

**Minutes of the Regular Board of Directors Meeting
DELTA DIABLO
September 12, 2018**

The meeting was called to order by Vice Chair Wright on Wednesday, September 12, 2018, at 4:38 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Directors Sean Wright and D. Pete Longmire. Chair Federal Glover was absent. Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Denise Cappucini Jones, Office Manager/Secretary to the Board; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director/District Engineer; Joaquin Gonzalez, Operations Manager/Management Association Representative; Darrell Cain, Laboratory Manager; Angela Lowrey, Public Information Manager; Jayne Strommer, Government Affairs Manager; Amanda Roa, Environmental Programs Manager; Thanh Vo, Senior Engineer; Kathy Chang, Finance Manager; Cheryl Rhodes Alexander, Human Resources and Risk Manager; Steve Rodriguez, Operations Supervisor; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; Dustin Bloomfield, Maintenance Supervisor; and Irene O’Sullivan, Associate Engineer/P&T Bargaining Unit Representative.

PUBLIC COMMENTS

None

RECOGNITION

Introduction of Dustin Bloomfield, Maintenance Supervisor

Mr. Eckerson introduced Dustin Bloomfield, the District’s new Maintenance Supervisor. Mr. Bloomfield will be responsible for daily oversight of Maintenance operations and staff. Mr. Bloomfield came to the District from the City of Brentwood where he worked for 20 years and held a variety of positions including Collections Worker Lead, Wastewater Maintenance Supervisor, and most recently Utility Maintenance Mechanic.

The Board welcomed Mr. Bloomfield to the District.

Receive Presentation of 2018 Community Engagement and Outreach Newsletter of the Year Second Place Award from California Water Environment Association

Ms. Margetich presented the 2018 Community Engagement and Outreach Newsletter of the Year Second Place Award from the California Water Environment Association. This is a state-level award for agencies that use newsletters to promote awareness and understanding of water quality issues. Ms. Margetich acknowledged Ms. Lowrey for coordinating production of the newsletter.

Receive Presentation of 2018 Award of Excellence for Public Outreach and Education – Deer Valley High School Hazardous Waste Public Service Announcement, California Association of Sanitation Agencies

Ms. Margetich presented the 2018 Award of Excellence for Public Outreach and Education from the California Association of Sanitation Agencies for the District’s Hazardous Waste Public Service Announcement project with Deer Valley High School “DVTV” students. This is a state-level awards program recognizing member agencies for extraordinary clean water services, programs, and projects and dedication to fostering public health through innovative solutions and unique approaches to ensuring effective engagement with local communities. As part of the District’s community engagement strategy, a PSA was created by DVTV students to highlight the District’s Delta Household Hazardous Waste

Collection Facility. Ms. Margetich thanked Ms. Lowrey for her efforts, as well as staff who participated on camera and behind the scenes.

Vice Chair Wright and Director Longmire thanked Ms. Lowrey for her hard work and public outreach. Ms. Lowrey thanked Mr. Gonzalez for his assistance, noting that it is a team effort, and thanked the Board for its support.

Receive Presentation of Platinum 14 Peak Performance Award from National Association of Clean Water Agencies

Mr. Eckerson presented the Platinum 14 Peak Performance Award received from the National Association of Clean Water Agencies (NACWA). NACWA has been in existence for 50 years with the purpose of representing wastewater agencies and this award recognizes water resource recovery facilities for outstanding National Pollutant Discharge Elimination System (NPDES) permit compliance in the 2017 calendar year. Mr. Eckerson stated that the District has earned the Peak Performance Award for operating its facility in full permit compliance for 14 consecutive years. This award is especially significant considering the operational challenges experienced in November and December 2017 and reflects the ongoing commitment to operational excellence exhibited by staff throughout the organization, as well as staff's commitment to the District's vision of national leadership.

Vice Chair Wright stated that the Board is very proud of staff, especially those that run the facility around the clock, for this achievement.

CONSENT CALENDAR

Staff requested Item E/8 - *Authorize General Manager to Execute Amendment No. 2 to Consulting Services Contract in an Amount Not to Exceed \$34,080, Carollo Engineers, Inc., Engineering Services, Headworks Improvements, Project No. 17117* be pulled from the Consent Calendar. Mr. De Lange reported that staff is reevaluating the project approach and associated costs and will submit an item for Board for consideration in the future.

Director Longmire moved approval of remaining Items. E/1 through E/7, seconded by Vice Chair Wright and by unanimous voice vote (*Ayes: Longmire and Wright; Noes: None; Absent: Glover*), the Board approved Items E/1 through E/7 of the Consent Calendar according to staff recommendations: Receive District Monthly Check Register, June and July 2018; Approve Minutes of Special Board of Directors Meeting, July 31, 2018; Receive Fourth Quarter Fiscal Year 2017/2018 District Investment Report; Receive Fiscal Year 2017/2018 Report on Surplus District Property; Authorize General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$410,425, HDR Engineering, Inc., Owner's Advisor Services, East County Bioenergy, Project No. 16117; Accept as Complete, Synagro-WWT, Inc., Digester No. 2 Cleaning, Project No. 18111; and Adopt Resolution Accepting Updated Contra Costa County Local Hazard Mitigation Plan.

DELIBERATION

Approve and Authorize Board Chair to Execute First Amendment to Employment Agreement Between Delta Diablo and Vincent De Lange, General Manager, and Adopt Resolution Approving Revised Salary Schedules Incorporating Change to General Manager Salary

Ms. Margetich presented the key terms of the proposed First Amendment to the General Manager's Employment Agreement, which include a new base monthly salary of \$22,778.79 (including the same COLA that was awarded to Management Association [MA] members on July 1, 2018); 2) increasing authorized vacation leave by 3.33 hours per month; 3) providing for the same annual COLA that the District provides members of the MA in future years; and 4) establishing June as the annual performance evaluation review month. The annual impact of the salary adjustment is approximately \$19,171, which

includes pension, employer tax, and benefit costs. Staff is also seeking approval of the updated salary schedules incorporating the change to the General Manager's salary.

Director Longmire stated that he supports the changes and recommends moving the item forward. In particular, he stated that the proposed salary increase is in line with other agencies and provision of the annual COLA will align with what all staff members receive. Director Wright agreed.

Director Longmire moved approval, seconded by Vice Chair Wright and by unanimous voice vote (*Ayes: Wright and Longmire; Noes: None; Absent: Glover*), the Board approved and authorized the Board Chair to execute the First Amendment to the Employment Agreement between Delta Diablo and General Manager Vincent De Lange, and adopted the Resolution approving the revised Salary Schedules incorporating the change to the General Manager's salary.

Approve Minutes of Regular Board of Directors Meeting, June 13, 2018 (*Wright and Glover*)

Item F/2 - *Approve Minutes of Regular Board of Directors Meeting, June 13, 2018 (Wright and Glover)* was pulled from the agenda for lack of a voting quorum.

PRESENTATIONS AND REPORT

Review and Comment on District Strategic Business Plan Initiatives for Fiscal Year 2018/2019

Mr. Eckerson presented the Strategic Business Plan (SBP) Initiatives and provided background on the development process. He provided an update on selected Fiscal Year 2017/2018 (FY17/18) initiatives in each of the SBP goal areas. Under Financial Sustainability, initiatives included evaluation of financial viability of the East County Bioenergy Project (ECBP); ensuring the lowest cost of capital; and evaluation of alternatives and recommended improvements to the rate-setting and Capital Improvement Program process and timeline. Under Leadership, initiatives included development of a Succession Planning Strategy and job description updates. Director Longmire requested additional information regarding the strategy and Mr. De Lange stated that staff would provide an update at a future meeting. Under Operational Excellence, initiatives included enhancing the employee safety training program, and improving business and operational practices by completing the first phase of MUNIS modernization modules. Under Workplace Innovation, initiatives included continued pursuit of multi-benefit initiatives that increase biogas production, improved process performance, and addressing long-term biosolids and nutrient management; and completion of pilot-scale testing of the anammox/zeolite process to improve effluent and recycled water quality and initiation of the Lawrence Livermore National Laboratories Capacitive Desalination Project. Under Stakeholder Engagement, initiatives include actively supporting the Bay Area Biosolids Coalition's key strategic activities and ensuring proactive communication and engagement with local community members.

Mr. Eckerson then outlined the proposed FY18/19 SBP Initiatives. Under Financial Sustainability, initiatives include critical review of financial viability of the ECBP; improvements to the parcel database; and implementation of energy use and production measures. Under Leadership, initiatives include implementation of Succession Planning Strategy. Under Operational Excellence, initiatives include developing a comprehensive Business Continuity Plan; conducting hands-on emergency preparedness training for employees; developing a long-term strategy for implementation of a formalized Asset Management Program; identifying and recommending potential equipment and/or control system improvements; and identifying potential vulnerabilities to network security and current mitigation strategies. Under Workplace Innovation, initiatives include developing a process for identifying innovative approaches and initiatives that benefit ratepayers; developing a conceptual approach to improving the use of information system technology; providing fundamental project management training to a broad range of

staff; and developing a long-term plan to guide investment in information technology. Under the final category of Stakeholder Engagement, initiatives include developing a strategic planning framework to guide proactive public information and outreach, and actively supporting the Bay Area Biosolids Coalition's key strategic activities.

Mr. Eckerson noted that the District's SBP is five years old and staff will be revisiting it early next year as an in-house endeavor.

Director Longmire commented that he would like to see more information regarding staff training and development. He noted that public outreach and education is a key area.

Regarding building security vulnerabilities, Director Longmire emphasized the need to expedite implementation of improvements. Mr. De Lange noted that staff had responded to similar comments raised during Finance Committee meetings earlier in the year by incorporating an assessment of potential improvements to the two administration buildings into the Office Buildings Improvements Project. Director Longmire stated that he would like staff to receive risk training. Director Wright asked for clarification on the process for developing the new SBP and expressed interest in participating to help guide the District's 5- to 10-year vision. Mr. De Lange confirmed that staff would directly engage with the Board in developing the SBP.

Receive Annual Report on Capital Facilities Capacity Charge Collections, Fiscal Year 2017/2018

Ms. Margetich reported on the Capital Facilities Capacity Charges (CFCCs), noting that they are tied to development and growth. The District currently assumes 400 equivalent residential units (ERUs). This year, there were only 219 ERUs compared to 496 ERUs last year. She presented CFCC revenues by zone indicating the breakdown of ERUs for FY16/17, a Connections Summary for FY15/16, FY16/17, and FY17/18, and a summary of connections by customer class for those years. Ms. Margetich noted that staff reached out to the cities for additional information and determined that a number of projects are in progress but were not completed by the end of FY17/18. Staff anticipates an increase in ERUs in FY18/19 when those projects are completed.

Director Wright agreed that unless there is a sharp decline in the real estate market, the District should see an increase this year. He is aware of significant development in the City of Antioch over the next couple of years. He asked if there is a mechanism in the CFCC rate structure to decrease commercial rates and support local economic development and allow local residents to work where they live. Ms. Margetich replied that state legislation requires connection fees to be commensurate with the cost of service, which limits the District's flexibility in establishing CFCCs. Director Wright stated that the City of Antioch recently completed a rate study and encouraged District staff to consult with the City on the methodology and the impact of key assumptions.

The Board received and filed the Report.

MANAGER'S COMMENTS

Mr. De Lange noted that October will be the last Board meeting for Ms. Jones, who will be retiring at the end of November. He stated that the new Office Manager/Secretary to the Board will be introduced at the Board meeting in October, which will allow some time for overlap to ensure a smooth transition.

DIRECTORS COMMENTS

None

CORRESPONDENCE

Receive Monthly Reports dated July and August 2018, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

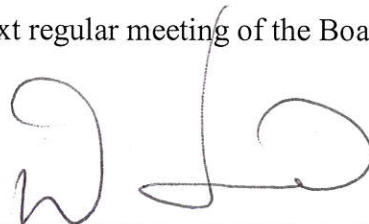
The Board received and filed the report.

CLOSED SESSION

None

ADJOURNMENT

Director Wright adjourned the meeting at 5:45 p.m. The next regular meeting of the Board of Directors will be on Wednesday, October 10, 2018, at 4:30 p.m.



D. Pete Longmire, Board Secretary

(Recording Secretary:

Denise Cappucini Jones)