

Minutes of the Regular Board of Directors Meeting

DELTA DIABLO

May 13, 2020

The meeting was called to order by Chair Banales at 4:30 p.m. on Thursday, May 13, 2020, via Zoom audio. 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 Shelter-in-Place Order of March 31, 2020 prevents public gatherings. In lieu of a public gathering, the Board of Directors meeting will be accessible via ZOOM Audio to all members of the public as permitted by the Governor's Executive Order 29-20, which suspends certain requirements of the Ralph M. Brown Act."

PUBLIC COMMENTS

None.

RECOGNITION

None.

CONSENT CALENDAR

Director Glover 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 Special Board of Directors Meeting, April 23, 2020; Receive Notes from Finance Committee Meeting, April 29, 2020; Receive District Monthly Check Register, March 2020; Authorize Amendment to Purchase Order in the Amount of \$35,000 for New Amount Not to Exceed \$245,000, Kemira, Inc., Supply and Delivery of Ferrous Chloride and Amendment to Purchase Order in the Amount of \$15,000 for New Amount Not to Exceed \$243,000, Univar USA, Inc., Supply and Delivery of Sodium Bisulfite for Fiscal Year 2019/2020; Authorize Issuance of the following Purchase Orders for One Year beginning July 1, 2020: in an Amount Not to Exceed \$268,000, Univar USA, Inc., Supply and Delivery of Sodium Bisulfite; in an Amount Not to Exceed \$284,000, Kemira, Inc., Supply and Delivery of Ferrous Chloride; in an Amount Not to Exceed \$320,000, Chemtrade Chemicals-US, LLC, Supply and Delivery of Liquid Aluminum Sulfate; in an Amount Not to Exceed \$373,000, Univar USA, Inc., Supply and Delivery of Sodium Hypochlorite; in an Amount Not to Exceed \$293,000, Polydyne, Inc., Supply and Delivery of Dry Polymer; and in an Amount Not to Exceed \$116,000, Polydyne, Inc. Supply and Delivery of Liquid Polymer; Receive Second Quarter Fiscal Year 2019/2020 District Investment Report.

DELIBERATION ITEMS

Receive Presentation on Proposed Fiscal Year 2020/2021 through 2024/2025 Capital Improvement Program and Set Public Hearing for June 25, 2020 to Consider Approval of Five-Year Capital Improvement Program

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 inquired as to how the District prioritizes infrastructure investment needs in the wastewater collection system relative to the District's Wastewater Treatment Plant. Mr. Vo noted staff efforts to critically review project priorities each year to ensure the District is budgeting to meet high priority needs. Mr. De Lange stated that one of the key focus areas for the District's Resource Recovery Facility Master Plan is to prepare an updated CIP that integrates condition assessment and prioritization information for the District's wastewater collection and treatment system. Chair Banales thanked staff for the response.

Director Wright moved approval, seconded by Director Glover, and, by a roll call vote (Ayes: *Banales, Glover, and Wright*; Noes: *None*; Absent: *None*), the following item was approved: Receive Presentation on Proposed Fiscal Year 2020/2021 through 2024/2025 Capital Improvement Program and Set Public Hearing for June 25, 2020 to Consider Approval of Five-Year Capital Improvement Program.

PRESENTATIONS AND REPORTS

Receive Key Assumptions for Proposed Fiscal Year 2020/2021 Operating Budget

Ms. Margetich provided an overview of the proposed FY20/21 Operating Budget, which totals \$29.6 million (\$0.9 million or 3.0% higher than FY19/20 Operating Budget). She presented a breakdown of operating costs by major District service category, noting that wastewater conveyance and treatment comprises 82% of the operating budget. Ms. Margetich highlighted major cost categories, including salaries (\$10.5 million), benefits (\$7.0 million), chemicals and utilities (\$3.7 million), office and operating expenses (\$4 million), and outside services (\$4.4 million). She emphasized the critical importance of staff in achieving the District's core mission of protecting public health and the environment. Ms. Margetich emphasized the District's focus on: 1) ensuring appropriate staffing levels, 2) delivering efficiency through a highly-skilled workforce, 3) meeting staff licensing and certification requirements, and 4) navigating a

competitive labor market. She reviewed key assumptions made in each of the major operating budget cost categories. Ms. Margetich noted that staff has prepared additional public communications documentation and posted this material to the District's website. In closing, Ms. Margetich reviewed next steps and future Board interactions.

The Board received and filed the report.

MANAGER'S COMMENTS

Mr. De Lange commented that the District is continuing to track developing legislation at the federal level that would provide economic assistance either directly to the District or its customers, including the current \$3 trillion Phase 5 coronavirus relief bill referred to as the Heroes Act in the House of Representatives. He noted that although this bill includes ratepayer assistance, cost reimbursement provisions, and tax credits, it is unlikely to be approved by the Senate in its current form.

Mr. De Lange also noted that the District is tracking potential testing of wastewater samples to assist in assessing the prevalence of COVID-19 in the local community and/or its potential resurgence in the future. He commented that there are a number of agencies in the Bay Area working with university researchers to develop testing protocols and determine how this information could be used to assess COVID-19 infection conditions, along with associated response actions.

DIRECTORS' COMMENTS

Director Glover asked if the District is conferring with County Health Officer regarding testing. Mr. De Lange affirmed that the District continues to monitor and adapt to County orders.

Director Wright thanked staff for continuing to protect the health and safety of the community.

CORRESPONDENCE

Receive Monthly Lobbyist Report dated April 2020, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

CLOSED SESSION

None.

ADJOURNMENT

Chair Banales adjourned the meeting at 5:11 p.m. The next Board Meeting will be at 4:30 p.m. on June 10, 2020.



Sean Wright
Board Secretary

(Recording Secretary:
Cecelia Nichols-Fritzler)