

**Minutes of the Regular Board of Directors Meeting
NOVEMBER 13, 2019**

The meeting was called to order by Chair Sean Wright on Wednesday, November 13, 2019, at 5:32 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Also present were Juan Antonio Banales, Vice Chair; Federal Glover, Director; Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Stacy Tucker, Acting Office Manager/Secretary to the Board; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director/District Engineer; Mary Harvey, Safety Manager; Amanda Roa, Environmental Programs Manager; Jayne Strommer, Government Affairs Manager; Irene O'Sullivan, Associate Engineer/P&T Bargaining Unit Representative; Joaquin Gonzalez, Operations Manager; Steve Rodriguez, Operations Supervisor; Thanh Vo, Senior Engineer; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; Cindy Kirk, Administrative Assistant III; Eka Ekanem, Senior Accountant; Jackie Baello, Accounting Technician; Jennifer Moniz, Accounting Technician; Alex Nepomuceno, Accounting Technician; and Christopher Davenport, Psomas.

PUBLIC COMMENTS

None.

RECOGNITION

Receive Presentation of Certificate of Achievement for Excellence in Financial Reporting and Recognize and Commend the Finance Division and Business Services Director for Receiving the Award of Financial Reporting Achievement for Fiscal Year 2017/2018 from the Government Finance Officers Association

Ms. Margetich presented the Certificate of Achievement for Excellence in Financial Reporting and the Award of Financial Reporting Achievement (AFRA) from the Government Finance Officers Association (GFOA) for the District's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2017/2018 (FY17/18). She expressed this is a prestigious national award and represents the highest form of recognition in the area of governmental accounting and financial reporting. Only 1.4% of California Special Districts and approximately 0.8% of Special Districts on a national level received this award in 2017. Ms. Margetich recognized the efforts of Finance Division staff, who were in attendance, noting that this achievement would not be possible without their efforts. In addition, she noted that the District has early indications that the recent external financial audit would conclude with no findings. Mr. De Lange recognized Ms. Margetich for her efforts in leading and guiding the team. The Board applauded the Finance Division staff for their efforts. Director Glover thanked staff for their great work and dedicated service to the District. Chair Wright congratulated and thanked the Finance Division for being part of the top 1%.

CONSENT CALENDAR

Prior to approval of the Consent Calendar, Chair Wright stated he would abstain from Item E/1 Approve Minutes of Regular Board of Director Meeting, October 9, 2019, as he was absent from the meeting. Director Glover called for a motion for approval of the Consent Calendar without Item E/1, Director Banales moved approval, and by voice vote (Ayes: *Glover, Banales and Wright*; Noes: *None*; Absent: *None*; Abstain: *None*), the following consent items were approved according to staff recommendations: Receive Notes from Personnel Committee Meeting, October 30, 2019; Approve Job Description and Salary Range for New Maintenance Planner/Scheduler Classification; Approve Actions Related to Headworks Improvement Project, Project No. 17117, (a) Approve Project and Design; Grant Bid Relief for Construction Bid Submitted By Myers and Sons Construction, LLC; Waive Minor Irregularities in Bid Documents Submitted by C.W. Roen Construction Company; Award and Authorize General Manager to Execute Construction Services Contract in an Amount Not to Exceed \$9,514,000, C.W.

Roen Construction Company; Authorize General Manager or His Designee to Approve Contract Change Orders in an Amount Not to Exceed 5% of Contract Amount; and Related Actions, Headworks Improvements Project, Project No. 17117, (b) Authorize General Manager to Execute Amendment No. 4 to Consulting Services Contract in an Amount Not to Exceed \$572,493 Engineering Services, Carollo Engineers, Inc.; and Authorize General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$780,181, Construction Management Services, Psomas, Headworks Improvements Project, Project No. 17117; Receive District Monthly Check Register, September 2019; Receive First Quarter Fiscal Year 2019/2020 District Investment Report; Authorize General Manager to Execute Amendment No. 2 to Consulting Services Contract, Dewberry Engineers, Inc., Sodium Bisulfite Tank and Chemical Building Replacement Project, Project No. 17139; and Receive Notes from Finance Committee Meeting, November 7, 2019

DELIBERATION ITEMS

Approve Administrative Handbook Policy No. 3075, Debt Management and Continuing Disclosure
Ms. Margetich provided a presentation and overview of the key policy development drivers, noting the policy directly supports the District's Financial Sustainability, which is included in the Strategic Business Plan. She described key drivers, which includes supporting the District's financial sustainability, meeting new loan documentation requirements, and complying with Senate Bill 1029 (SB 1029) requirements. Ms. Margetich reviewed the main elements of SB 1029, which includes adopting a debt management policy that specifies allowable uses of debt, types of debt, and internal control procedures. Ms. Margetich highlighted that the policy will ensure regular Board reporting, transparency, and maintenance of internal controls. She stated there are no direct impacts to near-term financial decisions.

Ms. Margetich requested that the Board approve the proposed Debt Policy, which was reviewed by the Finance Committee and recommended to be presented to the full Board for consideration. Director Glover called for a motion for approval, Director Banales moved approval, and by voice vote (Ayes: *Glover, Banales and Wright*; Noes: *None*; Absent: *None*; Abstain: *None*) the Board approved the Debt Management and Continuing Disclosure Policy.

PRESENTATIONS AND REPORTS

Receive Update on District's Safety Program

Ms. Harvey provided an overview and update on the District's Safety Program. She noted the District's Injury and Illness Prevention Program (IIPP) promotes the health and well-being of its employees, contractors, and the public through established procedures and safe work practices, which is required by Cal/OSHA. Ms. Harvey described the Consolidated Emergency Management Plan, which complies with Health and Safety Training Requirements, as key to coordinating response and recovery exercises and supporting emergency preparedness and resiliency. Ms. Harvey reviewed the District's safety record from 2014 through 2018, noting that 2018 incident rates were slightly higher than industry average. She stated that the four recordable incidents, which include lost time or modified duty, have all been addressed.

Director Banales inquired regarding the year to date total amount of recordables for 2019 to determine if this trend was continuing. Ms. Harvey responded that she believes there is one incident to date. Director Banales commented that the incident trend has increased recently and asked Ms. Harvey to provide her thoughts on the progression from 2016 to 2018, as well as ideas for improvement. Ms. Harvey responded that the incidents were preventable and that the District will continue to focus on safety by consistently avoiding potential safety hazards and ensuring safety planning is a priority component of job planning.

Mr. De Lange requested that Ms. Harvey highlight Safety Committee activities as they relate to reviewing safety incidents, identifying root causes, and providing staff communication and training. Ms. Harvey reported that the Safety Committee meets quarterly and discusses safety incidents and creates investigative teams. Director Banales questioned whether each incident is investigated with corrective actions identified on a formal level, which was confirmed by Ms. Harvey.

Director Glover thanked Ms. Harvey for the report and asked if a root cause analysis is completed for every incident. Ms. Harvey responded that a root cause analysis is not performed on every incident. Director Glover questioned what raises an incident to be investigated to a root cause level. Ms. Harvey explained that a root cause analysis is typically triggered by lost-time injury, modified work duty, or physical therapy.

Chair Wright inquired if lost time or modified work duty is recorded as a number, as shown on the recordable incident chart. Ms. Harvey confirmed and explained that a reportable number is anything that is not treatable with an adhesive bandage, such as needing physical therapy or receiving prescription medication. Chair Wright thanked Ms. Harvey for her report.

The Board received and filed the Report.

Receive Update on National Pollutant Discharge Elimination System and Nutrient Watershed Permits

Ms. Roa provided background on the NPDES permit process and its connection to the goals of the 1972 Clean Water Act. She provided examples of both technology- and water quality-based permit limits. Ms. Roa stated that the San Francisco Regional Water Quality Control Board (RWB) issues an NPDES permit to the District every five years, while noting that the current permit expired on September 30, 2019 and remains in effect until the new one is issued. Ms. Roa highlighted the District's efforts to negotiate and work collaboratively with RWB to address potential impacts from the City of Antioch's proposed Brackish Water Desalination Project on the District's NPDES permit requirements. She provided a project overview and a summary of key operating conditions. Ms. Roa informed the Board regarding key changes to the District's NPDES permit and the associated permit approval timeline, with an RWB hearing on December 11, 2019 and an effective date of February 1, 2020.

Ms. Roa provided background on the Nutrient Watershed Permit (NWP) approach, which represents a regional, collaborative, and sound-science based approach between publicly-owned treatment works (POTWs), regulators, and the scientific community to address the potential impacts of nutrient loading on the health of San Francisco Bay. As a Bay Area Clean Water Agencies (BACWA) member, the District participated in a Nutrient Reduction Study along with 36 other POTWs to identify the cost and effectiveness of various nutrient management approaches. The study indicated that nutrient load reductions of 10-20%, 60%, and 80% on a regional level would require capital investments of \$119-\$391 million, \$7 billion, and \$8.5 billion, respectively. In addition, in order for the District to meet potential nutrient removal limits, required capital improvements would be in the range of \$134-\$167 million. Ms. Roa emphasized the continued need for scientific research to ensure a scientific approach to nutrient management and regulation, while noting BACWA's increased funding contributions in this area.

Chair Wright asked whether future nutrient load caps factored in potential future growth in the District's service area. Ms. Roa responded that RWB included a 15% contingency to account for future growth. Mr. De Lange commented that this was a key focus area for the District during negotiations and that this contingency would provide coverage for seven to eight years based on current growth projections. In addition, he noted that the District has negotiated consideration for nutrient loading associated with

growth of organics co-digestion programs, as well as potential loss of recycled water production—both of which would increase nutrient loading to the Delta.

Chair Wright thanked Ms. Roa for the report.

The Board received and filed the Report.

MANAGER'S COMMENTS

Mr. De Lange recognized Operations and Maintenance staff for their excellent response in maintaining operational reliability at the Pittsburg Pump Station and avoiding a sanitary sewer overflow despite excessive debris buildup, which required de-ragging multiple pumps on a daily basis over the last two weeks. He stated that the District has identified illegal dumping of trash and clothing through manholes adjacent to local encampments as the cause and worked to secure these manholes in response. Mr. De Lange stated that staff conducted CCTV inspection of the 30-inch line upstream of the pump station and is now working to remove accumulated debris. In addition, he acknowledged the District team, led by Ms. Roa, that supported a successful NPDES permit compliance site inspection by RWB representatives on November 8, 2019.

DIRECTORS' COMMENTS

Chair Wright noted the City of Antioch's focus on homelessness and recent approval to provide outhouses and dumpsters near some of the encampments, which would likely help alleviate impacts of debris that is currently being dumped into manholes.

CORRESPONDENCE

Receive Monthly Lobbyist Report dated September 2019, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

CLOSED SESSION

District Counsel stated that the Board would be going into Closed Session regarding anticipated litigation involving an employment discrimination claim.

Director Banales adjourned to Closed Session at 5:22 p.m. He reconvened to open session at 5:53 p.m. and stated there was nothing to report.

ADJOURNMENT

Director Banales adjourned the meeting at 5:53 p.m. The next regular meeting of the Board of Directors is scheduled for December 11, 2019 at 4:30 p.m.



Federal Glover
Board Secretary

(Recording Secretary:
Stacy Tucker)