

Minutes of the Regular Board of Directors Meeting

DELTA DIABLO

April 14, 2021

The meeting was called to order by Chair Glover at 4:30 p.m. on Wednesday, April 14, 2021, via Zoom. Present were Vice Chair Monica Wilson and Director Juan Banales. Also present on the call were: Mary Ann Mason, District Counsel; Stephen Siptroth, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Brian Thomas, Acting Business Services Director; Thanh Vo, Acting Engineering Services Director; and Dustin Bloomfield, Maintenance Manager.

Chair Glover read the following statement: "To slow the spread of COVID-19, in lieu of a public gathering, the Board of Directors meeting will be accessible via teleconference to all members of the public as permitted by the Governor's Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act to allow for greater flexibility in conducting public hearings."

The Secretary to the Board read a statement regarding the process for receiving public comments.

PUBLIC COMMENTS

None.

RECOGNITION

Congratulate Dustin Bloomfield on His Promotion to Maintenance Manager

Mr. De Lange highlighted the recent promotion of Mr. Bloomfield to the District's Maintenance Manager position. Mr. Bloomfield began his employment with the District in August 2018 as a Maintenance Supervisor and served as the acting Maintenance Manager since May 2019. Mr. De Lange commented that Mr. Bloomfield has provided critical leadership during the pandemic and brings to the position a wealth of knowledge and a strong work ethic that will be an asset to the Maintenance Division activities. The Board congratulated Mr. Bloomfield on his promotion. Mr. Bloomfield thanked the Board for the opportunity.

CONSENT CALENDAR

Vice Chair Wilson moved approval of the Consent Calendar, seconded by Director Banales and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the following Consent items were approved: Approve Minutes of the Special Board of Directors Meeting, March 25, 2021; Receive District Monthly Check Register, February 2021; Receive Notes from Finance Committee Meeting, April 7, 2021; Approve Emergency Retention Basin Improvements Project and Determination that Project is Categorically Exempt under California Environmental Quality Act (CEQA) Guidelines Class 1; and Authorize General Manager to File CEQA Notice of Exemption with Contra Costa County Recorder's Office, Emergency Retention Basin Improvements, Project No. 19110; Adopt Ordinance No. 120 to Eliminate Capital Facilities Capacity Charge Adjustments that May be Available for Specified Developments and to Require Initial Sewer Service Charges to be Paid as a Condition of the District Engineer's, or Designee's, Approval of Connection to the District Sewer System; and Direct Secretary to the Board, or Designee, to Cause Ordinance No. 120 to be Published Once in the East Bay Times, with Names of Directors Voting For and Against It, within 15 Days of its Adoption; and Authorize General Manager to Approve Purchase Order in the Amount of \$318,329, Altec

Cranes, Industrial Crane Truck; and Approve Appropriation in the Amount of \$318,329 From Wastewater Capital Asset Replacement Fund.

DELIBERATION

Review Proposed Sewer Service Charges for Fiscal Year 2021/22, Including Increases for Certain Ratepayer Classes; Set Public Hearing for June 9, 2021, at 4:30 P.M., to Consider Protests Against Sewer Service Charge Increases for Fiscal Year 2021/22, and to Consider Authorizing Collection of Fiscal Year 2021/22 Sewer Service Charges on the Tax Roll; and Authorize Distribution of Proposition 218 Hearing Notices and Publication of Hearing Notices
Mr. Thomas reviewed the District's Sewer Service Charge (SSC), Capital Improvement Program (CIP), and budget development schedule for Fiscal Year 2021/2022 (FY21/22). He noted the importance of SSC adjustments to ensure sufficient revenue is generated to support critical capital investment needs in aging infrastructure and increasing operating costs. Mr. Thomas reviewed key actions staff has implemented in developing the proposed FY21/22 SSCs to support the District's guiding principles for ensuring long-term financial sustainability. He discussed key assumptions used in developing the updated 5-year financial plan, including operating costs, 5-year CIP costs, debt management, Ad Valorem Tax revenue, and incorporation of recommendations from the 2021 Cost-of-Service (CoS) Study.

Mr. Thomas summarized the methodology, key findings, and associated rebalancing of annual revenue requirements from non-residential (i.e., commercial, industrial) to residential customers, noting that associated reductions in SSCs would be required for most non-residential customers. He reviewed the proposed SSC increases required for residential customers in FY21/22—6.5% for Antioch/Pittsburg residents, 5.9% for Bay Point residents—and presented proposed SSC adjustments for non-residential customers, which vary by business class. Mr. Thomas stated that the proposed SSC adjustments are expected to generate an additional \$1.6 million in FY21/22 to meet the District's capital and operating financial needs. He noted that staff is proposing a significant reduction in Wastewater O&M Fund balance to support allocating additional SSC revenue to meet capital funding needs.

Mr. Thomas presented a comparison of the District's SSCs relative to its peer agencies in the San Francisco Bay Area, which highlighted that the District remains well below average costs for providing wastewater collection, conveyance, and treatment services. He compared the updated 5-year SSC increase projection to last year's projection and noted two key changes—the addition of the \$60.0 million Secondary Process Improvements Project and implementation of 2021 CoS Study findings. Last, Mr. Thomas noted inter-fund loans included in the updated 5-year financial plan. He closed by reviewing the draft Proposition 218 Notice, the associated SSC review and approval schedule, and staff recommendations.

Director Banales thanked Mr. Thomas for the report. He acknowledged the need for investment in the District's aging infrastructure and praised staff for finding a balance between debt financing and SSC increases. He further reiterated his support and confidence in Staff's recommendation. Vice Chair Wilson acknowledge the difficulty in raising rates and commended Staff.

Vice Chair Wilson motioned and seconded by Director Banales to set the Public Hearing for June 9, 2021 at 4:30 pm and authorize distribution and publication of the Proposition 218 Notice and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the motion was approved.

PRESENTATION AND REPORTS

MANAGER'S COMMENTS

None.

DIRECTORS' COMMENTS

None.

CORRESPONDENCE

Receive Monthly Lobbyist Report dated March 2021, Key Advocates, Inc., Western Recycled Water Coalition, Project No. 90024

The Board received and filed the report.

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS (GOV. CODE, SECTION 54957.6)

Agency Negotiators: Vince De Lange, Michael Jarvis

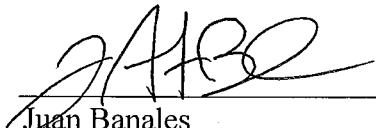
Employee Organizations: Operations and Maintenance Unit, Public Employees Union, Local One; Professional & Technical Unit, Public Employees Union, Local One; Management Association

Unrepresented Employees: All unrepresented employees

Before adjourning to Closed Session, the Secretary to the Board asked if there were any public comments on the Closed Session item. No comments were made. At 5:12 p.m., Chair Glover convened the Board of Directors meeting in Closed Session. Following Closed Session, Chair Glover reconvened the Board of Directors meeting in open session at 5:34 p.m. and stated there was nothing to report from Closed Session.

ADJOURNMENT

Chair Glover adjourned the meeting at 5:34 p.m.



Juan Banales
Board Secretary

(Recording Secretary:
Cecelia Nichols-Fritzler)