

Minutes of the Special Meeting of the Board of Directors

DELTA DIABLO

June 22, 2022

The meeting was called to order by Chair Wilson at 5:30 p.m., on Wednesday, June 22, 2022, via Zoom. Present were Vice Chair Juan Banales, and Director Federal Glover. Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Brian Thomas, Acting Business Services Director; Dean Eckerson, Resource Recovery Services Director; Thanh Vo, Acting Engineering Services Director; Anika Lyons, Finance Manager; Ron Crowell, WWTP Operator I; Joe Ciochon, WWTP Operator III; Sandeep Sidhu, Chemist II; and Celia Kitchell, Assistant Engineer.

Chair Wilson read the following statement: “In lieu of a public gathering, the Board of Directors meeting will be accessible via ZOOM to all members of the public as permitted by the Government Code Section 54953(e).”

Ms. Nichols-Fritzler read a statement regarding the process for receiving public comments and the availability of presentations on the District’s website.

DELIBERATION

Consider Adopting Resolution Authorizing the Board of Directors, in All Its Capacities, and Its Subcommittees to Continue Teleconference Meetings under Government Code Section 54953(e)

Ms. Nichols-Fritzler presented an overview of Government Code Section 54953(e) and the key provisions of Assembly Bill 361 (AB 361), which amended the teleconferencing provision of the Brown Act effective October 1, 2021. She stated the requirements that the District must follow regarding agenda posting, instructions on how to access the meeting and provide public comment, options for attending a meeting via a call in or internet-based service option, and Board conduct of meetings in a manner that protects the constitutional and statutory rights of the public. In addition, Ms. Nichols-Fritzler noted if there is a disruption in the meeting, the Board must stop the meeting until public access and the ability to comment is restored.

Director Glover moved approval to adopt a resolution to authorize the Board of Directors, in all its capacities, and its subcommittees, to conduct teleconference meetings under Government Code Section 54953(e) and make related findings; determine that these bodies will hold virtual meetings for the next 30 days; and direct the General Manager to return this matter to the Board for reconsideration as to all bodies covered by the Resolution, seconded by Vice Chair Banales, and by roll call vote (*Ayes: Banales, Glover, Wilson, Noes: None, Abstain: None*), the Resolution was adopted.

Chair Wilson moved agenda Item G (Recognition) to take place after Item D (Deliberation).

RECOGNITION

Congratulate Ron Crowell (WWTP Operator I), Joe Ciochon (WWTP Operator III), Sandeep Sidhu (Chemist II), and Celia Kitchell (Assistant Engineer) on Promotions

Mr. Eckerson and Mr. Vo highlighted four recent promotions of District employees and commented that the promotions are a direct result of the employees’ commitment to professional development. Mr. Eckerson provided an overview of the Workforce Development goal in the

District's Strategic Plan and highlighted key employee attributes that supported these promotions, noting the direct contributions to achieving the District's mission.

The Board congratulated these employees on their well-deserved recent promotions. Ms. Sidhu, Mr. Crowell, and Ms. Kitchell thanked the Board for the opportunity.

PUBLIC HEARING

Conduct Public Hearing on Fiscal Year 2022/2023 through 2026/2027 Capital Improvement Program; Close Public Hearing and Consider Any Testimony Received; Adopt Resolution Approving the Program; and Authorize Filing of Notice of Exemption in Compliance with Public Resources Code Section 21152

Chair Wilson opened the public hearing at 5:52 p.m. Ms. Nichols-Fritzler indicated she had not received any requests from the public to provide comments on this item.

Mr. Vo provided an overview of the Capital Improvement Program (CIP) development process, the Infrastructure Investment Goal in the District's Strategic Plan, and the District's financial sustainability guiding principles. He stated that the proposed 5-year CIP totals \$135.9 million with estimated expenditures of \$16.8 million in Fiscal Year 2022/2023 (FY22/23), which is proposed to be funded with an FY22/23 CIP budget appropriation of \$10.8 million and carryover of \$6.0 million in existing budget appropriations. Mr. Vo noted staff efforts to address key focus areas, including: 1) Investing in Existing Wastewater Infrastructure Renewal (78% of CIP), 2) Addressing New Infrastructure Needs (7 new projects added = \$3.0 million), and 3) Planning for the Future (\$1.8 million for five master plans). He reviewed key drivers impacting CIP development in the wastewater collection, conveyance, and treatment systems and presented breakdowns of 5-year CIP expenditures by major focus areas and by fiscal year. In closing, Mr. Vo reviewed the recommended Board actions.

Chair Wilson called for additional public comments before closing the Public Hearing. Mr. Ron Corselli requested to provide a public comment on the proposed Sewer Service Charge adjustment and was advised he would have the opportunity to address the Board when the associated agenda item was presented.

Hearing no public comments, Chair Wilson closed the Public Hearing at 6:07 p.m. and opened the item to the Board for deliberation. The Board thanked Mr. Vo for the presentation.

Director Glover moved approval, seconded by Vice Chair Banales and by roll call vote (Ayes: *Glover, Banales, Wilson*, Noes: *None*, Abstain: *None*), the Board adopted the Resolution approving the Capital Improvement Program and authorized filing of the Notice of Exemption.

Conduct Public Hearing on Sewer Service and Delinquency Charges and Collection System Charges and Surcharges; Determine No Majority Protests Exists; Adopt Ordinance Establishing Charges; and Adopt Resolution Approving Final Written Report and Directing Collection of Certain Sewer Service and Delinquency Charges on County Tax Roll

Chair Wilson opened the public hearing at 6:08 p.m. Ms. Nichols-Fritzler, indicated she received one request for public comment.



Mr. Thomas provided an overview of the Sewer Service Charge (SSC) development schedule for FY22/23, the Infrastructure Investment and Fiscal Responsibility Goals in the District's Strategic Plan, and key focus areas in developing SSCs each year. He highlighted key outcomes in developing SSCs that directly supported the District's financial sustainability guiding principles, including critically reviewing the operating budget, ensuring effective CIP prioritization, mitigating the potential for sharp rate increases, maximizing cash funding of the CIP, and maintaining SSCs below the average of the District's peer agencies in the Bay Area. Mr. Thomas discussed key assumptions used in developing the updated 5-year financial plan, including operating cost escalation, funding of the 5-year CIP, debt management, utilization of existing Wastewater Operations and Maintenance (O&M) Fund equity, use of ad valorem tax revenue, and incorporation of the 2021 Cost-of-Service Study findings.

Mr. Thomas reviewed the proposed FY22/23 SSC increase of 4.5% for residential and non-residential customers (i.e., commercial, industrial) in Antioch, Pittsburg and Bay Point, which is expected to generate an additional \$1.2 million in revenue in FY22/23 to meet the District's capital and operating financial needs. He presented the proposed allocation of SSC revenue in FY22/23 to various District funds and added there will be no increase in the Street Sweeping Service Charge for residential or non-residential customers.

Mr. Thomas presented a comparison of the District's SSCs relative to its peer agencies in the San Francisco Bay Area, which highlighted the District's costs remain below the average when compared to peer agencies for providing wastewater collection, conveyance, and treatment services. He compared the updated 5-year SSC increase projection to last year's projection and noted key drivers for the lower FY22/23 SSC increase (4.5%) relative to the projected FY22/23 SSC increase (5.8%) at this time last year. Mr. Thomas reviewed the Proposition 218 Notice provisions, noted nine protest letters were received as of June 21, 2022, and reviewed the recommended actions for Board consideration.

Chair Wilson called for additional public comments before closing the Public Hearing. Mr. Ron Corselli addressed the Board during the Public Comment period and stated that he protests the proposed SSC rate increase, citing the current economic climate. He also thanked Mr. Thomas for the clear and concise presentation.

Chair Wilson closed the Public Hearing at 6:27 p.m. and opened the item to the Board for deliberation.

Chair Wilson inquired regarding the total number of protests received. Ms. Nichols-Fritzler announced that, as of June 22, 2022, a total of nine protest letters and one public comment were received, which is less than the 27,815 protests required to determine that a majority protest exists.

Director Glover thanked Mr. Thomas for the presentation. Vice Chair Banales thanked staff for controlling costs and a job well done. Chair Wilson thanked Mr. Thomas for the presentation and thanked District staff for their work and efforts.

Director Glover moved approval, seconded by Vice Chair Banales and by roll call vote (Ayes: *Glover, Banales, Wilson*, Noes: *None*, Abstain: *None*), the Board determined that no majority protest exists, adopted an Ordinance establishing charges to be effective in Fiscal Year



2022/2023, and adopted a Resolution approving the Final Written Report and Directing Collection of Certain Sewer Service and Delinquency Charges on the County Tax Roll.

DELIBERATION (continued)

Approve Fiscal Year 2022/2023 Budget and Adopt Resolution Approving Fiscal Year 2022/2023 Budget Appropriations

Ms. Lyons reviewed the FY22/23 Budget development schedule and provided an overview of related Board policy, fiscal responsibility and cost control focus, and the breakdown of the proposed FY22/23 Budget which totals \$43.8 million, which includes \$31.7 million for the operating budget and \$12.1 million for the capital budget (includes \$1.3 million in debt service). She presented key budget drivers for FY22/23, highlighted key District program areas by funding source, and reviewed a breakdown of the operating budget by major cost component. Ms. Lyons noted the required \$10.8 million in CIP budget appropriations for FY22/23 and reviewed the proposed sources and uses of funds for FY22/23. Last, she reviewed projected beginning and ending balances for major Wastewater Funds in FY22/23, highlighting that use of existing Wastewater O&M Fund equity will allow additional SSC revenue to be allocated to meet capital infrastructure investment funding needs in FY22/23.

The Board thanked Ms. Lyons for the presentation. Chair Wilson also thanked District staff for their hard work and efforts in preparing the budget. Chair Wilson asked for public comments on the item and Ms. Nichols-Fritzler noted there were no public comments.

Director Glover moved adoption of the Resolution approving Fiscal Year 2022/2023 Budget Appropriations, seconded by Vice Chair Banales and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the Resolution was approved.

CONSENT CALENDAR

Director Glover moved approval of Consent Calendar, seconded by Vice Chair Banales, and by roll call vote (Ayes: *Banales, Glover, Wilson*, Noes: *None*; Absent: *None*, Abstain: *None*), the following Consent items were approved: Approve Minutes of the Board of Directors Meeting, May 11, 2022; Receive District Monthly Check Register, April 2022; Authorize General Manager to Execute Amendment No. 1 to Agreement for Biosolids Handling Services with Synagro West, LLC, Effective June 30, 2022, to Extend the Term for One Year, from June 30, 2022, to June 30, 2023, and to Authorize Payment for Services in Amounts Specified in the Agreement, as Amended; Adopt Resolution Establishing Fiscal Year 2022/2023 Appropriations (GANN) Limit for Expenditures that can be Funded from Tax Proceeds; Authorize General Manager to Execute a Subscriber Service Agreement and an Agency Security Agreement with Cooperative Organization for the Development of Employee Selection Procedures, a Joint Exercise of Powers Agency, to Pay Fees Specified in the Agreement for Testing Products and Services in Connection with Pre-employment Testing for Fiscal Year 2022/2023; Authorize General Manager to Execute Amendment No. 1 to General Services Contract in the Amount of \$60,000 for a New Total Contract Amount Not to Exceed \$840,000, SCA OF CA, LLC, Street Sweeping Services for City of Antioch and Bay Point; Authorize General Manager to Execute Amendment No. 3 to Construction Services Contract in the Amount of \$255,000, for a New Contract Amount Not to Exceed \$1,687,100, J.W. Backhoe & Construction, Inc., Construction Services, Bridgehead Pipeline Replacement, Project No. 21123; and Authorize General Manager to Execute Amendment No. 7 to Street Sweeping Services Agreement, Extending the Term for



Three Years, July 1, 2022 to June 30, 2025, and Authorizing Payment in an Amount Not to Exceed \$385,000 per Year, City of Pittsburg, Street Sweeping Services.

PRESENTATIONS AND REPORTS

None.

MANAGER'S COMMENTS

Mr. De Lange thanked the Board for its support during the rate-setting, CIP, and budget development process. He also acknowledged and thanked District staff for their efforts in preparation of the significant agenda items presented during the meeting and stated an employee recognition event would be planned in the near future.

DIRECTORS' COMMENTS

Chair Wilson congratulated District staff on a job well done.

CORRESPONDENCE

Receive Monthly Lobbyist Report Dated May 2022, Key Advocates, Inc., Western Recycled Water Coalition

The Board received and filed the report.

CLOSED SESSION

None.

ADJOURNMENT

Chair Wilson adjourned the meeting at 6:47 p.m. and noted the next Board of Directors meeting is scheduled for July 13, 2022 at 4:30 p.m.



Federal Glover
Board Secretary

(Recording Secretary:
Cecelia Nichols-Fritzler)

cc: District File No. BRD.01-MINS

