

Board of Directors Meeting Minutes
DELTA DIABLO
April 10, 2024

The meeting was called to order by Chair Monica Wilson at 4:34 pm, on Wednesday, April 10, 2024. Present were Vice Chair Federal Glover, who arrived at 4:35 pm, and Director Juan Banales. Also present were Rebecca Hooley, District Counsel; Vince De Lange, General Manager; Brian Thomas, Deputy General Manager; Dean Eckerson, Resource Recovery Services Director; Nitish Sharma, Business Services Director; Murat Bozkurt, Engineering Services Director/District Engineer; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Anika Lyons, Finance Manager; Joaquin Gonzalez, Operations Manager (and Management Association bargaining unit representative); Jason Piper, Information Technology Manager; and Doug Schreiner, Senior Operator (and O&M bargaining unit representative).

PUBLIC COMMENTS – None.

RECOGNITION

Congratulate Stephen Cardiel on His Promotion to Associate Engineer

The item was pulled from the Agenda and will be rescheduled to a future Board meeting.

CONSENT CALENDAR

Vice Chair Glover moved approval of the Consent Calendar, seconded by Director Banales and by roll call vote (*Ayes: Banales, Glover, and Wilson; Noes: None; Absent: None, Abstain: None*), the following Consent Calendar items were approved: Approve Minutes of Board of Directors Meeting, March 13, 2024; Receive Notes of Board of Directors Finance Committee Meeting, March 27, 2024; Receive District Monthly Check Register for March 2024; and Accept Project as Complete and Authorize General Manager to File Notice of Completion, TCB Industrial Contractor, RWF Sand Pump Piping Replacement, Project No. 22127.

DELIBERATION ITEMS

Review Proposed Sewer Service Charge Increases for FY24/25; Set Public Hearing for June 12, 2024 at 5:30 pm, to Consider Protests Against Sewer Service Charge Increases for FY24/25, and to Consider Authorizing Collection of FY24/25 Sewer Service Charges on the Tax Roll; and Authorize Distribution of Proposition 218 Hearing Notices and Publication of Hearing Notices

Mr. Sharma provided an overview of the SSC development schedule and highlighted key drivers impacting SSCs, including a significant nutrient removal mandate that impacts cash funding and future debt issuance needs. In addition, he highlighted the District's focus on addressing aging infrastructure in the wastewater conveyance and treatment system and continued efforts to reduce operating costs. Mr. Sharma noted key outcomes relative to meeting the District's guiding principles for achieving financial sustainability, including critical review of the operating budget, ensuring effective capital improvement program (CIP) prioritization, using a long-term planning horizon to prevent sharp rate

increases, maximizing CIP cash funding, reserving debt capacity for nutrient management needs, maintaining minimum reserve balances, factoring growth into SSCs, and ensuring SSCs reflect the cost of providing services to different customer classes.

In addition, Mr. Sharma reviewed key assumptions in the 5-year financial plan, including the preliminary FY24/25 operating budget (\$30.6 million) with future escalation factors, use of Wastewater O&M Fund equity (\$3.9 million) in FY24/25, the draft 5-year CIP (\$160.8 million), CIP funding sources (71% cash, 29% debt), and the planned nutrient management approach via both phases of the Secondary Process Improvements Project.

Mr. Sharma reviewed the proposed SSC revenue increase need (+6.7%) for FY24/25 and the associated SSC annual increases for residential customers (+\$24.80 or 5.5% for Antioch/Pittsburg; +\$33.16 or 5.4% for Bay Point) and non-residential customers (average of +4.3% increase). He highlighted the distribution of SSC revenue to various District funds, noting it closely matches the 64% operating/36% capital cost split included in the projected FY24/25 Budget from last year. Mr. Sharma provided a preliminary comparison of District rates, highlighting the District continues to maintain rates below the average of peer agencies in the San Francisco Bay Area. He reviewed the recommended 5-year SSC increase projection, as well as an alternative projection. Mr. Sharma reviewed historical trends for the Wastewater operating budget, 5-year CIP, and SSCs, highlighting effective control of operating costs (annualized increase = 3.8%) and SSCs (annualized increase = 4.1%) over the last four years despite significant inflationary pressure and growth in CIP funding needs. In closing, Mr. Sharma reviewed the draft Proposition 218 Notice, the upcoming SSC development schedule, and recommendations.

The Board thanked Mr. Sharma for the presentation.

Director Banales moved approval, seconded by Vice Chair Glover, to set the public hearing for June 12, 2024 at 5:30 p.m. to consider protests against Sewer Service Charge increases for FY24/25, and to consider authorizing collection of FY24/25 Sewer Service Charges on the tax roll; and authorize distribution of the Proposition 218 Hearing Notice and publication of hearing notices and by roll call vote (*Ayes: Banales, Glover, and Wilson, Noes: None, Abstain: None*), the motion was approved.

PRESENTATIONS AND REPORTS

Receive Update on Progress Toward Workforce Development Goal in District Strategic Plan

Mr. Thomas reviewed the Workforce Development goal in the District's Strategic Plan and related FY23/24 Strategic Initiative. He noted that the District is building on a significant workforce transition with an infusion of new team members to complement long-tenured staff with a significant number of promotions over the last two years. Mr. Thomas reviewed key drivers for preliminary staffing changes, as well as the process used to develop the updated FY24/25 Classification Control Plan. He noted that staff has included a focus on industry engagement and formalized training programs in developing the FY24/25 Budget. Mr. Thomas highlighted the District's support for regional job training partnerships, intern programs, and the LMC PTEC/ETEC programs. In closing, he noted the District has reinvigorated its community engagement focus and reviewed staff participation in numerous local career fair, high school science competition, and community events.

Vice Chair Glover commented that he appreciates the community engagement from the District. The Board thanked Mr. Thomas for the report.

GENERAL MANAGER COMMENTS – None.

BOARD MEMBER COMMENTS – None.

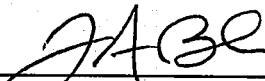
CORRESPONDENCE – None.

CLOSED SESSION

The Board convened to Closed Session at 5:15 pm. The Board reconvened to open session at 5:31 pm and reported there was nothing to report out of Closed Session.

ADJOURNMENT

Chair Wilson adjourned the meeting at 5:32 pm and noted the next regular Board of Directors Meeting is scheduled for 4:30 pm on May 8, 2024.



Juan Banales
Board Secretary

(Recording Secretary: Cecelia Nichols-Fritzler)

cc: District File No. BRD.01-MINS