not get involved with the allocation of expenses, as these were management decisions. What he could do is review the various categories to determine the appropriateness to allocate those expenditures from the water fund to the sewer fund. Auditor Palmer went on to explain how the cash fund runs a single balance during the year and the two funds are not separated until the year-end reconciliation. He suggested perhaps the accounting system could be reviewed so that the water and sewer funds could be analyzed more frequently, possibly monthly so as to get a better picture.

Attorney Conneran commented that normally, the legal fees are not specific to water or sewer, except recently with the SSMP. Attorney Conneran asked Auditor Palmer if we should just pick a method for allocating the G&A expenses, perhaps as percentage allocation. Director Chambers commented that the redistricting process was an example of the type of expenses that may need to be split, since it was not a water or sewer only expense. Auditor Palmer commented that there were a few G&A line items that would justify a 50/50 split, but there were other expenses that would need to be viewed more objectively, such as the legal bills, and a rational methodology would need to be developed, possibly using a percentage of how much work was done for each of the funds. Auditor Palmer stated that a blanket approach should not be used because we would risk having Prop. 218 issues. Attorney Conneran stated we can probably have a rational system of allocation so as not to be too detailed, in case things were to change, and then we would get in trouble if we did not manage the change. Attorney Conneran stated that he thought it was best to take a general approach, such as using percentage of what the revenue was and then splitting the G&A expense allocation using the same percentage; however, if we knew there was a specific matter that was attributable to sewer exclusively, we would bill that fund only.

Auditor Palmer told the Board that the G&A category was only comprised of 25 accounts, so it would not be hard to have a standard methodology approach, however, some of

the expense keys would need to be looked at more objectively, such as pension, because if an employee was working 99% of the time on water related issues, then the standard percentage allocation would not work. Director Chambers replied that management needs to come up with something because 100% was not correct. Auditor Palmer suggested for General Manager Mairena to set up a separate meeting with him, her, and the accountant to discuss this, and come up with a methodology.

President Bautista inquired if the \$99,000 in pension that Auditor Palmer had previously mentioned was attributed to the retirement of former General Manager Barrow. Auditor Palmer replied that it was not necessarily the case, but it was more a trend with all the water agencies to see their pension liability go up due to the discount rates and assumptions used by CalPERS. Auditor Palmer stated that he had recently attended a presentation where the CEO of CalPERS told everyone to expect to pay more.

President Bautista asked if there was any more discussion from the Board of Directors. Since there was none, he asked for a motion to approve the audit report.

Director Medina moved to approve the June 30, 2021, Audit Report as written, seconded by Director Chambers.

Roll Call

Director Chambers	Aye
Director Amuzie	Aye
Director Richards	Aye
Director Medina	Aye
Director Bautista	Aye

The motion was carried unanimously.

President Bautista, the Board, and General Manager Mairena thanked Auditor Palmer for his presentation.

B. Public Hearing - Conversion from an At-Large Electoral System for Election of Members of the Board of Directors to One Based on Five Zones Pursuant to the California Voting Rights Act—Receive Public Input.

Kay Montplaisir, Project Manager with Redistricting Partners introduced herself and indicated she would be reviewing the basics of redistricting and how the community could join the process.

Ms. Montplaisir reviewed the agenda and started her slide presentation which included the following:

- What is Districting

Districting is the initial process of creating election district boundaries. These boundaries determine a couple of things: who is eligible to run for office and who is eligible to vote in that specific election. In both cases, they must live in that district. This process does not determine how the water district decides to govern or how services relationships between the water district and the public are managed.

- Traditional Districting/Redistricting Principles

There are few traditional redistricting principles that are followed. These are ranked:

- Districts have to be of equal size in comparison to the total population of the District.
- Districts have to be contiguous which means that districts should not hop or jump. District should be drawn with one line, no islands in between.
- Districts should be kept compact both in appearance and function. Proper districting prevents a zone from being "Gerrymandered." Districts should not bypass one population area to pick up another one. Districts should be compact as well in function; so even though a community may look like it is next to another community, if there is a separation by a highway, a river, or even a mountain that separates those two, we want to make sure to look at compactness and function too.
- Districts should maintain communities of interest together. A community of interest is a group of people that would benefit from being kept together.
- City, county, and local government lines should be followed.

Ms. Montplaisir reviewed what communities of interest are in detail. A community of interest is a neighborhood, a community, or a group of people that have common policy concerns that would benefit them from being maintained in the same district. A community of interest is defined by the local community members. A community of interest is a way for a community to tell its own story and what makes it unique, or what makes it different than other communities, and what makes it want to stay together. Keeping communities of interest

together is a very important principle in redistricting, especially for those communities that have traditionally been left out of the process. Communities of interest are building blocks of districts. These can include ethnic and language minorities and many other groups; their interests are subjective and open-ended to make sure they are as inclusive as possible. There are some communities that are covered by the Voting Rights Act: Latinos, Asians, and African Americans and, while communities of interest may include race, it cannot be the predominant factor when drawing district boundaries. Ms. Montplaisir shared a short list of what a communities of interest may be.

Ms. Montplaisir stated that there were some groups that were prohibited from being considered as a community of interest. These groups are political affiliation parties, incumbents, and political candidates. In redistricting, it is also hard to consider groups of similarly minded people who do not share a geographic location, and likewise communities of interest that are district wide.

Ms. Montplaisir reviewed three critical questions that should be asked when defining our communities of interest:

- Does the community have a shared culture, characteristics, or bond?
- Is the community geographic in nature? Is the community able to be mapped?
- How would you describe the community relationship with the jurisdiction and how is your community affected by the policy decisions made by the elected officials?
- How the public can participate in the process—through the following hearings or using the community of interest worksheet which can be provided thru the website.
- Public Hearing Schedule

Timeline for Upcoming Meetings:

February 10 th	Presentation of Draft Maps
March 10 th	Vote on Final Map

Ms. Montplaisir reviewed the upcoming schedule which is moving from community outreach to the presentation of draft maps. She stated that at the next meeting a set of first draft maps will be presented for discussion and feedback. At the next meeting, the Board will have a chance to make any changes. The 2020 Census data and the Fair Maps Act will guide the process. At this point, Ms. Montplaisir requested direction from Board and feedback on any communities of interest that they may want to see stay whole, or anything that the Board

would like to see on the draft maps.

President Bautista thanked Ms. Montplaisir and opened the Public Hearing for comments.

General Manager Mairena commented that this presentation had included the community of interest forms, and the District had used a neighboring water district's form who had also utilized Redistricting Partners. She stated the form had been on the District's website for a couple of months, and the District had not received any forms back from customers.

President Bautista closed the Public Hearing.

Director Amuzie inquired if the draft maps would be available before the next meeting. Ms. Montplaisir responded there will be a draft maps packet sent to District staff for distribution to the Board ahead of the next board meeting.

President Bautista asked Attorney Conneran if it was possible or mandatory for the District to have three board members instead of five. Attorney Conneran replied he would check the Water Code, but he thought it was five. President Bautista told Ms. Montplaisir the reason for his question was if the districts she was talking about correlated with the number of board members in the Board. Ms. Montplaisir replied she thought so, but she would double check with Attorney Conneran. Attorney Conneran confirmed he had checked the Water Code and section 30500 stated "each district should have a Board of five directors, each of whom shall be a voter of the district."

President Bautista asked Ms. Montplaisir what would happen if the District had the five districts as planned and only two directors run, would the County take over and appoint someone. Attorney Conneran replied saying this was a question for him, but as he recalled, if there was an election and no one filed, the Board would have a chance to appoint, and if not done timely, then the County Board of Supervisor would appoint. Attorney Conneran reminded the Board that any appointments would have to be from the corresponding district or zone, so the Board may have to recruit. Attorney Conneran stated, he will check into this further.

Director Chambers clarified that he would prefer to call the districts "zones" instead of districts due to the name of the Westborough Water District, which makes it confusing. Director Chambers also stated a couple of things that should be considered when drafting the maps: homeowner associations and the year houses were developed because they share common green areas. President Bautista acknowledged there were at least twelve homeowner associations. Ms. Montplaisir asked if there was a list of homeowner associations available to share with them. President Bautista told Ms. Montplaisir he would put one together and send

to General Manager Mairena to send to her. Director Amuzie stated the City should have that information. Attorney Conneran asked General Manager Mairena she may want to check with the Planning Department. General Manager Mairena replied that the District also has an old list from when the homeowner associations used to meet at the District Office and also, she may be able to pull billing data for the management companies.

President Bautista asked General Manager Mairena if the three District zones were equally divided by population. General Manager Mairena replied it was by pressure zones. Director Chambers stated that it was also by elevation.

President Bautista and the Board thanked Ms. Montplaisir for her presentation.

Ms. Montplaisir stated that General Manager Mairena had previously mentioned there was a community of interest worksheet on the District's website and that most likely, we would start receiving more input from the public once the maps were released.

C. Consideration of Resolution 645, Approving the 2021 Amended and Restated Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County.

Attorney Conneran reviewed both items which are related to each other. He gave an overview for the two new directors as to how the District purchases its water from San Francisco, the large agreement the SFPUC has with Bay Area Water Supply & Conservation Agency (BAWSCA), and how the agreement governs how water is distributed among the members. He stated there are a few members of BAWSCA that have other significant sources of water available to them, so in the large agreement, they are required to have a minimum purchase amount. Attorney Conneran explained that this is done to maintain stability in the operation of the whole SFPUC system, so that in the years when the price of water from other sources is lower, these agencies do not try to buy little or no water from the system. Attorney Conneran stated there has been some desire to transfer the rights to get more water to other locations, which has been permitted under the agreement, but with this change, they will also be allowed to transfer the minimum purchase requirement, so that whoever buys, they would get the maximum water, but they would also assume the requirement to buy a minimum amount.

Attorney Conneran stated there were two resolutions being presented to the Board: one to amend the water service agreement to allow the transfer of the minimum purchase

amount, and the second resolution, No. 646, once the amended agreement was approved, to pre-authorize the specific transfer from the City of Mountain View to the City of East Palo Alto, which had already gotten a transfer of the maximum amount, but now would get a transfer of the minimum amount. Attorney Conneran invited Director Chambers who had been more involved with this matter to jump in and add or correct anything.

Director Chambers told the Board that we really wanted to allow these transfers to take place as Mountain View had extra water because they had invested heavily in recycling water and East Palo Alto always needed the water. He stated that with the transfer and East Palo Alto getting more water, under the old Tier 2 plan for mandatory rationing, the District's reduction was 10% and under the new agreement it would only be 7.6%. Director Chambers stated these transfers were a big thing and he fully supported them, and Attorney Conneran made a good job at explaining.

President Bautista asked if there was any more discussion. Since there was none, he asked for a motion to approve Resolution No. 645.

Director Chambers moved to approve Resolution No. 645, Approving the 2021 Amended and Restated Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County, seconded by Director Medina.

Roll Call

Director Chambers	Aye
Director Amuzie	Aye
Director Richards	Aye
Director Medina	Aye
Director Bautista	Aye

The motion was carried unanimously.

D. Consideration of Resolution 646, Approving a Minimum Purchase Transfer from the City of Mountain View to the City of East Palo Alto under the Terms of the Water Supply Agreement.

President Bautista asked for a motion to approve Resolution No. 646.

Director Chambers moved to approve Resolution 646, Approving a Minimum Purchase Transfer from the City of Mountain View to the City of East Palo Alto under the Terms of the Water Supply Agreement, seconded by Director Medina.

Since there was no more discussion, President Bautista asked for a vote-roll call.

Roll Call

Director Chambers	Aye
Director Amuzie	Aye
Director Richards	Aye
Director Medina	Aye
Director Bautista	Aye

The motion was carried unanimously.

E. Appointment of Board Committees by President Bautista.

General Manager Mairena displayed the list of the current Board Committees. President Bautista stated he would like to leave the list of the board committees as it was unless anyone had a request to switch. With no comments, President Bautista made no changes.

8. WRITTEN COMMUNICATIONS:

A. ACWA-JPIA – President’s Special Recognition Awards – Property Program and Liability Program.

General Manager Mairena reported on the two awards the District had received for both the Property and the Liability Programs for achieving a low ratio of “Paid Claims and Case Reserves.” General Manager Mairena stated that the District and other recipients of these awards were recognized at the ACWA Fall Conference.

B. Other Communication.

President Bautista mentioned he had received something in the mail with respect to the Infrastructure Bill in which water agencies would supposedly receive a ballpark figure of \$55 billion dollars, if passed by Congress. President Bautista stated that a representative of DocuSign had contacted him, and they were anticipating that once this bill was passed, the District would need to streamline the documents they receive. Director Chambers stated he was not familiar with DocuSign or its cost, and probably getting a proposal would be good. Director Medina concurred with President Bautista on the easiness of the use of DocuSign instead of running around getting signatures. Attorney Conneran stated that General Manager

Mairena could probably look into that, and that there were some requirements for public agencies, but DocuSign had the sufficient security that is recognized by the Secretary of State. Director Chambers suggested to check with neighboring water agencies to see if they were

using it. Attorney Conneran stated he would send a couple of products for General Manager Mairena to check pricing and report back.

9. ATTORNEY'S REPORT: None.

10. GENERAL MANAGER'S REPORT:

A. Update on the Skyline Tank No. 3 Exterior Recoating Project RFP.

General Manager Mairena reviewed her written report to the Board and gave an overview on the status of the Skyline Tank No.3 Exterior Recoating Project RFP. Ms. Mairena stated the project had been advertised and sealed bids would be opened on February 2nd, and there was a mandatory pre-bid meeting and tour tentatively scheduled for January 19th. General Manager Mairena stated the cost of the project would not be known until after bid opening.

B. Report on District's Water Conservation for December 2021.

General Manager Mairena reviewed the District's usage as presented on her chart. She stated that due to the problem with the transmission line, the District, once again, had to get water from North Coast County Water District through the intertie connection. Ms. Mairena stated these deliveries amounted to 9,362 HCF for the period of 12/07/21 to 12/21/21, and the combined usage with SFPUC purchases was 18,297 HCF. General Manager Mairena stated she had made a comparison of the usage for FY 2019-2020, as well as FY 2020-2021, but she was not sure if SFPUC would use calendar or fiscal years. Director Chambers stated the reason we were using 2020 was because that is what the SFPUC would use. General Manager Mairena stated that both year comparisons showed a decrease in usage, but again, we would have to wait to see what method SFPUC was going to pick.

C. Report on BAWSCA Meeting of January 6, 2022.

General Manager Mairena reviewed her written report with the Board but skipped the Minimum Purchase Requirements and the WSA Amendments, since these had already been discussed earlier in the meeting.

General Manager Mairena talked about the Tier 2 Allocation and that the agreement with the consultant would be voted upon this month and brought back to the water management representatives at the next meeting of February 3rd. Director Chambers confirmed the agreement was to be voted upon this coming Thursday and explained what the tiers are: Tier 1 is what each of the suburban purchasers get from SFPUC and Tier 2 is what in the event of mandatory reduction, each of the 26 agencies would get. Director Chambers stated the values for Tier 2 were modified a few months ago with the transfer of water to East Palo Alto, but a final Tier 2 rationing plan has to be generated and approved by all 26 agencies, so this could take a while.

General Manager Mairena also reported on the projected SFPUC Rates which could range from \$4.72/HCF to \$5.13/HCF, mainly due to the revenue shortfall for FY 2021-2022 caused by the estimated annual wholesale purchases being 12.9mgd, or 10% less than the assumption used in the rate setting, and lower wholesale purchase projections for FY 2022-2023 by 19.8mgd, or 15% due to drought conditions and the call for a reduction in water consumption. General Manager Mairena stated we should know more after the upcoming SFPUC February meeting.

11. ITEMS FROM BOARD OF DIRECTORS:

Director Chambers reported on an email he received from ACWA, and possibly General Manager Mairena did too, stating Region 5 was looking for a board member to appoint. He stated the applications would be due on February 28th, but part of the process was to get a resolution from your local Board, so if anyone were interested, he would be glad to forward the email he got from ACWA, but to keep in mind the resolution would need to be presented to the Board at the February meeting.

Director Amuzie inquired if any of the employees of the District received a rate reduction. General Manager Mairena replied that although everyone lived pretty close to the District, there were no employees who lived in the District's service area, and even when former General Manager Barrow lived in the area at some point, that was not the case. Director Amuzie was wondering why that was not part of the employees' package and perhaps propose a special rate for employees, not including the Board. Director Chambers commented he did not think that was legal due to rate services. Attorney Conneran stated that the discount could not be funded from the revenue of the rates, and employees would probably have to pay taxes on the difference, including Social Security. Director Amuzie stated he did not think so, as that was not the case with PG&E. Attorney Conneran replied that regardless, there were no employees that lived in the District.

Director Amuzie also stated that he had heard in the news that in Santa Clara, the virus had been detected in the sewer and was that something that was applicable to the District.

General Manager Mairena replied that the District owned the sewer system, but the City of Daly City administered it, so if that kind of testing were being done, it had not been reported to the District, but we could call and find out. President Bautista stated he had seen in the news that in New York and Boston, the virus was coming down. Attorney Conneran commented it was a good way to test for the virus because it was not dependent on who got tested.

12. CLOSED SESSION:

- A. Conference with Legal Counsel—Anticipated Litigation
Initiation of litigation pursuant to subdivision (d)(4) of Section 54956.9: One case.**


The Board went into closed session at 9:10 p.m.

The Board reconvened from closed session at 9:38 p.m.

Attorney Conneran reported the Board had met in closed session regarding potentially initiating litigation, and that instructions were given to counsel, and there was no further reportable action.

13. ADJOURNMENT:

Without objection, President Bautista adjourned meeting.
Time 9:39 p.m.



Secretary



President

02/24/2022

Date