

Minutes of the Special Board of Directors Meeting
DELTA DIABLO
February 27, 2018

The meeting was called to order by Chair Glover on Tuesday, February 27, 2018 at 10:34 a.m. at the office of Federal Advocates, 1666 K Street NW, Suite 1110, Washington, D.C. Present were Directors Federal Glover, D. Pete Longmire and Sean Wright. Also present was Vince De Lange, General Manager, Delta Diablo.

PUBLIC COMMENTS

None

Chair Glover adjourned the meeting until 11:00 a.m. due to a schedule change in the meeting with Federal Advocates.

BRIEFING WITH FEDERAL ADVOCATES, 1666, K STREET NW, SUITE 1110, WASHINGTON, D.C., 11:00 A.M. – 12:30 P.M.

The briefing with Federal Advocates was attended by several of their staff, including Michael Esposito, Nick Tobenkin, Chris Carney, Ben Odendahl, Michael Stroud, Jim Kiley and John Lopez.

Following introduction of Federal Advocates staff and their backgrounds, the group discussed the meetings planned for that afternoon, including logistics, anticipated attendees, and messaging. Delta Diablo's specific interest is in increasing awareness to Congressional Members on the East County Bioenergy Project (ECBP) and identifying potential federal funding opportunities.

Mr. De Lange noted that the meetings with the Representative's offices will also include members from California Association of Sanitation Agencies (CASA) addressing additional industry-wide priority issues, and he may have limited time to discuss Delta Diablo's ECBP. Federal Advocates will follow up with staff for both Representative DeSaulnier and Representative McNerney to ensure they are aware of the ECBP.

Federal Advocates discussed infrastructure legislation status, and addressed highlights of the Trump Administration's recently released infrastructure proposal. They noted the section on the "Transformative Projects Program," which includes a goal of supporting innovative and transformative infrastructure projects across a variety of sectors. They also stated that because the ECBP is a public-private partnership, it aligns well with the Administration's priority for highly-leveraged projects (private investment with state and local public investment).

Director Wright acknowledged the need for increased funding for California, which currently has a backlog of projects seeking funding through the Clean Water State Revolving Fund (CWSRF), and is known as a donor state to the federal government because it receives approximately \$0.75 for every \$1 paid in federal taxes. Federal Advocates agreed with this concern and stated its intent to work with Congress to seek removal of state caps on funding for certain infrastructure projects.

Federal Advocates also proposed that ECBP representatives from both Delta Diablo and Mt. Diablo Resource Recovery make a follow up visit to Washington, D.C. in April or early May.

**MEETINGS WITH CONGRESSIONAL MEMBERS REGARDING KEY PRIORITIES –
INFRASTRUCTURE POLICY AND FINANCING, EXTENSION OF NATIONAL
POLLUTANT DISCHARGE ELIMINATION SYSTEM PERMIT TERMS TO 10 YEARS,
REGULATORY REFORM, AND DELTA DIABLO EAST COUNTY BIOENERGY PROJECT**

The meeting with Congressman Mark DeSaulnier's staff was called to order by Chair Federal Glover at 1:00 p.m. at the Cannon House Office Building. The meeting was held with Andrew Perlstein, Legislative Assistant for Congressman DeSaulnier. Present were Directors Glover, Longmire, and Wright. Also present were Vince De Lange, General Manager, Delta Diablo; Jayne Strommer, Government Affairs Manager, Delta Diablo; Emily Barnett, Central Contra Costa Sanitary District (CCCSD); Mike McGill, CCCSD; Dwight Merrill, Stege Sanitary District; Audrey Comeaux, West County Wastewater District (WCWD); Lisa Malek-Zadeh, WCWD; and Harry Wiener, WCWD.

Introductions were followed by a discussion of CASA's top three federal legislative priorities. This included the importance of the CWSRF and need for additional funding; a request for National Pollutant Discharge Elimination System (NPDES) permit terms to be extended from 5 to 10 years; and, streamlining the federal permit process (e.g., implementation of a "one-stop shop" approach). Copies of the CASA fact sheets on these topics were provided to DeSaulnier's staff members.

Following this was a discussion of the Delta Diablo ECBP, including its status, benefits, and request for federal funding consideration. A copy of the ECBP fact sheet was provided as a handout.

Mr. De Lange provided status on the ECBP, progressing toward 30% design. He said that it appears to fit well with the concept of "transformative projects," and is a good example of a public-private partnership, marrying a public wastewater treatment facility with a private municipal solid waste hauler. The proximity of Delta Diablo to MDRR also makes the project appealing (~1 mile) as it reduces hauling distance and associated pollutants. It also utilizes existing digester capacity at Delta Diablo, which is not uncommon for wastewater treatment facilities across California with a majority having excess capacity. The addition of the organics to the digesters results in increased biogas production which creates renewable energy. If converted to electricity, it will take Delta Diablo from providing 60% of its on-site energy needs to 280% of its needs – thus creating excess renewable energy that can be sold to the grid. The estimated combined cost of the projects being designed at both sites is about \$43 million. This is a significant venture for Delta Diablo. Securing federal funding through grants or low-interest loans to supplement local and state funding will help ensure that the project can move forward and demonstrate a successful project and technology for other entities pursuing similar mandates or goals.

Director Longmire noted that this directly impacts three communities served by Delta Diablo, but also more after it is implemented (over 250,000 customers). It will help provide jobs and take trucks off the road. It also serves as a replicable model and a good example of a public-private partnership. A federal funding push would be very helpful in this effort and in stabilizing rates.

The attendees thanked the Congressman for his on-going support for recycled water and services provided by wastewater resource recovery facilities. The Congressman was invited to tour the attendee's facilities when back in the District.

(The meeting concluded at 1:30 p.m.)

The meeting with Senator Kamala Harris' office staff at the Hart Senate Office Building was called to order by Chair Federal Glover at 2:30 p.m. The meeting was held with Isaac Irby, Legislative Science Fellow with Senator Harris' office. Present were Directors Glover, Longmire and Wright. Also present were Vince De Lange, General Manager, Delta Diablo, and Federal Advocates team members including Michael Esposito, Nick Tobenkin, Ben Odendahl, and John Lopez.

This meeting served as an introduction to the ECBP. Mr. De Lange provided status on the ECBP, progressing toward 30% design. He said that it appears to fit well with the concept of "transformative projects," and is a good example of a public-private partnership, marrying a public wastewater treatment facility with a private municipal solid waste hauler. The proximity of Delta Diablo to MDRR also makes the project appealing (~1 mile) as it reduces hauling distance and associated pollutants. It also utilizes existing digester capacity at Delta Diablo, which is not uncommon for wastewater treatment facilities across California with a majority having excess capacity. The addition of the organics to the digesters results in increased biogas production which creates renewable energy. If converted to electricity, it will take Delta Diablo from providing 60% of its on-site energy needs to 280% of its needs – thus creating excess renewable energy that can be sold to the grid. The estimated combined cost of the projects being designed at both sites is about \$43 million. This is a significant venture for Delta Diablo. Securing federal funding through grants or low-interest loans to supplement local and state funding will help ensure that the project can move forward and demonstrate a successful project and technology for other entities pursuing similar mandates or goals.

Director Glover highlighted the impact this project would have in creating local jobs and supporting efforts to reduce commute times and quality of life for local residents. Director Longmire emphasized that this project could serve as a replicable model for other agencies and echoed the importance of creating local jobs. Director Wright echoed the sentiments expressed by Directors Glover and Longmire.

Dr. Irby inquired as to what level of funding is being requested. Mr. De Lange stated that MDRR is currently pursuing \$4 million in grant funding from CalRecycle, which would provide a benefit to the project financials. He stated that federal funding in the \$5 to 10 million range would be significant, although additional funding is also highly desired.

(The meeting concluded at 2:55 p.m.)

The meeting with Senator Dianne Feinstein's office staff at the Hart Senate Office Building was called to order by Chair Federal Glover at 3:20 p.m. The meeting was held with Alexis Segal, Legislative Assistant for Senator Feinstein. Present were Directors Glover, Longmire and Wright. Also present were Vince De Lange, General Manager, Delta Diablo and Federal Advocates team members including Michael Esposito, Nick Tobenkin, Ben Odendahl, and John Lopez.

Mr. De Lange provided status on the ECBP, progressing toward 30% design. He said that it appears to fit well with the concept of “transformative projects,” and is a good example of a public-private partnership, marrying a public wastewater treatment facility with a private municipal solid waste hauler. The proximity of Delta Diablo to MDRR also makes the project appealing (~1 mile) as it reduces hauling distance and associated pollutants. It also utilizes existing digester capacity at Delta Diablo, which is not uncommon for wastewater treatment facilities across California with a majority having excess capacity. The addition of the organics to the digesters results in increased biogas production which creates renewable energy. If converted to electricity, it will take Delta Diablo from providing 60% of its on-site energy needs to 280% of its needs – thus creating excess renewable energy that can be sold to the grid. The estimated combined cost of the projects being designed at both sites is about \$43 million. This is a significant venture for Delta Diablo. Securing federal funding through grants or low-interest loans to supplement local and state funding will help ensure that the project can move forward and demonstrate a successful project and technology for other entities pursuing similar mandates or goals.

Director Glover highlighted the impact this project would have in creating local jobs and supporting efforts to reduce commute times and quality of life for local residents. Director Longmire emphasized that this project could serve as a replicable model for other agencies and echoed the importance of creating local jobs. Director Wright echoed the sentiments expressed by Directors Glover and Longmire.

(The meeting concluded at 3:45 p.m.).

The meeting with Congressman McNerney was called to order by Chair Glover at 4:00 p.m. at the Rayburn House Office Building. The meeting was held with Congressman McNerney and his Legislative Counsel, Teresa Frison. Present were Directors Glover, Longmire and Wright. Also present were Vince De Lange, General Manager, Delta Diablo; Jayne Strommer, Government Affairs Manager, Delta Diablo; Emily Barnett, CCCSD; Mike McGill, CCCSD; and Harry Wiener, WCWD.

The Congressman was thanked for his introduction of the “WEST Act”.

Ms. Barnett acknowledged the Congressman’s support of many of CASA’s initiatives. Congressman McNerney was then briefed on the top CASA federal legislative priorities, including the importance of the Clean Water State Revolving Fund and need for additional funding; a request for NPDES permit terms to be extended from 5 to 10 years; and, streamlining the federal permit process such as through implementation of a one-stop shop.

Mr. De Lange spoke to the issue of increased funding needed for the CWSRF program, especially considering increasing infrastructure costs and funding needs if wastewater treatment facilities are required to implement nutrient removal.

Congressman McNerney acknowledged that the Federal government is not meeting its obligations on infrastructure.

Mr. McGill noted that if the CWSRF is opened to private entities, even more funding will be needed.

Mr. De Lange provided an update on the status of the ECBP, noting that it will not only make Delta Diablo energy self-sufficient, but will provide up to 280% of the District's energy needs, with excess being sold to the grid. He also noted the combined project cost estimated at \$43 million, and the need for and value of low-interest debt. Issuing debt on our own will be twice the interest of the CWSRF program, which greatly impacts costs over time.

Director Wright also noted the value of a fertilizer byproduct that will be created in addition to the excess energy. Chair Glover commented that this project is a public-private partnership, and that it fits into the Northern Waterfront Economic Initiative as it will create local jobs and help spur additional economic growth. Director Longmire noted that this is a green project and that getting it up and running will help stabilize rates.

Mr. De Lange discussed that this is a project that others can emulate. Existing wastewater treatment facilities could provide a home for about 75% of California's food waste. The timing is also right as entities consider how to meet California's organics diversion mandates.

The Congressman was thanked for his time and support.

(The meeting concluded at 4:30 p.m.)

ADJOURNMENT

The next Regular Meeting of the Board of Directors will be Wednesday, March 14, 2018, at 4:30 p.m. at Delta Diablo, 2500 Pittsburg-Antioch Highway, Antioch, CA.

V.C.
for 

D. Pete Longmire
Board Secretary

(Recording Secretary:

Vince De Lange)