

## Minutes of the Meeting of the Board of Directors

### DELTA DIABLO

May 11, 2022

The meeting was called to order by Chair Wilson at 4:30 p.m., on Wednesday, May 11, 2022, via Zoom. Present were Vice Chair Juan Banales, and Director Federal Glover. Also present were Stephen Siptroth, Deputy County 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; and Michael Placencia, Laboratory Manager.

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.

#### PUBLIC COMMENTS

None.

#### RECOGNITION

##### Introduction of Michael Placencia, Laboratory Manager, to the District

Mr. Eckerson introduced Mr. Placencia to the District, who began his employment with the District on May 2, 2022. Mr. Placencia has 17 years of public sector laboratory and environmental compliance experience in the wastewater industry with progressively increasing levels of responsibility. He has significant knowledge and experience in wastewater treatment and pretreatment technologies and applications and holds several key industry certifications.

The Board welcomed Mr. Placencia to the District. Mr. Placencia thanked the Board for the warm welcome and stated he is excited to get to work.

#### CONSENT CALENDAR

Prior to approval of the Consent Calendar, Chair Wilson announced a corrected packet was distributed to the Board and made available to the public.

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 Special Board of Directors Meeting, April 20, 2022; Receive District Monthly Check Register, March 2022; Receive Notes from Finance Committee Meeting, May 4, 2022; Receive Third Quarter Fiscal Year 2021/2022 District Investment Report; Authorize Issuance of the Following Purchase Orders for One Year Beginning July 1, 2022: in an Amount Not to Exceed \$339,000, Univar USA Inc., Supply and Delivery of Sodium Bisulfite; in an Amount Not to Exceed \$223,000, Kemira Water Solutions, Inc., Supply and Delivery of Ferrous Chloride; in an Amount Not to Exceed \$324,000, Chemtrade Logistics, Inc., Supply and Delivery of Liquid Aluminum Sulfate; in an Amount Not to Exceed \$691,000, Univar USA, Inc., Supply and Delivery of Sodium Hypochlorite; in an Amount Not to Exceed \$380,000, Polydyne Inc., Supply and Delivery of Dry Polymer; and in an Amount Not to Exceed \$147,000, Polydyne Inc., Supply and Delivery of Liquid Polymer; Approve Project Design, Award and Authorize General Manager to Execute Construction Services Contract in an Amount Not to Exceed \$769,136.00, Construction Corp DBA: CIC, Authorize General Manager to Approve Contract Change Orders in an Amount Not to Exceed

10% of Contract Amount, and Take Related Actions, Onsite Fueling Station Replacement, Project No. 19112; Authorize General Manager to Transfer Monies to BHPS Diversion Structure Pump Replacement Project from SCADA Communication Network/PLC Processor Upgrade Project within Wastewater Capital Asset Replacement Fund in the amount of \$50,000, for a total project budget of \$190,000; Authorize General Manager to Execute Purchase Order in an Amount Not to Exceed \$166,440, Shape Incorporated, BHPS Diversion Structure Pump Replacement, Project No. 21112; Make Findings and Approve Continuing Teleconference Meetings (AB 361, Government Code Section 54953[e]); Authorize General Manager to Execute Purchase Order in an Amount Not to Exceed \$106,000, Peerless Pump, CCT Service Water Pump Replacement, Project No. 21116; and Receive Updated Report from General Manager about the Actions and Contracts Necessary to Respond to the Emergency Declared by the Board on February 9, 2022 for the Shore Acres Interceptor Emergency Repair Project, Authorize General Manager to Transfer Monies to the Shore Acres Interceptor Emergency Repair from the Wastewater Capital Asset Replacement (WW CAR) Fund Reserves in the Amount of \$400,000, for a New Total Project Budget of \$875,000, Authorize General Manager to Execute a Construction Services Contract Amendment with Con-Quest Contractors, Inc. in the Amount of \$375,000, for a New Total Contract Amount Not to Exceed \$785,000 or to Negotiate an Emergency Repair Contract with Another Qualified Contractor in an Amount Not to Exceed \$375,000, and Take Related Actions under the California Environmental Quality Act, Shore Acres Interceptor Emergency Repair, Project No. 22129

#### DELIBERATION ITEMS

Review Proposed Fiscal Year 2022/2023 through Fiscal Year 2026/2027 Capital Improvement Program (CIP) and Set Public Hearing for June 22, 2022 to Consider Approval of 5-Year CIP  
Mr. Vo provided an overview of the Capital Improvement Program (CIP) development process, noting staff efforts to incorporate asset management principles and master planning findings into the project prioritization process. 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 \$9.1 million and carryover of \$7.7 million in existing budget appropriations. Mr. Vo presented a breakdown of 5-year CIP expenditures by major components of the District's major infrastructure locations, as well as a comparison of planned expenditures by fiscal year compared to the current 5-year CIP.

Mr. Vo noted staff efforts to address key focus areas as part of the CIP development process, including: 1) Addressing New Infrastructure Needs (7 new projects added = \$3.0 million), 2) Investing in Existing Wastewater Infrastructure Renewal (78% of CIP), 3) Incorporating the Secondary Process Improvements Project (\$60 million), 4) Ensuring the Integrity of the Bay Point Collection System (\$3.6 million), and 5) Planning for the Future (\$1.8 million for master planning). In closing, Mr. Vo reviewed the planned CIP review and approval timeline.

Director Glover moved approval, seconded by Vice Chair Banales, to set the public hearing for June 22, 2022, at 5:30 p.m., to consider approval of the 5-Year CIP for Fiscal Year 2022/23 and by roll call vote (Ayes: *Glover, Banales, Wilson*, Noes: *None*, Abstain: *None*), the motion was approved.

#### PRESENTATIONS AND REPORTS

Receive Report on Key Assumptions for Proposed Fiscal Year 2022/2023 Operating Budget  
Ms. Lyons reviewed the FY22/23 Budget and Sewer Service Charge (SSC) development schedule. As an overview, she noted that the preliminary FY22/23 Operating Budget totals \$31.6 million, which represents a \$2.3 million increase (7.7%) compared to FY21/22 (\$29.3 million). Ms. Lyons noted that the annual trend for operating budget cost escalation generally aligns with

escalation assumptions in the long-term financial model and have actually grown at a lower-than-expected rate over the past five years due to staff efforts to critically review the budget development process and effectively manage operating costs. She presented a breakdown of the proposed operating budget by major category, as well as the source of revenue for each of the District's services. In noting that labor costs comprise 57% (\$18.0 million) of the overall operating budget, Ms. Lyons emphasized the District's efforts to ensure appropriate staffing levels, deliver efficiency through a highly-skilled workforce, meet licensing and certification requirements, and navigate a competitive labor market. She reviewed key assumptions for Salaries, Benefits, Chemicals, Utilities, Office and Operating, and Other cost centers for the proposed FY22/23 Operating Budget. In closing, Ms. Lyons highlighted that staff has developed an operating budget that supports the District's Strategic Plan and financial sustainability guiding principles, and prepared an SSC-related fact sheet and Frequently Asked Questions document, which is available to the public via the District's website.

Chair Wilson thanked Ms. Lyons for the presentation.

#### Receive Report on 40-Year Anniversary of District's Wastewater Treatment Plant

Mr. Eckerson presented a report commemorating the District's 40-year anniversary of its Wastewater Treatment Plant (WWTP). Mr. Eckerson provided background information outlining the formation of the District as well as the naming of the District. He noted that the formation of the District required significant planning, coordination, and negotiation between state and local agencies. He also highlighted historical milestones leading up to the establishment of the District. Mr. Eckerson provided a comparison of the number of treated gallons per day and noted the District treated 7.0 million gallons per day from nearly 100,000 customers in 1982, compared to 13.6 million gallons per day today from over 215,000 customers.

In addition, Mr. Eckerson recognized the District's exemplary regulatory compliance record, which includes a recent 14-year streak without any discharge permit violations. He noted the District has become a recognized industry leader known for its progressive "Utility of the Future" commitment to resource recovery, organizational excellence, and environmental stewardship. In looking ahead to the next 40 years, Mr. Eckerson noted the District's continued focus on addressing aging infrastructure needs, meeting the challenges posed by future nutrient removal requirements, ensuring workforce development, recovering valuable resources from wastewater, and implementing the recently adopted Strategic Plan.

Chair Wilson thanked Mr. Eckerson for the presentation and congratulated the District on the 40-year anniversary of the WWTP. Vice Chair Banales and Director Glover thanked Mr. Eckerson and congratulated the District on achieving this milestone.

#### MANAGER'S COMMENTS

None.

#### DIRECTORS' COMMENTS

None.

#### CORRESPONDENCE

##### Receive Monthly Lobbyist Report Dated April 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 5:31 p.m. and noted the next meeting is scheduled for June 22, 2022, at 5:30 p.m.



Federal Glover  
Board Secretary

(Recording Secretary:  
Cecelia Nichols-Fritzler)

cc: District File No. BRD.01-MINS