

Minutes of the Special Board of Directors Meeting

DELTA DIABLO June 25, 2020

The meeting was called to order by Chair Banales at 4:39 p.m. on Wednesday, June 25, 2020, via Zoom. Present were Chair Juan Banales, and Directors Federal Glover and Sean Wright. 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, Engineering Services Director/District Engineer; Carol Margetich, Business Services Director; and Thanh Vo, Senior Engineer.

Chair Banales read the following statement: "To slow the spread of COVID-19, the Contra Costa County Health Officer's Health Order of June 16, 2020 restricts governmental functions. 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 meetings. Presentations for Item D/1 and D/2 are available on the District's website www.deltadiablo.org/board-meetings."

PUBLIC COMMENTS

Chair Banales opened Public Comments on non-agendized items. Hearing no Public Comments, Chair Banales closed Public Comments.

PUBLIC HEARINGS

Conduct Public Hearing on Fiscal Year 2020/2021 through 2024/2025 Capital Improvement Program; Close Public Hearing and Consider Any Testimony Received; Adopt Resolution Approving the Program; and Authorize Filing of Notice of Exemption in Compliance with Public Resources Code Section 21152

Chair Banales opened the Public Hearing for public comments at 4:43 p.m. Ms. Nichols-Fritzler indicated that no comments were received.

Mr. Vo provided an overview of the Fiscal Year 2020/2021-2024/2025 (FY20/21-FY24/25) Capital Improvement Program (CIP) development process, goals, and associated Board interactions. He highlighted that the total planned 5-year CIP is \$81.3 million, and the FY20/21 CIP budget request is \$16.7 million. Mr. Vo noted that 14 new projects were identified within the five-year CIP totaling \$20.3 million, which includes \$8.3 million for the Antioch Pump Station and Conveyance System Improvements Project. He shared that 70% of the CIP total is allocated to support rehabilitation and/or replacement of existing critical wastewater infrastructure. Mr. Vo stated that the District is adapting to shifting project priorities and changes, most notably, the District is no longer pursuing the East County Bioenergy Project and continues to adapt to changes in assumptions for nutrient management-related capital improvements. In addition, Mr. Vo highlighted two areas in which the CIP will support organizational improvement: 1) Asset Management Program development, and 2) Information Technology expansion. He reviewed five master planning efforts that are included in the

proposed CIP to identify near- and long-term strategies, needs, and priorities. He also noted that staff has prepared additional supporting documentation and posted the information to the District's website. Mr. Vo reviewed the next steps and upcoming Board interactions.

Chair Banales called for additional public comments before closing the Public Hearing. Hearing no public comments, Chair Banales closed the Public Hearing at 4:57 p.m. and opened the item to the Board for deliberation.

Director Glover moved approval, seconded by Director Wright and by unanimous voice vote (*Ayes: Glover, Wright, and Banales; Noes: None; Absent: None*), the Board adopted the Resolution approving the Program, and authorized filing of the Notice of Exemption.

Conduct Public Hearing on Sewer Service and Delinquency Charges and Collection System Charges and Surcharges; Determine No Majority Protests Exists; Adopt Ordinance Establishing Charges; Adopt Resolution Approving Final Written Report and Directing Collection of Certain Sewer Service and Delinquent Charges on County Tax Roll

Chair Banales opened Public Hearing at 4:58 p.m. Ms. Nichols-Fritzler, indicated that no comments were received.

Ms. Margetich provided an overview of the budget and rates development process, guiding principles, and key assumptions for the FY20/21 sewer service charge (SSC) analysis. She presented the proposed SSC increases (3.5%) for Antioch and Pittsburg customers and (3.0%) for Bay Point customers. Ms. Margetich presented a breakdown of District expenses paid by SSCs with labor costs and capital improvements as the largest categories. She highlighted that the District's ratepayers pay among the lowest rates relative to peer agencies. In addition, she reviewed the five-year SSC rate projection and highlighted the reduction from last year's five-year annual rate increase projection, noting the proposed SSC increase is the lowest in 14 years. She presented a chart illustrating the severe impacts on the District's ability to maintain reserves at 40% of the Wastewater O&M Fund annual budget without the proposed SSC increases. Ms. Margetich closed her presentation by summarizing the requirements for the Property Tax Payment Relief, Governor's Executive Order N-61-20. She noted, as of June 22, 2020, 26 protest letters were received, and requested the recommended actions for Board consideration.

Chair Banales called for additional public comments before closing the Public Hearing. Ms. Nichols-Fritzler, noted that one new public comment was received via teleconference.

Ms. Lucille Hill inquired if the SSC increase was for continued maintenance and updating infrastructure, for adequate public services. Mr. De Lange confirmed, stating SSC increases are used to support ongoing operations and maintenance of the District's wastewater conveyance and treatment system, as well as capital investment in aging infrastructure.

Chair Banales called for additional public comments before closing the Public Hearing. Hearing no public comments, Chair Banales closed the Public Hearing at 5:17 p.m. 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 25, 2020, a total of 30 protest letters were received, which is less than the number required to determine that a majority protest exists.

Director Wright moved approval, seconded by Director Glover and by unanimous voice vote (Ayes: *Wright, Glover, and Banales*; Noes: *None*; Absent: *None*), the Board determined that no majority protest exists within the meaning of Article XIII D, Section 6 of the California Constitution and Health and Safety Code Section 5473.2; adopted the Ordinance establishing SSCs and Surcharges to be effective in FY20/21; and adopted the Resolution approving the Final Engineer's Report and providing for the Collection of SSCs on the County Tax Roll.

CONSENT CALENDAR

Chair Banales moved approval, seconded by Director Wright, and, by a roll call vote (Ayes: *Banales, Glover, and Wright*; Noes: *None*; Absent: *None*), the following consent items were approved according to staff recommendations: Approve Minutes of Board of Directors Meeting, June 10, 2020; Approve Rescheduling of Regular Board of Directors Meeting from July 8, 2020 to July 16, 2020; Authorize General Manager to Execute Amendment No. 5 to Consulting Services Contract in the Amount of \$73,020, Lee & Ro, Inc., Engineering Services, Treatment Plant Electrical Switchgear Replacement, Project No. 17120; and Determine the Pape Machinery Proposal Provides the Best Overall Value to the District and Authorize General Manager to Execute Purchase Order in the Amount of \$382,217.80, The Pape Group DBA: Pape Machinery, Truck-Mounted Hydraulic Combination Sewer Cleaning Unit.

DELIBERATION ITEMS

None.

PRESENTATIONS AND REPORTS

None.

MANAGER'S COMMENTS

Mr. De Lange thanked the Board for its leadership in guiding the District through the SSC increase, noting the increase was carefully considered during the COVID-19 pandemic relative to the District's financial needs. He also acknowledged staff for their efforts in developing the SSCs, CIP, and budget this year.

DIRECTORS' COMMENTS

Chair Banales echoed Mr. De Lange's comments and thanked staff for their tremendous effort and work.

CORRESPONDENCE

None.

CLOSED SESSION

None.

ADJOURNMENT

Chair Banales adjourned the meeting at 5:21 p.m. The next Board Meeting will be at 4:30 p.m. on July 16, 2020.


Sean Wright, Board Secretary

(Recording Secretary:
Cecelia Nichols-Fritzler)