

Minutes of the Regular Board of Directors Meeting
DELTA DIABLO
February 14, 2018

The meeting was called to order by Chair Glover on Wednesday, February 14, 2018, at 4:41 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Directors D. Pete Longmire and Sean Wright, and Chair Federal Glover. Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Mike Bakaldin, Deputy General Manager; Denise Cappucini Jones, Office Manager/Secretary to the Board; Dean Eckerson, Resource Recovery Services Director; Amanda Roa, Environmental Programs Manager; Thanh Vo, Senior Engineer; Joaquin Gonzalez, Operational Services Manager; Steve Rodriguez, Operations Supervisor; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; Nick Steiner, Recycled Water Program Coordinator/P&T Bargaining Unit Representative; and Angela Lowrey, Public Information Manager.

PUBLIC COMMENTS

None

CONSENT CALENDAR

Director Wright moved approval, seconded by Director Longmire and by unanimous voice vote (*Ayes: Longmire, Wright and Glover; Noes: None; Absent: None*), the Board approved the following Consent Calendar according to staff recommendations: Approve Minutes of Regular Board of Directors Meeting, January 10, 2018; Approve District Monthly Check Register, December 2017; Receive Notes from Finance Committee Meeting, February 6, 2018; Authorize General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$140,500, Drake Haglan & Associates, Engineering Services, Sodium Bisulfite Tank and Chemical Building Replacement, Project No. 17139; Authorize General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$425,000, Engineering Services, Treatment Plant Electrical Switchgear Replacement, Project No. 17120; Accept and Authorize General Manager to File Notice of Completion, GSE Construction Company, Inc., Primary Clarifier Effluent Pipe and Slide Gate Replacements, Project No. 17121; Authorize General Manager to Execute a Construction Services Contract in an Amount Not to Exceed \$1,044,257, Clyde G. Steagall, Inc.; and Authorize General Manager or his Designee to Approve Contract Change Orders in an Amount Not to Exceed 10% of Contract Amount, Recycled Water Facility Emergency Backup Generator, Project No. 15126; Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in an Amount not to Exceed \$36,000, Collison Engineering, Zeolite-Anammox Pilot, Project No. 17123; Authorize General Manager to Execute Materials Procurement Contract in an Amount Not to Exceed \$70,166, Alan Pre-Fab Building Corporation; Authorize General Manager to Execute Construction Services Contract in an Amount Not to Exceed \$50,000; and Authorize General Manager or his Designee to Approve Contract Change

Orders in an Amount Not to Exceed 10% of Contract Amount, Recycled Water Facility Analyzer Room Installation, Project No. 10187; Accept and Authorize General Manager to File Notice of Completion, SAK Construction, LLC, Antioch Force Main 102 Repair, Project No. 18122; and Accept and Authorize General Manager to File Notice of Completion, GSE Construction Company, Inc., Tower Pump Station Rehabilitation, Project No. 13106.

DELIBERATION

Approve Updated Administrative Handbook Policy No. 3020, *Investment of District Funds*

Ms. Margetich reported on the primary objectives of the District's Investment Policy. The District's investment strategy provides for diversification of investments with \$40.1 million in LAIF and other

liquid accounts, and \$5.0 million managed by the District's investment Advisor, PFM Asset Management (PFM). A Cash Use breakdown was shown indicating Operating Reserves of \$10.5 million and a further breakdown for Advanced Treatment, Current Liabilities, Miscellaneous Uses, and Cash Needed to Fund the Operating and Capital Budget prior to revenue collection, for total cash investments of \$45.1 million.

No required changes were identified in PFM's review; however, staff is proposing minor modifications related to updating language for clarification and adding Joint Powers Authorities (JPAs) as an allowable investment option.

Director Longmire moved approval, seconded by Director Wright, and by voice vote (*Ayes: Longmire, Wright and Glover*; *Noes: None*; *Absent: None*) the Board approved the updated Administrative Handbook Policy No. 2013, *Investment of District Funds*.

PRESENTATIONS AND REPORT

East County Bioenergy Project Update

Ms. Roa provided an update on the project. Site improvements at Mt. Diablo Resource Recovery (MDRR) Park include building expansion and installation of a press and polisher that will produce an organic slurry to be transported to the District's wastewater treatment plant and fed to the digesters. Ms. Roa outlined the process and the existing and proposed new equipment that will be utilized at the District. Chair Glover asked if it will be necessary to add additional staff, and Ms. Roa responded that staff is evaluating that now and the addition of an operator and mechanic may be necessary. Chair Glover asked how many trucks per day would deliver slurry, and Ms. Roa responded that the estimate is between 10 to 14; however, more trucks coming to the District means fewer trucks going to other locations.

MDRR and the District are each completing respective 30% designs, which will include guaranteed maximum price proposals from Anaergia. At present, the estimated capital costs for MDRR and the District are estimated at \$15 million and \$28 million, respectively. Ms. Roa highlighted key activities, including the air permit application, the PG&E interconnection application, and current efforts to develop term sheets for the feedstock supply and design-build agreements. Staff is continuing to refine a robust financial model to ensure that the District would be protected under various scenarios.

Chair Glover thanked Ms. Roa for her informative presentation. He believes this project will be a great benefit to the rate payers. The Board received and filed the Report.

MANAGER'S COMMENTS

Mr. De Lange reported on recent National Pollutant Discharge Elimination System (NPDES) permit compliance challenges and staff's dedicated efforts to address the plant conditions. He reported that the District's semiannual NPDES permit site inspection was conducted today and staff anticipates a positive report.

Mr. De Lange reported that Deputy General Manager, Mr. Bakaldin, has announced his retirement from the District. Mr. Bakaldin has been a tremendous asset to the District over the past five years and he will be missed.

Mr. De Lange noted that the Board will be attending the California Association of Sanitation Agencies (CASA) Policy Forum conference in Washington, D.C. to directly support the District's efforts to secure federal support for its projects.

DIRECTOR'S COMMENTS

Director Longmire commended Ms. Margetich and Ms. Roa on very informative presentations. He anticipates working with his colleagues in Washington, D.C. on important issues. Legislators have been very excited to hear about the District's public-private partnership project. He encouraged all Board members to attend the meetings. Director Longmire thanked Mr. Bakaldin for his service and wished him the best of luck in his future endeavors.

Director Wright wished everyone a Happy Valentine's Day.

Chair Glover complimented the presentations by Ms. Margetich and Ms. Roa. He feels Delta Diablo is moving in the right direction on many fronts, recognizes the team effort, and expressed his appreciation for everyone in the organization. He extended his congratulations and best wishes to Mr. Bakaldin on his retirement.

CORRESPONDENCE

Receive Monthly Federal Report dated January 2018, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

CLOSED SESSION

None

ADJOURNMENT

Chair Longmire adjourned the meeting at 5:31 p.m. The next regular meeting of the Board of Directors will be on Wednesday, March 14, 2018, at 4:30 p.m.

for V.E. Longmire
D. Pete Longmire
Board Secretary

(Recording Secretary:

Denise Cappucini Jones)