

Minutes of the Regular Board of Directors Meeting

DELTA DIABLO

March 13, 2019

The meeting was called to order by Chair Wright on Wednesday, March 13, 2019 at 4:32 p.m., in the Board Room, located at 2500 Pittsburg-Antioch Highway, Antioch. Present were Chair Sean Wright, and Directors Juan Banales and Federal Glover. Also present were Stephen Siproth Alternate 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; Steve Rodriguez, Operations/Maintenance Supervisor; Joaquin Gonzalez, Operations Manager; Darrell Cain, Laboratory Manager; Jayne Strommer, Government Affairs Manager; Amanda Roa, Environmental Programs Manager; Thanh Vo, Senior Engineer; Irene O'Sullivan, Associate Engineer/ P&T Bargaining Unit Representative; Matt Gotshall, Computer Analyst/ 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.

CONSENT CALENDAR

Chair Wright noted that Exhibit A (Records Retention Schedule) was inadvertently not included as part of the Resolution in Item D/2, Adopt Resolution Updating the District's Records Retention Schedule. Chair Wright noted that corrected copies were distributed to the Board Members and that additional copies were available for interested members of the public. Director Banales recused himself from Item D/5, Authorize General Manager to File California Environmental Quality Act (CEQA) Notice of Exemption with Contra Costa County and State Clearinghouse, Permanent Brine Transfer Facility Project No. 18109, noting for the record that he is employed by The Dow Chemical Company. Director Glover moved approval, seconded by Banales, and the Board approved the following consent items D/1 through D/4 by unanimous vote (Ayes: Banales, Glover and Wright; Noes: None, Absent: None) according to staff recommendations: Approve Minutes of Regular Board of Directors Meeting, February 13, 2019; Adopt Resolution Updating the District's Records Retention Schedule; Receive District Monthly Check Register, January 2019; Authorize General Manager to Execute Amendment No. 2 to Consulting Services Contract in an Amount Not to Exceed \$13,000, Lee & Ro, Inc., Engineering Services; Authorize General Manager to File California Environmental Quality Act (CEQA) Notice of Exemption with Contra Costa County and State Clearinghouse, Treatment Plant Electrical Switchgear Replacement, Project No. 17120. Thereafter, Director Glover moved approval, seconded by Chair Wright, and the Board approved the following consent item D/5 (Ayes: Glover and Wright; Noes: None, Absent: None; Abstain: Banales) according to staff recommendations: Authorize General Manager to File California Environmental Quality Act (CEQA) Notice of Exemption with Contra Costa County and State Clearinghouse, Permanent Brine Transfer Facility Project No. 18109.

DELIBERATION ITEMS

None.

PRESENTATIONS AND REPORTS

Receive Report on Budget and Rates Development Planning Considerations, Rate Comparison Basis, and Funding Approach for Advanced Treatment Reserve Fund for Fiscal Year 2019/2020

Ms. Margetich provided an overview of the budget and rates development process. She reviewed the key guiding principles, including identifying and implementing operating budget reduction strategies and opportunities; ensuring effective prioritization of a capital improvement program (CIP) that addresses critical infrastructure needs; utilizing a 5-year outlook for CIP, budget, and rates to prevent rate spikes; maintaining cash reserves at a minimum of 40% of budgeted operating expenses during the 5-year period; targeting lowest cost of capital; and maintaining rates near average relative to peer agencies.

Ms. Margetich discussed the basis for the peer agency rate comparison and presented an updated comparison highlighting the sewer service charge (SSC) rate component allocated to the Advanced Treatment (AT) Reserve Fund. She reviewed the history of the AT fund formation, which was intended as a proactive measure to prevent significant rate spikes for plant improvements expected to exceed \$125 million, and recent updates regarding the projected timeline for nutrient removal requirements. Ms. Margetich stated that staff would further develop the strategic, technical, and financial approach for nutrient management and AT funding as part of the upcoming Resource Recovery Facility Master Plan. She reviewed the next steps in the budget and rate development process. Director Glover commented that he would like staff to monitor regulatory developments and provide updates to the Board to discuss appropriate AT funding levels as the master plan work progresses. Chair Wright concurred with Director Glover's comment and inquired as to whether peer agencies were currently funding future AT efforts. Mr. De Lange noted that two Bay Area agencies were investing significant capital to upgrade treatment plant infrastructure for nutrient removal, while most agencies were not allocating funds for future AT needs.

Receive Status Report on Facility Condition Assessment Project and Proposed Resource Recovery Facility Master Plan Scope, Project No. 18110

Ms. O'Sullivan provided an update on the Facility Condition Assessment (FCA) Project. She stated the District's focus on effective infrastructure renewal and rehabilitation to maintain system integrity and reliability with the goal of assessing the condition of critical infrastructure systems and prioritizing capital improvements. She noted that the majority of the District conveyance and treatment facilities were constructed in the late 1970s and early 1980s. Ms. O'Sullivan discussed Phase 1, which focused on the wastewater collection and conveyance system and the wastewater treatment plant (WWTP) outfall. She highlighted the Phase 1 findings, which found the system is in fair-to-good condition with approximately 10% of the inspected sewer and manholes requiring priority repair. The remaining Phase 1 work (force mains) will be completed in spring 2019.

Mr. Thomas provided an update on the Resource Recovery Facility Master Plan. He reviewed the key focus areas, including Phase 2 (WWTP) of the FCA, long-term flow and load projections, nutrient removal, energy and resource recovery initiatives, process vulnerability and risk assessment, process optimization, monitoring, and control, biosolids management, land use planning, and recycled water. He also highlighted that the RRFMP will have a strategic planning focus by addressing a suite of near- and long-term issues in key areas, including biogas production and use, nutrient removal, infrastructure management, regulatory compliance, biosolids recycling, recycled water, and land use planning. Mr. Thomas reviewed next steps, which include completing the Phase

1 FCA final report, issuing a request for proposals for the RRFMP, submitting recommendations for the Board's consideration, and completing the RRFMP within an established timeline.

Director Banales inquired if staff is coordinating and prioritizing sewer repair work with planned paving street paving efforts by the cities and county. Mr. Thomas affirmed that staff is coordinating with other agencies. Director Banales asked whether data gathered from the FCA will predict the useful life for the facility and will this information be included into the master plan. Mr. Thomas stated the data will be included as part of the master plan, which will include linear and vertical assets. Chair Wright inquired regarding the FCA Phase 1 results and whether the 10% finding was expected. Ms. O'Sullivan stated that findings are commensurate with the age of the infrastructure and pipe materials. Chair Wright noted the extended timeline for completing the master plan and questioned whether findings for key areas would be timely. Mr. De Lange stated that staff intends to accelerate completion of key tasks early in the master plan schedule, including biogas utilization options, the nutrient management strategic, technical, and financial approach, and the Phase 2 FCA effort.

MANAGER'S COMMENTS

Mr. De Lange commented that the District has experienced several security breaches during the past few months. He noted that the safety of staff is the highest priority and interim measures have been implemented to address immediate concerns. He also noted that additional security measures, such as lighting, keycard access, and surveillance cameras are being investigated. Director Glover commented that the District and neighboring businesses may be experiencing a similar situation and staff should investigate, share information, and resources. Mr. De Lange noted that staff is engaged with Dow and Calpine on security threats and protection measures.

DIRECTORS' COMMENTS

Chair Wright introduced his son, who was present as part of a job shadowing school assignment.

CORRESPONDENCE

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

The Board received and filed the report.

CLOSED SESSION

None.

ADJOURNMENT

Chair Wright adjourned the meeting at 5:19 pm. The next regular monthly meeting will be Wednesday, April 10, 2019, at 4:30 p.m.



Federal Glover
Board Secretary

(Recording Secretary:

Cecelia Nichols-Fritzler)