

Board of Directors Meeting Minutes  
DELTA DIABLO  
June 14, 2023

The meeting was called to order by Chair Juan Banales at 5:30 pm, on Wednesday, June 14, 2023. Present were Vice Chair Federal Glover and Director Monica Wilson. Also present were Stephen Siptroth, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Brian Thomas, Deputy General Manager/District Engineer; Dean Eckerson, Resource Recovery Services Director; Thanh Vo, Acting Engineering Services Director; Jason Piper, Information Technology Manager; Niger Edwards, Human Resources and Risk Manager; Anika Lyons, Finance Manager; Todd Ravazza, Safety Manager; and Amanda Roa, Environmental Programs Manager (Management Association bargaining unit representative).

PUBLIC COMMENTS - None.

PUBLIC HEARING

Conduct Public Hearing on Fiscal Year 2023/2024-2027/2028 Capital Improvement Program; Close Public Hearing and Consider Any Testimony Received; Adopt Resolution Approving Program; and Authorize Filing of California Environmental Quality Act Notice of Exemption in Compliance with Public Resources Code Section 21152

Chair Banales opened the Public Hearing at 5:34 pm. Ms. Nichols-Fritzler indicated she did not receive any requests from the public to provide comments on this item.

Mr. Vo provided an overview of the Capital Improvement Program (CIP) development process and highlighted key aspects of the District's Strategic Plan that inform the CIP. He stated the proposed 5-year CIP totals \$139.1 million with estimated expenditures of \$16.8 million in FY23/24. Mr. Vo reviewed major drivers impacting CIP development, including delays in implementing several significant capital projects (\$60 million Secondary Process Improvements, \$18.5 million Antioch Pump Station and Conveyance System Improvements, and \$10 million Cogeneration System Improvements). He discussed the District's focus on ensuring infrastructure renewal and highlighted planned expenditures by major infrastructure investment area and associated planned expenditures by fiscal year over the 5-year period.

Chair Banales closed the Public Hearing at 5:41 pm and opened the item to the Board for deliberation.

Director Wilson thanked Mr. Vo for the presentation and asked Mr. De Lange to provide additional information on nutrients at a future meeting. Mr. De Lange noted that Mr. Eckerson last provided an update at the October 2022 Board Meeting, and that staff would provide an informational update at a future Board meeting. The Board thanked Mr. Vo for the presentation.

Vice Chair Glover moved approval, seconded by Director Wilson and by roll call vote (Ayes: *Banales, Glover, and Wilson*; Noes: *None*; Absent: *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 Written Report and Collection of Sewer Service and Delinquency Charges and Collection System Charges and Surcharges on County Tax Roll; Close Public Hearing and Consider Any Objections and Protests; Determine No Majority Protests Exists; and Adopt Resolution Approving Final Written Report and Directing Collection of Certain Sewer Service and Delinquency Charges on County Tax Roll

Chair Banales opened the Public Hearing at 5:42 pm. Ms. Nichols-Fritzler indicated she did receive any requests from the public to provide comments on this item.

Mr. Thomas provided an overview of Sewer Service Charge (SSC) collection and use each year from residential and non-residential customers in Antioch, Bay Point, and Pittsburg. He commented that the SSC revenue is allocated to several District funds to support operational and capital infrastructure needs and the funds are not used to pay for costs related to growth. Mr. Thomas provided a brief overview of the FY23/24 Budget Summary, illustrating the proposed operating budget of \$32.3 million (2.0% increase from FY22/23) and the proposed 5-year CIP budget of \$139.1 million. He reviewed FY23/24 revenue projections by major sources noting SSCs account for approximately 73% of the District's total revenue. In addition, Mr. Thomas provided information regarding the SSC financial analysis and noted staff confirmed that no SSC increase is necessary for FY23/24 (i.e., SSCs would be maintained at same level as in FY22/23). He noted that District Ordinance No. 122 (adopted by the Board on June 22, 2022) established current SSCs for residential and non-residential customers.

Chair Banales closed the Public Hearing at 5:49 pm and opened the item to the Board for deliberation.

Chair Banales inquired regarding the total number of protests received. Ms. Nichols-Fritzler announced that as of June 14, 2022, no protest letters were received, which is less than the 28,168 protests required to determine that a majority protest exists. The Board thanked Mr. Thomas for the presentation.

Vice Chair Glover moved approval, seconded by Director Wilson and by roll call vote (Ayes: *Banales, Glover, and Wilson*; Noes: *None*; Absent: *None*; Abstain: *None*) the Board determined that no majority protest exists, and adopted a Resolution approving the Final Written Report and Directing Collection of Certain Sewer Service and Delinquency Charges on the County Tax Roll.

RECOGNITION

Congratulate Brian Thomas, Deputy General Manager, on His Recent Promotion

Mr. De Lange introduce Mr. Thomas as the new Deputy General Manager, noting that Mr. Thomas recently reached his 5-year service milestone at the District and served as Acting Business Services Director for two years. The Board congratulated Mr. Thomas on his promotion. Mr. Thomas thanked the Board for the opportunity, stating that he is looking forward to the challenges, confident that the District has a strong team in place, and will support the District's continued growth and development.

## CONSENT CALENDAR

Chair Banales pulled Item F/3 Adopt Resolution Commending Mary Ann McNett Mason, District Counsel, on Her Service to the District from the Consent Calendar. Vice Chair Glover moved approval of the remaining items on the Consent Calendar, seconded by Director Wilson 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, May 10, 2023; Approve Minutes of Special Board of Directors Meeting, May 23, 2023; Receive District Monthly Check Register for April 2023; Authorize General Manager to Execute a Subscriber Service Agreement and an Agency Security Agreement with Cooperative Organization for the Development of Employee Selection Procedures (CODESP), a Joint Exercise of Powers Agency, to Pay Fees Specified in the Subscriber Service Agreement for Testing Products and Services in Connection with Pre-employment Testing for Fiscal Year 2023/2024; Adopt Resolution Establishing FY23/24 Appropriations (GANN) Limit for Expenditures that Can Be Funded from Tax Proceeds; Ratify General Manager's Execution of a Participation Agreement with Coalition for Controlling Insurance Costs in California Schools (CICCS), a California Public Agency, with Modified Indemnification Language, for Employee Assistance Program Services, Beginning, July 1, 2023; Authorize Issuance of the Following Purchase Orders for One Year Beginning July 1, 2023: in an Amount Not to Exceed \$441,000, Univar USA Inc., Supply and Delivery of Sodium Bisulfite; in an Amount Not to Exceed \$328,000, Kemira Water Solutions, Inc., Supply and Delivery of Ferrous Chloride; in an Amount Not to Exceed \$372,000, Chemtrade Logistics, Inc., Supply and Delivery of Liquid Aluminum Sulfate; in an Amount Not to Exceed \$1,294,000, Hasa, Inc., Supply and Delivery of Sodium Hypochlorite; in an Amount Not to Exceed \$265,000, Polydyne Inc., Supply and Delivery of Dry Polymer; in an Amount Not to Exceed \$162,000, Polydyne Inc., Supply and Delivery of Liquid Polymer; Authorize General Manager to Execute Amendment No. 2 to General Services Contract in the Amount of \$495,000 for a New Total Contract Amount Not to Exceed \$1,335,000, and Extend Contract through June 30, 2024, SCA OF CA, LLC, Street Sweeping Services for City of Antioch and Bay Point; Authorize General Manager to Approve Purchase Order in the Amount of \$250,000, G3 Engineering, Inc., Polyblend Dry Polymer Feed System, and Approve Appropriation in the Amount of \$250,000 from Wastewater Capital Asset Replacement Reserve Fund; Authorize General Manager to Execute Amendment No. 2 to Agreement for Biosolids Handling Services with Synagro West, LLC, Effective July 1, 2023, to Extend the Term for Two Years, from July 1, 2023 through June 30, 2025, and to Authorize Payment for Services in Amounts Specified in the Agreement, as Amended; Authorize General Manager to Execute Amendment No. 1 to Agreement for Class A Biosolids Processing Services with Lystek International Limited, Effective July 1, 2023, to Extend the Term for Two Years, from July 1, 2023 through June 30, 2025, and to Authorize Payment for Services in Amounts Specified in the Agreement, as Amended; Authorize General Manager to Execute License Agreement with Delta Energy Center, LLC, for Temporary Use to Stage an Event Adjacent to the Recycled Water Facility; and Authorize General Manager to Transfer Monies to Cogeneration Engine Rebuild Project from Wastewater Capital Asset Replacement Fund Reserves in the Amount of \$200,000, for a New Total Project Budget of \$600,000, Authorize General Manager to Execute General Services

Contract in an Amount Not to Exceed \$440,330, Peterson Power Systems, Inc., and Authorize General Manager to Approve Contract Change Orders in an Amount Not to Exceed 10% of Contract Amount, Cogeneration Engine Rebuild, Project No. 23115.

Chair Banales asked Mr. Thomas to present Item F/3 Adopt Resolution Commending Mary Ann McNett Mason, District Counsel, on Her Service to the District. Mr. Thomas acknowledged Ms. Mason for her distinguished 21 years of service to the District, referring to her as an invaluable resource while highlighting her outstanding accomplishments. He further thanked Ms. Mason for her dedication, professionalism, and willingness to resolve a wide range of topics such as labor relations, issues impacting District Code, and COVID-19 pandemic issues. Chair Banales thanked Ms. Mason for her service to the Board and for providing sound counsel and critical guidance. Vice Chair Glover thanked Ms. Mason for her service to the District, commenting on the great experience it was working with her, and congratulated her on her retirement. Director Wilson thanked Ms. Mason for her service, acknowledging her list of accomplishments.

Ms. Mason addressed the Board stating that she enjoyed working with the multiple Board members, general managers, and staff members throughout the years. She expressed her appreciation for the leadership and friendship of Vice Chair Glover and stated she had the privilege to serve under three general managers and how impressed she is by the Board, General Manager, and staff for their willingness to put environmental and fiscal stewardship at the forefront. She further commented that the District is a well-run organization, and she is grateful to have had the pleasure to be part of the team. In closing, she thanked the Board for its support and good wishes.

Vice Chair Glover moved approval of Item F/3 Adopt Resolution Commending Mary Ann McNett Mason, District Counsel, on Her Service to the District, seconded by Director Wilson and by roll call vote (Ayes: *Banales, Glover, and Wilson*; Noes: *None*; Absent: *None*; Abstain: *None*) the Resolution was adopted.

Chair Banales called for public comments. Mr. Jim Dunbar, General Manager for Lystek, addressed the Board regarding Item F/12 and expressed his gratitude for allowing Lystek to partner with the District for the past two years and going forward. Chair Banales thanked Mr. Dunbar for his comment.

## DELIBERATION ITEMS

### Approve FY23/24 Budget and Adopt Resolution Approving FY23/24 Budget Appropriations

Ms. Lyons reviewed the FY23/24 Budget and provided an overview of the District's fiscal responsibility and cost control focus. She highlighted the breakdown of the proposed FY23/24 Budget, which totals \$46.2 million and includes \$32.3 million for the operating budget and \$13.9 million for the capital budget (includes \$1.9 million in debt service). Ms. Lyons presented key budget drivers for FY23/24, revenue sources, and a breakdown of the operating budget by major cost category. She noted that during the budget development process, the cost-of-living adjustment (COLA) was estimated at 5.0%; however, staff has subsequently incorporated the actual COLA of 3.6%. In addition, Ms. Lyons reviewed the proposed CIP budget appropriation of \$12 million for FY23/24 and discussed the proposed sources and uses of funds for FY23/24. She

presented the FY24/25 Budget forecast of \$59.8 million (+29%) noting that the large increase is due to capital expenditures increasing 97% in FY24/25. Ms. Lyons clarified that this is not expected to impact future SSCs as existing fund equity would be utilized consistent with the District's financial plan. She noted that the FY24/25 Budget forecast is for informational purposes only and staff would not be asking the Board to appropriate FY24/25 funding until June 2024.

The Board thanked Ms. Lyons for the presentation.

Vice Chair Glover moved approval of the FY23/24 Budget and Adopt Resolution Approving FY23/24 Budget Appropriations, seconded by Director Wilson and by roll call vote (Ayes: *Banales, Glover, and Wilson*; Noes: *None*; Absent: *None*; Abstain: *None*) the FY23/24 Budget was approved and the Resolution was adopted.

PRESENTATIONS AND REPORTS – None.

GENERAL MANAGER COMMENTS

Mr. De Lange acknowledged Mr. Siptroth, noting that this is his last meeting as District Counsel, as he is leaving Contra Costa County Counsel's Office at the end of June. Mr. De Lange thanked Mr. Siptroth for his legal advice and contributions to the District.

BOARD MEMBER COMMENTS

Vice Chair Glover thanked Mr. Siptroth for his service and wished him well with his next endeavor. Chair Banales and Director Wilson thanked Mr. Siptroth and wished him well.

CORRESPONDENCE

Receive Monthly Lobbyist Report Dated May 2023 Key Advocates, Inc., Western Recycled Water Coalition

The Board received and filed the report.

CLOSED SESSION – None.

ADJOURNMENT

Chair Banales adjourned the meeting at 6:15 pm and noted the next regular Board of Directors Meeting will be held at 4:30 p.m. on July 12, 2023.



Monica Wilson  
Board Secretary

(Recording Secretary: Cecelia Nichols-Fritzler)

cc: District File No. BRD.01-MINS