

Board of Directors Meeting Minutes
DELTA DIABLO
February 8, 2023

The meeting was called to order by Chair Banales at 4:34 p.m., on Wednesday, February 8, 2023. Present were Vice Chair Federal Glover and Director Monica Wilson. Also present were Stephen Siptroth, District Counsel; Vince De Lange, General Manager; Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board; Brian Thomas, Acting Business Services Director/District Engineer; Dean Eckerson, Resource Recovery Services Director; Thanh Vo, Acting Engineering Services Director; Anika Lyons, Finance Manager; Jason Piper, IT Manager; Sean Williams, Acting Senior Engineer; and John Cropper, Cropper Accountancy Corporation.

PUBLIC COMMENTS

None.

RECOGNITION

Adopt Resolution Commending Outgoing Chair, Monica Wilson, for Her Service to the District as Chair

Mr. De Lange highlighted the District's key accomplishments in strategic planning, regulatory compliance, financial sustainability, infrastructure investment, and industry leadership during Director Wilson's tenure as Board Chair in 2022. He noted her strong support to the District's commitment to employee recognition, organizational excellence, continuous improvement, and innovation. Chair Banales and Vice Chair Glover congratulated and thanked Director Wilson for her leadership. Director Wilson thanked the Board and staff for their support and work during her time as Chair. Vice Chair Glover moved approval, seconded by Chair Banales, and by roll call vote (Ayes: *Banales, Glover, and Wilson*; Noes: *None*; Absent: *None*), the Board adopted the Resolution Commending Outgoing Chair, Monica Wilson, for Her Service to the District as Chair.

Introduction of Stephen Cardiel, Assistant Engineer, to the District

Mr. Williams introduced Mr. Cardiel, who joined the District as an Assistant Engineer on January 23, 2023 following five years of experience managing development and capital projects in the public and private sectors. Mr. Cardiel earned a Bachelor of Science degree in Civil & Environmental Engineering and a Minor in Construction Engineering and Management from the University of California, Davis. The Board welcomed Mr. Cardiel, who thanked the Board for the opportunity.

CONSENT CALENDAR

Mr. De Lange commented that Item E/9, Authorize General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$1,351,000, Brown and Caldwell, Engineering Services, Cogeneration System Improvements, Project No. 22114 was presented to the Board during a previous meeting (November 2022) and the project will be fast tracked to ensure eligibility for federal tax credits under the Inflation Reduction Act, which requires eligible projects to be in construction by December 2024. Vice Chair Glover moved approval of the Consent Calendar, seconded by Director Wilson, and by roll call vote (Ayes: *Banales, Glover, and Wilson*; Noes: *None*; Absent: *None*; Abstain: *None*), the following Consent Calendar items were approved: Approve Minutes of Board of Directors Meeting, January 11, 2023; Approve Minutes of Special Board of Directors Meeting, January 19, 2023; Receive Notes of the Board of Directors Finance Committee Meeting, January 18, 2023; Receive District Monthly Check Register for December 2022; Authorize General Manager to Execute Amendment No. 5 to Professional Services

Agreement to Increase Various Unit Costs Effective January 1, 2023, Clean Earth Environmental Solutions, Inc., Household Hazardous Waste Management Services; Receive Second Quarter Fiscal Year 2022/2023 District Investment Report; Authorize General Manager to Execute a Contract with John Muir Health, a Non-Profit, Public Benefit Corporation, with Modified Indemnification Language, for a Corporate Health Services Agreement, During the Period of January 1, 2023, through December 31, 2023; Authorize General Manager to Execute Amendment No. 4 to General Services Contract in the Amount of \$60,000, for a New Total Contract Amount Not to Exceed \$276,399, Liebert Cassidy Whitmore, Labor Negotiation Services; Authorize General Manager to Execute Consulting Services Contract in an Amount Not to Exceed \$1,351,000, Brown and Caldwell, Engineering Services, Cogeneration System Improvements, Project No. 22114; Authorize General Manager to Approve Construction Contract Change Orders in an Amount Not to Exceed 30% of the Construction Contract, for a New Total Construction Authorization of \$1,909,602.50, Con-Quest Contractors, Inc., Bridgehead Pipeline Replacement, Project No. 21123; and Authorize General Manager to Execute Agreement with Alternative Payment Schedule for Capital Facilities Capacity Charges in Accordance with District Code Section 2.16.082, Saikap Investments LLC, Food Truck Commissary at 555 Nichols Road in Bay Point, California

DELIBERATION ITEMS

None.

PRESENTATIONS AND REPORTS

Receive Audited Annual Comprehensive Financial Report and Required Auditor Communication Letters for Fiscal Year 2021/2022

Ms. Lyons introduced Mr. John Cropper from Cropper Accountancy Corporation. Mr. Cropper highlighted that the District has exceeded basic financial reporting requirements by including a transmittal letter and statistical section in the Annual Comprehensive Financial Report (ACFR), which is intended to improve reader context and transparency. He commented that the ACFR accurately represents the District's financial position, and the District was issued an "unmodified" or "clean" opinion by the auditor, which represents the highest quality outcome. Mr. Cropper noted the District continues to maintain a strong financial position, including adding \$11.3 million in net position in FY21/22 for a total net position \$207.5 million as of June 30, 2022, which includes an unrestricted net position of \$75.4 million. In addition, Mr. Cropper reviewed the District's operating revenues (\$42.6 million) and operating expenses of (\$35.6 million) resulting in net income of \$6.9 million. Regarding internal controls, Mr. Cropper noted there was one material weakness identified related to omission of a Contra Costa County Employees' Retirement Association (CCCERA) pension plan reporting requirement. In addition, he discussed three opportunities to strengthen internal controls and operating efficiency, which included timely posting of closing and reclassing journal entries, updating purchasing policies for CalCard purchases, and revising segregation of duties for financial system administrative rights.

Vice Chair Glover asked a clarifying question regarding the Governmental Accounting Standards Board (GASB). Chair Banales thanked Mr. Cropper for the presentation and noted the item was brought before the Finance Committee and commented that during the meeting, there was a good discussion regarding the action items for the internal control deficiencies. The Board thanked Mr. Cropper for the presentation.

Receive Report on the Impact of the December 31, 2022 Storm Event on District Operations

Mr. Eckerson provided an overview of the storm event intensity and duration, impact on wastewater flows at the District's Wastewater Treatment Plant (WWTP), and associated sanitary sewer overflows (SSOs). He highlighted key actions implemented by the District, including conducting wet weather preparation and operational activities, calling in multiple standby and additional operations and maintenance (O&M team members, maximizing flow storage and pumping to mitigate the number, magnitude, and duration of SSOs, and implementing critical actions to avoid loss of the Antioch Pump Station. Mr. Eckerson reviewed the five SSOs that occurred during the storm and the associated District response actions to comply with regulatory requirements. In closing, he reviewed the District's efforts to complete follow-up condition assessments, lessons learned debriefings, and required repair activities, while noting staff is pursuing cost-recovery opportunities through external funding sources.

MANAGER'S COMMENTS

Mr. De Lange provided an update on the development of a Project Labor Agreement with the Contra Costa Building and Construction Trades Council for future consideration by the Board.

DIRECTORS' COMMENTS

Vice Chair Glover commented it was nice to see everyone in person again.

CORRESPONDENCE

Receive Monthly Lobbyist Report Dated January 2023, Key Advocates, Inc., Western Recycled Water Coalition

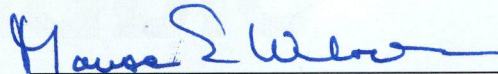
The Board received and filed the report.

CLOSED SESSION

None.

ADJOURNMENT

Chair Banales adjourned the meeting at 5:29 p.m. and noted that the next Regular Board of Directors Meeting will be held on March 8, 2023 at 4:30 p.m.



Monica Wilson
Board Secretary

(Recording Secretary: Cecelia Nichols-Fritzler)

cc: District File No. BRD.01-MINS