

Board of Directors Meeting Minutes  
DELTA DIABLO  
June 12, 2024

The meeting was called to order by Chair Monica Wilson at 5:30 pm, on Wednesday, June 12, 2024. Present were Vice Chair Federal Glover and Director Juan Banales. Also present were Rebecca Hooley, District Counsel; Vince De Lange, General Manager; Brian Thomas, Deputy General Manager; Dean Eckerson, Resource Recovery Services Director; Nitish Sharma, Business Services Director; Murat Bozkurt, Engineering Services Director/District Engineer; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Anika Lyons, Finance Manager; Joaquin Gonzalez, Operations Manager (and Management Association bargaining unit representative); Amanda Roa, Environmental Programs Manager (and Management Association bargaining unit representative); Jason Piper, Information Technology Manager; Todd Ravazza, Safety Manager; Thanh Vo, Senior Engineer; Sean Williams, Associate Engineer; Judy Phan, Purchasing Supervisor; and Jesus Guzman, WWTP Operator-in-Training.

PUBLIC COMMENTS – None.

PUBLIC HEARING

Conduct Public Hearing on FY24/25-FY28/29 Capital Improvement Program; Close Public Hearing and Consider Any Testimony Received; Adopt Resolution Approving Program; and Authorize Filing of California Environmental Quality Act Notice of Exemption in Compliance with Public Resources Code Section 21152

Mr. Vo provided an overview of the Capital Improvement Program (CIP) development process and the Infrastructure Investment Goal in the District's Strategic Plan. He stated that the proposed 5-year CIP totals \$187.1 million with required budget appropriations of \$19.5 million and planned expenditures of \$23.3 million for FY24/25. Mr. Vo summarized the major factors impacting CIP development, including the Secondary Process Improvements (Phase 1), Cogeneration System Improvements, Antioch Pump Station and Conveyance System Improvements, and debt financing assumptions. In addition, he highlighted planned expenditures by major areas, noting the District's focus on addressing aging infrastructure, meeting regulatory requirements for nutrients, identifying new projects, continuing prioritized investment in the Bay Point collections systems, and conducting master planning efforts. Mr. Vo reviewed planned expenditures by fiscal year and major categories and closed with a review of recommended Board actions.

Chair Wilson opened the public hearing at 5:38 p.m. Ms. Nichols-Fritzler indicated she did not receive any public comments on this item, no members of the public submitted testimony at the hearing.

Chair Wilson closed the Public Hearing at 5:38 pm and opened the item to the Board for deliberation. The Board thanked Mr. Vo for the presentation. Director Glover moved approval, seconded by Vice Chair Banales and by roll call vote (Ayes: *Glover, Banales, Wilson*, Noes: *None*, Abstain: *None*), the Board adopted the Resolution approving the Capital Improvement Program and authorized filing of the Notice of Exemption.

Conduct Public Hearing on Sewer Service and Delinquency Charges and Collection System Charges and Surcharges; Close Public Hearing and Consider Any Objections and Protests; Determine No Majority Protests Exists; Adopt Ordinance Establishing Charges; and Adopt Resolution Approving Final Written Report and Directing Collection of Certain Sewer Service and Delinquency Charges on County Tax Roll

Mr. Sharma provided an overview of the Sewer Service Charge (SSC) development schedule for FY24/25, as well as the factors influencing SSC drivers such as the significant regulatory mandate for nutrient removal; addressing aging infrastructure and identifying opportunities to reduce the operating budget despite inflationary pressures. He highlighted key outcomes in developing SSCs that directly support the District's financial sustainability guiding principles, including critically reviewing the operating budget, ensuring effective CIP prioritization that addresses critical infrastructure needs, incorporating debt financing to minimize SSC increases; maximizing cash funding of the CIP, maintaining a minimum reserve balance, planned growth; and incorporation of the 2024 Cost-of-Service Study findings. Mr. Sharma also reviewed key assumptions as part of the SSC five-year analysis.

Mr. Sharma reviewed the proposed FY24/25 SSC increase of 5.5% for residential and non-residential customers (i.e., commercial, industrial) in Antioch and Pittsburg and a 5.4% SSC increase for Bay Point, which is expected to generate an additional \$2.5 million in combined revenue in FY24/25 to meet the District's capital and operating financial needs. He presented the proposed allocation of SSC revenue in FY24/25 to various District funds and added there will be no increase in the Street Sweeping Service Charge for residential or non-residential customers. Mr. Sharma presented a comparison of the District's SSCs relative to its peer agencies in the San Francisco Bay Area, which highlighted the District's costs remain below the average when compared to peer agencies for providing wastewater collection, conveyance, and treatment services. He compared the updated 5-year SSC increase projection and noted key drivers for the FY24/25 SSC increase and discussed the future impact of not increasing SSCs in FY24/25. Mr. Sharma reviewed the Proposition 218 Notice provisions, noted seven protest letters were received as of June 12, 2024, and reviewed the recommended actions for Board consideration.

Chair Wilson opened the public hearing at 5:54 pm. Ms. Nichols-Fritzler indicated she did not receive any public comments on this item. No members of the public offered testimony at the hearing.

Chair Wilson closed the Public Hearing at 5:54 pm and opened the item to the Board for deliberation. Chair Wilson asked the Secretary to the Board for the total number of protests received. Ms. Nichols-Fritzler announced that, as of June 12, 2024, a total of seven protest letters and no public comments were received, which is less than the 28,806 protests required to determine that a majority protest exists.

Chair Wilson thanked Mr. Sharma for the presentation. Vice Chair Glover moved approval, seconded by Director Banales and by roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*, Abstain: *None*), the Board determined that no majority protest exists, adopted an Ordinance establishing charges to be effective in FY24/25, and adopted a Resolution approving the Final Written Report and Directing Collection of Certain Sewer Service and Delinquency Charges on the County Tax Roll.

### RECOGNITION

#### Introduction of Jesus Guzman, WWTP Operator-in-Training, to the District

Mr. Gonzalez introduced Mr. Guzman, who joined the District as a WWTP Operator-in-Training on May 13, 2024. Prior to joining the District, he worked for Corteva Agriscience as a Project Specialist/Multi-Purpose Operator. Mr. Guzman received vocational training at Los Medanos College and graduated from the Process Technology Program. The Board welcomed Mr. Guzman, who thanked the Board for the opportunity.

### CONSENT CALENDAR

Vice Chair Glover moved approval of the Consent Calendar, seconded by Director Banales and by roll call vote (Ayes: *Glover, Banales, Wilson*, Noes: *None*, Abstain: *None*), the following Consent Calendar Items were approved: Approve Minutes of Board of Directors Meeting, May 8, 2024; Receive District Monthly Check Register for May 2024, Adopt Resolution Establishing FY24/25 Appropriations (GANN) Limit for Expenditures That Can Be Funded from Tax Proceeds; Authorize General Manager to Execute Amendment No. 2 to General Services Contract in the Amount of \$58,000, for a New Total Contract Amount Not to Exceed \$147,000, and Extending Term through September 30, 2024, Caltest Analytical Laboratory, Laboratory Testing and Analysis; Authorize Issuance of the Following Purchase Orders for One Year Beginning July 1, 2024: in an Amount Not to Exceed \$280,000, Thatcher Company of California, Inc., Supply and Delivery of Sodium Bisulfite; in an Amount Not to Exceed \$270,000, Kemira Water Solutions, Inc., Supply and Delivery of Ferrous Chloride; in an Amount Not to Exceed \$232,000, Kemira Water Solutions, Inc., Supply and Delivery of Ferric Chloride; in an Amount Not to Exceed \$372,000, Chemtrade Logistics, Inc., Supply and Delivery of Liquid Aluminum Sulfate; in an Amount Not to Exceed \$1,560,000, Univar USA, Inc., Supply and Delivery of Sodium Hypochlorite; in an Amount Not to Exceed \$450,000, Polydyne Inc., Supply and Delivery of Dry Polymer; in an Amount Not to Exceed \$156,000, Polydyne Inc., Supply and Delivery of Liquid Polymer; Authorize General Manager to Execute Amendment No. 4 to General Services Contract in the Amount of \$41,000, for a New Total Contract Amount Not to Exceed \$135,000, and Extending Term through December 31, 2024, McCauley Agricultural & Pest Services, Inc.,

Vegetation Management and Removal; Authorize General Manager to Execute Amendment No. 1 to General Services Contract in the Amount of \$7,700, for a New Total Contract Amount Not to Exceed \$602,860, Tri-Valley Janitorial Service & Supply, Inc., Janitorial Services; Authorize General Manager to Execute General Services Contract in the Amount of \$2,731,365, SCA OF CA, LLC, Street Sweeping Services for City of Antioch and Bay Point; Authorize General Manager to Approve Purchase Order in the Amount of \$387,922.10, Jack Doheny Companies, Inc dba JDC, Closed Circuit Television Inspection Van, Authorize General Manager to Approve Construction Contract Change Orders in an Amount Not to Exceed 15% of Construction Contract Amount, for a New Total Construction Contract Authorization of \$3,206,902, Con-Quest Contractors, Inc.; and Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in the Amount of \$100,000, for a New Total Contract Amount Not to Exceed \$376,415, Alpha CM, Construction Management and Inspection Services, Manhole, Gravity Interceptor, and Easement Road Improvements Phase 1, Project No. 21114; Authorize General Manager to Execute Amendment No. 3 to Consulting Services Contract in the Amount of \$270,400, for a New Total Contract Amount Not to Exceed \$1,784,227, Psomas, Construction Management and Inspection Services, Treatment Plant Electrical Switchgear Replacement, Project No. 17120; Authorize General Manager to Execute Amendment No. 1 to Consulting Services Contract in the Amount of \$186,084, for a New Total Contract Amount Not to Exceed \$1,537,084, Brown and Caldwell, Engineering Services, Cogeneration System Improvements, Project No. 22114; and Authorize General Manager to Execute Amendment No. 6 to Professional Services Agreement to Extend Contract Term to September 30, 2024, Clean Earth Environmental Solutions, Inc., Household Hazardous Waste Management Services.

### DELIBERATION ITEMS

#### Approve FY24/25 Budget and Adopt Resolution Approving FY24/25 Budget Appropriations

Ms. Lyons provided an overview of related Board policy, fiscal responsibility and cost control focus, and the breakdown of the proposed FY24/25 Budget, which totals \$34.7 million which is a \$2.4 million (7.4%) increase relative to FY23/24 and includes \$30.7 million for the operating budget and \$4.0 million for recycled water budget. She highlighted key District program areas by funding source and reviewed a breakdown of the operating budget by major cost component. Ms. Lyons noted the required \$19.5 million in CIP budget appropriations for FY24/25 and reviewed proposed budget appropriations for FY24/25. She also reviewed projected beginning and ending balances for major Wastewater Funds in FY24/25, highlighting that use of existing Wastewater O&M Fund equity will allow additional SSC revenue to be allocated to meet capital infrastructure investment funding needs in FY24/25. Ms. Lyons also noted that the District is forecasting the FY25/26 budget as part of GFOA guidelines.

Chair Wilson asked for public comments on the item and Ms. Nichols-Fritzler noted there were no public comments. The Board thanked Ms. Lyons for the presentation.

Director Banales moved adoption of the Resolution approving FY24/25 Budget Appropriations, seconded by Vice Chair Glover and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the Resolution was approved.

Adopt Resolution Declaring that, as of May 22, 2024, Public Interest and Necessity Demanded Immediate Expenditure of Public Money to Repair the Unanticipated Failure of the Tower Trickling Filter to Safeguard Life, Health, and Property Without Submitting the Expenditures to Bid, Pursuant to Public Contract Code Section 20783; Authorize the General Manager to Transfer Monies to Tower Trickling Filter Rehabilitation Project from Wastewater Capital Asset Replacement Fund Reserves in the Amount of \$200,000, for a Total Project Budget of \$450,000; Authorize the General Manager to Negotiate and Execute Materials Procurement, Construction, and Other Related Services Contracts in a Total Combined Amount Not to Exceed \$450,000; and Take Related Actions under the California Environmental Quality Act, Tower Trickling Filter Rehabilitation, Project No. 24116

Mr. Bozkurt provided an overview of the emergency repair required for the tower trickling filters (TTFs), noting that the TTFs are critical to meeting NPDES permit requirements at the District. He highlighted the chronology of events noting the rapid deterioration of the TTF roof beams since the last inspection that occurred in September 2023. He discussed the emergency repairs needed and associated potential risks that would imperil the District's ability to meet NPDES regulatory compliance obligations. Mr. Bozkurt noted that due to the immediate danger to life, health, and property, it was infeasible to solicit bids. He discussed the near-term focus on stabilizing the structural roof beams and developing a repair plan for immediate implementation to stabilize the TTF roof beams/covers, repair the rotary distributor arm support structure, and remove corroded components. In closing, Mr. Bozkurt reviewed the recommended actions for Board consideration.

Director Banales asked a clarifying question regarding the District's internal inspection program. The Board thanked Mr. Bozkurt for the presentation. Chair Wilson asked for public comments on the item and Ms. Nichols-Fritzler noted there were no public comments. Director Banales moved adoption of the resolution declaring that, as of May 22, 2024, public interest and necessity demanded immediate expenditure of public money to repair unanticipated structural failure of TTFs to safeguard life, health, and property, without submitting the expenditure to bid, pursuant to Public Contract Code Section 20783; Authorize General Manager to transfer monies from WW CAR Fund Reserves, in the amount of \$200,000, for a total project budget of \$450,000; Authorize General Manager to negotiate and execute of agreements for materials procurement, construction, and other related services as required to complete permanent repair of TTFs, in a total combined amount not to exceed \$450,000; and Determine that repair of TTFs is exempt from environmental review under CEQA, and direct General Manager, or his designee, to file a CEQA Notice of Exemption (NOE) with County Clerk-Recorder, seconded by Vice Chair Glover and by a roll call vote (Ayes: *Banales, Glover, and Wilson*, Noes: *None*; Abstain: *None*), the Resolution was approved.

PRESENTATIONS AND REPORTS – None.

#### GENERAL MANAGER COMMENTS

Mr. De Lange thanked staff for their significant efforts in preparing materials for the Board meeting.

BOARD MEMBER COMMENTS


Chair Wilson thanked staff.

CORRESPONDENCE – None.

CLOSED SESSION – None.

ADJOURNMENT

Chair Wilson adjourned the meeting at 6:19 pm.

  
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Juan Banales  
Board Secretary

(Recording Secretary: Cecelia Nichols-Fritzler)

cc: District File No. BRD.01-MINS