

Minutes of the Regular Board of Directors Meeting

The meeting was called to order by Chair Sean Wright on Wednesday, July 10, 2019 at 4:49 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Chair Wright and Director Federal Glover. Also present were Mary Ann Mason, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Carol Margetich, Business Services Director; Dean Eckerson, Resource Recovery Services Director; Brian Thomas, Engineering Services Director/District Engineer; Cheryl Rhodes Alexander, Human Resources and Risk Manager; Thanh Vo, Senior Engineer; Chris Hanna, Information Technology Manager/Management Association Unit Representative; Amanda Roa, Environmental Programs Manager; Irene O'Sullivan, Associate Engineer/P&T Bargaining Unit Representative; Joaquin Gonzalez, Operations Manager; Darrell Cain, Laboratory Manager; Matt Gotshall, Computer Analyst/P&T Bargaining Unit Representative; Nick Steiner, Recycled Water Coordinator/P&T Bargaining Unit Representative; and Holland White, City of Pittsburg Councilmember and Supervisor's Aide for Special Projects, Office of Supervisor Federal D. Glover.

PUBLIC COMMENTS

None.

PUBLIC HEARING

Conduct Public Hearing on Proposed Recycled Water Service Charges and Surcharges, and Adopt Ordinance No. 117 Establishing Charges

Ms. Margetich provided background on customer agreements with Calpine, the cities of Pittsburg and Antioch, and Mt. Diablo Resource Recovery. She noted that staff estimated future operation and maintenance (O&M) and capital costs to develop the proposed Recycled Water Service Charge (RWSC) adjustments for each customer and calculated RWSCs based on a five-year average consumption to smooth the annual rate setting and annual comparisons. In addition, Ms. Margetich noted staff met with the Finance Committee on June 5, 2019 and presented the proposed RWSCs to the Board on June 12, 2019. She highlighted the proposed RWSC annual increase of 8.6% (\$561.90) for irrigation customers and 8.5% (\$542.74) for Calpine. She noted that the District's recycled water cost remains relatively low at 68% of the cost of raw water, 25% of potable water, and 29-45% of peer agencies.

Chair Wright opened the public hearing at 4:54 p.m. Hearing no public comments, Chair Wright closed the public hearing at 4:55 p.m.

Director Glover moved approval, seconded by Chair Wright and by unanimous voice vote (Ayes: *Glover and Wright*, Noes; *None*, Absent: *Banales*), the Board adopted the Ordinance establishing Recycled Water Service Charges and Surcharges to be effective in FY19/20.

CONSENT CALENDAR

Chair Wright noted that Item E/3, Approve Minutes of Regular Board of Directors Meeting, June 12, 2019 were corrected and provided to the Board and made available to the public. Chair Wright asked if the Board had any Consent Items to pull from the Agenda. The Board pulled Item E/1 Approve Minutes of Regular Board of Directors Meeting, October 11, 2017 and Item

E/2 Approve Minutes of Regular Board of Directors Meeting, May 9, 2018. Chair Wright called for a motion for approval of the Consent Calendar including the corrected Item E/3, Director Glover motioned, seconded by Chair Wright, and by voice vote (Ayes: *Glover and Wright*; Noes: *None*, Absent: *Banales*), the following consent items were approved according to staff recommendations: Approve Minutes of Regular Board of Directors Meeting, June 12, 2019; Receive Notes of Special Meeting of the Board of Directors Personnel Committee, June 19, 2019; Approve Minutes of Special Board of Directors Meeting, June 28, 2019; Receive District Monthly Check Register, May 2019; Approve Cancellation of Regular Board of Directors Meeting of August 14, 2019; Authorize General Manager to Execute Amendment No. 2 to Consulting Services Contract in an Amount Not to Exceed \$45,000, Interactive Resources, Inc., Design Services, District Office Building Roof Replacement, Project No. 18112; and Authorize General Manager to Execute Amendment No. 3 to Consulting Services Contract in the Amount of \$15,960, Carollo Engineers, Inc., Design Services, Headworks Improvements, Project No. 17117.

DELIBERATION

Adopt Resolution Approving Salary Schedules Incorporating 2019 Annual Cost of Living Adjustment and Adopt Resolution Approving Tier II Applicable Percentage, as Provided for in District Bargaining Unit Memoranda of Understanding, Bargaining Unit Side Letter Agreements and Unrepresented Employees' Employment Agreements

Ms. Margetich reported on the District's annual Cost of Living Adjustment (COLA). The COLA is based on the San Francisco Bay Area's April to April Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers. The FY19/20 COLA of 3.7% represents an annual labor cost increase of approximately \$382,000, which was included in the FY19/20 annual budget. She also provided an update regarding the California Public Employees' Retirement System (CalPERS) contributions for members of the Tier 1 Plan. In FY19/20, members will begin contributing an additional 1.0% to the CalPERS pension fund, increasing the Tier 1 employee contribution rate to 7.0% with the District providing the remaining 1.0% contribution. The District currently has 40 employees in Tier 1 (2.7%@55), 17 employees in Tier 2 (2.0%@55), and 19 employees in Tier 3 (2.0%@62). Employees enrolled under Tier 2 and Tier 3 pay the full cost of the employee CalPERS contributions. Ms. Margetich also reported that effective July 1, 2019 pursuant to Side Letter Agreements to the MOUs the District contributes to each Tier 2 employee's 401(a) Plan account "an amount equal to the Applicable Percentage of the employee's pensionable compensation with the District." The Applicable Percentage is defined as the difference between the Total Employer Normal Cost percentages for any fiscal year for the 2.5% at age 55 and the 2.0% at age 55 formulas under CalPERS (each with the 3% COLA Class 1 Optional Benefit), as actuarially determined annually by CalPERS. For FY19/20, the CalPERS formula was reviewed and determined that an adjustment is necessary. The current Applicable Percentage is 1.282% and the new Applicable Percentage is 1.297% (a decrease of 0.015% or approximately \$500 in annual labor costs).

Director Glover moved approval, seconded by Chair Wright, and by unanimous voice vote (Ayes: *Glover and Wright*, Noes: *None*, Absent: *Banales*), the Board adopted a Resolution Approving Salary Schedules Incorporating 2019 Annual Cost of Living Adjustment and adopted a Resolution approving Tier II Applicable Percentage, as Provided for in District Bargaining

Unit Memoranda of Understanding, Bargaining Unit Side Letter Agreements and Unrepresented Employees' Employment Agreements.

Approve and Authorize Board Chair to Execute New Employment Agreement between Delta Diablo and Vincent De Lange, General Manager

Ms. Margetich provided an overview of the proposed agreement for the Board's consideration. The proposed agreement includes a four-year term, a COLA of 3.7% (received by all District staff, effective July 1, 2019), and an additional week of annual vacation leave accrual. Ms. Margetich noted that the total annual cost is equivalent to \$26,451, which also includes pension and employer costs. Director Glover commented that the terms were in alignment with market conditions and that he was pleased to extend the General Manager contract. Chair Wright stated that it is a pleasure working with Mr. De Lange and looks forward to working together in the future.

Director Glover moved approval, seconded by Chair Wright, and by unanimous voice vote (*Ayes: Glover and Wright, Noes: None, Absent: Banales*), the Board approved and authorized the Board Chair to execute a new employment agreement between Delta Diablo and Vincent De Lange, General Manager.

PRESENTATIONS AND REPORTS

Receive Update on Information Technology Strategic Planning

Mr. Hanna provided an update on the Information Technology (IT) Strategic Planning effort, which supports two Strategic Business Plan Initiatives in the Workplace Innovation and Operational Excellence goal areas to drive improvement with IT systems, applications, and infrastructure. He highlighted the key IT strategic planning goals that focus on improving utilization and integration of existing applications, expanding the use of technology to meet prioritized business needs, supporting business continuity efforts, and ensuring network security. Mr. Hanna presented an overview of the strategic planning process, which included developing the planning foundation and framework in FY18/19 and conducting a formal IT assessment in FY19/20 to guide future decision making and investment. In addition, he reviewed the key preliminary priorities and noted the importance of ensuring network security by identifying and mitigating potential vulnerabilities. He noted that staff implemented targeted improvements including multi-factor authentication and continuous training regarding cyber security.

Director Glover commented that investing in technology is a good investment, as technology is constantly changing, and this will ensure the District's security and ability to communicate in the event of a disaster. Chair Wright thanked Mr. Hanna for the excellent presentation.

Receive Report on Major Maintenance and Refurbishment Work Completed at the Recycled Water Facility

Mr. Eckerson provided an update on the major maintenance and refurbishment work completed at the Recycled Water Facility (RWF). The RWF was originally permitted to process 12.8 MGD and to date, 40.8 billion gallons of tertiary recycled water have been produced. Customers include Calpine, one golf course, 15 municipal parks, two schools, and Caltrans. The RWF provides additional treatment of secondary effluent, as needed, prior to discharge to the Delta. Mr. Eckerson noted that because of the constant demand and facility uptime requirements, there

is limited opportunity to implement facility maintenance and repairs. Staff capitalized on a series of full facility shutdowns at Calpine from 2014 to 2019 by conducting inspections and condition assessments and implementing a repair plan. He highlighted key challenges with the maintenance and refurbishment process. These challenges required a sustained, multi-year organizational focus as well as minimizing disruption to major users. The major RWF projects included replacement and repair of the system, including the flocculating clarifiers, sand filters, and service water system. In addition, Mr. Eckerson highlighted two engineering projects that were completed and eleven minor projects that had a significant benefit to operational safety and ergonomics. In concluding his presentation, he recognized the outstanding, dedicated staff team effort. He commented that the project was a huge success because of the commitment, ownership, collaboration, focus on the common goal, and problem-solving approach demonstrated by those involved.

Chair Wright commented that he appreciates having subject matter experts at the District. He stated that this effort would not have been successful without the knowledge and expertise of staff. Director Glover thanked Mr. Eckerson for the report and stated staff is doing a great job.

MANAGER'S COMMENTS

Mr. De Lange expressed his pleasure in working with the Board and staff and that he is also looking forward to the years ahead. He reminded the Board about the employee recognition event picnic scheduled for Friday, July 26, 2019 at 7:00 p.m. at the Antioch Water Park.

DIRECTORS' COMMENTS

Director Glover thanked Mr. De Lange for his work at the District. He also thanked staff for the outstanding job in providing service to the community. Chair Wright commented that he is traveling overseas and would return in time to attend the employee recognition event.

CORRESPONDENCE

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

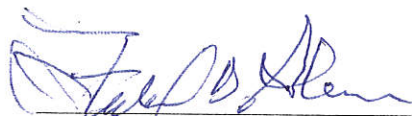
The Board received and filed the report.

CLOSED SESSION

None.

ADJOURNMENT

The meeting was adjourned by Chair Wright at 5:26 p.m. The next regular meeting of the Board of Directors meeting will be September 11, 2019 at 4:30 p.m.



Federal Glover
Board Secretary

(Recording Secretary:
Cecelia Nichols-Fritzler)