



Wastewater Treatment



TRANSFORMING  
WASTEWATER  
TO RESOURCES



Recycled Water



Energy Production



Biosolids Reuse

# FY23/24 Strategic Initiatives and Annual Performance Report

Special Board of Directors Meeting  
August 14, 2024

# Overview

## Strategic Planning Activities



Staff identified **eleven FY23/24 Strategic Initiatives** to support Strategic Plan

- Good overall progress on most of the initiatives anticipated by September 2024

Staff developed an **FY23/24 Annual Performance Report**

### Strategic Plan Goal Areas

- 1 Infrastructure Investment
- 2 Environmental Stewardship
- 3 Fiscal Responsibility
- 4 Organizational Change
- 5 Workforce Development
- 6 Customer Services and Engagement

# Strategic Plan Goals

1

## Infrastructure Investment

Ensure the long-term effectiveness and reliability of critical infrastructure through prioritized, cost-effective capital investment and maintenance

2

## Environmental Stewardship

Meet or surpass environmental and public health requirements to maintain public trust

3

## Fiscal Responsibility

Manage financial resources effectively to meet funding needs and maintain fair and reasonable rates

4

## Organizational Change

Embrace innovation, engagement, and change to enhance service delivery, work processes, and use of technology to drive sustained improvement in organizational effectiveness and efficiency

5

## Workforce Development

Support development of an engaged, skilled workforce that is dedicated to organizational excellence and exceptional service delivery

6

## Customer Services and Engagement

Deliver an exceptional customer service experience and embrace opportunities to enhance service value through engagement and collaboration

# FY23/24 Strategic Initiatives



① Utilize a strategic, integrated planning, and cost-effective approach in addressing near-term **nutrient management** regulatory requirements at the District's WWTP, including **targeting available funding** at the federal and state level to **reduce financial impacts to customers**. (①②③④⑤)



## Completed

- Developed phased implementation approach for Secondary Process Improvements Project w/WIFIA
- Actively engaged during Nutrient Watershed Permit negotiations

② Maximize receipt of applicable **tax credits** for the **Cogeneration System Improvements Project** under the **federal Inflation Reduction Act** by implementing project decisions and actions (e.g., pre-purchasing major equipment, fast-track design, tax advisor engagement) necessary to ensure start of construction by December 2024. (①②③)



## Completed

- Completed design to meet IRA requirements; construction award
- Targeting receipt of ~\$6.0-6.5M in federal tax credits under IRA

③ Develop an updated **Recycled Water Master Plan** to assess capital investment needs at the District's RWF, **meet Calpine agreement obligations**, and evaluate strategic opportunities to expand recycled water production and distribution. (①③②)



## Completed

- Consultant contract awarded in December 2023; in progress

**Strategic Goals** ① Infrastructure Investment ② Environmental Stewardship ③ Fiscal Responsibility  
④ Organizational Change ⑤ Workforce Development ⑥ Customer Services and Engagement

# FY23/24 Strategic Initiatives



4 Evaluate potential information technology solutions (e.g., **laboratory information management systems**) to enhance compliance with NPDES permit self-monitoring program requirements and TNI laboratory accreditation standards. (2 3 4 5)



## Completed

Completed internal evaluation; implementing in FY24/25

5 Encourage **employee engagement** with District strategic initiatives, **peer agency** counterparts, and applicable industry associations **at all levels** in the organization to support **workforce development**, a “**learning culture**”, continuous improvement through **innovation**, and **information sharing**. (5 4 3 6)



## Completed

Significant internal organizational focus with good participation and engagement; continuing in FY24/25

6 Conduct a **detailed review of key business service function** (finance/budget administration, accounting, payroll, purchasing/procurement) **processes and workflows** to identify opportunities to enhance organizational effectiveness and efficiency. (4 3 5 6)



## Completed

Significant internal assessments completed with key actions implemented to enhance business processes and workflows

**Strategic Goals** 1 Infrastructure Investment 2 Environmental Stewardship 3 Fiscal Responsibility  
4 Organizational Change 5 Workforce Development 6 Customer Services and Engagement

# FY23/24 Strategic Initiatives

- 7 Implement a streamlined, effective approach to the **performance planning and appraisal process** that reinforces **supervisor-employee engagement**, supports **professional development**, and aligns with District needs, **behavioral values**, and strategic goals and objectives. (5 6)



## Not Completed

Key focus area for new Human Resources and Risk Manager in FY24/25

- 8 Reinforce effectiveness of the **District's Safety Program** through an enhanced near-miss program, **development of performance indicators**, **recognition of safety achievements**, implementation of a **revamped training** program, and updates to key **safety directives**. (5 4 2)



## Completed

Completed four Safety Directives, developed proposed performance indicators, recognized numerous staff for excellence in safety awareness, and adapted training program to meet new and existing regulatory requirements

**Strategic Goals** 1 Infrastructure Investment 2 Environmental Stewardship 3 Fiscal Responsibility  
4 Organizational Change 5 Workforce Development 6 Customer Services and Engagement

# FY23/24 Strategic Initiatives

- 9 Ensure development and implementation of updated **Business Continuity** and **Emergency Response Plans** to maintain operational effectiveness and resiliency during extreme climate event and/or local emergencies. (2 5 4 6 1)



## In Progress

Scheduled training exercise this month; completed minor update to existing plans; focus area in FY24/25

- 10 Develop recommended updates to the District's **Capital Facilities Capacity Charges** to ensure effective cost recovery and appropriate allocation to customers; and update associated District Code sections, as needed. (3 1 6)



## In Progress

Significant delay in completion schedule; focus area in FY24/25

- 11 Conduct a **critical, prioritized review of District Code** to ensure compliance with legal, regulatory, and code requirements. (4 2 3 6)



## In Progress

Identified prioritized subject areas to update Code; implementation of revisions planned for FY24/25

**Strategic Goals** 1 Infrastructure Investment 2 Environmental Stewardship 3 Fiscal Responsibility  
4 Organizational Change 5 Workforce Development 6 Customer Services and Engagement

# FY23/24 Annual Performance Report

## Resource Recovery, Regulatory Compliance/Safety



### Highlights Key Resource Recovery Attributes

### Summarizes Regulatory Compliance Outcomes

- Experienced one NPDES WWTP effluent permit violation and three RWF Title 22 permit violations
  - Implemented multiple management actions to address compliance issues
  - Engaged with Regional Water Board
  - Implementing IT solution (LIMS)

### Delta Diablo FY23/24 Annual Performance Report

**MISSION: Delta Diablo protects public health and the environment for our communities by safely providing exceptional wastewater conveyance, treatment, and resource recovery services in a sustainable and fiscally-responsible manner**

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#### Transforming Wastewater to Resources

<p> <b>13.8</b> MGD of wastewater treated (5,038 MG total)</p>	<p> <b>10%</b> of WWTP power needs met via onsite renewable energy production (low due to limited cogeneration system availability)</p>	<p>The District continues effectively "Transforming Wastewater to Resources" by <b>reducing local potable water demand</b> via water recycling, <b>generating on-site renewable energy</b> via biogas utilization, and <b>recovering valuable nutrients</b> to improve soil health via biosolids reuse.</p>
<p> <b>6.5</b> MGD of recycled water produced (2,391 MG total)</p>	<p> <b>38</b> tpd of biosolids produced (13,725 tons total)</p> <p> <b>100%</b> beneficial use via land application and composting</p>	

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#### Regulatory Compliance/Safety

<ul style="list-style-type: none"> <li><span style="color: blue;">1</span> NPDES WWTP effluent permit violation</li> <li><span style="color: purple;">3</span> Recycled Water Facility Title 22 permit violations</li> <li><span style="color: blue;">0</span> Air permit violations</li> <li><span style="color: brown;">1</span> SSO in wastewater conveyance system</li> </ul>	<ul style="list-style-type: none"> <li>▪ Experienced one non-serious NPDES permit violation due to a minor non-conformance in meeting self-monitoring program requirements. Implemented management actions to effectively address this issue.</li> <li>▪ Experienced two Recycled Water Facility Title 22 exceedances for total coliform and one invalid total coliform test result. Implemented operational and testing protocol changes to reduce potential for recurrence.</li> <li>▪ Effectively responded to multiple events in the wastewater conveyance system—only one SSO (Bay Point) and no service disruption to customers.</li> <li>▪ Received NACWA Silver Peak Performance Award for regulatory compliance record in 2022.</li> <li>▪ Actively participated in BACWA efforts to address implementation issues and schedule requirements associated with Nutrient Watershed Permit.</li> <li>▪ Laboratory Division completed a successful ELAP accreditation renewal (via third-party audit) and implemented compliance with TNI standards.</li> <li>▪ Completed revisions to four Safety Directives, implemented a new Workplace Violence Prevention Plan, enhanced safety training, and recognized staff for excellence in safety program contributions.</li> </ul>
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District's Wastewater Treatment Plant

District's Recycled Water Facility

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# FY23/24 Annual Performance Report

## Infrastructure Investment



### Provides Overview of Infrastructure Investments

- Completed four construction projects with significant progress on others
- New 5-year CIP = \$187.1M
- Pursuing significant federal tax credit (40% of capital cost) under Inflation Reduction Act for \$20M Cogeneration System Improvements Project
- Developed phased approach to nutrient removal improvements with external funding plan (WIFIA, bond)

### Delta Diablo FY23/24 Annual Performance Report

**Infrastructure Investment Goal (Strategic Plan, dated August 2021):**

*“Ensure the long-term effectiveness and reliability of critical District infrastructure through prioritized, cost-effective capital investment and maintenance”*

#### Infrastructure Investment

- Made significant progress toward completing construction of critical projects (**bold** = completed, total project cost in parenthesis):
  - **Pump Station Facilities Repair (\$14.9M)**
  - **Bridgehead Pipeline Replacement (\$4.8M)**
  - **Onsite Fueling Station Replacement (\$1.4M)**
  - **RWF Sand Filter Intermittent Backwash System (\$1.0M)**
  - Electrical Switchgear Replacement (\$13.0M, 95% complete)
  - Manhole, Gravity Interceptor, and Easement Road Improvements Phase 1 (\$4.9M, 95% complete)
  - Digester No. 2 Rehabilitation (\$0.8M, 95% complete)
- Adopted new \$187.1M, 5-year CIP to effectively guide prioritized infrastructure investment, including \$110M Secondary Process Improvements (SPI) Project.
- Identified a phased approach to meeting future nutrient removal requirements, including \$110M for SPI Phase 1 (address aging TTF infrastructure/capacity needs, provide foundational investments for nutrient removal) and \$100M for SPI Phase 2 (nutrient removal) over the next 10+ years.
- Completed design for \$20M Cogeneration System Improvements Project under accelerated schedule to meet requirements for receiving ~\$6.5M (40% of construction cost) in federal tax credits under Inflation Reduction Act.
- Initiated Antioch PS and Conveyance System Improvements (\$22.0M), Manhole, Gravity Interceptor, and Easement Road Improvements Phase 2 (\$10.5M), and Bay Point Collection System Point Repairs (\$0.7M) to address infrastructure needs in the collection and conveyance systems to ensure operational reliability.
- Initiated the Recycled Water Master Plan and RWF Condition Assessment Project (\$0.8M) to identify strategic opportunities to expand District's RW program and conduct condition assessment to inform infrastructure investment needs as part of District's contractual obligation to Calpine Corporation.
- Initiated formal evaluation of alternative project delivery methods for large-scale capital projects and development of associated procurement documents.
- Deployed ArcGIS Enterprise to improve the District's GIS tools, including mobile access for field staff and increased functionality for desktop users.
- Continued a cross-divisional team to engage in effective management of key challenges with active construction projects, and identification, prioritization, and implementation of capital project delivery process improvements.
- Continued development of an Asset Management Program (AMP) consistent with the AMP Development Roadmap, including completing a reliability-centered maintenance pilot at the Antioch Pump Station, developing a new asset hierarchy with data requirements, and executing a contract to upgrade the District's computerized maintenance management system (CMMS) software for effective work order and asset information management.
- Procured consultants and contractors to provide as-needed engineering, construction management/inspection, and construction services to support capital project delivery and unanticipated urgent/emergency needs.



District's Wastewater Treatment Plant



New Electrical Switchgear



Digester No. 2 Rehabilitation

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# FY23/24 Annual Performance Report Workforce Development, Industry Awards



## Highlights Key Workforce Development Activities

- Updated “Classification Control Plan”
- Multiple staffing/position adjustments to meet District needs
- Nine new employees, **six internal promotions, zero retirements**
- New O&M labor MOU (five-year term)

## Five Industry Recognition Awards (GFOA, NACWA)

### Delta Diablo FY23/24 Annual Performance Report

#### Workforce Development

**FY23/24 Strategic Initiative:**  
“Encourage **employee engagement** with District strategic initiatives, peer agency counterparts, and applicable industry associations **at all levels** in the organization to support **workforce development**, a “learning culture”, continuous improvement through innovation, and information sharing”

**67 Positions Filled, 8 Vacancies**  
(as of June 30, 2024)

9 New Employees 6 Promotions 0 Retirements

- Updated Classification Control Plan to reflect approved classifications, maximum staffing levels, and position funding plans, support Workforce Development goal, and reinforce effective internal communications (promotional opportunities, flexibly-staffed positions, career paths, succession planning efforts).
- Incorporated multiple staffing/position adjustments in FY24/25 Budget to support expanded IT capacity (new Software Developer position) and meet succession planning needs.
- Six staff members earned well-deserved promotions to continue supporting critical work functions and succession planning needs.
- Negotiated 5-year labor MOU with O&M Bargaining Unit that aligns benefits, work practices, and internal processes with peer agencies, while supporting long-term financial sustainability, retention and recruitment efforts, and workforce development.
- Engaged employees via the District’s Health and Wellness Expo, health webinars, and targeted professional development training.
- Utilized “stackable” intern program via BAYWORK for Maintenance Assistant and Operations Assistant positions, and supported development of a similar effort for electrical/instrumentation.
- Maintained staff certification levels, complied with mandatory training requirements, and enhanced tracking of specific training needs for new and existing staff members.
- Continued utilizing retired annuitant positions (Operations Support-Construction Coordinator, Finance Professional, Laboratory Management Professional) to support staff training/development.
- Conducted GM quarterly meetings at the department level and periodic Information Sharing Lunch Presentations to facilitate information sharing and staff engagement; and held multiple Staff Appreciation Events to celebrate team achievements.

#### Industry Association Awards (Regulatory Compliance, Financial Reporting)

- NACWA 2022 Silver Peak Performance Award
- GFOA Distinguished Budget Presentation Award for FY23/24
- GFOA Certificate of Recognition for Budget Preparation for FY23/24
- GFOA Certificate of Achievement for Excellence in Finance Reporting for FY21/22
- GFOA Award of Financial Reporting Achievement for FY21/22

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# FY23/24 Annual Performance Report Fiscal Responsibility, Strategic Planning



## Highlights Fiscal Responsibility Outcomes

- \$2.4M increase in FY24/25 operating budget compared to FY23/24
- Approved moderate SSC increase given capital investment needs; RWSCs
- “Clean” financial audit


## Emphasizes Strategic Planning Approach

- Developed strategic, adaptive approach to nutrient management
- Evaluating strategic opportunities to expand RW program under RWMP
- Developed action-based IT Roadmap

### Delta Diablo FY23/24 Annual Performance Report

Fiscal Responsibility

**Fiscal Responsibility Goal (Strategic Plan):**  
“Manage financial resources effectively to meet funding needs and maintain fair and reasonable rates”




**FY24/25 Budget**  
June 2024

Prepared by:  
Revenue Services Department  
Submitted to:  
Board of Directors


- Approved an FY24/25 Budget that totals \$56.1M (\$34.7M operating, \$19.5M capital, \$1.9M debt service), which reflects a \$2.4M operating budget increase largely due to higher labor (+\$2.4M), HHW and street sweeping program (+\$0.56M), utilities (+\$0.38M), and chemicals (+\$0.17M) costs.
- Effectively managed operating expenditures and maintained organizational focus on cost control during FY23/24.
- Approved SSC increases of \$24.80/year (5.5%) for Antioch/ Pittsburg residents, \$33.16/year (5.4%) for Bay Point residents, and 4.3% on average for non-residential customers to ensure sufficient revenue collection that reflects cost-of-service. The SSC increases will generate an additional \$2.5M in annual revenue.
- Approved Recycled Water Service Charge adjustments, which is expected to increase annual revenue by 7.5% to offset increases in chemical/utilities costs at the District’s RWF.
- Prepared an FY22/23 Annual Comprehensive Financial Report, which yielded a “clean” financial audit opinion with two significant deficiencies and one opportunity to strengthen internal controls and an FY24/25 Budget Book to enhance reader context and public transparency, which included an FY25/26 budget forecast.
- Received four awards from GFOA in recognition of excellence in financial reporting (FY21/22 Annual Comprehensive Financial Report) and budget (FY23/24 Budget Book) preparation.

Strategic Planning



**Strategic Plan**

Delta Diablo



- Developed a strategic, phased approach to addressing nutrient removal requirements at the District’s WWTP that allows an adaptive management approach, incorporates cash and debt financing assumptions, and meets prioritized District needs.
- Initiated evaluation of long-term, strategic opportunities to expand the District’s Recycled Water Program as part of the Recycled Water Master Plan.
- Prepared an FY22/23 District Annual Performance Report, made good progress toward completing eleven FY23/24 Strategic Initiatives, and identified ten FY24/25 Strategic Initiatives to support continued implementation of the District’s Strategic Plan.
- Developed an action-based Information Technology (IT) Roadmap to ensure a strategic, prioritized, and integrated approach to supporting effective use of IT systems and applications.

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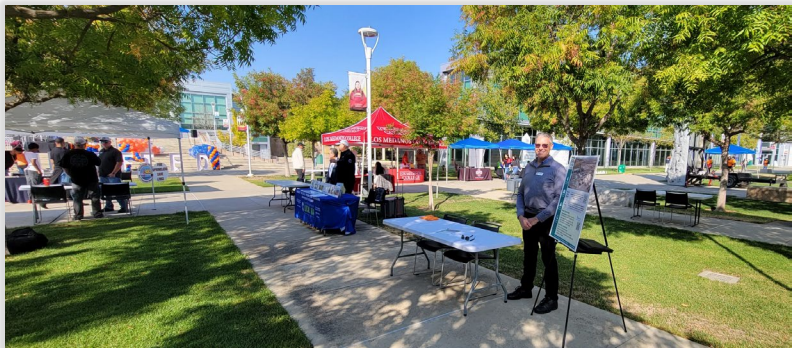
# FY23/24 Annual Performance Report

## Sustaining Organizational Excellence



### Highlights Additional Activities Supporting Organizational Excellence

- Significant organizational effectiveness and efficiency improvements from expanded use of IT applications and services
- Actively engaged with local community via participation in 16 events, including site tours, career fairs, and special events



**Delta Diablo FY23/24 Annual Performance Report**

**Sustaining Long-term Organizational Excellence**

**VISION**

“Delta Diablo will achieve sustained organizational excellence through dedicated commitment to public service, stewardship, innovation, industry leadership, and active engagement at all levels”







- Continued focus on expanding use of IT applications to support organizational effectiveness, workflow improvements, and data access and integration:
  - Deployed multiple IT solutions, including Intune, CMMS upgrade, Fuel Master system, security cameras, and Zendes
  - Implementation of an IT Acceptable Use Policy, Change Management SOP, and Failover Testing SOP
  - Upgraded Munis ERP version to provide enhanced features, improve user experience, and integrate business processes
  - Implemented labor costing software for budget development
- Continued implementation of new records management technology to provide enhanced document access and storage.
- Actively participated in efforts to renew interest in East County Water Management Association, which includes elected officials and management from multiple water and wastewater agencies.
- Initiated participation in two statewide product stewardship programs to offset costs associated with collection and disposal of sharps and pharmaceuticals.
- Engaged with local community via participation in 16 events, including site tours, career fairs, and special events.




**District Value Statements (Strategic Plan)**

- ⊖ Serve as responsible stewards of **valuable public resources** at all levels in the organization
- ⊖ Maintain **public trust and confidence** through excellent customer service, community engagement, transparency, and responsiveness
- ⊖ Ensure a **positive, safe, equitable, diverse, and inclusive** work environment that promotes **honest, transparent, ethical, and respectful** interactions
- ⊖ Communicate with **integrity** to share knowledge, inspire trust and camaraderie, and maintain authentic professional relationships
- ⊖ Embrace and manage change to support implementation of **innovative approaches** that add value and drive sustained organizational improvement over time

- ⊖ Foster a **collaborative, team-based** work culture that inspires **engagement, solutions-oriented dialogue, and sound decision-making** processes to achieve successful outcomes
- ⊖ Reinforce **accountability and ownership** to ensure each employee is supported in effectively contributing to the District's overall success
- ⊖ Model an **open, proactive, and productive** approach to resolving key issues to enhance organizational **unity and alignment**
- ⊖ Actively seek opportunities to build a **“learning” culture** by supporting individual and peer professional development; expanding knowledge, skills, and abilities; **learning from mistakes** and “near misses”; and **improving work processes and use of technology**

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# Next Steps

- Receive comments on status of FY23/24 Strategic Initiatives and Annual Performance Report
- Initiate development of a Strategic Plan update (March 2025)
- Present proposed FY25/26 Strategic Initiatives in May 2025 and status of FY24/25 Strategic Initiatives in August 2025

