

## Minutes of the Special Board of Directors Meeting

### DELTA DIABLO

March 25, 2021

The meeting was called to order by Chair Glover at 4:30 p.m. on Thursday, March 25, 2021, via Zoom. Present were Vice Chair Monica Wilson and Director Juan Banales. Also present on the call were: Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Acting Business Services Director; Thanh Vo, Acting Engineering Services Director; Joaquin Gonzalez, Operations Manager; and Ryan Cain, Wastewater Treatment Plant Operator II.

Chair Glover read the following statement: "To slow the spread of COVID-19, in lieu of a public gathering, the Board of Directors meeting will be accessible via teleconference to all members of the public as permitted by the Governor's Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act to allow for greater flexibility in conducting public hearings."

The Secretary to the Board read a statement regarding the process for receiving public comments.

#### PUBLIC COMMENTS

None.

#### RECOGNITION

##### Introduction of Ryan Cain, Wastewater Treatment Plant Operator II, to the District

Mr. Gonzalez introduced Mr. Ryan, who began his employment with the District on March 10, 2021 as a WWTP Operator II. Prior to joining the District, Mr. Cain most recently worked for the City of Sunnyvale. The Board welcomed him to the District.

#### CONSENT CALENDAR

Chair Glover moved approval of the Consent Calendar, seconded by Director Wilson and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the following Consent items were approved: Approve Minutes of the Board of Directors Meeting, February 10, 2021; Receive District Monthly Check Register, January 2021; Receive Notes from Finance Committee Meeting, March 17, 2021; Receive Notes from Personnel Committee Meeting, March 19, 2021; Approve Onsite Fueling Station Replacement Project and Determination that Project is Categorically Exempt under California Environmental Quality Act (CEQA) Guidelines Class 3; Authorize General Manager to File CEQA Notice of Exemption with Contra Costa County Clerk-Recorder and State Clearinghouse; and Authorize General Manager to Execute Amendment No. 2 in an Amount Not to Exceed \$9,500, Woodard & Curran, Inc., Engineering Services, Onsite Fueling Station Replacement, Project No. 19112; Authorize General Manager to Transfer Monies to the Sodium Bisulfite Tanks Replacement Project from the Site Security Improvements Project within the Wastewater Capital Asset Replacement Fund in the Amount of \$50,000, for a Total Project Budget of \$850,000; and Authorize General Manager or His Designee to Approve Construction Contract Change Orders in an Amount Not to Exceed 15% of the Contract Amount for a New Total Contract Authorization of \$578,335, Sodium Bisulfite Tanks Replacement Project No. 17139; Authorize General Manager to Execute Amendment No. 6 to Consulting Services Contract in the Amount of \$75,525, for a New Total Contract Amount

Not to Exceed \$2,065,832, Carollo Engineers, Inc., Engineering Services; and Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in the Amount of \$275,280, for a New Total Contract Amount Not to Exceed \$1,055,461, Psomas, Construction Management and Inspection Services, Headworks Improvements, Project No. 17117; Approve and Authorize General Manager to Refund Bay Point Family Apartments, L.P. (BPFA) \$218,590.83 and a Pro-rated Amount of the Second Installment of Fiscal Year 2020/2021 Sewer Service Charges Paid Prior to Connecting BPFA's Development Located at 3600 Willow Pass Road to District's Sewer System in Bay Point, California; Authorize Reduction of Capital Facilities Capacity Charges in Accordance with District Code Section 2.16.070; Approve and Authorize Refund of Pro-rated Sewer Service Charges; and Authorize Budget Adjustment Transferring Funds from Wastewater Capital Asset Replacement Fund to Wastewater Expansion Fund, 2575 Railroad Ave., L.P., The Atchison in Pittsburg, California; Adopt Resolution to Approve New Operations Support and Construction Coordinator/Retired Annuitant Classification, Job Description, and Updated District Salary Schedule; Authorize Amendment to Purchase Order in the Amount of \$28,000, for a New Total Amount Not to Exceed \$348,000, Chemtrade Chemicals US, LLC, Supply and Delivery of Liquid Aluminum Sulfate; and Authorize Amendment to Purchase Order in the Amount of \$55,000, for a New Total Amount Not to Exceed \$348,000, Polydyne, Inc., Supply and Delivery of Dry Polymer, for Fiscal Year 2020/2021; Approve Updated District Strategic Business Plan.

#### PRESENTATION AND REPORTS

##### Receive Report on Financial Impact of Funding Scenarios for Secondary Process Improvements Project

Mr. Thomas provided an overview of the existing secondary treatment process at the District's Wastewater Treatment Plant (WWTP) and the key drivers for replacing the existing tower trickling filters (TTFs) with expanded aeration basin and secondary clarifier capacity. He reviewed the preliminary capital cost estimate (\$60.0 million) and associated cost allocation to District funds, including Wastewater Capital Asset/Capital Asset Replacement (78%), the Wastewater Expansion fund (16%), and the Advanced Treatment Fund (6%).

Following a review of financial sustainability guiding principles, Mr. Thomas highlighted preliminary estimates of how the \$60.0 million capital cost would impact sewer service charge (SSC) increases over five years under various funding approaches. He stated that staff is likely to recommend an SSC increase for Fiscal Year 2021/2022 (FY21/22) that would allow the District to maximize cash funding of the project cost directly from SSC revenues, with the remainder funded by debt issuance.

Chair Glover thanked Mr. Thomas for the presentation. Director Banales commented that the recommended scenario provides flexibility with cash funding and debt financing. Vice Chair Wilson commented that she understands the cash versus debt funding considerations and would be supportive of the recommended SSC increase range under that scenario. Mr. De Lange noted staff will continue to further refine the information ahead of submitting the proposed SSC adjustments for Board consideration at the April 14, 2021 meeting.

#### DELIBERATION

Consider Introducing Ordinance No. 120 to Eliminate the Capital Facilities Capacity Charge Adjustments that May be Available for Specified Developments, and to Require Initial Sewer Service Charges to be Paid as a Condition of the District Engineer's or His Designee's Approval of Connection to District Sewer System; Waive Reading; and Fix April 14, 2021 for Adoption

Mr. Vo highlighted key issues associated with District Code Section 2.16.070, which currently allows the Board to consider approving a 75% CFCC reduction for specified developments, and District Code section 2.20.040(B), which currently requires the District to begin collecting initial SSCs for new developments at the time the District issues a permit to connect to the District's sewer system.

Mr. Vo provided an overview of District Code Section 2.16.070, which currently allows the Board to consider approving CFCC reductions for specified developments, reviewed anticipated financial impacts of planned District priorities and projects, including the new \$60.0 million Secondary Process Improvements Project, and noted that staff is recommending that the Board amend the District Code by deleting Section 2.16.070 (Alternative 1). Ordinance No. 120 reflects the staff recommendation. Mr. Vo explained that the CFCC adjustments are funded from Ad Valorem Tax revenue, and that deleting Section 2.16.070 would increase the annual budgeted Ad Valorem Tax revenue that could be used for other District priorities. Mr. Vo described a second alternative that would amend Section 2.16.070 to reduce, rather than eliminate, the amount of the CFCC reductions that the Board could consider approving for specified developments. Alternative 2 would include amending Section 2.16.070 to authorize the Board to consider approving reductions of 25% for specified developments, not to exceed \$250,000 per individual development, and not to exceed an annual aggregate limit of \$500,000 for all approved adjustments in any fiscal year.

In addition, Mr. Vo explained that Ordinance No. 120 reflects the staff recommendation that District Code Section 2.20.040(B) be revised to initiate collection of initial SSCs for new developments when the District Engineer has confirmed the sewer connection satisfies code requirements and passes inspection, rather than at the time of application for a District sewer permit.

Chair Glover thanked Mr. Vo for the report. Director Banales concurred with the staff recommendation. Director Banales moved, seconded by Director Wilson, and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the Board approved Introducing Ordinance No. 120, Waiving Reading, and Fixing April 14, 2021 for Adoption.

#### MANAGER'S COMMENTS

None.

#### DIRECTORS' COMMENTS

None.

#### CORRESPONDENCE

Receive Monthly Lobbyist Report dated January 2021, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

#### CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS (GOV. CODE, SECTION 54957.6)

Agency Negotiators: Vince De Lange, Michael Jarvis

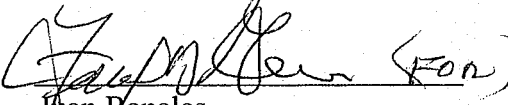
Employee Organizations: Operations and Maintenance Unit, Public Employees Union, Local One; Professional & Technical Unit, Public Employees Union, Local One; Management Association

Unrepresented Employees: All unrepresented employees

Before adjourning to Closed Session, the Secretary to the Board asked if there were any public comments on the Closed Session item. No comments were made. At 5:13 p.m., Chair Glover convened the Board of Directors meeting in Closed Session. Following Closed Session, Vice Chair Wilson reconvened the Board of Directors meeting in open session at 5:54 p.m. and stated there was nothing to report from Closed Session.

ADJOURNMENT

Vice Chair Wilson adjourned the meeting at 5:55 p.m.

  
Juan Banales  
Board Secretary

(Recording Secretary:  
Cecelia Nichols-Fritzler)